



Comprehensive Annual Financial Report



For the Year Ending December 31, 2016

Prepared by La Plata County Finance Department



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INTRODUCTORY SECTION

La Plata County, Colorado
Comprehensive Annual Financial Report
For The Year Ended December 31, 2016

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(Unaudited)

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June 21, 2016

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

The Comprehensive Annual Financial Report (CAFR) of La Plata County, Colorado for the fiscal year ended December 31, 2016, is hereby submitted. 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.

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

The Governmental Accounting Standard Board (GASB) encourages local governments to demonstrate fiscal and operational accountability by providing additional information to readers, which enables them to ascertain the overall financial position of the government. The Government Finance Officers Association (GFOA) recommends that a government be able to prepare accurate financial statements in conformity with GAAP without the services of the audit firm. The implementation of the Statement on Auditing Standards No. 112 states that preparation of the financial statements by auditors is detrimental to the independence of the audit. La Plata County has established a system of financial accounting that provides reasonable assurance that such statements can be produced without assistance from the external auditors.

The County's financial statements have been audited by the certified public accounting firm of Axiom Certified Public Accountants and Business Advisors, LLC. 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, 2016 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, 2016 are fairly presented in conformity with accounting principles generally accepted in the United States of America

(U.S. GAAP). The independent auditor's report is presented as the first component of the financial section of the CAFR.

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

GAAP requires 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.

La Plata County Profile

La Plata County incorporated in 1874 and is located in southwestern Colorado. The County has land area of 1,692 square miles and a 2016 population of 55,623¹. La Plata County has seen a 1.27% annualized population growth rate (Colorado State Demographer, U.S. Census). There are three municipalities in the County: the City of Durango, the Town of Bayfield and the Town of Ignacio. The Southern Ute Indian Reservation is located within La Plata County and its neighboring counties, with the Southern Ute Tribal headquarters, the Southern Ute Growth Fund administrative offices, the Sky Ute Casino Resort and the Southern Ute Cultural Center and Museum located near the Town of Ignacio. Durango, the county seat, is the home of Southwest Colorado Community College and Fort Lewis College, a four-year liberal arts state institution of approximately 3,585 students².

The local economy is heavily tourism-based, and the Purgatory Ski Area and the Durango & Silverton Narrow Gauge Railroad both draw a significant number of visitors to the County each year. Mesa Verde National Park, in neighboring Montezuma County, brings many visitors to La Plata County and its municipalities. La Plata County is also home to annual events including the Iron Horse Bicycle Classic (one of the largest and longest continuously run cycling events in the United States) over Memorial Day weekend with more than 3,500 participants in five events, according to the Iron Horse Bicycle Classic's website; and over the Labor Day weekend, an estimated 35,000 motorcyclists participate in events at multiple locations in Southwest Colorado³.

¹United Census Bureau at <http://www.census.gov/quickfacts/table/PST045215/08067,00>

²Fort Lewis website at www.fortlewis.edu/Home/About/AboutFortLewisCollege.aspx

³Iron Horse Bicycle Classic Information at <http://www.ironhorsebicycleclassic.com>

The top 10 employers in La Plata County are in the government, education, health, recreation, finance, and oil & gas service sectors.

<u>Employer</u>	<u>Type of Business</u>	Percentage	
		Employees	of total County
		<u>FT & PT</u>	<u>Employment</u>
DSC Purgatory LLC	Recreation	1,000	2.94%
Mercy Regional Medical Center	Health	860	2.53%
Durango School District 9-R	Education	853	2.51%
Southern Ute Indian Tribe	Government	795	2.34%
Crossfire LLC	Oil & Gas	705	2.07%
Fort Lewis College	Education	660	1.94%
City of Durango	Government	546	1.61%
La Plata County	Government	434	1.28%
Sky Ute Lodge and Casino, Museum	Recreation	425	1.25%
Mercury Payment Systems	Finance	365	1.07%
Total Principal Employers		6,643	19.54%
Total County Employment		33,981	100.00%

La Plata County is the 14th most populous of Colorado's 64 counties⁴. The preliminary average annual wage for La Plata County in 2015 was \$862 a week or \$44,824 per year⁵. The total labor force for La Plata County in December 2016 was 29,699, of which 28,967 were employed and 732 were unemployed; the unemployment rate was 2.4%⁶.

The construction industry has continued to show signs of recovery since 2014. Previously this industry had been the hardest-hit sector since the economic recession began in 2006, with county building permits declining more than 45% from 2006 to 2013. However, permits issued in 2016 increased 9% from the previous year: The County issued 251 building permits in 2016 as compared to 238 in 2015⁷.

The national and Colorado economies are expected to expand in 2017 and 2018. The two-year downturn in the oil and gas industry appears to be at an end as rig counts have begun to increase in the early months of 2017. Consumer spending remains robust and employers continue to add jobs at the moderate rate, further lowering the unemployment rate. Colorado unemployment rate dropped in the last quarter of the year, ending the year at 3.0 percent.

According to economist Richard Wobbekind of the University of Colorado Boulder's Leeds School of Business, "Colorado is the second-fastest state for percentage growth in population and the seventh-fastest state for total change." The 2017 Colorado Business Economic Outlook report forecasts the addition of 63,400 jobs in the State or a growth of 2.4%⁸.

⁴State Demography Office at <https://demography.dola.colorado.gov/population/population-totals-counties/>

⁵Bureau of Labor Statistics at data.bls.gov/timeseries/ENU0806740010

⁶BLS Data Viewer at <https://beta.bls.gov/dataViewer/view/timeseries>

⁷LPC Economic Development Alliance at <http://yeslpc.com/economic-dashboard-december-2016>

⁸2017 Colorado Business Economic Outlook report at <http://www.colorado.edu/business/business-research-division/brd-publications/colorado-business-economic-outlook/2017-outlook>

La Plata County operates as a statutory County, with a three-member Board of County Commissioners (BOCC). Board members are elected by district but represent the entire County and serve up to two, four-year terms, which are staggered. There are six other elected officials: Sheriff, Clerk & Recorder, Assessor, Treasurer/Public Trustee, Coroner, and Surveyor, who derive their responsibilities and authorities from state statute. There are no term limits on these elected positions.

The County provides the full range of services required by state statutes as well as many ancillary services, including:

- General government
- Public safety: sheriff, jail, coroner, district attorney, emergency management and building inspection;
- Road and bridge operations
- Public health and welfare, including human services
- Recreation and culture

The County is empowered to levy a property tax on both real and personal property located within its boundaries.

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

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

In defining La Plata County for financial reporting purposes, management has considered all aspects of where financial responsibility rests. The financial reporting entity consists of La Plata County as the primary government, Durango Hills Local Improvement District and the Palo Verde Public Improvement District #3 as blended component units, and the District Attorney of the Sixth Judicial District is included in the County's financial statements as a discretely presented component unit. The decision to include these component units was made by applying the criteria set forth by GASB in its Statement 61, *"The Financial Reporting Entity: Omnibus and amendment of GASB Statements 14 and 34"*. The component units discussed are included in the County's reporting entity because of significant operational or financial relationships.

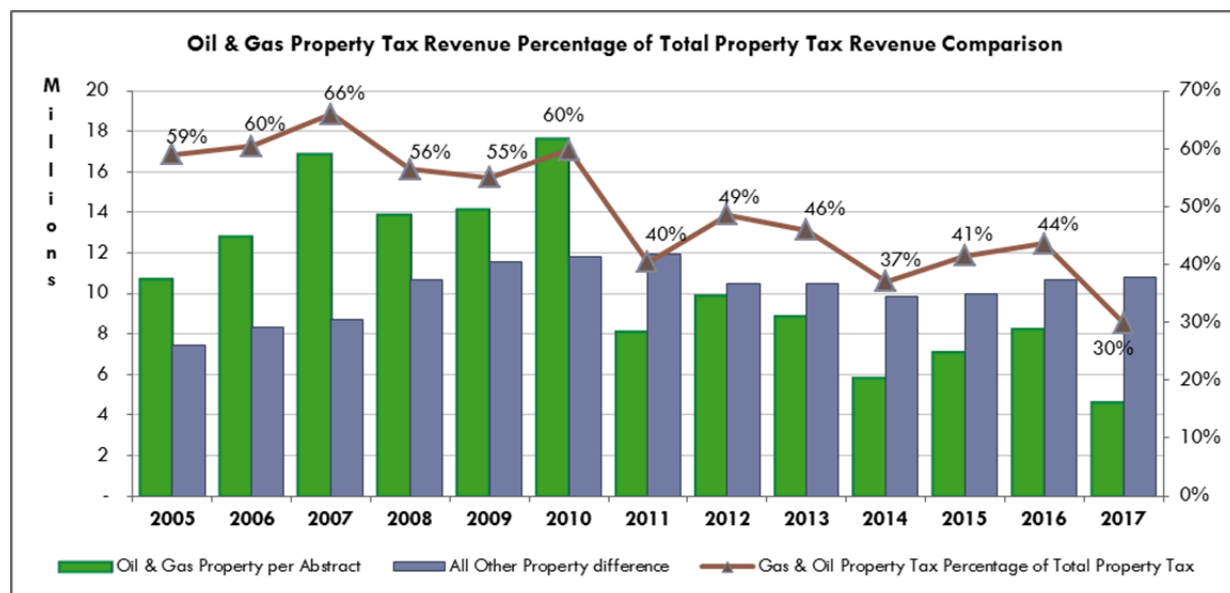
Budgetary Controls

Colorado state law requires the adoption of budgets for all local governments, adopted by fund. Accordingly, each summer La Plata County begins the annual budget preparation process. Every elected official and department head submits a requested budget to the County Manager who serves as the County's budget officer. The Finance Department prepares an estimate of the subsequent year's projected revenues, and the requests for expenditures are balanced against the projected revenues. The annual budget is adopted in December of the prior year, and the property tax mill levy is set. Once the budget is adopted, La Plata County maintains budgetary controls to ensure compliance with the annual budget.

The level of budgetary control (the level at which expenditures and transfers cannot legally exceed the appropriated amount) is at the fund level. However, the County further monitors expenditures at the spending authority level, elected official or department head, within individual funds. The Finance Department monitors revenues and expenditures and informs department heads, the County Manager and the BOCC of budgetary concerns. 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

Much of the County's property tax base has historically derived from coal bed methane gas production. In recent years, natural gas prices have plummeted nationwide and production in La Plata County has correspondingly decreased. This, coupled with a disproportionately low property tax rate of 8.5 mills, has had a detrimental effect on property tax revenues. In 2017, La Plata County's total property tax revenue is anticipated to be \$15.4 million as compared to \$29.4 million in 2010 - a decline of 47%. Of this total, natural gas property tax revenue has been steadily dropping from \$17.6 million in 2010 to \$4.6 million in 2017 - a decline of 73.8%.



La Plata County has the fourth-lowest property tax rate in the state. The Colorado Department of Local Affairs' 2014 County Comparison Report of Colorado's 52 small- and medium-sized counties report the median mill levy was 20.021 mills. At \$293.61 in per capita property tax revenue, La Plata County ranks 41st of the 52 like-sized counties in the state.

In addition to property taxes, the County receives severance taxes paid to the state by gas operators based on the price and volume of gas removed from the ground. The production and price drops outlined above are expected to cut severance tax by 69% (a drop in excess of \$900,000 per year for the foreseeable future). Finally, the County has historically received energy impact grants from the state for financing capital projects from a state fund financed with severance tax receipts. We expect this funding source to cut grant awards by more than 50% in future years.

In early 2017, the County completed a remodel of the County Courthouse, to accommodate its statutorily mandated responsibilities to the Sixth Judicial District, as well as to provide courtroom and office space for the U.S. District Court, U.S. Probation and U.S. Marshal's Office. This consolidated justice facility will promote economic vitality and increase access to justice for victims, witnesses and all those involved in federal proceedings. It will also assist the Southern Ute and Ute Mountain Ute tribes which use Federal Court proceedings to adjudicate a variety of tribal matters. The County negotiated a 10-year lease agreement with the federal courts to pay for the tenant improvements and rent for \$170,610 per year.

This project and many others resulted from a 2012 Facilities Master Plan that identified a strategic approach to addressing the County's space needs over the long term. In accordance with this approach, the Department of Human Services relocated to 10 Burnett Court at the Tech Center in January 2016; the county purchased the building later in 2016. This relocation addresses the department's long-standing facility and programmatic needs and will accommodate these purposes into the future, as well as provide space for county departments currently in leased facilities.

The County's ability to address these facility needs was made possible by its wise stewardship of financial resources over time. The practice of utilizing property taxes related to gas production over the year 2000 baseline allowed the County to set aside funds exclusively for such capital projects. At the end of 2016, the County's reserve for capital projects was approximately \$10.5 million.

Providing safe roads and bridges for residents, visitors, school buses and emergency vehicles is a critical obligation of La Plata County and is essential to our local economy. The County currently has a backlog of capital Public Works projects – in part the result of rapid growth in the past that exceeded our ability to fund needed improvements – but also from the dramatic decrease in property tax revenues (nearly 50%) since 2010. As a result, the County has reduced road and bridge maintenance levels and is not keeping pace with current or anticipated needs, particularly in light of the County's recent and projected population growth. Revenue shortfalls must be addressed to ensure sufficient funding to meet the growing demands placed on our local transportation system.

Road and Bridge capital projects are costly. During the 13-year period from 2002 to 2014, the County invested approximately \$40,700,000 in capital road and bridge projects an average of \$3,100,000 per year. Of that, approximately 40% was funded by grants. However, county forecasts suggest that an average of \$5.2 million is needed each year to maintain existing infrastructure and to make even modest improvements to our road and bridge system. The county's current fiscal situation does not make that investment possible.

Budget

In 2017, we anticipate a decrease in property tax revenue of approximately \$3.4 million, largely resulting from the lagging and enduring effects on flat natural gas price and production that began in 2015. We project a modest increase in sales tax collection. It is anticipated that property tax revenues will decrease another \$1.4 million in 2018. This trend, compounded by its effects at the state level, is causing significant structural challenges to La Plata County's budget. Without developing additional revenue sources, this scenario will hamper our ability to deliver services at present levels and as La Plata County population grows, this disparity will widen.

Through leveraging dollars from funding partners, the County has included a number of significant projects in the 2017 budget. The Conservation Trust Fund has \$270,000 budgeted for a Multi-Event Center master plan. This money originates from Colorado Lottery proceeds and is restricted in its use to planning and construction of recreation or open space projects. The Road and Bridge Fund have budgeted for seven projects totaling \$7,019,457 with grants and contributions paying \$5,369,457 of the total investment. The county, with investments from DOLA, the Southern Ute Indian Tribe, and the Colorado Department of Transportation, will oversee a , \$2,125,000 project for urban and access improvements to County Road 517, which bisects the Southern Ute Tribal Campus. The road is located in the heart of the energy development area and has a high level of pedestrian traffic. County Road 318, which connects the Town of Ignacio and State Highway 172 to U.S. Highway 550, is a major arterial for industrial energy traffic and commuting workers. Also of note for road and bridge improvements is \$200,000 collected starting in 2005 from infill fees from the energy industry to mitigate the increased maintenance costs and public safety issues associated with the additional traffic the industry contributes to local roads. These funds will be used to design two bridge replacements near Ignacio. The County has also committed \$700,000 for the mill and asphalt overlay of County Road 302, where oil and gas and airport traffic is very concentrated.

Financial Policies

The County's Fund Balance Reserve policy requires the General Fund to maintain the following:

- Committed fund balance for emergencies and disasters at 75 days of operating expenditures to ensure that the County can provide services to the public during unforeseen disasters.
- Assigned fund balance for capital reserves funding for future tentative plans of capital projects.
- Unassigned fund balance comprises funds that are not otherwise restricted, committed, or assigned as required by GASB Statement #54 and represent balances available for appropriation at the discretion of the Board. The Fund Balance Reserve policy requires the General Fund to maintain a minimum reserved fund balance equal to two months' operating costs with a target of three months of operations to provide fiscal cash liquidity.

At December 31, 2016, the General Fund unassigned fund balance is \$26,910,384.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to La Plata County for its comprehensive annual financial report for the fiscal year ended December 31, 2015. 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 27 consecutive fiscal years (1989-2015) ended December 31. We believe the 2016 report conforms to the Certificate of Achievement requirements and we are submitting it to the GFOA for review.

The preparation of this financial report was made possible by the dedicated service of the entire Finance Department staff. Each member of the department has our sincere appreciation for their individual and team efforts in preparing this report. Also, we would like to extend our appreciation to the partners and staff of the firm of Axiom Certified Public Accountants and Business Advisors, LLC for their assistance. Our elected officials, department heads, and staff all promote an organizational culture of fiscal responsibility. Finally, the leadership, support and commitment of the County's management in the financial planning and execution of the County's operations are greatly appreciated.

Respectfully submitted,



Diane Sorensen
Director of Finance

¹The 50TH Annual Colorado Business Economic Outlook Forum presented Dec. 8, 2014 by the Leeds school's business research division.

²Colorado Department of Labor and Employment, Colorado LMI Gateway website.



Government Finance Officers Association

**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, 2015

A handwritten signature in black ink, reading "Jeffrey R. Emen". The signature is written in a cursive, flowing style.

Executive Director/CEO

LIST OF COUNTY OFFICIALS

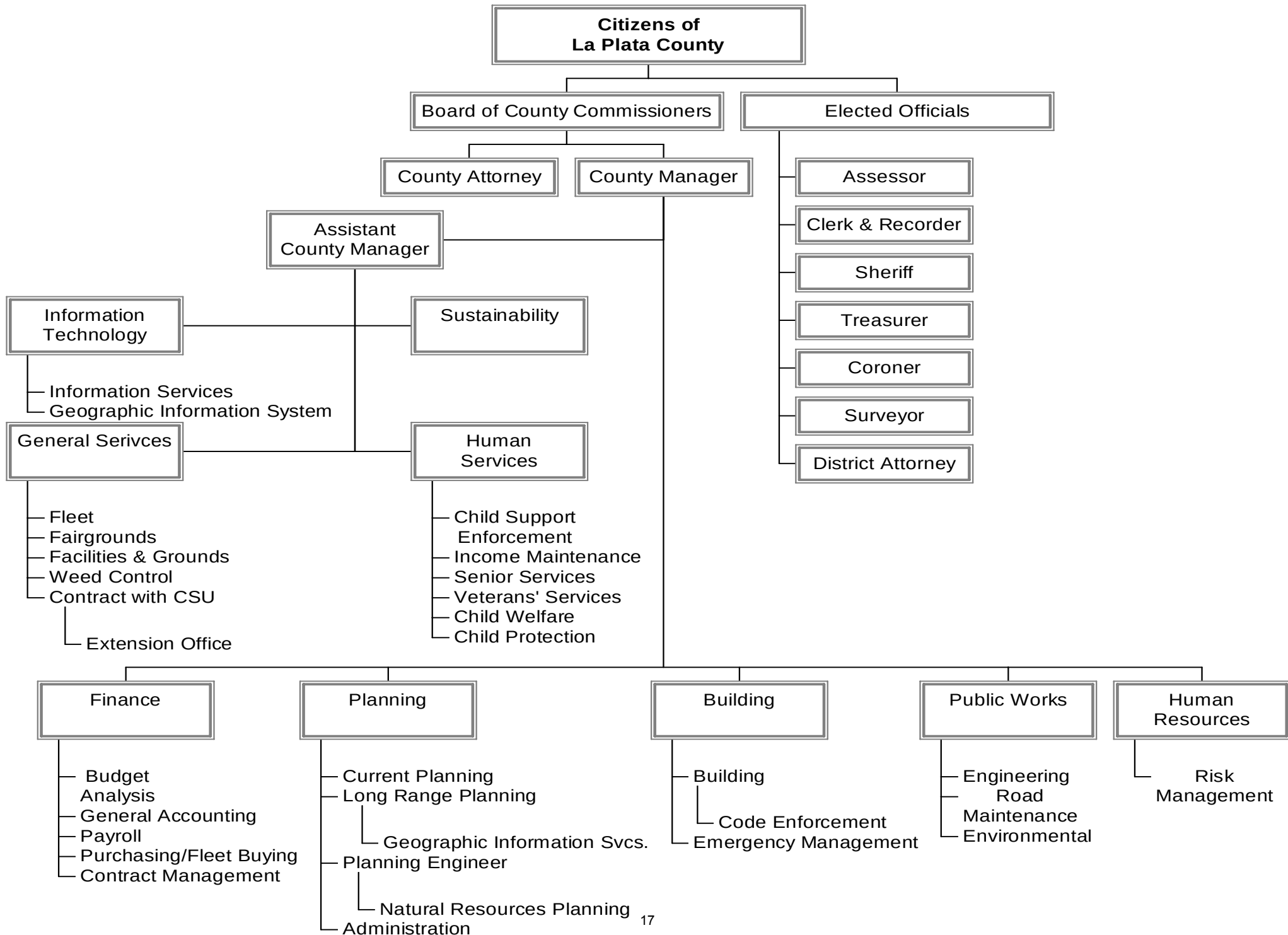
ELECTED OFFICIALS

<u>Title</u>	<u>Name</u>
Commissioner	Julie Westendorff
Commissioner	Gwen A. Lachelt
Commissioner	Brad Blake
Assessor	Craig Larson
Clerk & Recorder	Tiffany Lee Parker
Coroner	Jann Smith
Sheriff	Sean M. Smith
Surveyor	Steven McCormack
Treasurer & Public Trustee	Allison Morrissey

APPOINTED OFFICIALS

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

La Plata County Organizational Chart



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

May 26, 2017

To the Board of County Commissioners
La Plata County, Colorado

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of La Plata County, Colorado (the "County") as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of La Plata County, Colorado, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension schedules on pages 22-34 and 87-88 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budget to actual schedules, Local Highway Finance Report, Schedule of EBT Authorizations and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budget to actual schedules, Local Highway Finance Report, Schedule of EBT Authorizations and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2017, 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Albuquerque, New Mexico
May 26, 2017

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, 2016. 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 government-wide revenue totaled \$62,478,137 compared to \$56,074,987 in 2015, an increase of \$6,403,150. The County's assets exceeded its liabilities and deferred inflows by \$206,209,168 (net position) for the calendar year reported. Increase in total net position in 2016 is \$7,658,392, an increase of \$6,357,778 over 2015's \$1,300,614.
- Total net position is comprised of the following:
 - 1) Investment in capital assets of \$112,662,507 includes property and equipment, net of accumulated depreciation.
 - 2) Net position of \$21,635,692 are restricted by constraints imposed from outside the County such as grantors, laws, or regulations.
 - 3) Net position of \$20,708,618 are unrestricted, but are invested in a joint venture.
 - 4) The balance of unrestricted net position of \$71,910,969 represent the portion available to maintain the County's continuing obligations to citizens and creditors.
- The County had \$54,819,745 in expenses related to governmental activities; program specific charges for services, grants or contributions offset \$24,212,122 of these expenses. General revenues (primarily taxes) provided the remaining funding for these programs.
- The County's governmental funds reported total ending fund balance of \$68,424,057 this year. This compares to the prior year ending fund balance of \$77,207,689, showing a decrease of \$8,783,632 or 11.4% during the current year. Approximately 67.5% or \$46,215,025 of this total amount is assigned, committed and unassigned and are available for spending at the government's discretion.
- During the 2016 fiscal year, the County's governmental fund type revenues were \$60,041,072 compared to \$55,394,706 in the prior year.

- At the end of the current calendar year, unassigned fund balance for the General Fund was \$26,160,384 or 75.1% of 2017 budgeted General Fund operating expenditures.

Overall, the County continues to maintain a strong financial position.

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

Overview of the Financial Statements

This Management Discussion and Analysis document is intended to serve as an introduction to the County’s basic financial statements. The basic financial statements include:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

The County also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available.

Government-wide Financial Statements

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

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

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

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

The government-wide financial statements are presented on pages 36 & 37 of this report.

Fund Financial Statements

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

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

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

La Plata County maintains nine individual governmental funds. The General, Road & Bridge, Human Services and the Capital Improvement Plan fund are considered to be major funds. Information is presented in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures and changes in fund balances. The other five funds are considered non-major funds and are combined into a single, aggregated presentation. Individual fund data for these non-major governmental funds is provided in combining statements elsewhere in this report. The basic governmental fund financial statements are presented on pages 38 through 44 of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which fees are charged. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its Capital Equipment Replacement Fund and Employee Medical Self-Insurance Fund. Because these services predominantly benefit governmental rather than external activities, they have been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements are presented on pages 45 through 47 of this report.

Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs or activities. The basic fiduciary fund financial statement can be found on page 48 of this report.

Budgetary Comparisons – The County adopted the 2016 budget and appropriations were made for all of its funds on December 8th, 2015. A budgetary comparison schedule has been provided for all major funds on pages 91 through 100 and page 116 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide additional information that is essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 49 of this report.

Supplemental Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplemental information. Combined and individual statements and budgetary comparison schedules for non-major funds are presented in the supplementary section of this report beginning on page 101. The County has chosen to present comparative balance sheets and comparative schedules of revenues, expenditures and changes in fund balance for each of the governmental and proprietary funds.

Financial Analysis of the County as a Whole

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

Government-Wide Financial Analysis

An analysis of net position may serve as a useful indicator of a government's financial health. The County's net position at calendar year-end is \$206,209,168. The following table provides a summary of the County's net position:

	Governmental Activities 2016	Percentage of Total 2016	Governmental Activities 2015	Percentage Inc/(Dec) over 2015
Assets:				
Current assets	\$ 102,698,010	43.5%	\$ 114,666,266	-10.4%
Investment in joint venture	20,708,618	8.8%	18,320,815	13.0%
Capital assets	112,662,507	47.7%	98,551,468	14.3%
Total assets	236,069,135	100.0%	231,538,549	2.0%
Liabilities:				
Current liabilities	10,269,573	71.8%	9,707,851	5.8%
Long-term liabilities	4,040,106	28.2%	4,281,772	-5.6%
Total liabilities	14,309,679	100.0%	13,989,623	2.3%
Deferred Inflows	15,550,288	108.7%	18,998,150	-18.1%
Net position:				
Net investment in capital assets	112,662,507	54.6%	98,551,468	14.3%
Restricted	21,635,692	10.5%	23,979,522	-9.8%
Unrestricted	71,910,969	34.9%	76,019,786	-5.4%
Total net position	\$ 206,209,168	100.0%	\$ 198,550,776	3.9%

The largest portion of the County's net position (54.6%) reflects its net investment in capital assets, including infrastructure, less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the funds needed to pay the annual debt service must be provided from other sources, since the capital assets themselves cannot be used to pay the debt.

The County continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 3.98 to 1. This ratio is a bit misleading since the accounting rules require that the County recognize as a current asset the amount of property taxes for budget year 2016 with an offsetting amount reported in deferred inflows. If you remove those amounts from the current ratio calculation, the adjusted ratio is 8.49 to 1, which demonstrates the real liquid position of the County.

The County reported positive balances in Governmental activities net position. Net position increased by \$7,658,392. The increase is related to the increased operating and capital grants revenues of approximately \$4 million and the joint venture, the Durango-La Plata County Airport, increased \$2,387,803. The County's assessed valuations increased \$216,328,760 increasing property tax revenue by \$1.7 million in 2016.

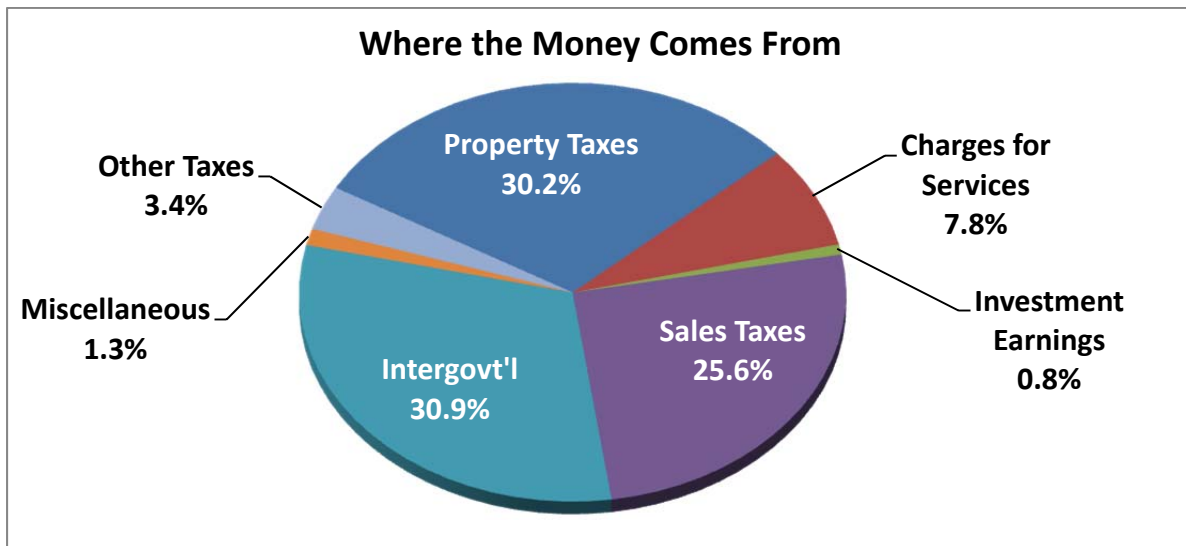
The Sixth Judicial District Attorney, a discretely presented component unit, net position is a negative \$207,075 at the fiscal year end 2016. This was attributable to the implementation of GASB Statements No. 68, Accounting and Financial Reporting for Pensions, requiring government employers to recognize the long-term obligation for state pension benefits.

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

	Governmental Activities 2016	Percentage of Total 2016	Governmental Activities 2015	(Decrease) Increase
Revenues:				
Program:				
Charges for services	\$ 4,893,954	7.8%	\$ 4,469,493	\$ 424,461
Operating grants	16,589,822	26.6%	13,977,048	2,612,774
Capital grants	2,728,346	4.4%	1,330,453	1,397,893
Total Program Revenues	24,212,122	38.8%	19,776,994	4,435,128
General:				
Taxes	36,977,382	59.2%	34,867,934	2,109,448
Other	1,288,633	2.1%	1,430,060	(141,427)
Total General Revenues	38,266,015	61.2%	36,297,994	1,968,021
TOTAL REVENUES	62,478,137	100%	56,074,988	6,403,149
Program Expenses:				
General government	13,427,182	24.5%	12,919,783	507,399
Public safety	17,466,390	31.9%	17,381,499	84,891
Recreation and culture	2,946,427	5.4%	2,960,931	(14,504)
Public works	10,436,141	19.0%	11,875,658	(1,439,517)
Health and welfare	8,125,198	14.8%	7,701,357	423,841
Community programs	2,415,471	4.4%	1,931,976	483,495
Interest and fiscal charges	2,936	0.0%	3,170	(234)
TOTAL EXPENSES	54,819,745	100%	54,774,374	45,371
Change in net position	7,658,392		1,300,614	6,357,778
Beginning net position	198,550,776		197,250,162	
Ending net position	\$ 206,209,168		\$ 198,550,776	

Government-wide Revenues

Governmental revenues for 2016 were \$62,478,137 compared to \$56,074,987 in 2015, an increase of \$6,403,150. The following chart presents the various sources of general revenues for the fiscal year ended December 31, 2016.



Program revenues provided 38.8% to support governmental operations. This means that the County's taxpayers and other general governmental revenues funded 61.2% of the governmental activities. Property and sales tax provide general support for the County's operations with property tax providing 30.2% and sales tax providing 25.6%.

Government-wide Expenses by Function

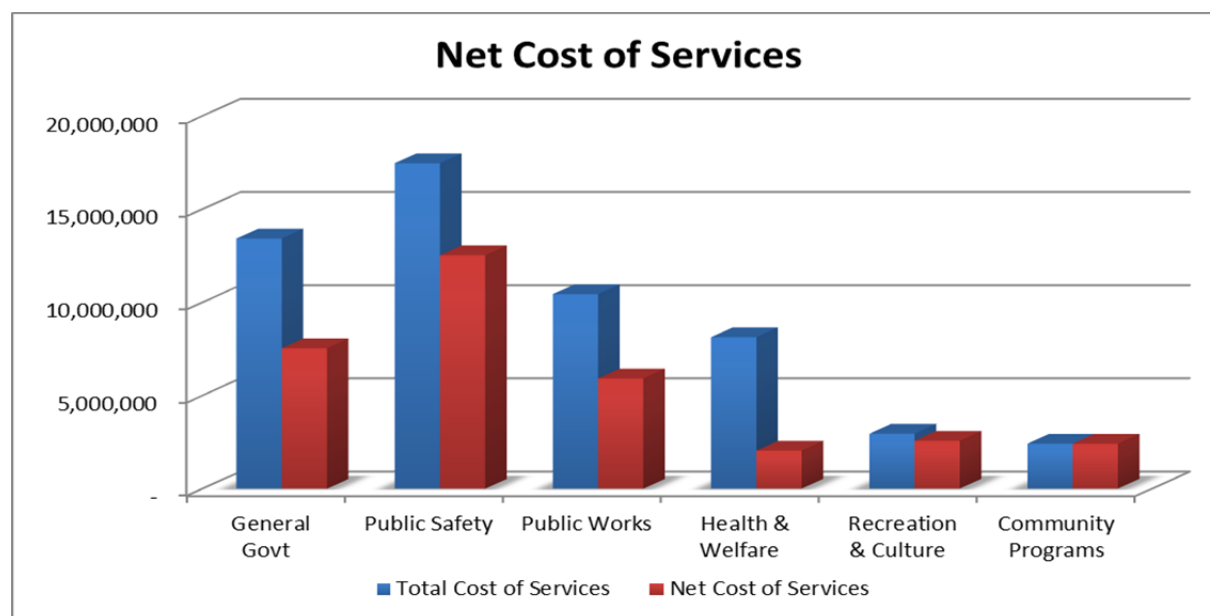
The public safety, general government, and public works functions make up approximately 75% of the total government activities expenses. Public safety totals 31.9% of total governmental expenses of which 26% was spent by the County Sheriff's Office services. The general government functions including Administration, Attorney, Assessor, Clerk & Recorder, Commissioners, Elections, Facilities & Grounds, Finance, GIS, Human Resources, IT, Planning, Procurement, Risk Management, Surveyor, and Treasurer totaled 24.5% of the total governmental expenses. Public works accounted for approximately 19.0% of the total costs.

The following schedule presents a summary of the government-wide expenses for the fiscal year ended December 31, 2016 and the changes from the prior year.

Overall expenses for 2016 increased \$45,371 or 0.1% from 2015. Public safety function is the County's largest cost at \$17.5 million or 31.9% of the total expenses. General government function costs were \$13.4 million or 24.5% of the total expenses. Public works function cost was \$10.4 million or 19.0% of total expenses.

Function	Governmental Activities 2016	% of Total 2016	Governmental Activities 2015	(Decrease) Increase
General government	13,427,182	24.5%	12,919,783	507,399
Public safety	17,466,390	31.9%	17,381,499	84,891
Recreation & culture	2,946,427	5.4%	2,960,931	(14,504)
Public works	10,436,141	19.0%	11,875,658	(1,439,517)
Health and welfare	8,125,198	14.8%	7,701,357	423,841
Community programs	2,415,471	4.4%	1,931,976	483,495
Interest and fiscal charges	2,936	0.0%	3,170	(234)
Total Expenses	54,819,745	100.0%	54,774,374	45,371

This chart displays the net cost of the County's function, (i.e., total costs less revenues generated by the function). Net cost of services illustrates the financial burden placed on the County's taxpayers by each of these functions.



Public safety function requires the largest taxpayer support at 71.7%. The public safety function includes law enforcement, jail, investigations, coroner, building inspection, and emergency management services. Public works is the second largest function with 56.6% of the costs being supported by taxpayers. The function includes roads and bridges, weed control, and post closure costs of the landfills. General government is the third largest function that requires taxpayer support at 56.1%.

Financial Analysis of the County's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$68,424,057. Of this year-end total, \$401,651 represents inventories held for future consumption and \$171,689 are prepaid and long term receivable, neither category represents available, spendable resources. A total of \$21,635,692 is legally restricted for specific purposes, including economic stabilization, law enforcement, capital improvements impact fees, and Tribal mitigation impact. Committed fund balance totals \$7,158,458 and reserved by the Board of County Commissioners to use in case of an emergency or a disaster. A total of \$12,146,183 is assigned and includes \$1,407,803 for 2017 budget deficit expenditures in the general fund, and \$10,511,673 is reserved for capital projects. Finally, nearly \$27 million is unassigned, representing availability for continuing County service requirements.

The total ending fund balances of governmental funds show a decrease of \$8,783,632 or 11.4% less than 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 \$5.7 million. The decrease is mostly related to the transfer out of \$10 million into the Capital Improvement Fund for capital expenditures.

General Fund revenues increased \$3.2 million from 2015. The majority of the increase is due to the increase in property tax revenues of approximately \$1.6 million or 11% because of 2015 being a reassessment year. Sales tax revenues increased \$917,458 in 2016 over 2015 and are due to the increase in retail sales. Charges for Services in the General Fund increased in 2016 by \$576,860 or 17.5% from 2015.

Expenditures in the General Fund increased \$1,271,513 or 3.9% from 2015. The General government function increased \$555,084. The majority of the increase is due to the increase in leases and utilities related to the 10 Burnett Court and the 135 Burnett Court properties. Public safety function increase \$266,662 and are mostly due to the increased costs in the running of the County jail. Contributions to the San Juan Basin Health increased almost \$78,000 in 2016 and a pass through of a Community Development Block Grant (CDBG) to Region 9 Economic Development District of Southwest Colorado

increased \$368,803 in 2016. The General Fund unassigned ending fund balance of \$26,910,384 is available for future use.

The Road and Bridge Fund accounts for the construction, maintenance, and snow removal on roads and bridges in the County. In 2016, the Road and Bridge fund spent almost \$5.8 million in maintaining the 653 miles of County's roads. Fund balance decreased 1.6% or \$119,740 to \$7,285,515 and is available for future road and bridge spending.

The Social Services Fund accounts for a variety of State mandated social services. In 2016, the Social Services fund balance dropped by 3.6% from \$2,259,847 to \$2,178,454. The fund spent more than \$6.5 million in providing services to clients, an increase of \$361,790, or 5.9% over 2015. Intergovernmental revenues increased \$460,125 over 2015.

The Capital Improvement fund balance decreased from \$10 million in 2015 to \$6.7 million in 2016, a decrease of approximately 33%. The decrease in the fund balance is related to large capital projects in 2016 including the purchase of 10 Burnett Court and the Courthouse remodel.

General Fund Budgetary Highlights

The budget for the General Fund is prepared in compliance with all applicable Colorado State Statutes. On December 8, 2015, the Board of County Commissioners adopted and appropriated \$47,747,252 for the General Fund expenditures for the 2016 year. During the year, budget amendments were required due to of unanticipated revenues. Almost half of the unanticipated revenue was the result of a contract amendment that increased the funding of the Community Development Block Grant (CDBG) of which the County passes through the funding to the sub-grantee, Region 9 Economic Development District of Southwest Colorado for its continuing Business Loan Fund (BLF). Budget amendments increase revenues and expenditures \$684,427.

	<u>Adopted Budget</u>	<u>Amendments</u>	<u>Final Budget</u>
Sources	37,390,714	684,427	38,075,141
Uses	47,747,252	684,427	48,431,679
Change in Fund Balance	<u>(10,356,538)</u>	<u>(0)</u>	<u>(10,356,538)</u>

Actual revenues collected exceeded budgetary estimates by \$124,471 or 0.3%. The General Fund expenditures were \$4.5 million or 9.4% less than budgetary estimates. Personnel expenditures were underspent by \$952,251 or 4.4%. This is mainly due to the not filling vacancies or the delay of filling vacancies. Other expenditures underspent include the budget contingency and cost savings from participating in Colorado Counties Casualty & Property Pool's (CAPP) partially self-funded option program, (discussed in Note 4 in the footnotes to the financial statements).

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, 2016, was \$112,662,507. Net capital assets have increased by approximately 14.3% in 2016. See Note 3-D for additional information about changes in capital assets during the year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

Governmental Activities

	2016	2015
Non-depreciable assets:		
Land	9,452,945	9,452,945
Construction in Progress	7,370,512	1,885,993
Total non-depreciable	16,823,457	11,338,938
Depreciable Assets:		
Buildings	67,622,482	56,419,552
Improvements	9,102,342	9,329,548
Machinery and equipment	18,446,858	17,907,544
Intangibles	216,448	-
Infrastructure	86,136,721	84,356,865
Total depreciable assets	181,524,851	168,013,509
Less accumulated depreciation	85,685,801	80,800,979
Book value-depreciable assets	95,839,050	87,212,530
Percentage depreciated	47.2%	48.1%
Book value - all assets	112,662,507	98,551,468

Long-term obligations

The County has long-term obligations including compensated absences, pollution remediation costs, and landfill post-closure costs. See Note 3-F for additional information about the County's long-term debt. We discuss the pollution remediation costs in Note 3-I and the landfill closure and post closure care liability in Note 3-J. A summary of outstanding debt at year-end is as follows:

	12/31/2016	12/31/2015	\$ Change	% Change
Colorado Water debt	\$ 254,215	\$ 265,843	\$ (11,628)	-4.4%
Compensated Absences	1,614,677	1,698,479	(83,802)	-4.9%
Pollution remediation costs	2,568,931	2,643,071	(74,140)	-2.8%
Landfill postclosure costs	348,666	403,407	(54,741)	-13.6%
Total Governmental Activities	\$ 4,786,489	\$ 5,010,800	\$ (224,311)	-4.5%

Economic Factors and Next Year's Budget

La Plata County economic activity continued to expand in 2016 at a slightly slower rate than in the previous two years. This reflected overall improvements in the regional economy, leading to population growth and corresponding construction activity acceleration in 2016. However, much of the County's property tax base has historically derived from coal bed methane gas production. In recent years, natural gas prices have plummeted nationwide and production in La Plata County has steadily decreased as a result. Because La Plata County's mill levy at 8.5 mills – the fourth-lowest of Colorado's 64 counties – residential and commercial property tax has been unable to offset the decline in oil and gas-related property tax revenue. This has had an extremely detrimental effect on the county's overall fiscal landscape. In 2017, La Plata County's total property tax revenue is anticipated to be \$15.4 million. In 2016, the county collected nearly \$19 million. That drop has the most impact on La Plata County's ability to serve its citizens, and factors heavily into our planning for 2018.

In 2018, property tax revenue is expected to drop an additional \$1.4 million resulting from lagging natural gas production and low prices, according to County Assessor Craig Larson. Additionally, the state levies a severance tax on oil and gas production and distributes that money back to the counties where the mineral originate. The severance tax revenues to the county fell from \$1.3 million in 2015 to \$400,000 in 2016. We do not expect that revenue to increase in 2018.

The assessment rate for residential properties has been unchanged, at 7.96% of the market value since 2003. In 2018, the residential assessment rate is expected to drop to 7.2%, resulting in an additional decrease in property tax revenues for the county of approximately \$500,000.

In total, the county anticipates a \$7.1 million decline in revenues between 2016 and 2018. Our primary priority for 2017 and 2018 is to address the anticipated decline in revenues and to ensure the county's long-term financial stability. We see this as a comprehensive effort, including new revenue strategies, service-level reductions, and employee-related cost reductions.

Another large source of revenue is the County's 2% sales tax. The revenue produced from this source is shared with other governmental entities within La Plata County as follows:

- City of Durango 18%
- Joint Sales Tax Fund 11%
- Town of Bayfield 4%
- Town of Ignacio 3.5%
- La Plata County 63.5%

Sales tax revenue retained by the County was \$16 million in 2016, an increase of 1.8% over 2015.

Grants and intergovernmental revenues are another cornerstone of the County's revenue base. In 2016, we received \$2.5 million in energy impact grants to assist with the remodel of the County Courthouse as well as the construction of two buildings to house equipment for Road and Bridge facilities in Marvel and Ignacio. These funds also paid for a new Finance and Human Resource management system. In addition,

we secured \$400,417 in gaming grants to contribute to the District Attorney's office and Sheriff's Office jail and patrol operations.

For 2017, County revenues are projected to be \$68.5 million – a 14.3% decrease from the 2016 budget. In total, the 2017 budget projects \$59.6 million in operating expenditures and more than \$17.8 million in proposed one-time expenditures that include capital and contingencies. The County is using its fund balance for one-time expenditures and contingencies – the purpose for which such reserves are intended.

The County's 2017 budget was prepared with consideration of these and other economic factors. The County is developing and implementing strategies to ensure long-term financial stability.

Contacting the County's Financial Management Team

This financial report is intended to provide a general overview of the County's finances, comply with finance-related laws and regulations, and demonstrate the County's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the County's Finance Director at 1101 E. 2nd Avenue, Durango, CO 81301, or via email at diane.sorensen@co.laplata.co.us.

¹2014 Southwest Business Forum: The Regional Economy, Dr. Robert J. Sonora
²NACO County Tracker 2014 (www.naco.org/CountyTracker)

BASIC FINANCIAL STATEMENTS

La Plata County, Colorado
Statement of Net Position
December 31, 2016

	Primary Governmental Activities	Component Unit
Assets		
Current Assets:		
Cash	\$ 204,279	\$ 104,926
Equity in treasurer's cash and investments	75,458,724	37,612
Restricted cash and investments	79,850	-
Receivables:		
Accounts	4,080,961	3,618
Taxes	15,550,288	-
Deposits	5,471	-
Intergovernmental	6,635,184	205,143
Prepaid	168,218	-
Inventory	515,035	-
Investment in joint venture	20,708,618	-
Capital Assets:		
Nondepreciable capital assets	16,823,457	-
Depreciable capital assets, net	95,839,050	30,344
Total Assets	236,069,135	381,643
Deferred Outflows of Resources		
Pension (Note 3-M)	-	66,275
Liabilities		
Current Liabilities:		
Accounts payable	3,990,981	19,303
Accrued expenses	491,767	43,892
Intergovernmental payable	3,974,531	-
Accrued interest payable	847	-
Deposits payable	459,983	-
Unearned revenue	150,000	-
Liabilities payable from restricted assets	79,850	-
Claims payable	375,231	-
Current portion-debt service	11,862	-
Current portion-compensated absences payable	375,445	19,836
Current portion-pollution remediation obligations	300,000	-
Current portion-landfill closure and post-closure care costs payable	59,076	-
Long-Term Liabilities:		
Debt service (net of current portion)	242,353	-
Compensated absences payable (net of current portion)	1,239,232	72,635
Pollution remediation obligations (net of current portion)	2,268,931	-
Landfill closure/post-closure costs (net of current portion)	289,590	-
Pension Liability	-	473,540
Total Liabilities	14,309,679	629,206
Deferred Inflows of Resources		
Property Taxes	15,550,288	-
Pension (Note 3-M)	-	25,787
Total Deferred Inflows of Resources	15,550,288	25,787
Net Position		
Net Investment in capital assets	112,662,507	30,344
Restricted for:		
Required legal fund segregations	19,901,793	-
Economic stabilization (TABOR)	1,733,899	75,518
Unrestricted	71,910,969	(312,937)
Total Net Position	\$ 206,209,168	\$ (207,075)

See accompanying notes to the basic financial statements

La Plata County, Colorado
Statement of Activities
For the Year Ended December 31, 2016

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Primary Government Governmental Activities	Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Primary Government						
Governmental Activities						
General government	\$ 13,427,182	\$ 2,640,097	\$ 3,252,636	\$ -	\$ (7,534,449)	\$ -
Public safety	17,466,390	1,919,582	1,313,735	1,708,544	(12,524,529)	-
Recreation and culture	2,946,427	-	350,156	22,082	(2,574,189)	-
Public works	10,436,141	295,332	3,235,586	997,720	(5,907,503)	-
Increase in joint venture	-	-	2,387,803	-	2,387,803	-
Health and welfare	8,125,198	38,943	6,049,906	-	(2,036,349)	-
Community programs	2,415,471	-	-	-	(2,415,471)	-
Interest and fiscal charges	2,936	-	-	-	(2,936)	-
Total - Primary Government	\$ 54,819,745	\$ 4,893,954	\$ 16,589,822	\$ 2,728,346	(30,607,623)	-
Component Unit						
Office of the District Attorney	\$ 2,356,158	\$ -	\$ 840,708	\$ -		(1,515,450)
		General Revenues				
		Property taxes levied for general government purposes			18,827,957	-
		Sales taxes			16,018,771	-
		Other taxes			2,130,654	-
		Cable franchise fees			110,983	-
		Operational funding from primary government-unrestricted			-	1,532,801
		Investment earnings			489,863	-
		Miscellaneous			687,787	31,400
		Total General Revenues			38,266,015	1,564,201
		Change in Net Position			7,658,392	48,751
		Beginning Net Position			198,550,776	(255,826)
		Net Position End of Year			\$ 206,209,168	\$ (207,075)

See accompanying notes to the basic financial statements

La Plata County, Colorado
Balance Sheet
Governmental Funds
December 31, 2016

	General	Road and Bridge	Social Services	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Assets						
Cash	\$ 203,729	\$ 150	\$ 400	\$ -	\$ -	\$ 204,279
Equity in cash and investments	47,408,650	5,508,110	2,114,742	6,854,860	3,939,111	65,825,473
Restricted cash and investments	27,689	-	52,161	-	-	79,850
Receivables:						
Accounts	135,720	32,503	3,829,520	1,340	-	3,999,083
Taxes	13,355,280	1,290,528	804,175	-	100,305	15,550,288
Deposits	2,000	-	-	3,471	-	5,471
Intergovernmental	3,480,506	1,557,424	357,915	837,352	401,987	6,635,184
Prepays	168,218	-	-	-	-	168,218
Inventory	-	401,651	-	-	-	401,651
Total Assets	64,781,792	8,790,366	7,158,913	7,697,023	4,441,403	92,869,497
Liabilities and Fund Balances						
Liabilities						
Accounts payable	2,343,341	142,784	224,600	837,859	203,474	3,752,058
Accrued salaries and wages	407,191	71,539	-	-	-	478,730
Intergovernmental payable	75,008	-	3,899,523	-	-	3,974,531
Deposits payable	459,983	-	-	-	-	459,983
Unearned revenues	-	-	-	150,000	-	150,000
Liabilities restricted assets	27,689	-	52,161	-	-	79,850
Total Liabilities	3,313,212	214,323	4,176,284	987,859	203,474	8,895,152
Deferred Inflows of Resources						
Property Taxes	13,355,280	1,290,528	804,175	-	100,305	15,550,288
Total Deferred Inflows of Resources	13,355,280	1,290,528	804,175	-	100,305	15,550,288
Fund Balances						
Nonspendable:						
Inventory	-	401,651	-	-	-	401,651
Prepays	168,218	-	-	-	-	168,218
Long term receivable	-	-	-	3,471	-	3,471
Restricted:						
Economic stabilization (TABOR)	1,733,899	-	-	-	-	1,733,899
Law enforcement	222,865	-	-	-	-	222,865
Construction/maint of roads	-	5,567,715	-	-	-	5,567,715
Capital improv't impact fees	-	1,316,149	-	-	-	1,316,149
Public assistance and welfare	-	-	999,179	-	-	999,179
Child welfare	-	-	1,179,275	-	-	1,179,275
Recreation & parks	-	-	-	-	3,327,676	3,327,676
Joint County/City projects	-	-	-	-	561,170	561,170
Tribal mitigation impact	-	-	-	-	22,071	22,071
General capital improvements	-	-	-	6,705,693	-	6,705,693
Committed:						
Emergency and disasters	7,158,458	-	-	-	-	7,158,458
Assigned:						
Construction/maint of roads	-	-	-	-	196,972	196,972
Debt service	-	-	-	-	29,735	29,735
Next year's budget deficit	1,407,803	-	-	-	-	1,407,803
Capital projects	10,511,673	-	-	-	-	10,511,673
Unassigned	26,910,384	-	-	-	-	26,910,384
Total Fund Balances	\$ 48,113,300	\$ 7,285,515	\$ 2,178,454	\$ 6,709,164	\$ 4,137,624	\$ 68,424,057

See accompanying notes to the basic financial statements

La Plata County, Colorado
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2016

Total Governmental Fund Balances	\$ 68,424,057
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Amounts reported for governmental activities in the statement of net position are different because:

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

Cost of capital assets	198,348,308	
Less accumulated depreciation	<u>(85,685,801)</u>	112,662,507

The investment in the joint venture is not included at the fund level, but is reported on the government-wide statement of net position.	20,708,618
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An internal service fund is used by management to charge the costs of employee medical self-insurance and fleet management costs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.

Non-capital assets	9,828,513	
Current liabilities	<u>(627,191)</u>	9,201,322

Liabilities that are not due and payable in the current period and therefore are not reported in the funds but are reported on the government-wide statement of net position.

Debt service	(255,062)	
Compensated absences	(1,614,677)	
Pollution remediation obligations	(2,568,931)	
Landfill closure and post closure care costs	<u>(348,666)</u>	<u>(4,787,336)</u>
Net Pension		

Net Position Of Governmental Activities	<u>\$ 206,209,168</u>
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See accompanying notes to the basic financial statements

La Plata County, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2016

	General	Road and Bridge	Social Services	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 27,192,243	\$ 4,482,619	\$ 916,613	\$ 2,000,000	\$ 2,846,055	\$ 37,437,530
Intergovernmental	4,916,481	4,233,307	5,522,595	1,708,544	-	16,380,927
Licenses and permits	944,664	229,728	-	-	-	1,174,392
Charges for services	3,865,133	-	-	-	-	3,865,133
Investment earnings	458,797	-	-	-	24,891	483,688
Miscellaneous	442,554	187,714	-	69,134	-	699,402
Total Revenues	37,819,872	9,133,368	6,439,208	3,777,678	2,870,946	60,041,072
Expenditures						
General government	11,793,389	-	-	313,623	-	12,107,012
Public safety	17,098,171	-	-	37,234	-	17,135,405
Recreation & culture	644,764	-	-	-	1,955,401	2,600,165
Public works	274,292	7,020,266	-	-	81,252	7,375,810
Health and welfare	1,613,742	-	6,520,601	-	-	8,134,343
Community programs	2,415,471	-	-	-	-	2,415,471
Capital Outlay	43,939	2,232,842	-	16,762,830	-	19,039,611
Debt Service:						
Principal retirement	-	-	-	-	11,628	11,628
Interest and fiscal charges	-	-	-	-	5,259	5,259
Total Expenditures	33,883,768	9,253,108	6,520,601	17,113,687	2,053,540	68,824,704
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,936,104	(119,740)	(81,393)	(13,336,009)	817,406	(8,783,632)
Other Financing Sources (Uses)						
Transfers in	379,740	-	-	10,000,000	-	10,379,740
Transfers out	(10,000,000)	-	-	-	(379,740)	(10,379,740)
Total Other Financing Sources (Uses)	(9,620,260)	-	-	10,000,000	(379,740)	-
Net Change in Fund Balances	(5,684,156)	(119,740)	(81,393)	(3,336,009)	437,666	(8,783,632)
Fund Balances Beginning of Year	53,797,456	7,405,255	2,259,847	10,045,173	3,699,958	77,207,689
Fund Balances End of Year	\$ 48,113,300	\$ 7,285,515	\$ 2,178,454	\$ 6,709,164	\$ 4,137,624	\$ 68,424,057

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, 2016

Net Changes In Fund Balances - Total Governmental Funds		\$ (8,783,632)
Amounts reported for governmental activities in the statement of activities are different because:		
Internal service funds are used by management to charge the costs of fleet management and self insurance to individual funds. The net revenue of certain activities (excluding depreciation) of internal service funds is reported with governmental activities:		
Net program revenues internal service funds	975,200	
Investment earnings	<u>8,925</u>	984,125
Internal service funds capital asset activity:		
Depreciation expense	(956,260)	
Cash received from sales of assets	143,284	
Assets disposed-net of accumulated depreciation	<u>(138,091)</u>	(951,067)
Governmental funds report capital outlays as expenditures. In the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount capital outlay exceeded depreciation expense in current period:		
Depreciation expense (excluding internal service funds)	(4,863,678)	
Capital outlay (excluding internal service funds)	<u>19,039,611</u>	14,175,933
Governmental funds do not report the net cost of capital assets disposed of, but the cost is reported on the statement of activities.		(364,364)
Governmental funds do not report the investment in the joint venture, however, the change is reported on the government-wide statement of activities.		2,387,803
Transfers between governmental funds are reported on the governmental fund operating statement but eliminated on the government-wide statement of activities:		
Transfers in	10,379,740	
Transfers out	<u>(10,379,740)</u>	-
Transfers between governmental funds and internal service funds are reported on the governmental operating statement but eliminated on the government-wide statement of activities.		(17,040)
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 @ 12/31/16	(847)	
Liability @ 12/31/15	<u>3,170</u>	2,323
The decrease in pollution remediation obligations do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Liability @ 12/31/16	(2,568,931)	
Liability @ 12/31/15	<u>2,643,071</u>	74,140
The decrease in landfill closure and post closure care costs do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Liability @ 12/31/16	(348,666)	
Liability @ 12/31/15	<u>403,407</u>	54,741
Long term debt relating to governmental activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Liability @ 12/31/16	(254,215)	
Liability @ 12/31/15	<u>265,843</u>	11,628
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 @ 12/31/16	(1,614,677)	
Liability @ 12/31/15	<u>1,698,479</u>	83,802
Change In Net Position of Governmental Activities		<u>\$ 7,658,392</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, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	\$ 26,624,948	\$ 26,624,948	\$ 27,192,243	\$ 567,295
Intergovernmental	5,675,012	6,035,637	4,916,481	(1,119,156)
Licenses and permits	877,000	877,000	944,664	67,664
Charges for services	3,227,648	3,478,987	3,865,133	386,146
Investment earnings	300,000	350,000	458,797	108,797
Miscellaneous	333,256	355,719	442,554	86,835
Total Revenues	37,037,864	37,722,291	37,819,872	97,581
Expenditures				
General government	14,204,507	14,478,520	11,793,389	2,685,131
Public safety	18,620,055	18,713,969	17,098,171	1,615,798
Recreation & culture	840,869	857,369	644,764	212,605
Health & welfare	1,655,218	1,655,218	1,613,742	41,476
Public works	448,209	448,209	274,292	173,917
Community programs & pass thru grants	1,929,772	2,229,772	2,415,471	(185,699)
Total Current	37,698,630	38,383,057	33,839,829	4,543,228
Capital Outlay	48,622	48,622	43,939	4,683
Total Expenditures	37,747,252	38,431,679	33,883,768	4,547,911
Excess (Deficiency) of Revenues Over (Under) Expenditures	(709,388)	(709,388)	3,936,104	4,645,492
Other Financing Sources (Uses)				
Transfers in	352,850	352,850	379,740	26,890
Transfers out	(10,000,000)	(10,000,000)	(10,000,000)	-
Total Other Financing Sources (Uses)	(9,647,150)	(9,647,150)	(9,620,260)	26,890
Net Change in Fund Balances	\$ (10,356,538)	\$ (10,356,538)	(5,684,156)	\$ 4,672,382
Fund Balances Beginning of Year			53,797,456	
Fund Balances End of Year			\$ 48,113,300	

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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Taxes	\$ 4,468,739	\$ 4,468,739	\$ 4,482,619	\$ 13,880
Intergovernmental	6,003,901	6,003,901	4,233,307	(1,770,594)
Licenses and permits	230,000	230,000	229,728	(272)
Miscellaneous	159,500	159,500	187,714	28,214
Total Revenues	<u>10,862,140</u>	<u>10,862,140</u>	<u>9,133,368</u>	<u>(1,728,772)</u>
Expenditures				
Public works	11,252,450	11,022,450	7,020,266	4,002,184
Capital outlay	2,497,000	2,727,000	2,232,842	494,158
Total Expenditures	<u>13,749,450</u>	<u>13,749,450</u>	<u>9,253,108</u>	<u>4,496,342</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,887,310)</u>	<u>(2,887,310)</u>	<u>(119,740)</u>	<u>2,767,570</u>
Net Change in Fund Balances	<u>\$ (2,887,310)</u>	<u>\$ (2,887,310)</u>	<u>(119,740)</u>	<u>\$ 2,767,570</u>
Fund Balances Beginning of Year			<u>7,405,255</u>	
Fund Balances End of Year			<u>\$ 7,285,515</u>	

See accompanying notes to the basic financial statements

La Plata County, Colorado
Social Services Fund
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	\$ 902,264	\$ 902,264	\$ 916,613	\$ 14,349
Intergovernmental	4,808,774	4,923,777	5,522,595	598,818
Total Revenues	5,711,038	5,826,041	6,439,208	613,167
Expenditures				
Health and welfare	6,411,596	6,526,599	6,520,601	5,998
Total Expenditures	6,411,596	6,526,599	6,520,601	5,998
Excess (Deficiency) of Revenues Over (Under) Expenditures	(700,558)	(700,558)	(81,393)	619,165
Net Change in Fund Balances	\$ (700,558)	\$ (700,558)	(81,393)	\$ 619,165
Fund Balances Beginning of Year			2,259,847	
Fund Balances End of Year			\$ 2,178,454	

See accompanying notes to the basic financial statements

La Plata County, Colorado
Statement of Net Position
Internal Service Funds
December 31, 2016

	Governmental Activities Internal Services Funds
Assets	
Current Assets	
Equity in treasurer's cash and investments	\$ 9,633,251
Accounts receivable	1,608
Intergovernmental Receivable	80,270
Inventory	113,384
Total Current Assets	<u>9,828,513</u>
Noncurrent Assets	
Capital Assets:	
Depreciable capital assets, net	<u>7,064,432</u>
Total Assets	<u>16,892,945</u>
Liabilities	
Accrued payroll	13,037
Accounts payable	238,923
Accrued claims payable	<u>375,231</u>
Total Current Liabilities	<u>627,191</u>
Net Position	
Net investment in capital assets	7,064,432
Unrestricted	<u>9,201,322</u>
Total Net Position	<u>\$ 16,265,754</u>

See accompanying notes to the basic financial statements

La Plata County, Colorado
Statement of Revenues,
Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2016

	Governmental Activities Internal Services Funds
Operating Revenues	
Charges for services	\$ 2,004,412
Insurance deposits	3,549,662
Capital grant	78,681
Miscellaneous revenue	600
Total Operating Revenues	5,633,355
Operating Expenses	
Equipment maintenance	1,208,940
Depreciation	956,260
Medical claims	3,449,215
Total Operating Expenses	5,614,415
Operating Income (Loss)	18,940
Non-Operating Revenues	
Gain on sale of capital assets	5,193
Investment earnings	8,925
Total Non-Operating Revenues	14,118
Change in Net Position	33,058
Net Position Beginning of Year	16,232,696
Net Position End of Year	\$ 16,265,754

See accompanying notes to the basic financial statements

La Plata County, Colorado
Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2016

	Governmental Activities Internal Services Funds
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities:	
Cash received from customers	\$ 5,489,346
Cash from capital grant	78,681
Cash payments for goods and services	(1,016,327)
Cash payments for claims	(3,325,378)
Net Cash Provided by Operating Activities	1,226,322
Cash Flows from Capital and Related Financing Activities:	
Cash sales of capital assets	143,284
Payments for capital acquisitions	(1,255,730)
Net Cash Used in Capital and Related Financing Activities	(1,112,446)
Cash Flows from Investing Activities:	
Investment earnings	8,925
Net Increase in Cash and Cash Equivalents	122,801
Cash and Cash Equivalents Beginning of Year	9,510,450
Cash and Cash Equivalents End of Year	\$ 9,633,251
 Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	\$ 18,940
Adjustments:	
Depreciation	956,260
Decrease in Assets:	
Accounts receivable	14,942
Intergovernmental receivable	(80,270)
Inventory	28,673
Increase in Liabilities:	
Accounts payable	161,625
Accrued incurred/unreported claims	123,837
Accrued wages	2,315
Net Cash Provided by Operating Activities	\$ 1,226,322

See accompanying notes to the basic financial statements

La Plata County, Colorado
Comparative Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Equity in treasurer's cash and investments	\$ 3,177,591	\$ 2,615,604
Liabilities		
Accounts payable	\$ 474,005	\$ 437,128
Due to component unit	37,612	13,544
Deposits held for others	2,665,974	2,164,932
Total Liabilities	<u>\$ 3,177,591</u>	<u>\$ 2,615,604</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, 2016

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La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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

Note 1 - Summary of Significant Accounting Policies

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

1-A. Reporting Entity

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

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

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

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

La Plata County, Colorado
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For the Year Ended December 31, 2016

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 of significant operational or financial relationships. The La Plata County Board of Commissioners is the governing body for District. The activities of the Durango Hills Local Improvement District are reported in the County's financial report as the special revenue fund, "Durango Hills Road Improvement District."

The ***Palo Verde Public Improvement District #3***, 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 Palo Verde Public Improvement District #3 is blended because of the significant operational or financial relationships. The La Plata County Board of Commissioners is the governing body. The activities of the Palo Verde Public Improvement District #3 are reported in the County's financial report as the special revenue fund, "Palo Verde Public Improvement District #3".

A brief description of the discretely presented component unit follows:

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

1-B. Basis of Presentation

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

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

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

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

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

Other revenue sources not included with program revenues are reported as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the County.

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

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

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

Road and Bridge Fund – State law requires Colorado counties to maintain this individual fund. This fund records costs related to County road and bridge construction and maintenance. Primary sources of revenue for this fund are property taxes, shared intergovernmental revenues such as highway use taxes, and capital

La Plata County, Colorado
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For the Year Ended December 31, 2016

grants. By state law, a portion of the road and bridge property tax is allocated to cities and towns for use in their road and street activities.

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

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

In addition, the County reports the following fund types:

Non-major Governmental Funds – In addition to the major funds listed above, the County also has five non-major special revenue funds, the *Joint Sales Tax Fund*, *Durango Hills Road Improvement District*, *Palo Verde Public Improvement District #3*, *Tribal Impact Mitigation Fund*, and the *Conservation Trust Fund*.

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

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

Discretely Presented Component Unit – the Office of the District Attorney maintains a general fund that accounts for all financial resources of the District Attorney’s office.

1-C. Measurement Focus and Basis of Accounting

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

At the fund reporting level, the governmental funds use the modified accrual basis of accounting with a current financial resources measurement focus. The measurement focus concentrates on the availability of funds for spending in the near future. Only transactions and events affecting current financial resources during the period are reported. Revenues are recognized when they become both measureable and available. The County considers revenues other than grants to be measureable and available if collected within 90 days

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after year-end. Grants are considered measureable and available if they are collected within six months after year-end and all eligibility requirements have been met. Expenditures are recorded when the related liability is incurred, with the exception of principal and interest on long-term debt and compensated absences, which are recognized when matured.

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

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

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

1-D. Assets, Liabilities and Fund Equity

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

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

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

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

Investments are stated at fair value based on quoted market prices. Securities traded on a national exchange are valued at the last quoted sales price. Investments in governmental external investment pools are governed

by Part 7 of Article 75 of the Colorado Revised Statutes and are exempt from registration with the Securities

La Plata County, Colorado
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and Exchange Commission. The pools operate like a mutual fund with each share valued at \$1. The State Securities Commission administers and enforces all State statutes governing the investment pools.

The County categorizes the fair value measurements of its investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset into three levels:

Level 1: inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date (June 30th of that year).

Level 2: inputs, other than quoted prices included within level 1, that are observable for an asset or liability, either directly or indirectly.

Level 3: are unobservable inputs for an asset or liability. The County measures level 3 inputs using other valuation techniques that attempts to maximize the use of relevant observable inputs and maximizes the use of unobservable inputs.

1-D-2 Receivables

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

1-D-3 Interfund Balances

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

1-D-4 Consumable Inventories

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

1-D-5 Restricted Assets

These assets primarily consist of cash being held in trust by the Social Services Fund for individuals totaling \$52,161 and La Plata County jail inmate commissary funds of \$27,689.

1-D-6 Capital Assets

General capital assets are those assets not specifically related to business-type activities. These assets

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generally result from expenditures in governmental funds. The County reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the government fund financial statements.

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

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

<u>Estimated Lives by Asset Class</u>	<u>Governmental Activities</u>	<u>Discretely Presented Component Unit</u>
Buildings	60 Years	---
Improvements	30 Years	---
Machinery and equipment	5 - 30 Years	5 - 15 Years
Infrastructure	20 - 60 Years	---
Intangibles	3 - 10 Years	3 - 10 Years

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

The County is currently undertaking a project to identify and report certain intangible assets such as water rights, mineral rights and certain easements not associated with infrastructure and roads. As these intangibles are identified, they will be reported as capital assets. Because the historical cost of these assets is generally minimal, these assets would not materially change the amount of capital assets currently reported.

1-D-7 Compensated Absences

The County accrues a liability for compensated absences when the County's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered, when the obligation relates to rights that vest or accumulate, when payment of the compensation is probable and when the amount can be reasonably estimated. In accordance with these criteria, the County has accrued

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a liability for annual leave that has been earned but not taken by County employees.

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

The total compensated absence liability is reported on the government-wide financial statements. Governmental funds report the compensated absence liability at the fund reporting level only if they have matured.

Proprietary Funds – Accumulated vested sick pay and vacation pay at December 31, 2016, for employees of the proprietary funds have not been accrued since they would not have a material effect on the financial statements.

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

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

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

1-D-9 Fund Equity and Fund Balances

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

- Non-spendable fund balance – the portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory) or is legally or contractually required to be maintained intact.
- Restricted fund balance – the portion of fund balance constrained to being used for a specific purpose (such as grantors or bondholders), constitutional provisions or enabling legislation.
- Committed fund balance – the portion of fund balance constrained through adopted resolution by the Board of County Commissioners, the highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Board removes those constraints by taking the same type of action.
- Assigned fund balance – the portion of fund balance that reflects a government’s intended use of resources. Assignments are set aside by the Board of County Commissioners through the adoption and subsequent amendment of the annual budget. Assigned fund balances in special revenues funds will also include any remaining fund balance that is not restricted or committed. This classification is necessary to indicate that those funds are intended to be used for the purpose of that particular fund.

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- Unassigned fund balance – the portion of fund balance that is not classified as non-spendable, restricted, committed or assigned. The County will only report a positive unassigned fund balance in the General Fund.

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

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

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

1-D-10 Operating Revenues and Expenses

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

1-D-11 Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that

initially paid for them are not presented on the financial statements (i.e., they are netted). Transfers between funds reported in the governmental activities column are eliminated.

1-D-12 Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

1-D-13 Comparative Data

Certain comparative data for the prior year have been presented to provide an understanding of the changes in the financial position and operations. This data is not included at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the County's financial statements for the year ended December 31, 2015, from which the data was derived. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

1-E. Recent Accounting Pronouncements

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72, Fair Value Measurement and Application. The statement addresses accounting and financial reporting issues related to fair value measurements for financial reporting purposes. This statement requires disclosure to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques and was effective for financial statements for periods beginning after June 15, 2015. The County adopted this statement for fiscal year ending December 31, 2016.

In June 2015, GASB issued Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The statement attempts to identify, in the context of the current governmental financial reporting environment, the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with generally accepted accounting principles (GAAP) and the framework for selecting those principles. The requirements of the statement were effective for periods beginning after June 15, 2015. The County adopted this statement; however, had no effect on the County's financial statements.

In August 2015, GASB issued Statement No. 77, Tax Abatement Disclosures. This statement requires governments who enter into tax abatement agreements to provide additional disclosure in its financial statements. This statement is effective for fiscal years beginning after December 15, 2015. The County adopted this statement; however, there are no tax abatements and the implementation of this statement had no effect on the County's financial statements.

Note 2 - Stewardship, Compliance and Accountability

2-A. Budgetary Information

The governmental fund budgets are adopted on a basis consistent with GAAP. All budgets are presented on a GAAP basis unless otherwise noted. Adopted budgets for internal service funds are presented on a non-

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GAAP basis. The nature and amount of the adjustments necessary to convert the actual GAAP data to the budgetary basis is included.

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

In accordance with state statute, the Board of County Commissioners may, by resolution, authorize budget amendments during the year, but not in excess of the amount that actual revenues exceed budgeted revenues and unappropriated surplus for that fund. They may also transfer any unencumbered appropriation balance or portion thereof from one fund to another. Most funds budget a contingency that may be appropriated to other line items in the same fund, with Board approval, for unanticipated expenditures. Several supplemental appropriations and budget contingency transfers were adopted during 2016.

Note 3 - Detailed Notes on All Funds

3-A. Deposits and Investments

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

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

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

At year-end, the carrying amount of the County's deposits was \$9,075,455 and the bank balance was \$9,765,473. Of the bank balance, \$870,411 was covered by federal depository insurance and \$8,895,062 was uninsured but collateralized with securities held by a third party in the name of the CPDPA.

The carrying amount of deposits for the Office of the District Attorney of the Sixth Judicial District, a discretely presented component unit was \$104,926 and the bank balance was \$104,926. Of the bank balance, \$104,926 was covered by federal depository insurance.

Credit Risk – The County's investment policy is to apply the 'prudent investor rule' where investments are made as a prudent person would be expected to act. The County's investment policy limits investments in fixed income securities to U.S. Treasury obligations; Federal instrumentality securities, limited to the following: Federal National Mortgage Association (FNMA), Federal Farm Credit Banks (FFCB), Federal Home Loan Banks (FHLB), and Federal Home Loan Mortgage Corporation (FHLMC); Corporate bonds (rated at least AA-), Prime Commercial Paper (rated at least A-1); eligible bankers acceptances; general obligations and revenue obligations; repurchase agreements; local government investment pools authorized under C.R.S. 24-75-701 and C.R.S. 24-75-702, money market mutual funds registered under the Investment Company Act of 1940; and non-negotiable certificates of deposit.

As of December 31, 2016, the County's investments in local government investment pools (COLOTRUST) were rated AAAM by Standard & Poor's. To obtain financial statements for COLOTRUST, you may visit their website at www.colotrust.com.

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

Concentration of credit risk. The County's formal investment policy provides that the combined exposure to corporate bonds, commercial paper and eligible bankers acceptances shall not exceed fifty percent of the portfolio, with no more than five percent held in any one issuer. Exposure to general obligations and revenue obligations shall not exceed thirty percent of the portfolio with no more than five percent held in any one issuer.

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

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As of December 31, 2016, the County's investments were as follows:

	Weighted Avg Mkt Dur (Yrs)	S&P/ Moody Rating	% of Portfolio	Fair Value/ Carrying Amount
Local government investment pool-ColoTrust Plus	-	AAAm	30.46%	\$ 21,271,985
Local government investment pool-ColoTrust Prime	-	AAAm	4.40%	3,070,785
Federal Home Loan Banks (FHLB)	1.42	AA+/Aaa	7.94%	5,546,237
Federal National Mortgage Association	2.02	AA+/Aaa	8.50%	5,938,204
Federal Home Loan Mortgage Corporation (FHLMC)	0.83	AA+/Aaa	2.87%	2,002,634
United States Treasury Note/Bond	1.48	AA+/Aaa	11.48%	8,018,570
Federal Farm Credit Banks (FFCB)	1.32	AA+/Aaa	9.96%	6,955,804
Corporate - Commonwealth Bank of Australia/NY	1.20	AA-/Aa2	2.89%	2,016,146
Corporate - Toronto-Dominion Bank	1.80	AA-/Aa1	2.87%	2,003,720
Corporate - Toyota Motor Credit Corp	1.02	AA-/Aa3	2.86%	1,999,025
Corporate - Wells Fargo Bank NA	1.69	AA-/Aa2	2.86%	1,995,138
Corporate - Westpac Banking Corp	1.98	AA-/Aa2	1.44%	1,004,163
Corporate - Exxon Mobil Corp	2.11	AA+/Aaa	1.44%	1,002,161
Corporate - JP Morgan Chase Bank NA	2.66	A+/Aa3	1.42%	990,053
Corporate - Microsoft Corp 1.3%	1.82	AAA/Aaa	1.43%	999,201
Corporate - Berkshire Hathaway Inc	1.30	AA/Aa2	2.88%	2,009,519
Corporate - Apple Inc	1.32	AA+/Aa1	2.88%	2,010,189
Corporate - Chevron	0.87	AA-/Aa2	1.43%	1,001,192
		<i>Total</i>	<u>100%</u>	<u>\$ 69,834,726</u>

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

At December 31, 2016, investments were measured at fair value using:

	Quoted Prices in			
	Active markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments by fair value level				
LGIP – Colo Trust Plus	\$ -	-	\$ 21,271,985	\$ 21,271,985
LGIP – Colo Trust Prime	-	-	3,070,785	3,070,785
FHLB	-	5,546,237	-	5,546,237
FNMA	-	5,938,204	-	5,938,204
FHLMC	-	2,002,634	-	2,002,634
US Treasury Note/Bond	8,018,570	-	-	8,018,570
Federal Farm Credit Banks	-	6,955,804	-	6,955,804
Corporate Stocks	17,030,507	-	-	17,030,507
	<u>\$ 25,049,077</u>	<u>\$ 20,442,879</u>	<u>\$ 24,342,770</u>	<u>\$ 69,834,726</u>

Cash & Investment Reconciliation:

Description	Carrying Amounts		Cash and Cash Equivalents
Cash on hand	\$ 10,263	From Statement of Net Position:	
Deposits	9,075,455	Cash & Cash Deposits	\$ 204,279
Investments	69,834,726	Equity in treasurer's cash and investments	75,458,724
		Restricted cash and investments	79,850
		Statement of Fiduciary Assets and Liabilities	3,177,591
Total	<u>\$ 78,920,444</u>	Total	<u>\$ 78,920,444</u>

3-B. Receivables

Receivables at December 31, 2016 include earned revenues that are not considered to be available to liquidate liabilities for the current period.

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, collectability.

La Plata County, Colorado
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For the Year Ended December 31, 2016

3-C. Property Taxes

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

3-D. Capital Assets

Capital asset activity for governmental activities (including internal service funds) for the year ended December 31, 2016, was as follows:

	Balance 1/1/2016	Reclass	Additions	Deletions	Balance 12/31/2016
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 9,452,945	\$ -	\$ -	\$ -	\$ 9,452,945
Construction in progress	1,885,993	(1,075,524)	6,580,034	19,991	7,370,512
Total capital assets not being depreciate	11,338,938	(1,075,524)	6,580,034	19,991	16,823,457
Depreciable capital assets:					
Buildings	56,419,552	934,674	10,268,256	-	67,622,482
Improvements	9,329,548	-		227,206	9,102,342
Machinery and equipment	17,907,544	-	1,591,597	1,052,283	18,446,858
Intangibles	-	140,850	75,598	-	216,448
Infrastructure	84,356,865	-	1,779,856	-	86,136,721
Total depreciable capital assets	168,013,509	1,075,524	13,715,307	1,279,489	181,524,851
Total capital assets	179,352,447	-	20,295,341	1,299,480	198,348,308
Accumulated depreciation:					
Buildings	13,495,478	-	1,164,277	-	14,659,755
Improvements	3,429,473	-	351,015	22,720	3,757,768
Machinery and equipment	10,095,689	-	1,182,155	912,396	10,365,448
Intangibles	-	-	23,775	-	23,775
Infrastructure	53,780,339	-	3,098,716	-	56,879,055
Total accumulated depreciation	80,800,979	-	5,819,938	935,116	85,685,801
Governmental activities capital assets,	<u>\$ 98,551,468</u>	<u>\$ -</u>	<u>\$ 14,475,403</u>	<u>\$ 364,364</u>	<u>\$ 112,662,507</u>

La Plata County, Colorado
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Governmental activities depreciation expense:	Total
General government	\$ 938,181
Public safety	772,795
Recreation & Culture	368,281
Public works	3,697,977
Health and welfare	42,704
Total governmental activities depreciation expense	<u>\$ 5,819,938</u>

The following are the changes in capital asset activity in discretely presented component units for the year ended December 31, 2016:

	Balance 1/1/2016	Additions	Deletions	Balance 12/31/2016
Depreciable capital assets:				
Improvements	23,334	-	-	23,334
Machinery and equipment	124,000	9,000	(20,850)	112,150
Less accumulated depreciation	<u>(108,296)</u>	<u>(15,609)</u>	<u>18,765</u>	<u>(105,140)</u>
Component unit capital assets, net	<u>\$ 39,038</u>	<u>\$ (6,609)</u>	<u>\$ (2,085)</u>	<u>\$ 30,344</u>

3-E. Interfund Transfers

Interfund 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 to move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and to provide additional resources for current operations or debt service.

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

Interfund transfers for the year ended December 31, 2016, consisted of the following:

	General fund	Non-major govt'l fund	Total
Transfers to:			
General fund	\$ -	\$ 379,740	\$ 379,740
Capital improvement fund	10,000,000	-	10,000,000
Total	<u>\$10,000,000</u>	<u>\$ 379,740</u>	<u>\$10,379,740</u>

La Plata County, Colorado
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3-F. Long-Term Debt

Changes in Long-term Debt - Changes in the County's long-term obligations consisted of the following for the year ended December 31, 2016:

	Outstanding 1/1/2016	Additions	Reductions	Outstanding 12/31/2016	Amounts Due In One Year
Governmental Activities:					
Colorado Water debt	\$ 265,843	\$ -	\$ 11,628	\$ 254,215	\$ 11,862
Compensated absences	1,698,479	2,221,200	2,305,002	1,614,677	375,445
Pollution remediation obligation	2,643,071	-	74,140	2,568,931	300,000
Landfill closure and postclosure care costs	403,407	-	54,741	348,666	59,076
Total Governmental Activities	<u>\$5,010,800</u>	<u>\$2,221,200</u>	<u>\$2,445,511</u>	<u>\$4,786,489</u>	<u>\$ 746,383</u>
Component Unit:					
Compensated absences	111,902	108,793	128,224	92,471	21,805
	<u>\$ 111,902</u>	<u>\$ 108,793</u>	<u>\$ 128,224</u>	<u>\$ 92,471</u>	<u>\$ 21,805</u>

The compensated absences liability will be paid from the fund from which the employees' salaries are paid, typically the General Fund, Road & Bridge Fund and the Social Services Fund. The County has received a federal court order which will assist in recovering some of the costs associated with the pollution remediation from a third party (see Note 3-H below); any costs not paid for by a third party will be paid for by general revenues. The landfill closure and post-closure care liability will be paid for by general revenues.

3-G. Colorado Water Resources and Power Development Authority - The La Plata County Palo Verde Public Improvement District #3 entered into a loan agreement with the Colorado Water Resources and Power Development Authority to finance the water line extension project and service connections to the City of Durango's water. The loan was in the amount of \$272,500 with a 2% interest and a term of 20 years. The principal and interest shall be payable out direct annual taxes on all taxable property in the District. A schedule of future debt services requirements is as follows:

Year	Principal	Interest	Total Debt Service
2017	11,862	5,025	16,887
2018	12,100	4,787	16,887
2019	12,343	4,544	16,887
2020	12,592	4,295	16,887
2021-2025	66,858	17,578	84,436
2026-2030	73,852	10,583	84,435
2031-2034	64,608	2,941	67,549
Total	<u>\$ 254,215</u>	<u>\$ 49,753</u>	<u>\$ 303,968</u>

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3-H. Compensated Absences

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

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

3-I. Pollution Investigation and Remediation

The County owns property (the County jail site) that has been environmentally contaminated with chlorinated solvents by prior owners who are responsible, pursuant to a federal court order, for 75% of the costs for remediating environmental issues subject to that order, in accordance with State and Federal laws. A consultant hired by the County has conducted a remedial investigation/feasibility study (RI/FS) at the site and has identified several alternate remedial/corrective action plans to address environmental contamination of the jail site, ranging from in-situ chemical oxidation of soils exceeding acceptable levels to complete removal of all contaminated soils. The consultant estimates that the cost for implementation of remedial/corrective actions is likely to have a present value of \$3,240,000, but could be as low as \$2,014,000 or as high as \$6,180,000, depending upon the option selected and the long-term monitoring costs associated with the selected option. In 2014, the County's consultant completed an in-situ chemical oxidation pilot study (Study) at the site in support of the remedy selected in the final Record of Decision (ROD). The objectives of the Study were to estimate the expected radius of influence of oxidant injection and to conduct an initial assessment of the effectiveness of the selected remedy. Based on the results, of the Study, the County and Brown Group have agreed upon a phased-approach to the selected remedy that could potentially result in cost savings. The phased-approach is currently underway.

In 2008, the County filed a lawsuit (US District Court, District of Colorado, civil action #08-cv-00855-LTB-KMT) against Brown Retail Group, Inc. et al. (which subsequently reorganized as BG Retail, LLC), the former owner of the property, seeking reimbursement of the cost of pre-cleanup investigation, past and future cleanup at the jail site, long-term environmental monitoring, and associated legal fees. The County's lawsuit was tried in October of 2010 and the court issued a decision in March of 2011. The court ordered that BG Retail is responsible for 75% of certain investigative and clean-up/remediation costs incurred to date and expected to be incurred by the County in the future. The County will be responsible for the remaining costs. The judge's ruling requires BG Retail to reimburse La Plata County for 75% of past recoverable response costs totaling 694,787.00 (i.e. \$521,090.25) which BG Retail had paid as of January 2013.

The Court's March 2011 order further established a "starting point" for remediation, which is estimated by the County's consultant to have a net present value of \$830,000. A plan for remediation that meets the Court's starting point has been developed and approved by the Colorado Department of Public Health and

La Plata County, Colorado
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Environment (CDPHE). Because the County, the County's consultant and the CDPHE do not believe the Court's ordered initial plan will successfully remediate the contamination to meet applicable environmental standards, the County has recorded a liability for pollution remediation obligation in the government wide statements for legal services in the amount of \$15,000, and remedial/corrective actions in the amount of \$2,999,206, for a total of \$3,014,206. Based upon the judge's determination that Brown Retail Group is required to reimburse a minimum of \$445,275 in future response costs, the County has recorded a corresponding reduction of \$445,275 in the total liability, reducing the net future liability for pollution cleanup to \$2,568,931. By Court order, Brown Group advanced La Plata County \$445,275 in future cleanup costs in April 2012, and this deposit is being held to cover future recovery costs.

The County's remediation costs which BG Retail's \$445,275 deposit is intended to offset, total, to date, \$344,440.53 in cleanup activities, and \$42,400.40 in legal fees and costs. BG Retail has agreed disputed that certain of those expenses fall outside the scope of remediation expenses allowed by the court's order. Following negotiations with BG Retail, the County agreed to withdraw \$40,687.02 of those expenses from its demand for reimbursement and BG Retail disputes at least another \$19,751.38.

The estimated total current cost of cleanup/remediation activities of \$2,568,931 is based on the amount that would be paid if all of the equipment, facilities, and services required to complete the known pollution investigation and remedial/corrective actions were acquired as of December 31, 2016. However, the actual cost may be higher or lower due to inflation, changes in technology, or changes in laws and regulations, and if further studies establish that the scope of the required cleanup is greater than is known at this time. Any future inflation costs and additional costs of investigation and remediation, if any, that might arise from changes in pollution investigation, compliance, and remediation requirements (due to changes in technology or more rigorous regulations, or the need for active remediation for example) may need to be covered by charges to future taxpayers. The Court's order provides that the County may return to the Court for additional recovery of future costs from Brown Group if the initial "starting point" plan does not bring the site into compliance with environmental standards.

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

3-J. Landfill Closure and Post-closure 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 post-closure care costs that will be incurred after the date the landfills no longer accept waste. The estimated liability for landfill closure and post-closure care costs has a balance of \$348,666 as of December 31, 2016, which is based on the following assumptions:

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Landfill Sites	Estimated Closure and Post-closure Care Costs	Percent Filled	Calculated Liability
Tiffany	\$ 2,722	100%	\$ 2,722
Marvel	4,722	100%	4,722
Durango	38,400	100%	38,400
Bayfield	302,822	100%	302,822
Totals	\$ 348,666		\$ 348,666

The estimated total current cost of the landfill closure and post-closure care of \$348,666 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2016. However, the actual cost of closure and post closure 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 post-closure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future taxpayers.

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

3-K. Lease Obligations

Lease with Related Party - On February 20, 2009, the County entered into an operating lease with Broken Bands, LLC for rental of 1,395 square feet of office space for the County Attorney's office. Broken Bands, LLC is a privately held limited liability corporation, for which the La Plata County Attorney, an executive-level County employee, is a principal. In September 2010 the lease terms were renegotiated and extended through December 31, 2012. The lease ended December 31, 2012 and has operated as a month to month tenancy through December 31, 2013. The annual rent was reduced to \$33,480 during 2013. In September 2014, the original lease agreement was amended to extend the lease term through July 31, 2016. In July 2016, a third amendment was approved extending the lease terms through February 28, 2017. The County is responsible for taxes, maintenance, utilities, and common area maintenance charges. The amount paid for the lease during 2016 totaled \$44,087.

On February 1, 2008, the County entered into an operating lease with Durango Threadworks, Inc. for rental of 3,192 square feet for the County Clerk's office space. Durango Threadworks, Inc. is a Colorado Corporation, for which a former La Plata Commissioner's father is the President. The initial lease extended through January 31, 2014 and provided for optional renewals after the initial term. In December 2009 the lease terms were renegotiated to include additional lease space and extended through December 31, 2016. Effective

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February 2016 a third lease amendment was negotiated extending the lease terms through February 28, 2019. The lease amendment also secured approximately 750 square feet of additional space. The amount paid for the lease during 2016 totaled \$125,996.

3-L. Pensions

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

The total payroll for the County and the District Attorney's employees that are enrolled in CCOERA in calendar year 2016 was \$23,131,062. Contributions to CCOERA were calculated using the CCOERA eligible payroll amount of \$21,871,477. Both the employer and the covered employees made the required contributions, amounting to \$1,369,452 from the employer and \$1,369,452 from employees, or \$2,738,904.04 total.

Defined Benefit Pension Plan
Summary of Significant Accounting Policies

District Attorney Pensions. The Sixth Judicial District Attorney participates in the State Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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General Information about the Pension Plan

Plan description. The Sixth Judicial District Attorney is provided with pensions through the State Division Trust Fund (SDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

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Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions: Eligible employees and the Sixth Judicial District Attorney are required to contribute to the SDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees with the exception of State Troopers are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements for all employees except State Troopers are summarized in the table below:

	For the Year Ended December 31, 2015	For the Year Ended December 31, 2016	For the Year Ended December 31, 2017
Employer Contribution Rate ¹	10.15%	10.15%	10.15%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%	(1.02)%	(1.02)%
Amount Apportioned to the SDTF ¹	9.13%	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	4.20%	4.60%	5.00%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	4.00%	4.50%	5.00%
Total Employer Contribution Rate to the SDTF ¹	17.33%	18.23%	19.13%

¹Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the SDTF in the period in which the compensation becomes payable to the member and the Sixth Judicial District Attorney's Office is statutorily committed to pay the contributions to the SDTF. Employer contributions recognized by the SDTF from Sixth Judicial District Attorney's Office were \$25,025 for the year ended December 31, 2016.

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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2016, the Sixth Judicial District Attorney reported a liability of \$473,540 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The Sixth Judicial District Attorney proportion of the net pension liability was based on Sixth Judicial District Attorney contributions to the SDTF for the calendar year 2015 relative to the total contributions of participating employers to the SDTF.

At December 31, 2015, the Sixth Judicial District Attorney proportion was 0.0044966108%, which was a decrease of 0.0003315542% from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the Sixth Judicial District Attorney recognized a pension expense of \$2,194. At December 31, 2016, the Sixth Judicial District Attorney reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$6,896	\$ 15
Changes of assumptions or other inputs	-	5,605
Net difference between projected and actual earnings on pension plan investments	35,681	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	20,167
Contributions subsequent to the measurement date	23,698	-
Total	\$66,275	\$25,787

\$23,699 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year

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ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31, 2016:

December 31	
2017	\$ (871)
2018	897
2019	9,459
2020	7,303
Thereafter	-

Actuarial assumptions. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Price inflation	2.80 %
Real wage growth	1.10 %
Wage inflation	3.90 %
Salary increases, including wage inflation	3.90 – 9.57 %
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50 %
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 %
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years.

The actuarial assumptions used in the December 31, 201 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

The SDTF's long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

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As of the most recent analysis of the long-term expected rate of return, presented to the PERA Board on November 15, 2013, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	10 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	26.76%	5.00%
U.S. Equity – Small Cap	4.40%	5.19%
Non U.S. Equity – Developed	22.06%	5.29%
Non U.S. Equity – Emerging	6.24%	6.76%
Core Fixed Income	24.05%	0.98%
High Yield	1.53%	2.64%
Long Duration Gov't/Credit	0.53%	1.57%
Emerging Market Bonds	0.43%	3.04%
Real Estate	7.00%	5.09%
Private Equity	7.00%	7.15%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.50%.

Discount rate. The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.90%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above actuarial cost method and assumptions, the SDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

Sensitivity of the Sixth Judicial District Attorney proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	\$598,251	\$473,540	\$369,223

Pension plan fiduciary net position. Detailed information about the SDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Other Post-Employment Benefits

Health Care Trust Fund

Plan Description – The Sixth Judicial District Attorney contributes to the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The Sixth Judicial District Attorney is required to contribute at a rate of 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the Sixth Judicial District Attorney are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending December 31, 2016, 2015, 2014, the Sixth Judicial District Attorney contributions to the HCTF were \$1,326, \$1,326 and \$1,326, respectively, equal to their required contributions for each year.

3- M. Fund Balances

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

Nonspendable fund balance:

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

Prepays – represents the amount of prepaid expenditures.

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

Restricted fund balance:

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

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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

Construction/maintenance of roads – Colorado counties are required by State law, C.R.S. 43-2-202(1) to maintain a Road and Bridge Fund. All funds held in the Road and Bridge Fund are restricted to fund construction and maintenance of roads and streets within the County boundaries.

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

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

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

Recreation & parks – Funds received from the Colorado lottery program are reported in the Conservation Trust Fund and are restricted for outdoor recreation construction and expenditures.

Joint County/City projects – Pursuant to the terms of the voter approval for the County’s sales tax, 11% of gross sales tax collections must be accounted for separately and are restricted to fund projects of mutual benefit and agreement of the County and the City of Durango.

Tribal mitigation impact – Pursuant to C.R.S. §24-61-202 La Plata county shall establish a fund to be known as the tribal property impact mitigation fund to which all moneys contributed, transferred, appropriated, or otherwise made available for mitigating the impacts of acquisitions of property by the Southern Ute Indian tribe on local governments shall be deposited. Moneys will be distributed to taxing authorities within La Plata County upon affirmative vote of a majority of the members of the three-member board.

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

Committed Fund Balance:

Emergency and disasters – Funds set aside by the La Plata County Board of County Commissioners to be used to ensure the maintenance of services to the public during non-routine and unforeseen disaster situations such as fires and other weather-related events, as well as other environmental or other natural disasters that cause disruptions in public services

Assigned Fund Balance:

Construction/maintenance of roads - The Durango Hills local improvement district funds are assigned for the construction and maintenance of public streets within the boundaries of the district.

Debt service –Funds to account for the accumulation of resources for, and the payment of, long-term debt principal and interest.

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Next year's budget deficit – As part of the 2017 budget adoption process, the 2017 general fund revenues and transfers in were estimated at \$35,265,029 and expenditures and transfers out were estimated at \$36,672,832, demonstrating a projected deficit of \$1,407,803. Therefore, it is necessary to set aside this amount to cover the subsequent year budget deficit.

Capital projects – Funds set aside by La Plata County Board of County Commissioners to be used for capital outlay.

Fund Balance Reserve Policy:

The Board of County Commissioners adopted the Fund Balance Reserve Policy in May 2014 which replaced the 2004 General Reserve Policy. The new policy requires reserves at a minimum a level of two months and with the target level of three months, of operating expenditures to provide for fiscal cash liquidity purposes (i.e. fiscal reserve) to be used for short-term cash flow purposes due to the timing of revenues becoming available and expenditures being paid. This reserve is required in both the General Fund and the Road & Bridge Fund.

The Assigned and Committed components of fund balance will provide the taxpayer with an explanation of why financial resources have been set aside and the conditions under which such resources will be expended. The General Fund shall maintain the following fund balance components:

Committed Fund Balance for Emergencies and Disasters – Differing from disaster response or relief (i.e. paying for resources to combat a fire), the County shall maintain 75 days of operating expenditures to be used to ensure the maintenance of services to the public during non-routine and unforeseen disaster situation such as fires and other weather-related events, as well as other environmental or other natural disasters that cause disruptions in public services as declared appropriate by the Board.

Assigned Fund Balance for Capital -The County shall maintain an amount to be reserved for future financial resource use of the tentative plans for capital outlays including the acquisition or construction of capital facilities and other capital assets. These reserves may also be used for financing, debt issuance costs, grant matching for capital outlays, or transfer to the Capital Improvement Plan Fund (CIP) for capital purposes.

The Road & Bridge Fund shall maintain the following fund balance components:

Assigned Fund Balance for Capital -The County shall maintain an amount to be reserved for future financial resource use of the tentative plans for capital outlays including the acquisition or construction of capital assets and road projects. The target level should equal the expected net cost for the road plan. The calculated amount of the General Fund fund balance components at December 31, 2016 are:

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Fund Balance

Nonspendable:		
Prepays	\$	168,218
Restricted:		
Economic stabilization (TABOR)		1,733,899
Law enforcement		222,865
Committed:		
Emergency and disasters		7,158,458
Assigned:		
Next year's budget deficit		1,407,803
Capital projects		10,511,673
Unassigned		26,910,384
Total General Fund Balance		<u><u>\$ 48,113,300</u></u>

Note 4 - Risk Management

Medical Claims - In 1984, the County began a self-insurance program for medical claims. The purpose of the program is to pay medical claims of County employees and their covered dependents and minimize annual medical insurance costs to the County. The claims are funded through payroll withholdings from employees and County matching funds. The County contracts with Anthem BlueCross BlueShield and Delta Dental for third-party administration services for medical and dental plans, respectively. Medical claims exceeding \$100,000 per covered individual or 120% of the annual contributions for the group are covered by stop loss coverage provided through Anthem. The County does not report excess insurance risks as liabilities unless it is probable that those risks will not be covered by the excess insurance. There were no material changes in insurance coverage, and there were no settlements in excess of insurance coverage for the last four fiscal years.

The claims liability of \$375,231 reported in the employee medical self insurance fund represents the amount due to the County's third party administrators at December 31, 2016 for the 2016 claims year and an estimate for incurred but not reported claims.

Changes in the funds claims liability amount in calendar 2016 and 2015 were:

	2016	2015
Liability at January 1		
Add: Current year claims & changes in estimates	\$ 251,394	\$ 159,120
Less: Claim Payments	3,573,052	3,523,845
Balance at December 31	<u>(3,449,215)</u>	<u>(3,431,571)</u>
	<u><u>\$ 375,231</u></u>	<u><u>\$ 251,394</u></u>

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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

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

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

La Plata County entered into an agreement effective January 1, 2016 through December 31, 2016 with CTSI to increase the deductible for the CAPP insurance coverage to \$100,000 per claim. The County has always participated in the pool's standard insurance program that provides a \$500 deductible for most property and liability insurance claims. After consultation with CTSI and analysis by the County, the County determined it would be beneficial for the County to participate in CAPP's partially self-funded option program. Under this program, the County will self-fund a portion of its anticipated property and casualty claims for the program year 2016 while having CAPP continue to provide claims adjudication and management services and loss control and prevention programs for the County.

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Note 5 - Contingent Liabilities

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

An audit in accordance with the Federal Single Audit Act of 1996 was conducted for the calendar year 2016, but state agencies may still examine individual state programs. Pending the resolution of the findings and questioned costs of such audits, the amount, if any, of disallowed expenditures cannot be determined.

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

Grant	Period	Grant Funds	Matching Funds	Description
EIAF #7614	03/02/15 - 12/31/17	1,000,000	1,325,000	La Plata County Road 517 Urban Improvements
EIAF #7693	04/15/15 - 03/31/17	100,000	225,000	La Plata County Financial & HR Management System
EIAF #7850	12/09/15 - 05/31/17	1,900,000	3,199,274	La Plata County Courthouse Remodel
EIAF #8096	02/23/16 - 02/28/17	700,000	700,000	La Plata County CR 318 Mill & Overlay
EIAF #8106	01/15/16 - 02/28/17	25,000	25,000	La Plata County Courthouse Renovation Design
EIAF #8194	10/11/16 - 04/30/18	700,000	700,000	La Plata County CR 302 Improvements
EIAF #9115	05/12/16 - 08/31/17	50,000	50,000	La Plata County CR 321 Tiffany Draw Bridge
LGGF 15-905	01/01/16 - 12/31/16	105,494	267,970	La Plata County Detention Services
LGGF 15-906	01/01/16 - 12/31/16	200,564	200,564	La Plata County Sheriff Public Safety Services
LGGF 15-908	01/01/16 - 12/31/16	112,175	2,274,531	La Plata County 6th Judicial DA Impacts
Totals		\$ 4,893,233	\$ 8,967,339	

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

Humane Society Operations – In 1993 the County and the La Plata County Humane Society entered into an agreement in which the Humane Society provides animal control in the County and the County contributes toward the costs of services provided. The agreement provides for ongoing renewals and requires a year advance notice to cancel. For 2016, the amount of funding provided pursuant to the agreement was \$177,030.

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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

Commitment to Lease Space – As of March 2015, La Plata County completed its negotiations with the U.S. General Services Administration (GSA) for the remodel and lease of a portion of the County Courthouse to the GSA for use by the U.S. District Court, U.S. Marshal's Office and the U.S. Probation Dept. The County believes that locating the U.S. District Court offices in the County Courthouse will increase access for local citizens, help to address social justice concerns, and contribute to the economic vitality of the community. La Plata County and the GSA entered into a lease agreement signed by the County on March 10, 2015 and by the GSA on April 3, 2015. The total project cost was estimated to be between \$4.5 million and \$5 million, which cost will span two County budget cycles (2015 and 2016). Under the terms of the lease agreement, the GSA will pay total annual rent of \$170,610 (which includes costs associated with tenant improvements) for a term of ten years.

Note 6 - Joint Venture

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

The County's equity interest in the Durango-La Plata County Airport was \$20,708,618 at December 31, 2016. 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, 2016, and may be obtained by contacting the management of the Durango-La Plata County Airport at 1000 Airport Road, Durango, Colorado, 81303 or via telephone at 970-247-8143.

Note 7 - Tax, Spending and Debt Limitations

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

La Plata County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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.

REQUIRED SUPPLEMENTARY INFORMATION

NET PENSION LIABILITY

La Plata County, Colorado
Schedule of County's Proportionate Share
of the Net Pension Liability
PERA SCHDTF Pension Plan
For the Year Ended December 31, 2016

	Measurement Date	
	2015	2014
County's proportion of the net pension liability	0.0044966108%	0.0048281650%
County's proportionate share of the net pension liability (asset)	473,540	454,162
County's covered-employee payroll	130,000	130,000
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	364.26%	349.36%
Plan fiduciary net position as a percentage of the total pension liability covered-employee payroll	56.1%	59.8%

This schedule presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the County presents information for those years for which information is available.

Notes to Required Supplement Information

There have not been any changes to benefit terms.

There have not been any changes in assumptions.

La Plata County, Colorado
Schedule of County's Contributions
PERA SCHDTF Pension Plan
For the Year Ended December 31, 2016

	December 31, 2016	December 31, 2015	December 31, 2014
Contractually required contribution	\$ 25,025	\$ 23,855	\$ 22,685
Contributions in relation to the contractually required contribution	<u>(25,025)</u>	<u>(23,855)</u>	<u>(22,685)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 130,000	\$ 130,000	\$ 130,000
Contributions as a percentage of covered-employee payroll	19.25%	18.35%	17.45%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the County presents information for those years for which information is available.

Notes to Required Supplement Information

There have not been any changes to benefit terms.

There have not been any changes in assumptions.

SUPPLEMENTARY INFORMATION

GENERAL FUND

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

La Plata County, Colorado
General Fund
Comparative Balance Sheet
December 31, 2016 and 2015

	2016	2015
Assets		
Cash and cash deposits	\$ 203,729	\$ 283,706
Equity in treasurer's cash and investments	47,408,650	53,325,912
Restricted cash and investments	27,689	31,479
Receivables:		
Accounts	135,720	134,418
Property taxes	13,355,280	16,475,337
Deposits	2,000	2,000
Intergovernmental	3,480,506	3,031,544
Interfund	-	2,519
Prepays	168,218	196,375
Total Assets	64,781,792	73,483,290
Liabilities		
Accounts payable	2,343,341	2,227,099
Accrued salaries and benefits	407,191	341,880
Interfund payable	-	-
Intergovernmental payable	75,008	151,255
Deposits payable	459,983	458,783
Liabilities payable from restricted assets	27,689	31,480
Total Liabilities	3,313,212	3,210,497
Deferred Inflows of Resources		
Property taxes	13,355,280	16,475,337
Total Deferred Inflows of Resources	13,355,280	16,475,337
Fund Balances		
Nonspendable:		
Prepays	168,218	196,375
Restricted:		
Economic stabilization (TABOR)	1,733,899	1,600,510
Law enforcement	222,865	275,506
Committed:		
Emergency and disasters	7,158,458	6,764,859
Assigned:		
Next year's budget deficit	1,407,803	10,356,538
Capital projects	10,511,673	20,511,673
Partially self funded Insurance claims	750,000	-
Unassigned	26,160,384	14,091,995
Total Fund Balances	\$ 48,113,300	\$ 53,797,456

La Plata County, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2016
(With Comparative Actual Amounts for Year Ended December 31, 2015)

	2016				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2015 Actual
Revenues					
Taxes:					
General property & delinquent taxes	\$ 16,492,977	\$ 16,492,977	\$ 16,452,255	\$ (40,722)	\$ 14,837,193
Specific ownership	1,400,000	1,400,000	1,421,765	21,765	1,348,937
Sales tax (net)	8,389,971	8,389,971	8,881,995	492,024	7,964,537
Cable franchise fees	112,000	112,000	110,983	(1,017)	106,991
Lodger's tax	230,000	230,000	325,245	95,245	274,019
Total Taxes	26,624,948	26,624,948	27,192,243	567,295	24,531,677
Intergovernmental Revenue:					
Federal Revenue:					
Senior Services-Older American Act	101,080	101,080	143,645	42,565	150,279
Senior Services-NSIP/SMP/SHIP	40,540	40,540	62,949	22,409	45,642
CSB Grant-for Sr. Svcs	5,000	5,000	10,857	5,857	5,000
Payment In Lieu of Taxes	500,000	500,000	627,520	127,520	584,888
HIDTA grant	403,763	403,763	375,583	(28,180)	356,854
Bulletproof vest grant	7,000	7,000	5,060	(1,940)	2,347
State Criminal Alien Assistance	9,500	9,500	5,125	(4,375)	12,610
Other Miscellaneous Federal Grants	10,000	10,000	-	(10,000)	-
Office of Emergency Management	87,000	87,000	61,927	(25,073)	56,282
Community Development Block Grant	464,000	764,000	832,345	68,345	498,110
Southern Ute Payment in Lieu of Taxes	472,000	472,000	389,322	(82,678)	471,694
State Revenues:					
Senior Services-State Funding	378,031	378,031	320,859	(57,172)	241,789
Cigarette taxes	23,000	23,000	22,133	(867)	22,030
Search and rescue monies	-	-	-	-	5,533
Mineral severance tax	1,332,527	1,332,527	407,825	(924,702)	1,332,528
Mineral leasing	426,426	426,426	734,731	308,305	426,426
DOW Impact assistance (net)	941	941	1,003	62	941
Limited Gaming grants	346,164	346,164	299,595	(46,569)	279,797
Pre-Trial service testing grant	-	5,000	1,853	(3,147)	-
Ballot drop box grant	-	4,000	4,000	-	-
GOCO grant	-	-	22,082	22,082	-
Gold King/Animas River Funding	700,000	700,000	208,709	(491,291)	203,962
Jail Behavior Health Contract	289,900	289,900	303,127	13,227	312,204
Veteran's Services	16,640	16,640	16,632	(8)	10,716
Predator Control Reimbursement	1,500	1,500	1,130	(370)	2,346
DNR Wildfire Risk Reduction	-	45,000	45,000	-	-
Local Government Revenue	10,000	16,625	13,469	(3,156)	11,015
Other local government revenue	50,000	50,000	-	(50,000)	25,000
Total Intergovernmental Revenue	5,675,012	6,035,637	4,916,481	(1,119,156)	5,057,993
Licenses and Permits:					
Liquor licenses	6,000	6,000	8,082	2,082	9,555
Medical Marijuana licenses	46,000	46,000	30,000	(16,000)	17,500
Recreational Marijuana licenses	-	-	49,000	49,000	28,100
Building permits	825,000	825,000	857,582	32,582	764,318
Total Licenses and Permits	877,000	877,000	944,664	67,664	819,473

Charges for Services:

Treasurer's fees	722,400	722,400	770,727	48,327	754,604
Clerk and recorder's fees	1,114,000	1,114,000	1,187,864	73,864	1,140,875
Public trustee's fees	50,000	50,000	39,232	(10,768)	28,634
Planning fees	40,000	40,000	57,555	17,555	38,200
Oil and gas fees	55,000	55,000	48,925	(6,075)	52,200
Assessor's fees	20,600	20,600	41,289	20,689	16,904
Sheriff's fees	84,500	84,500	97,025	12,525	86,153
Law enforcement assistance fund	5,500	5,500	5,714	214	9,202
Other security services	35,000	35,000	6,369	(28,631)	33,393
Jail room & board	436,000	436,000	636,791	200,791	458,885
Jail bond fees	8,000	10,000	12,746	2,746	9,763
Drug Offender's Fees	-	-	22,096	22,096	8,196
Victim impact panel fees	-	-	4,505	4,505	-
Booking fees	47,518	47,518	56,153	8,635	44,821
Prisoner transportation	32,000	32,000	36,790	4,790	38,442
Hazardous waste fees and cost share	15,000	15,000	26,427	11,427	-
Vehicle inspection fees	42,000	42,000	43,340	1,340	45,400
Useful public service program	-	22,000	20,718	(1,282)	(9,757)
Alternatives to incarceration	86,000	86,000	72,896	(13,104)	51,665
Senior meal donations-Durango	87,500	87,500	69,612	(17,888)	84,912
Senior meal donations-Bayfield	11,500	11,500	11,826	326	10,638
Senior home chore	12,500	12,500	7,360	(5,140)	11,632
Senior transportation income	18,000	18,000	7,467	(10,533)	15,048
Senior center activities	14,000	14,000	16,867	2,867	18,503
Senior center rentals	4,300	4,300	3,038	(1,262)	2,473
Senior services-other	-	-	6,663	6,663	2,077
Surveyor's fees	8,500	8,500	12,920	4,420	12,880
Indirect cost allocation reimbursement	171,388	171,388	211,273	39,885	174,217
Charges for services to DHS	-	220,339	176,532	(43,807)	-
GIS Services reimbursements	2,200	2,200	2,313	113	1,714
Election Reimbursements	35,000	35,000	81,811	46,811	56,371
Inmate medical/phone reimbursements	62,242	69,242	69,444	202	87,666
Animal control fines	1,000	1,000	610	(390)	766
Maps/code book sales & sign fees	6,000	6,000	235	(5,765)	1,796
Total Charges for Services	3,227,648	3,478,987	3,865,133	386,146	3,288,273

Investment earnings

300,000	350,000	458,797	108,797	405,091
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Miscellaneous Revenue:

Building rentals	154,131	154,131	156,141	2,010	179,836
Fairgrounds rentals	65,500	65,500	78,899	13,399	70,481
Forfeitures	5,000	5,000	33,568	28,568	39,899
Senior services-United Way	19,625	19,625	14,716	(4,909)	19,625
Prisoner commissary collections	35,000	35,000	23,081	(11,919)	19,506
Photocopies	-	-	636	636	479
Parking/Traffic fines	11,500	11,500	10,704	(796)	8,621
Insurance refunds	40,000	40,000	12,072	(27,928)	25,040
Bayfield Landfill Remediation Reimb.	-	15,018	21,791	6,773	-
Vending machine commissions	-	-	335	335	812
Other miscellaneous revenues	2,500	9,945	90,611	80,666	127,196
Total Miscellaneous Revenue	333,256	355,719	442,554	86,835	491,495

Total Revenue

37,037,864	37,722,291	37,819,872	97,581	34,594,002
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Expenditures:

General Government

Board of County Commissioners

Personnel Expenditures	270,777	270,777	269,938	839	273,344
Operating Expenditures	130,151	128,851	113,072	15,779	93,166
	400,928	399,628	383,010	16,618	366,510

County Clerk and Recorder-Operations					
Personnel Expenditures	899,006	899,006	882,328	16,678	869,567
Operating Expenditures	260,887	260,887	255,474	5,413	246,925
	<u>1,159,893</u>	<u>1,159,893</u>	<u>1,137,802</u>	<u>22,091</u>	<u>1,116,492</u>
County Clerk and Recorder-Elections					
Personnel Expenditures	81,305	81,305	81,662	(357)	69,826
Operating Expenditures	207,175	211,175	210,258	917	122,005
	<u>288,480</u>	<u>292,480</u>	<u>291,920</u>	<u>560</u>	<u>191,831</u>
County Treasurer					
Personnel Expenditures	364,666	365,817	340,202	25,615	342,183
Operating Expenditures	201,165	251,171	206,021	45,150	165,063
	<u>565,831</u>	<u>616,988</u>	<u>546,223</u>	<u>70,765</u>	<u>507,246</u>
Public Trustee's Office					
Personnel Expenditures	15,272	15,272	15,256	16	15,377
Operating Expenditures	11,630	11,630	7,354	4,276	11,269
	<u>26,902</u>	<u>26,902</u>	<u>22,610</u>	<u>4,292</u>	<u>26,646</u>
County Assessor					
Personnel Expenditures	1,041,504	1,041,504	1,018,184	23,320	1,001,979
Operating Expenditures	152,085	152,085	141,551	10,534	148,340
	<u>1,193,589</u>	<u>1,193,589</u>	<u>1,159,735</u>	<u>33,854</u>	<u>1,150,319</u>
County Surveyor					
Personnel Expenditures	5,141	13,791	14,309	(518)	10,387
Operating Expenditures	1,500	1,500	1,250	250	1,110
	<u>6,641</u>	<u>15,291</u>	<u>15,559</u>	<u>(268)</u>	<u>11,497</u>
Administrative Offices					
Personnel Expenditures	817,852	817,852	701,022	116,830	653,233
Operating Expenditures	220,695	221,995	86,671	135,324	149,173
	<u>1,038,547</u>	<u>1,039,847</u>	<u>787,693</u>	<u>252,154</u>	<u>802,406</u>
County Attorney's Office					
Personnel Expenditures	683,714	896,453	723,703	172,750	637,296
Operating Expenditures	265,400	388,727	367,743	20,984	335,207
	<u>949,114</u>	<u>1,285,180</u>	<u>1,091,446</u>	<u>193,734</u>	<u>972,503</u>
Finance					
Personnel Expenditures	404,959	404,959	395,046	9,913	429,102
Operating Expenditures	167,436	167,436	98,503	68,933	88,580
	<u>572,395</u>	<u>572,395</u>	<u>493,549</u>	<u>78,846</u>	<u>517,682</u>
Information Services					
Personnel Expenditures	1,265,522	1,265,522	1,186,644	78,878	1,229,154
Operating Expenditures	544,440	544,440	471,380	73,060	458,352
	<u>1,809,962</u>	<u>1,809,962</u>	<u>1,658,024</u>	<u>151,938</u>	<u>1,687,506</u>
Procurement/Warehouse					
Personnel Expenditures	171,778	171,778	166,433	5,345	156,396
Operating Expenditures	12,039	12,039	9,058	2,981	12,633
	<u>183,817</u>	<u>183,817</u>	<u>175,491</u>	<u>8,326</u>	<u>169,029</u>
Building Maintenance					
Personnel Expenditures	870,314	870,314	959,992	(89,678)	641,799
Operating Expenditures	1,537,555	1,521,055	1,028,705	492,350	894,897
	<u>2,407,869</u>	<u>2,391,369</u>	<u>1,988,697</u>	<u>402,672</u>	<u>1,536,696</u>
Building Maintenance-OMPO					
Operating Expenditures	73,005	73,005	51,293	21,712	63,698
	<u>73,005</u>	<u>73,005</u>	<u>51,293</u>	<u>21,712</u>	<u>63,698</u>
Human Resources					
Personnel Expenditures	466,786	474,908	432,655	42,253	440,149
Operating Expenditures	221,175	213,053	175,234	37,819	156,643
	<u>687,961</u>	<u>687,961</u>	<u>607,889</u>	<u>80,072</u>	<u>596,792</u>
Planning Department					
Personnel Expenditures	993,825	986,325	939,931	46,394	896,950
Operating Expenditures	128,352	165,852	131,684	34,168	69,538
	<u>1,122,177</u>	<u>1,152,177</u>	<u>1,071,615</u>	<u>80,562</u>	<u>966,488</u>
Risk Management					
Personnel Expenditures	100,587	100,587	100,282	305	97,241
Operating Expenditures	616,809	616,809	210,551	406,258	457,723
	<u>717,396</u>	<u>717,396</u>	<u>310,833</u>	<u>406,563</u>	<u>554,964</u>

Budget Contingency/Reserves	1,000,000	860,640	-	860,640	-
Total General Government	14,204,507	14,478,520	11,793,389	2,685,131	11,238,305
Public Safety					
Sheriff-Patrol					
Personnel Expenditures	3,790,157	3,794,157	3,162,242	631,915	3,105,768
Operating Expenditures	1,134,198	1,161,923	1,053,967	107,956	1,088,204
	4,924,355	4,956,080	4,216,209	739,871	4,193,972
Sheriff-Detentions					
Personnel Expenditures	4,691,988	4,379,640	4,429,351	(49,711)	4,431,953
Operating Expenditures	1,625,339	1,976,687	1,904,921	71,766	1,590,779
	6,317,327	6,356,327	6,334,272	22,055	6,022,732
Sheriff-Admin					
Personnel Expenditures	1,052,905	1,058,104	1,037,940	20,164	1,326,394
Operating Expenditures	163,291	170,291	126,114	44,177	348,157
	1,216,196	1,228,395	1,164,054	64,341	1,674,551
Sheriff-Special Investigations					
Personnel Expenditures	514,696	514,696	414,863	99,833	469,856
Operating Expenditures	473,532	415,532	377,418	38,114	368,117
	988,228	930,228	792,281	137,947	837,973
Sheriff-Criminal Investigations					
Personnel Expenditures	843,305	839,305	785,296	54,009	879,605
Operating Expenditures	149,903	146,003	113,328	32,675	145,959
	993,208	985,308	898,624	86,684	1,025,564
Sheriff-Special Operations					
Personnel Expenditures	-	-	554,894	(554,894)	-
Operating Expenditures	50,875	92,765	118,719	(25,954)	-
	50,875	92,765	673,613	(580,848)	-
Alternatives to Incarceration					
Personnel Expenditures	361,704	361,704	342,632	19,072	390,573
Operating Expenditures	99,009	89,009	51,573	37,436	64,899
	460,713	450,713	394,205	56,508	455,472
County Coroner					
Personnel Expenditures	99,603	99,603	91,103	8,500	85,908
Operating Expenditures	147,073	147,073	131,851	15,222	100,397
	246,676	246,676	222,954	23,722	186,305
Building Inspection Department					
Personnel Expenditures	666,803	666,803	622,246	44,557	556,465
Operating Expenditures	106,769	106,769	85,275	21,494	88,254
	773,572	773,572	707,521	66,051	644,719
Emergency Management Office					
Personnel Expenditures	136,883	136,883	124,788	12,095	122,740
Operating Expenditures	862,500	907,500	36,849	870,651	155,576
	999,383	1,044,383	161,637	882,746	278,316
Pmt to Component Unit - District Attorney	1,649,522	1,649,522	1,532,801	116,721	1,511,905
Total Public Safety	18,620,055	18,713,969	17,098,171	1,615,798	16,831,509
Recreation & Culture					
Fairgrounds					
Personnel Expenditures	496,263	496,263	316,817	179,446	476,065
Operating Expenditures	257,066	273,566	244,388	29,178	236,761
	753,329	769,829	561,205	208,624	712,826
Extension Office					
Operating Expenditures	87,540	87,540	83,559	3,981	84,381
Total Recreation & Culture	840,869	857,369	644,764	212,605	797,207

Health & Welfare

Senior Services

Personnel Expenditures	621,277	621,277	617,467	3,810	561,026
Operating Expenditures	245,023	245,023	243,841	1,182	209,816
	<u>866,300</u>	<u>866,300</u>	<u>861,308</u>	<u>4,992</u>	<u>770,842</u>

Senior Services - non Joint Sales Tax

Personnel Expenditures	48,032	48,032	39,743	8,289	38,092
Operating Expenditures	126,486	126,486	109,552	16,934	100,754
	<u>174,518</u>	<u>174,518</u>	<u>149,295</u>	<u>25,223</u>	<u>138,846</u>

Veterans Services

Personnel Expenditures	77,855	77,855	71,150	6,705	69,699
Operating Expenditures	14,471	14,471	9,915	4,556	9,491
	<u>92,326</u>	<u>92,326</u>	<u>81,065</u>	<u>11,261</u>	<u>79,190</u>

San Juan Basin Health	<u>522,074</u>	<u>522,074</u>	<u>522,074</u>	<u>-</u>	<u>444,272</u>
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Total Health & Welfare	<u>1,655,218</u>	<u>1,655,218</u>	<u>1,613,742</u>	<u>41,476</u>	<u>1,433,150</u>
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Public Works

Landfill Closure and Waste Management

Operating Expenditures	273,400	273,400	148,241	125,159	103,482
	<u>273,400</u>	<u>273,400</u>	<u>148,241</u>	<u>125,159</u>	<u>103,482</u>

Weed Control

Personnel Expenditures	116,654	116,654	96,776	19,878	99,058
Operating Expenditures	58,155	58,155	29,275	28,880	36,637
	<u>174,809</u>	<u>174,809</u>	<u>126,051</u>	<u>48,758</u>	<u>135,695</u>

Total Public Works	<u>448,209</u>	<u>448,209</u>	<u>274,292</u>	<u>173,917</u>	<u>239,177</u>
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Community Programs

Public Service Agencies	1,235,772	1,235,772	1,240,597	(4,825)	1,177,131
Lodger's tax to DATO	230,000	230,000	325,245	(95,245)	274,019

Total Community Programs	<u>1,465,772</u>	<u>1,465,772</u>	<u>1,565,842</u>	<u>(100,070)</u>	<u>1,451,150</u>
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Pass through of grants received
of CDBG funds

	<u>464,000</u>	<u>764,000</u>	<u>849,629</u>	<u>(85,629)</u>	<u>480,826</u>
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Total Pass through of grants	<u>464,000</u>	<u>764,000</u>	<u>849,629</u>	<u>(85,629)</u>	<u>480,826</u>
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Capital Outlay	<u>48,622</u>	<u>48,622</u>	<u>43,939</u>	<u>4,683</u>	<u>140,931</u>
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Total Expenditures	<u>37,747,252</u>	<u>38,431,679</u>	<u>33,883,768</u>	<u>4,547,911</u>	<u>32,612,255</u>
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Excess of Revenues Over Expenditures	<u>(709,388)</u>	<u>(709,388)</u>	<u>3,936,104</u>	<u>4,645,492</u>	<u>1,981,747</u>
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Other Financing Sources (Uses)

Transfers in-Joint Sales Tax fund	352,850	352,850	379,740	26,890	380,723
Transfers out-Conservation Trust Fund	-	-	-	-	(2,652,677)
Transfers out-Capital Improvement	(10,000,000)	(10,000,000)	(10,000,000)	-	(5,577,637)

Total Other Financing Sources (Uses)	<u>(9,647,150)</u>	<u>(9,647,150)</u>	<u>(9,620,260)</u>	<u>26,890</u>	<u>(7,849,591)</u>
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Net Change in Fund Balances	<u>\$(10,356,538)</u>	<u>\$(10,356,538)</u>	<u>(5,684,156)</u>	<u>\$ 4,672,382</u>	<u>(5,867,844)</u>
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Fund Balance Beginning of Year			<u>53,797,456</u>		<u>59,665,300</u>
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Fund Balances End of Year			<u>\$ 48,113,300</u>		<u>\$ 53,797,456</u>
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SPECIAL REVENUE FUNDS

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

La Plata County has two major and five non-major Special Revenue Funds.

Major Special Revenue Funds:

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

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

La Plata County, Colorado
Road and Bridge Fund
Comparative Balance Sheet
December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Cash	\$ 150	\$ 150
Equity in treasurer's cash and investments	5,508,110	6,551,760
Receivables:		
Accounts	32,503	86,287
Property taxes	1,290,528	1,578,608
Intergovernmental	1,557,424	1,070,561
Inventory	401,651	254,708
Total Assets	<u>8,790,366</u>	<u>9,542,074</u>
Liabilities		
Accounts payable	142,784	499,513
Accrued salaries and wages	71,539	58,698
Total Liabilities	<u>214,323</u>	<u>558,211</u>
Deferred Inflows of Resources		
Property taxes	1,290,528	1,578,608
Total Deferred Inflows of Resources	<u>1,290,528</u>	<u>1,578,608</u>
Fund Balances		
Nonspendable:		
Inventory	401,651	254,708
Restricted:		
Capital improvements impact fees	1,316,149	1,650,305
Construction/maintenance of roads	5,567,715	5,500,242
Total Fund Balances	<u>\$ 7,285,515</u>	<u>\$ 7,405,255</u>

La Plata County, Colorado
Road and Bridge Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2016
(With Comparative Actual Amounts for Year Ended December 31, 2015)

	2016				2015
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Taxes	\$ 4,468,739	\$ 4,468,739	\$ 4,482,619	\$ 13,880	\$ 4,995,902
Intergovernmental	6,003,901	6,003,901	4,233,307	(1,770,594)	3,685,913
Licenses and permits	230,000	230,000	229,728	(272)	231,330
Miscellaneous	159,500	159,500	187,714	28,214	263,478
Total Revenues	10,862,140	10,862,140	9,133,368	(1,728,772)	9,176,623
Expenditures					
Current:					
Public Works					
Maintenance	6,763,694	6,763,694	5,980,931	782,763	5,891,622
Engineering	1,440,089	1,390,089	871,330	518,759	913,503
Road Projects	2,298,667	2,148,667	168,005	1,980,662	1,812,268
Contingency	750,000	720,000	-	720,000	-
Capital Outlay	2,497,000	2,727,000	2,232,842	494,158	934,674
Total Expenditures	13,749,450	13,749,450	9,253,108	4,496,342	9,552,067
Deficiency of Revenues (Under)					
Expenditures	(2,887,310)	(2,887,310)	(119,740)	2,767,570	(375,444)
Net Change in Fund Balances	\$ (2,887,310)	\$ (2,887,310)	(119,740)	\$ 2,767,570	(375,444)
Fund Balances Beginning of Year			7,405,255		7,780,699
Fund Balances End of Year			\$ 7,285,515		\$ 7,405,255

La Plata County, Colorado
Social Services Fund
Comparative Balance Sheet
December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Cash	\$ 400	\$ 400
Equity in treasurer's cash and investments	2,114,742	2,222,075
Restricted cash	52,161	61,657
Receivables:		
Accounts	3,829,520	3,761,681
Property taxes	804,175	844,890
Intergovernmental	357,915	308,934
Total Assets	<u>7,158,913</u>	<u>7,199,637</u>
Liabilities		
Accounts payable	224,600	115,584
Liabilities payable from restricted assets	52,161	61,657
Interfund payable	-	2,519
Intergovernmental payable	3,899,523	3,915,140
Total Liabilities	<u>4,176,284</u>	<u>4,094,900</u>
Deferred Inflows of Resources		
Property taxes	804,175	844,890
Total Deferred Inflows of Resources	<u>804,175</u>	<u>844,890</u>
Fund Balances		
Restricted:		
Child welfare	1,179,275	1,492,242
Public assistance and welfare	999,179	767,605
Total Fund Balances	<u><u>\$ 2,178,454</u></u>	<u><u>\$ 2,259,847</u></u>

La Plata County, Colorado
Social Services Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2016
(With Comparative Actual Amounts for Year Ended December 31, 2015)

	2016				2015
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>Actual</u>
Revenues					
Taxes	\$ 902,264	\$ 902,264	\$ 916,613	\$ 14,349	\$ 830,058
Intergovernmental	4,808,774	4,923,777	5,522,595	598,818	5,062,470
Total Revenues	5,711,038	5,826,041	6,439,208	613,167	5,892,528
Expenditures					
Health and welfare	6,411,596	6,526,599	6,520,601	5,998	6,158,811
Total Expenditures	6,411,596	6,526,599	6,520,601	5,998	6,158,811
Excess (Deficiency) of Revenues Over (Under) Expenditures	(700,558)	(700,558)	(81,393)	619,165	(266,283)
Net Change in Fund Balances	\$ (700,558)	\$ (700,558)	(81,393)	\$ 619,165	(266,283)
Fund Balances Beginning of Year			2,259,847		2,526,130
Fund Balances End of Year			\$ 2,178,454		\$ 2,259,847

NON-MAJOR GOVERNMENTAL FUNDS

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

La Plata County has two major and five non-major Special Revenue Funds.

Non-Major Special Revenue Funds:

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

Durango Hills Road Improvement Districts Fund: Taxpayers living in certain subdivisions within the County have elected to assess themselves an extra property tax to fund certain maintenance/improvements. This fund accounts for the revenues and expenditures associated with the activities in that local taxing district.

Palo Verde Public Improvement District Fund: Taxpayers living in certain subdivisions within the County have elected to assess themselves an extra property tax to fund certain maintenance/improvements. This fund accounts for the revenues and expenditures associated with the activities in that local taxing district.

Tribal Impact Mitigation Fund: established per Colorado Revised Statutes 24-61-201 as a taxation compact between the Southern Ute Indian Tribe, La Plata County, and the State of Colorado, as set forth in House Bill 96-1367. The impact fund shall be under the control of a three-member board comprised of the chairman of the La Plata County Board of County Commissioners, the Chairman of the Southern Ute Indian Tribal Council, and the governor, or their respective designees. Moneys may be distributed from the impact fund upon an affirmative vote of a majority of the members of the board.

Conservation Trust Fund: accounts for revenue received from the State of Colorado to be used for the acquisition, development and maintenance of new and existing parks and recreation sites within La Plata County. The funds are derived primarily from the Colorado State Lottery.

La Plata County, Colorado
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2016

	Joint Sales Tax	Durango Hills Road Improvement District	Palo Verde Public Improvement District	Conservation Trust Fund	Tribal Impact Mitigation	Total Nonmajor Special Revenue Funds
Assets						
Equity in treasurer's cash and investments	\$ 360,171	\$ 199,638	\$ 29,555	\$ 3,327,676	\$ 22,071	\$ 3,939,111
Receivables:						
Property taxes receivable	-	77,742	22,563	-	-	100,305
Intergovernmental receivable	401,195	612	180	-	-	401,987
Total Assets	761,366	277,992	52,298	3,327,676	22,071	4,441,403
Liabilities						
Accounts payable	200,196	3,278	-	-	-	203,474
Total Liabilities	200,196	3,278	-	-	-	203,474
Deferred Inflows of Resources						
Property Taxes	-	77,742	22,563	-	-	100,305
Total Deferred Inflows of Resources	-	77,742	22,563	-	-	100,305
Fund Balances						
Restricted:						
Tribal mitigation impact	-	-	-	-	22,071	22,071
Joint County/City projects	561,170	-	-	-	-	561,170
Recreation & parks	-	-	-	3,327,676	-	3,327,676
Assigned:						
Construction/maintenance of roads	-	196,972	-	-	-	196,972
Debt service	-	-	29,735	-	-	29,735
Total Fund Balances	\$ 561,170	\$ 196,972	\$ 29,735	\$ 3,327,676	\$ 22,071	\$ 4,137,624

La Plata County, Colorado
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016

	Joint Sales Tax	Durango Hills Road Improvement District	Palo Verde Public Improvement District	Conservation Trust Fund	Tribal Impact Mitigation	Total Nonmajor Special Revenue Funds
Revenues						
Property taxes	\$ -	\$ 76,827	\$ 22,276	\$ 350,156	\$ 21,140	\$ 470,399
Sales taxes	2,366,776	-	-	-	-	2,366,776
Other taxes	-	6,631	2,249	-	-	8,880
Miscellaneous	877	2,750	-	21,264	-	24,891
Total Revenues	2,367,653	86,208	24,525	371,420	21,140	2,870,946
Expenditures						
Public works	-	79,961	1,291	-	-	81,252
Recreation & Culture	1,955,401	-	-	-	-	1,955,401
Debt Service						
Principal retirement	-	-	11,628	-	-	11,628
Interest and fiscal charges	-	-	5,259	-	-	5,259
Total Expenditures	1,955,401	79,961	18,178	-	-	2,053,540
Excess (Deficiency) of Revenues Over (Under) Expenditures	412,252	6,247	6,347	371,420	21,140	817,406
Other Financing Sources (Uses)						
Transfers in/(out)	(379,740)	-	-	-	-	(379,740)
Total Other Financing Sources (Uses)	(379,740)	-	-	-	-	(379,740)
Net Change in Fund Balances	32,512	6,247	6,347	371,420	21,140	437,666
Fund Balances Beginning of Year	528,658	190,725	23,388	2,956,256	931	3,699,958
Fund Balances End of Year	\$ 561,170	\$ 196,972	\$ 29,735	\$ 3,327,676	\$ 22,071	\$ 4,137,624

La Plata County, Colorado
Joint Sales Tax Fund
Comparative Balance Sheet
December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Equity in treasurer's cash and investments	\$ 360,171	\$ 324,453
Intergovernmental receivable	<u>401,195</u>	<u>383,038</u>
Total Assets	<u>761,366</u>	<u>707,491</u>
Liabilities		
Accounts payable	40,632	178,833
Intergovernmental payable	<u>159,564</u>	<u>-</u>
Total Liabilities	<u>200,196</u>	<u>178,833</u>
Fund Balances		
Restricted:		
Joint County/City projects	<u>561,170</u>	<u>528,658</u>
Total Fund Balances	<u>\$ 561,170</u>	<u>\$ 528,658</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, 2016
(With Comparative Actual Amounts for the Year Ended December 31, 2015)

	2016				2015 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
Revenues					
Sales taxes	\$ 2,317,822	\$ 2,317,822	\$ 2,366,776	\$ 48,954	\$ 2,324,742
Investment income	300	300	877	577	-
Total Revenues	2,318,122	2,318,122	2,367,653	49,531	2,324,742
Expenditures					
Telecommunication Infrastructure	266,590	266,590	-	266,590	-
Durango Public Library	1,914,769	1,914,769	1,955,401	(40,632)	1,891,568
Total Expenditures	2,181,359	2,181,359	1,955,401	225,958	1,891,568
Excess (Deficiency) of Revenues Over (Under) Expenditures	136,763	136,763	412,252	275,489	433,174
Other Financing Sources (Uses)					
Transfers out	(413,353)	(413,353)	(379,740)	33,613	(380,723)
Total Other Financing Sources (Uses)	(413,353)	(413,353)	(379,740)	33,613	(380,723)
Net Change in Fund Balances	\$ (276,590)	\$ (276,590)	32,512	\$ 309,102	52,451
Fund Balances Beginning of Year			528,658		476,207
Fund Balances End of Year			\$ 561,170		\$ 528,658

La Plata County, Colorado
Durango Hills Road Improvement District
Comparative Balance Sheet
December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Equity in treasurer's cash and investments	\$ 199,638	\$ 192,403
Receivable:		
Property taxes receivable	77,742	76,752
Intergovernment receivable	<u>612</u>	<u>645</u>
Total Assets	<u>277,992</u>	<u>269,800</u>
Liabilities		
Accounts payable	<u>3,278</u>	<u>2,323</u>
Total Liabilities	<u>3,278</u>	<u>2,323</u>
Deferred Inflows of Resources		
Property taxes	<u>77,742</u>	<u>76,752</u>
Total Deferred Inflows of Resources	<u>77,742</u>	<u>76,752</u>
Fund Balances		
Assigned:		
Construction/maintenance of roads	<u>196,972</u>	<u>190,725</u>
Total Fund Balances	<u>\$ 196,972</u>	<u>\$ 190,725</u>

La Plata County, Colorado
Durango Hills Road Improvement District
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016
(With Comparative Actual Amounts for the Year Ended December 31, 2015)

	2016				2015 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
Revenues					
Property Taxes	\$ 76,752	\$ 76,752	\$ 76,827	\$ 75	\$ 74,548
Other Taxes	5,500	5,500	6,631	1,131	6,764
Miscellaneous	2,475	2,475	2,750	275	4,400
Total Revenues	84,727	84,727	86,208	1,481	85,712
Expenditures					
Public works	131,000	131,000	79,961	51,039	67,023
Total Expenditures	131,000	131,000	79,961	51,039	67,023
Excess (Deficiency) of Revenues Over (Under) Expenditures	(46,273)	(46,273)	6,247	52,520	18,689
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	\$ (46,273)	\$ (46,273)	6,247	\$ 52,520	18,689
Fund Balances Beginning of Year			190,725		172,036
Fund Balances End of Year			\$ 196,972		\$ 190,725

La Plata County, Colorado
Palo Verde Public Improvement District #3
Comparative Balance Sheet
December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Equity in treasurer's cash and investments	\$ 29,555	\$ 23,194
Receivable:		
Property taxes receivable	22,563	22,563
Intergovernmental receivable	<u>180</u>	<u>194</u>
Total Assets	<u>52,298</u>	<u>45,951</u>
 Deferred Inflows of Resources		
Property taxes	<u>22,563</u>	<u>22,563</u>
Total Deferred Inflows of Resources	<u>22,563</u>	<u>22,563</u>
 Fund Balances		
Assigned:		
Debt service	<u>29,735</u>	<u>23,388</u>
Total Fund Balances	<u>\$ 29,735</u>	<u>\$ 23,388</u>

La Plata County, Colorado
Palo Verde Improvement District
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016
(With Comparative Actual Amounts for the Year Ended December 31, 2015)

	2016				2015
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Property Taxes	\$ 22,563	\$ 22,563	\$ 22,276	\$ (287)	\$ 22,073
Other Taxes	-	-	2,249	2,249	2,443
Total Revenues	22,563	22,563	24,525	1,962	24,516
Expenditures					
Public works	5,675	5,675	1,291	4,384	1,503
Debt Service					
Principal retirement	11,629	11,629	11,628	1	6,657
Interest and fiscal charges	5,259	5,259	5,259	-	3,170
Total Expenditures	22,563	22,563	18,178	4,385	11,330
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	6,347	6,347	13,186
Net Change in Fund Balances	\$ -	\$ -	6,347	\$ 6,347	13,186
Fund Balances Beginning of Year			23,388		10,202
Fund Balances End of Year			\$ 29,735		\$ 23,388

La Plata County, Colorado
Tribal Impact Mitigation Fund
Comparative Balance Sheet
December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Equity in treasurer's cash and investments	<u><u>\$ 22,071</u></u>	<u><u>\$ 931</u></u>
 Fund Balances		
Restricted:		
Tribal mitigation impact	<u>22,071</u>	<u>931</u>
Total Fund Balances	<u><u>\$ 22,071</u></u>	<u><u>\$ 931</u></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, 2016

	2016				2015 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
Revenues					
Intergovernmental:					
Southern Ute Indian tribe payment	\$ -	\$ -	\$ 21,140	\$ 21,140	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>21,140</u>	<u>21,140</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>21,140</u>	<u>21,140</u>	<u>-</u>
Fund Balances Beginning of Year			<u>931</u>		<u>931</u>
Fund Balances End of Year			<u><u>\$ 22,071</u></u>		<u><u>\$ 931</u></u>

La Plata County, Colorado
Conservation Trust Fund
Comparative Balance Sheet
December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Equity in treasurer's cash and investments	\$ 3,327,676	\$ 2,956,256
Total Assets	<u>3,327,676</u>	<u>2,956,256</u>
 Fund Balances		
Restricted:		
Recreation & parks	3,327,676	2,956,256
Total Fund Balances	<u>\$ 3,327,676</u>	<u>\$ 2,956,256</u>

The Conservation Trust Fund was created during the 2016 Budget cycle to properly report Lottery Funds and qualifying expenditures on parks and recreational sites. 2014 Fund Balance was moved in from General Fund.

La Plata County, Colorado
Conservation Trust Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016
(With Comparative Actual Amounts for the Year Ended December 31, 2015)

	2016				2015
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Lottery funds	\$ 338,000	\$ 338,000	\$ 350,156	\$ 12,156	\$ 298,434
Investment earnings	3,000	3,000	21,264	18,264	5,145
Total Revenues	341,000	341,000	371,420	30,420	303,579
Expenditures					
Parks & recreational sites	270,000	270,000	-	270,000	-
Total Expenditures	270,000	270,000	-	270,000	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	71,000	71,000	371,420	300,420	303,579
Other Financing Sources (Uses)					
Transfer In from General Fund	-	-	-	-	2,652,677
Total Other Financing Sources (Uses)	-	-	-	-	2,652,677
Net Change in Fund Balances	\$ 71,000	\$ 71,000	371,420	\$ 300,420	2,956,256
Fund Balances Beginning of Year			2,956,256		-
Fund Balances End of Year			\$ 3,327,676		\$ 2,956,256

CAPITAL PROJECTS

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

Capital Improvement Fund:

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

La Plata County, Colorado
Capital Improvement Fund
Comparative Balance Sheet
December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Equity in treasurer's cash and investments	\$ 6,854,860	\$ 10,293,106
Receivables:		
Accounts	1,340	-
Intergovernmental	837,352	344,085
Deposits receivable	3,471	1,976
Total Assets	<u>7,697,023</u>	<u>10,639,167</u>
Liabilities		
Accounts payable	837,859	443,994
Unearned revenue	150,000	150,000
Total Liabilities	<u>987,859</u>	<u>593,994</u>
Fund Balances		
Nonspendable:		
Long term receivable	3,471	1,976
Restricted:		
General capital improvements	6,705,693	10,043,197
Total Fund Balance	<u>\$ 6,709,164</u>	<u>\$ 10,045,173</u>

La Plata County, Colorado
Capital Improvement Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016
(With Comparative Actual Amounts for the Year Ended December 31, 2015)

	2016				2015
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Sales Tax	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ -	\$ 2,000,000
Intergovernmental	2,188,000	2,188,000	1,708,544	(479,456)	866,517
Miscellaneous	-	-	69,134	69,134	126,487
Total Revenues	4,188,000	4,188,000	3,777,678	(410,322)	2,993,004
Expenditures					
General government	6,541,000	4,205,804	313,623	3,892,181	181,316
Public safety	-	-	37,234	(37,234)	-
Capital Outlay	17,366,094	19,701,290	16,762,830	2,938,460	5,730,979
Total Expenditures	23,907,094	23,907,094	17,113,687	6,793,407	5,912,295
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,719,094)	(19,719,094)	(13,336,009)	6,383,085	(2,919,291)
Other Financing Sources					
Transfers in from General Fund	10,000,000	10,000,000	10,000,000	-	5,577,637
Total Other Financing Sources	10,000,000	10,000,000	10,000,000	-	5,577,637
Net Change in Fund Balances	\$ (9,719,094)	\$ (9,719,094)	\$ (3,336,009)	\$ 6,383,085	\$ 2,658,346
Fund Balances Beginning of Year			10,045,173		7,386,827
Fund Balances End of Year			\$ 6,709,164		\$ 10,045,173

PROPRIETARY FUNDS

INTERNAL SERVICE FUNDS

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

Capital Equipment Replacement Fund:

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

Employee Health Insurance Fund:

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

La Plata County, Colorado
Internal Service Funds
Combining Statement of Net Position
December 31, 2016

	Capital Equipment Replacement Fund	Employee Medical Self Insurance Fund	Total
Assets			
Current Assets:			
Equity in treasurer's cash and investments	\$ 6,571,156	\$ 3,062,095	\$ 9,633,251
Accounts receivable	-	1,608	1,608
Intergovernmental Receivable	80,270	-	80,270
Inventory	113,384	-	113,384
Total Current Assets	6,764,810	3,063,703	9,828,513
Noncurrent Assets:			
Capital Assets:			
Depreciable capital assets, net	7,064,432	-	7,064,432
Total Assets	13,829,242	3,063,703	16,892,945
Liabilities			
Accrued payroll	13,037	-	13,037
Accounts payable	238,923	-	238,923
Accrued claims payable	-	375,231	375,231
Total Current Liabilities	251,960	375,231	627,191
Net Position			
Net investment in capital assets	7,064,432	-	7,064,432
Unrestricted	6,512,850	2,688,472	9,201,322
Total Net Position	\$ 13,577,282	\$ 2,688,472	\$ 16,265,754

La Plata County, Colorado
Internal Service Funds
Combining Statement of Revenues,
Expenses and Changes in Fund Net Position
For the Year Ended December 31, 2016

	Capital Equipment Replacement Fund	Employee Medical Self Insurance Fund	Total
Operating Revenues			
Charges for services	\$ 2,004,412	\$ -	\$ 2,004,412
Insurance deposits	-	3,549,662	3,549,662
Capital grant	78,681	-	78,681
Miscellaneous revenue	600	-	600
Total Operating Revenues	2,083,693	3,549,662	5,633,355
Operating Expenses			
Equipment maintenance	1,208,940	-	1,208,940
Depreciation	956,260	-	956,260
Medical claims	-	3,449,215	3,449,215
Total Operating Expenses	2,165,200	3,449,215	5,614,415
Operating Income (Loss)	(81,507)	100,447	18,940
Non-Operating Revenues			
Gain (loss) on sale of capital assets	5,193	-	5,193
Investment earnings	-	8,925	8,925
Total Non-Operating Revenues (Expenses)	5,193	8,925	14,118
Change in Net Position	(76,314)	109,372	33,058
Net Position Beginning of Year	13,653,596	2,579,100	16,232,696
Net Position End of Year	\$ 13,577,282	\$ 2,688,472	\$ 16,265,754

La Plata County, Colorado
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2016

	Capital Equipment Replacement Fund	Employee Medical Self Insurance Fund	Total
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash received from customers	\$ 1,940,961	\$ 3,548,385	\$ 5,489,346
Cash from capital grant	78,681		78,681
Cash payments for goods and services	(1,016,327)	-	(1,016,327)
Cash payments for claims	-	(3,325,378)	(3,325,378)
Net Cash Provided By (Used In) Operating Activities	1,003,315	223,007	1,226,322
Cash Flows from Capital and Related Financing Activities			
Cash sales of capital assets	143,284	-	143,284
Payments for capital acquisitions	(1,255,730)	-	(1,255,730)
Net Cash Used in Capital and Related Financing Activities	(1,112,446)	-	(1,112,446)
Cash Flows from Investing Activities			
Investment earnings	-	8,925	8,925
Net Increase (Decrease) in Cash and Cash Equivalents	(109,131)	231,932	122,801
Cash and Cash Equivalents Beginning of Year	6,680,287	2,830,163	9,510,450
Cash and Cash Equivalents End of Year	\$ 6,571,156	\$ 3,062,095	\$ 9,633,251
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities			
Operating Income (Loss)	\$ (81,507)	\$ 100,447	\$ 18,940
Adjustments:			
Depreciation	956,260	-	956,260
(Increase) Decrease in Assets:			
Accounts receivable	16,219	(1,277)	14,942
Intergovernmental receivable	(80,270)	-	(80,270)
Inventory	28,673	-	28,673
Increase (Decrease) in Liabilities:			
Accounts payable	161,625	-	161,625
Accrued incurred/unreported claims/deferred revenues	-	123,837	123,837
Accrued wages	2,315	-	2,315
Net Cash Provided by Operating Activities	\$ 1,003,315	\$ 223,007	\$ 1,226,322

La Plata County, Colorado
Capital Equipment Replacement Fund
Comparative Statement of Net Position
December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Current Assets:		
Equity in treasurer's cash and investments	\$ 6,571,156	\$ 6,680,287
Accounts receivable	-	16,219
Intergovernmental	80,270	-
Inventory	113,384	142,057
Total Current Assets	<u>6,764,810</u>	<u>6,838,563</u>
Noncurrent Assets		
Capital Assets:		
Depreciable capital assets, net	7,064,432	6,903,053
Total Assets	<u>13,829,242</u>	<u>13,741,616</u>
Liabilities		
Accrued payroll	13,037	10,722
Accounts payable	238,923	77,298
Total Current Liabilities	<u>251,960</u>	<u>88,020</u>
Net Position		
Investment in capital assets	7,064,432	6,903,053
Unrestricted	6,512,850	6,750,543
Total Net Position	<u>\$ 13,577,282</u>	<u>\$ 13,653,596</u>

La Plata County, Colorado
Capital Equipment Replacement Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Operating Revenues		
Capital grant	\$ 78,681	\$ -
Charges for services	2,004,412	2,082,331
Miscellaneous revenue	600	20,927
Total Operating Revenues	<u>2,083,693</u>	<u>\$ 2,103,258</u>
Operating Expenses		
Equipment maintenance	1,208,940	1,212,840
Depreciation	956,260	996,007
Total Operating Expenses	<u>2,165,200</u>	<u>2,208,847</u>
Operating (Loss)	<u>(81,507)</u>	<u>(105,589)</u>
Non-Operating Revenues		
Gain on sale of capital assets	5,193	156,358
Total Non-Operating Revenues	<u>5,193</u>	<u>156,358</u>
Change in Net Position	(76,314)	50,769
Net Position Beginning of Year	<u>13,653,596</u>	<u>13,602,827</u>
Net Position End of Year	<u><u>\$ 13,577,282</u></u>	<u><u>\$ 13,653,596</u></u>

La Plata County, Colorado
Capital Equipment Replacement Fund
Schedule of Revenues and Expenditures
Budget and Actual - (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Charges for services	\$ 2,083,608	\$ 2,083,608	\$ 2,004,412	\$ (79,196)
Sales of capital assets	211,200	211,200	143,284	(67,916)
Capital grant	25,200	78,800	78,681	(119)
Miscellaneous	-	-	600	600
Total Revenues	<u>2,320,008</u>	<u>2,373,608</u>	<u>2,226,977</u>	<u>(146,631)</u>
Expenditures				
Personnel costs	680,379	680,379	671,374	9,005
Equipment maintenance	654,310	654,310	537,566	116,744
Capital outlay	1,523,946	1,577,546	1,255,730	321,816
Total Expenditures	<u>2,858,635</u>	<u>2,912,235</u>	<u>2,464,670</u>	<u>447,565</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(538,627)</u>	<u>(538,627)</u>	<u>(237,693)</u>	<u>300,934</u>
Net change in Fund Balances	<u><u>\$ (538,627)</u></u>	<u><u>\$ (538,627)</u></u>	<u><u>(237,693)</u></u>	<u><u>\$ 300,934</u></u>
Reconciliation to GAAP Net Income:				
Less: Capital assets, disposed net of accumulated depreciation			(138,091)	
Add: capital contributions				
Add capital expenditures capitalized			1,255,730	
Less depreciation expense			(956,260)	
Change in Net Position			<u><u>\$ (76,314)</u></u>	

La Plata County, Colorado
Employee Medical Self Insurance Fund
Comparative Statement of Net Position
December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Current Assets:		
Equity in treasurer's cash and investments	\$ 3,062,095	\$ 2,830,163
Accounts receivable	<u>1,608</u>	<u>331</u>
Total Current Assets	<u>3,063,703</u>	<u>2,830,494</u>
 Liabilities		
Current Liabilities:		
Accrued claims payable	<u>375,231</u>	<u>251,394</u>
Total Current Liabilities	<u>375,231</u>	<u>251,394</u>
 Net Position		
Unrestricted	<u><u>\$ 2,688,472</u></u>	<u><u>\$ 2,579,100</u></u>

La Plata County, Colorado
Employee Medical Self Insurance Fund
Comparative Statement of Revenues,
Expenses and Changes in Net Position
For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Operating Revenues		
Insurance deposits	\$ 3,549,662	\$ 3,520,341
Operating Expenses		
Medical claims	<u>3,449,215</u>	<u>3,431,571</u>
Operating Income	<u>100,447</u>	<u>88,770</u>
Non-Operating Revenues		
Investment earnings	<u>8,925</u>	<u>866</u>
Change in Net Position	109,372	89,636
Net Position Beginning of Year	<u>2,579,100</u>	<u>2,489,464</u>
Net Position End of Year	<u><u>\$ 2,688,472</u></u>	<u><u>\$ 2,579,100</u></u>

La Plata County, Colorado
Employee Medical Self Insurance Fund
Schedule of Revenues, Expenses and
Changes in Net Position - Budget and Actual
For the Year Ended December 31, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Operating Revenues				
Insurance deposits	\$ 4,205,526	\$ 4,205,526	\$ 3,549,662	\$ (655,864)
Operating Expenses				
Medical claims	<u>4,478,526</u>	<u>4,478,526</u>	<u>3,449,215</u>	<u>1,029,311</u>
Operating Income (Loss)	<u>(273,000)</u>	<u>(273,000)</u>	<u>100,447</u>	<u>373,447</u>
Non-Operating Revenues				
Investment earnings	<u>1,000</u>	<u>1,000</u>	<u>8,925</u>	<u>7,925</u>
Change in Net Position	<u><u>\$ (272,000)</u></u>	<u><u>\$ (272,000)</u></u>	<u>109,372</u>	<u><u>\$ 381,372</u></u>
Net Position Beginning of Year			<u>2,579,100</u>	
Net Position End of Year			<u><u>\$ 2,688,472</u></u>	

TRUST AND AGENCY FUNDS

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

General Agency Fund:

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

La Plata County, Colorado
General Agency Fund
Statement of Changes in Fiduciary Assets and Liabilities
For The Year Ended December 31, 2016

	Balance January 1, 2016	Additions	Deductions	Balance December 31, 2016
Assets				
Equity in treasurer's cash and investments	\$ 2,615,604	\$ 68,878,044	\$ 68,316,057	\$ 3,177,591
Liabilities				
Accounts payable	437,128	34,042,073	34,005,196	474,005
Due to component unit	13,544	2,386,122	2,362,054	37,612
Deposits held for others	2,164,932	32,449,849	31,948,807	2,665,974
Total Liabilities	\$ 2,615,604	\$ 68,878,044	\$ 68,316,057	\$ 3,177,591

DISCRETELY PRESENTED COMPONENT UNITS

Discretely presented component units are those entities that are legally separate from the primary government (the County) but for which the elected officials of the County are financially accountable, or where the nature and significance of their relationship with County would cause the County's statements to be misleading or incomplete if they were excluded.

Office of the District Attorney, Sixth Judicial District:

The office of the District Attorney of the Sixth Judicial District provides prosecutorial and other public safety services to the citizens of La Plata, Archuleta, and San Juan Counties. The office is governed by a separately elected District Attorney.

Sixth Judicial District Attorney
Balance Sheet
Governmental Funds
For the Year Ended December 31, 2016

Assets	2016	2015
Cash deposits	\$ 104,926	\$ 106,502
Equity in Treasurer's cash and investments	37,612	13,544
Receivables:		
Accounts receivable	3,618	12,658
Intergovernmental receivable	205,143	168,868
Total Assets	351,299	301,572
Liabilities and Fund Balances		
Liabilities		
Accounts payable	19,303	12,437
Accrued salaries and benefits	43,892	36,851
Due to primary government	-	-
Total Liabilities	63,195	49,288
Fund Balances		
Restricted for:		
Law enforcement	212,586	182,641
Economic stabilization (TABOR)	75,518	69,643
Total Fund Balances	\$ 288,104	\$ 252,284
 Governmental Fund Balance	 \$ 288,104	
 Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds	30,344	
Deferred results and contributions to pension plans made after the measurement date are recorded as expenditures in the governmental funds, but must be deferred in the statement of net position.	66,275	
Certain amounts related to the net pension liability are deferred and amortized over time. These are not reported in the funds.	(25,787)	
Net pension liabilities are not due and payable in the current period and not reported in the funds.	(473,540)	
Compensated absences are not due and payable in the current period and therefore not reported in the governmental funds	(92,471)	
Net position of governmental activities	<u>\$ (207,075)</u>	

Sixth Judicial District Attorney
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2016

	2016
Revenues	
Intergovernmental	\$ 840,708
Intergovernmental - County	1,532,801
Miscellaneous	31,400
Total Revenues	2,404,909
Expenditures	
Public safety	2,369,089
Total Expenditures	2,369,089
Net Change in Fund Balances	35,820
Fund Balances Beginning of Year	252,284
Fund Balances End of Year	\$ 288,104
Net change in fund balances	35,820
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures but they are capitalized at the government-wide financial reporting level:	
Depreciation expense	(15,609)
Capital outlay	9,000
	(6,609)
Capital assets disposed, net of accumulated depreciation	(2,085)
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 @ 12/31/16	(92,471)
Liability @ 12/31/15	111,902
	19,431
Certain items reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the fund statements.	
This items consists of the change in pension expenditures	2,194
Change in net position at the government-wide financial reporting level	\$ 48,751

Sixth Judicial District Attorney
Governmental Funds (General) with Adopted Budget
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Intergovernmental	\$ 883,370	\$ 901,699	\$ 840,708	\$ (60,991)
Intergovernmental - County	1,649,522	1,649,523	1,532,801	(116,722)
Miscellaneous	250	19,252	31,400	12,148
Total Revenues	<u>2,533,142</u>	<u>2,570,474</u>	<u>2,404,909</u>	<u>(165,565)</u>
Expenditures				
Public safety	2,533,142	2,556,310	2,360,089	196,221
Total Current	<u>2,533,142</u>	<u>2,556,310</u>	<u>2,360,089</u>	<u>196,221</u>
Capital Outlay	<u>-</u>	<u>14,164</u>	<u>9,000</u>	<u>(5,164)</u>
Total Expenditures	<u>2,533,142</u>	<u>2,570,474</u>	<u>2,369,089</u>	<u>(201,385)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>35,820</u>	<u>35,820</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>35,820</u>	<u>\$ 35,820</u>
Fund Balances Beginning of Year			<u>252,284</u>	
Fund Balances End of Year			<u>\$ 288,104</u>	

SPECIAL REPORTS SECTION

La Plata County, Colorado
Social Services Fund
Schedule of EBT Authorizations, Warrant Expenditures and Total Expenditures
For the Year Ended December 31, 2016

Program	County EBT Authorizations	County Share of Authorizations	Expenditures By County Warrant	Total Authorizations & Expenditures By County Warrant	Total Expenditures
Colorado Works	\$ 653,187	\$ 97,281	\$ 381,064	\$ 1,034,251	\$ 478,345
Child Care	375,233	59,131	126,980	502,213	186,111
Child Welfare	514,611	89,681	1,641,188	2,155,799	1,730,869
County Administrative	-	-	954,101	954,101	954,101
Core Services	548,359	55,543	650,744	1,199,103	706,287
Child Support Administrative	-	-	528,183	528,183	528,183
LEAP	289,440	-	2,064	291,504	2,064
AND	213,341	32,233	-	213,341	32,233
Old Age Pension	395,510	85	13,380	408,890	13,465
Food Assistance Fraud	-	-	44,863	44,863	44,863
Food Assistance	5,331,242	-	-	5,331,242	-
Food Assistance Job Search	-	-	84,741	84,741	84,741
Title XX	-	-	10,192	10,192	10,192
CHAFFEE	-	-	27,418	27,418	27,418
General Assistance	-	-	15,462	15,462	15,462
Adult Protective Services	-	-	305,717	305,717	305,717
Child Welfare IV-E waiver	-	-	201,318	201,318	201,318
PSSF Caseworker Visitation	-	-	-	-	-
Title IV-B Sup Part 2 (PSSF)	-	-	227,293	227,293	227,293
Child Welfare Discretionary Grant	-	-	63,171	63,171	63,171
Foster Care/Adoption Recruitment	-	-	3,150	3,150	3,150
Totals	\$ 8,320,923	\$ 333,954	\$ 5,281,029	\$ 13,601,952	\$ 5,614,983

LOCAL HIGHWAY FINANCE REPORT	City or County: County
	YEAR ENDING : December 2016
	This Information From The Records Of: County of La Plata, Colorado
Prepared By: Diane K. Sorensen Phone: (970)382-6306	

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

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

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

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	2,263,025
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	5,755,581
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	237,954
2. General fund appropriations	0	b. Snow and ice removal	734,294
3. Other local imposts (from page 2)	4,596,365	c. Other	0
4. Miscellaneous local receipts (from page 2)	122,721	d. Total (a. through c.)	972,248
5. Transfers from toll facilities	0	4. General administration & miscellaneous	262,254
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	0
a. Bonds - Original Issues	0	6. Total (1 through 5)	9,253,108
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	4,719,086	b. Redemption	0
B. Private Contributions (So Ute Indian Tribe)	37,303	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	4,118,445	2. Notes:	
D. Receipts from Federal Government (from page 2)	258,534	a. Interest	0
E. Total receipts (A.7 + B + C + D)	9,133,368	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	9,253,108

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	C. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	7,405,255	9,133,368	9,253,108	7,285,515	0

Notes and Comments:

Private Contributions on Page 1 represent payments in lieu of taxes from Southern Ute Indian Tribe.

Maintenance and snow removal costs are consolidated into a single cost center in our system--we estimate 20% for snow removal

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado YEAR ENDING (mm/yy): December 2016
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II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	1,576,390	a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	2,770,000	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	64,994	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	48,753	f. Charges for Services	0
5. Specific Ownership &/or Other	136,228	g. Other Misc. Receipts	122,721
6. Total (1. through 5.)	3,019,975	h. Other	0
c. Total (a. + b.)	4,596,365		
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	3,108,663	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service (dist to schools)	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	180,976	d. Federal Transit Admin	
d. Other EIAF/LGGF	828,806	e. U.S. Corps of Engineers	
e. Other Bridge Funds/Enhancement	0	f. Other Federal	258,534
f. Total (a. through e.)	1,009,782	g. Total (a. through f.)	258,534
4. Total (1. + 2. + 3.f)	4,118,445	3. Total (1. + 2.g)	258,534
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
			TOTAL
			(c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			1,526
b. Engineering Costs			187,413
c. Construction:			
(1). New Facilities			294,230
(2). Capacity Improvements			541,805
(3). System Preservation			1,238,051
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)		0	2,074,086
+ 1.c.5)		0	2,263,025
			(Carry forward to page 1)
Notes and Comments:			

STATISTICAL SECTION

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

Contents	Tables
Financial Trends	
These Schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time	1-6
Revenue Capacity	
These Schedules contain trend information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes	7-12
Debt Capacity	
These Schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future	13-15
Demographic and Economic Information	
These Schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place to help make comparisons over time and with other governments	16-17
Operating Information	
These Schedules contain information about the County's operations and resources to help the reader understand how the County's financial performance relates to the services the County provides and the activities it performs	18-20
Sources:	
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB 34 in 2003; schedules presenting government-wide information included information beginning in that year	

La Plata County, Colorado
Government-wide Net Position by Component

Table 1

	December 31, 2007	December 31, 2008	December 31, 2009	December 31, 2010	December 31, 2011
Governmental Activities					
Net investment in capital assets	\$ 85,872,184	\$ 101,427,081	\$ 104,785,611	\$ 103,057,349	\$ 100,077,282
Restricted for:					
Capital projects	15,086,883	5,440,161	4,652,468	5,434,327	6,283,012
Emergencies	1,285,000	2,000,000	2,000,000	2,000,000	1,541,536
Debt Service	448,522	454,883	452,735	452,735	450,985
Specific projects and programs	9,674,145	5,573,959	3,667,978	3,801,100	14,349,826
Unrestricted	33,418,117	44,754,550	57,321,536	70,682,038	66,206,346
Subtotal Governmental Activities Net Position	\$ 145,784,851	\$ 159,650,634	\$ 172,880,328	\$ 185,427,549	\$ 188,908,987
Primary Government					
Net investment in capital assets	\$ 85,872,184	\$ 101,427,081	\$ 104,785,611	\$ 103,057,349	\$ 100,077,282
Restricted	26,494,550	13,469,003	10,773,181	11,688,162	22,625,359
Unrestricted	33,418,117	44,754,550	57,321,536	70,682,038	66,206,346
Total Primary Government Net Position	\$ 145,784,851	\$ 159,650,634	\$ 172,880,328	\$ 185,427,549	\$ 188,908,987

	December 31, 2012	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016
Governmental Activities					
Net investment in capital assets	\$ 101,877,845	\$ 98,126,731	\$ 96,745,229	\$ 98,551,468	\$ 112,662,507
Restricted for:					
Capital projects	5,218,448	7,057,030	-	-	-
Economic stabilization (TABOR)	1,504,732	1,519,735	1,563,138	1,600,510	1,733,899
Debt Service	-	-	-	-	-
Required legal fund segregations	12,579,204	14,195,240	6,552,331	22,379,012	19,901,793
Unrestricted	70,758,262	72,631,281	92,389,464	76,019,786	71,910,969
Subtotal Governmental Activities Net Position	\$ 191,938,491	\$ 193,530,017	\$ 197,250,162	\$ 198,550,776	\$ 206,209,168
Primary Government					
Net investment in capital assets	\$ 101,877,845	\$ 98,126,731	\$ 96,745,229	\$ 98,551,468	\$ 112,662,507
Restricted	19,302,384	22,772,005	8,115,469	23,979,522	21,635,692
Unrestricted	70,758,262	72,631,281	92,389,464	76,019,786	71,910,969
Total Primary Government Net Position	\$ 191,938,491	\$ 193,530,017	\$ 197,250,162	\$ 198,550,776	\$ 206,209,168

Source: La Plata County Finance Department

La Plata County, Colorado
Government-wide Changes in Net Position
Fiscal Years 2007-2016

Table 2

	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016
Expenses										
Governmental Activities										
General government	\$ 9,310,267	\$ 10,081,860	\$ 11,324,542	\$ 12,590,925	\$ 10,570,951	\$ 10,374,610	\$ 10,514,636	\$ 10,328,052	\$ 12,919,783	\$ 13,427,182
Public safety	13,408,383	13,909,083	14,921,662	15,228,090	15,426,187	16,332,272	16,401,170	15,939,033	17,381,499	17,466,390
Recreation and culture	4,796,460	3,693,219	3,925,467	3,609,635	3,382,410	3,193,425	3,085,940	3,097,514	2,960,931	2,946,427
Public works	3,290,009	12,532,719	13,329,071	9,946,369	10,572,032	10,929,759	12,686,719	12,936,627	11,875,658	10,436,141
Decrease in joint venture	-	-	-	-	-	-	360,978	-	-	-
Health and welfare	11,690,024	4,896,385	5,551,746	5,653,873	5,581,089	5,615,860	5,607,927	5,757,071	7,701,357	8,125,198
Community programs	4,044,371	4,341,763	5,191,522	4,693,722	4,296,657	4,527,441	4,221,545	4,276,928	1,931,976	2,415,471
Interest on long-term debt	104,989	91,633	81,935	70,139	57,270	20,458	-	3,170	3,170	2,936
Total Primary Government Expenses	46,644,503	49,546,662	54,325,945	51,792,753	49,886,596	50,993,825	52,878,915	52,338,395	54,774,374	54,819,745
Program Revenues										
Governmental Activities										
Charges for Services										
General government	3,122,679	2,742,547	2,820,023	2,753,843	2,689,737	2,867,637	3,016,390	3,287,481	2,493,802	2,640,097
Public safety	709,336	845,054	813,731	860,444	930,281	897,042	835,799	660,284	1,595,067	1,919,582
Recreation and culture	477,721	620,385	264,190	239,027	243,891	244,614	205,462	168,745	-	-
Public works	270,851	267,910	86,341	60,110	52,926	46,413	241,454	844,705	328,787	295,332
Health and welfare	-	-	-	-	-	-	-	-	51,837	38,943
Community programs	-	-	-	-	-	-	-	-	-	-
Total Charges for Services	4,580,587	4,475,896	3,984,285	3,913,424	3,916,835	4,055,706	4,299,105	4,961,215	4,469,493	4,893,954
Operating Grants and Contributions	11,291,178	10,280,747	18,162,203	12,765,925	12,753,984	12,572,836	11,961,803	13,230,028	13,977,048	16,589,822
Capital Grants and Contributions	3,905,903	4,026,680	2,828,191	662,256	308,532	109,228	562,211	4,019,552	1,330,453	2,728,346
Total Primary Government Program Revenues	19,777,668	18,783,323	24,974,679	17,341,605	16,979,351	16,737,770	16,823,119	22,210,795	19,776,994	24,212,122
Net (Expense) Revenue										
Total Primary Government	(26,866,835)	(30,763,339)	(29,351,266)	(34,451,148)	(32,907,245)	(34,256,055)	(36,055,796)	(30,127,600)	(34,997,380)	(30,607,623)
General revenues and other changes in net position										
Governmental Activities:										
Taxes										
Property taxes levied for general purposes	27,340,954	27,363,462	27,822,967	31,654,239	21,357,288	21,714,072	21,022,611	15,639,563	17,141,607	18,827,957
Sales taxes	13,903,657	13,639,998	12,264,867	13,528,774	12,363,979	13,596,356	14,080,460	14,870,392	15,734,279	16,018,771
Other taxes	178,160	189,262	168,180	283,895	299,419	336,697	316,293	2,077,512	2,099,038	2,241,637
Investment earnings	3,175,953	1,927,368	514,724	435,688	420,128	347,657	43,207	489,296	411,103	489,863
Gain (loss) on disposition of capital assets	6,592	(261,944)	-	-	-	-	-	-	-	-
Miscellaneous	2,146,353	2,137,836	1,810,220	1,095,772	1,947,870	1,290,777	888,647	770,982	911,966	687,787
Total Primary Government	46,751,669	44,995,982	42,580,958	46,998,368	36,388,684	37,285,559	36,351,218	33,847,745	36,297,993	38,266,015
Changes in Net Position	\$ 19,884,834	\$ 14,232,643	\$ 13,229,692	\$ 12,547,220	\$ 3,481,439	\$ 3,029,504	\$ 295,422	\$ 3,720,145	\$ 1,300,613	\$ 7,658,392

Source: La Plata County Finance Department

La Plata County, Colorado
General Governmental Revenues by Source

Table 3

Source	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Taxes	\$ 41,055,912	\$ 41,192,722	\$ 40,256,015	\$ 45,466,908	\$ 34,020,684	\$ 35,647,126	\$ 35,419,368	\$ 32,589,122	\$ 35,086,641	\$ 37,437,530
Intergovernmental	12,735,290	13,997,368	16,538,111	12,935,455	12,255,999	12,280,676	12,524,014	17,130,157	14,672,893	16,380,927
Licenses and permits	1,142,078	931,951	520,400	449,677	388,800	660,372	765,742	1,013,603	1,050,803	1,174,392
Charges for services	3,393,629	3,530,762	3,302,681	3,313,725	3,350,386	3,473,616	3,324,857	3,107,431	3,288,273	3,865,133
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-
Miscellaneous	5,126,793	3,946,848	2,317,105	1,529,148	2,399,722	1,666,008	931,170	1,821,358	1,296,096	1,183,090
Total revenues	<u>\$ 63,453,702</u>	<u>\$ 63,599,651</u>	<u>\$ 62,934,312</u>	<u>\$ 63,694,913</u>	<u>\$ 52,415,591</u>	<u>\$ 53,727,798</u>	<u>\$ 52,965,151</u>	<u>\$ 55,661,671</u>	<u>\$ 55,394,706</u>	<u>\$ 60,041,072</u>
% change from prior year	<u>3.2%</u>	<u>0.2%</u>	<u>-1.0%</u>	<u>1.2%</u>	<u>-17.7%</u>	<u>2.5%</u>	<u>-1.4%</u>	<u>5.1%</u>	<u>-0.5%</u>	<u>8.4%</u>

Source: La Plata County Finance Department

La Plata County, Colorado
General Governmental Expenditures by Function

(modified accrual basis of accounting)

Table 4

Function	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Current:										
General government	\$ 8,918,391	\$ 9,574,832	\$ 10,629,669	\$ 11,636,438	\$ 9,766,049	\$ 9,551,895	\$ 9,829,705	\$ 9,776,629	\$ 11,419,621	\$ 12,107,012
Public safety	13,308,782	13,933,609	14,623,385	14,844,053	14,901,413	15,515,104	16,230,442	15,767,639	16,831,509	17,135,405
Public works	8,981,938	8,974,502	8,005,211	7,942,046	7,831,786	8,339,156	10,017,083	9,720,482	8,925,096	7,375,810
Health and welfare	4,759,169	4,829,459	5,532,693	5,558,455	5,508,421	5,509,934	5,602,540	5,774,076	7,591,961	8,134,343
Recreation and culture	3,025,521	3,306,975	3,593,406	3,246,466	3,068,201	2,837,282	2,759,382	2,784,783	2,688,775	2,600,165
Community Programs	4,044,371	4,341,763	5,191,522	4,693,722	4,296,657	4,527,441	4,221,545	4,276,928	1,931,976	2,415,471
Total Current	43,038,172	44,961,140	47,575,886	47,921,180	45,372,527	46,280,812	48,660,697	48,100,537	49,388,938	49,768,206
% Change From Prior Year	2.0%	4.5%	5.8%	0.7%	-5.3%	2.0%	5.1%	-1.2%	2.7%	0.8%
Capital Outlay	12,798,486	19,557,767	7,615,183	3,162,105	2,198,728	5,239,527	1,041,869	3,273,781	6,806,584	19,039,611
% Change From Prior Year	31.2%	52.8%	-61.1%	-58.5%	-30.5%	138.3%	-80.1%	214.2%	107.9%	179.7%
Debt Service										
Principal	¹ 360,000	375,000	385,000	400,000	415,000	1,350,000	-	-	6,657	11,628
Interest	103,839	94,362	83,431	71,256	57,853	24,550	-	-	3,170	5,259
Total Debt Service	463,839	469,362	468,431	471,256	472,853	1,374,550	-	-	9,827	16,887
% Change From Prior Year	-58.3%	1.2%	-0.2%	0.6%	0.3%	190.7%	-100.0%	0.0%	100.0%	71.8%
Total Expenditures	\$ 56,300,497	\$ 64,988,269	\$ 55,659,500	\$ 51,554,541	\$ 48,044,108	\$ 52,894,889	\$ 49,702,566	\$ 51,374,318	\$ 56,205,349	\$ 68,824,704
% Change From Prior Year	6.1%	15.4%	-14.4%	-7.4%	-6.8%	10.1%	-6.0%	3.4%	9.4%	22.5%
Debt Service as a Percentage of Total Non-capital Expenditures	1.1%	1.0%	1.0%	1.0%	1.0%	2.9%	0.0%	0.0%	0.0%	0.03%

Source: La Plata County Finance Department

Notes:

¹ Final year of debt service on 2000 Sales Tax Revenue Bonds

La Plata County, Colorado
Governmental Fund - Fund Balances

Table 5

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 1,355,569	\$ 1,386,509	\$ 1,536,887	\$ 1,747,996						
Unreserved	16,842,929	23,951,512	28,285,373	40,111,898						
Nonspendable					360,411	303,429	27,638	129,028	196,375	168,218
Restricted					3,483,597	3,752,426	4,637,690	4,972,923	1,876,016	1,956,764
Committed					-	-	-	15,541,790	6,764,859	7,158,458
Assigned					1,331,567	597,676	2,750,002	33,858,785	30,868,211	11,919,476
Unassigned					43,188,909	48,220,847	50,303,760	5,162,801	14,091,995	26,910,384
Subtotal General Fund	18,198,498	25,338,021	29,822,260	41,859,894	48,364,484	52,874,378	57,719,090	59,665,327	53,797,456	48,113,300
General Fund Percentage Change	27.4%	39.2%	17.7%	40.4%	15.5%	9.3%	9.2%	3.4%	-9.83%	-10.57%
All Other Governmental Funds Combined										
Reserved	20,987,489	12,920,525	9,623,971	10,371,282	-	-	-	-	-	-
Unreserved	6,482,847	6,021,669	12,108,796	11,464,223	-	-	-	-	-	-
Nonspendable					560,636	475,455	355,077	316,647	256,684	405,122
Restricted					19,141,762	15,549,958	15,384,313	15,041,735	22,103,506	19,678,928
Committed					-	-	-	1,957,328	-	-
Assigned					-	-	-	1,037,322	1,050,043	226,707
Unassigned					-	-	-	-	-	-
Subtotal All Other Governmental Funds Combined	27,470,336	18,942,194	21,732,767	21,835,505	19,702,398	16,025,413	15,739,390	18,353,032	23,410,233	20,310,757
Total Governmental Funds										
Reserved	22,343,058	13,852,151	11,160,858	12,119,278	-	-	-	-	-	-
Unreserved	23,325,776	30,428,064	40,394,169	51,576,121	-	-	-	-	-	-
Nonspendable					921,047	778,884	382,715	445,675	453,059	573,340
Restricted					22,625,359	19,302,384	20,022,003	20,014,658	23,979,522	21,635,692
Committed					-	-	-	17,499,118	6,764,859	7,158,458
Assigned					1,331,567	597,676	2,750,002	34,896,080	31,918,254	12,146,183
Unassigned					43,188,909	48,220,847	50,303,760	5,162,801	14,091,995	26,910,384
Total Governmental Funds	\$ 45,668,834	\$ 44,280,215	\$ 51,555,027	\$ 63,695,399	\$ 68,066,882	\$ 68,899,791	\$ 73,458,480	\$ 78,018,332	\$ 77,207,689	\$ 68,424,057
All Governmental Funds Percentage Change	18.8%	-3.0%	16.4%	23.5%	6.9%	1.2%	6.6%	6.2%	-1.0%	-11.4%

Source: La Plata County Finance Department

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

La Plata County, Colorado
General Governmental Tax Revenues by Source
Last Ten Fiscal Years

Table 6

Fiscal Year	Property	Specific Ownership	Sales	Cable Franchise	Lodging	Total
2007	25,008,568	2,248,409	13,536,799	59,011	203,125	41,055,912
2008	25,022,449	2,246,097	13,639,998	92,042	189,262	41,189,848
2009	25,928,320	1,799,726	12,264,867	97,888	168,087	40,258,888
2010	29,902,937	1,751,302	13,528,774	103,442	180,453	45,466,908
2011	19,872,965	1,484,323	12,363,979	101,201	198,218	34,020,686
2012	20,229,749	1,478,205	13,596,356	109,943	226,754	35,641,007
2013	19,630,764	1,586,837	14,080,460	111,441	204,852	35,614,354
2014	15,639,563	1,531,022	14,870,392	108,759	281,315	32,431,051
2015	17,141,607	1,556,164	15,734,279	106,991	274,019	34,813,060
2016	18,827,957	1,639,484	16,018,771	110,983	325,245	36,922,440

Source: La Plata County Finance Department

La Plata County, Colorado
Property Tax Levies and Collections

Table 7

Fiscal Year Collected	Current Tax Levy	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections	Total Collections to Date	
		Amount Collected	Percentage of Levy		Total Tax Collections	Percentage of Levy
2007	25,580,329	25,587,337	100.03%	511,838	26,099,175	102.03%
2008	25,128,293	24,608,842	99.76%	176,854	24,785,696	98.64%
2009	25,855,265	25,324,930	97.95%	464,515	25,789,445	99.75%
2010	30,098,236	30,019,139	99.74%	49,502	30,068,641	99.90%
2011	20,096,506	20,020,342	99.62%	14,770	20,035,112	99.69%
2012	20,425,024	20,388,334	99.82%	20,163	20,408,497	99.92%
2013	19,450,108	19,412,361	99.81%	12,309	19,424,670	99.87%
2014	15,776,463	15,749,283	99.83%	11,017	15,760,300	99.90%
2015	17,135,880	17,098,606	99.78%	3,460	17,102,066	99.80%
2016	18,977,023	18,945,372	99.83%	5,370	18,950,742	99.86%

¹ As certified by the Board of County Commissioners, includes General, Road and Bridge, and Social Services Funds, as well as Local Improvement District funds.

Sources: La Plata County Department of Finance and La Plata County Treasurer's Office

La Plata County, Colorado
Assessed Value and Estimated Actual Value of Taxable Property (in Thousands)

Table 8

Assessment/ Fiscal Year	Vacant Property	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Natural Resources	Oil & Gas	Other
2006/2007	165,544	436,296	289,643	50,881	13,002	3,765	1,982,319	66,595
2007/2008	230,111	546,744	369,900	46,304	12,666	4,909	1,597,384	77,977
2008/2009	217,035	588,523	386,761	50,875	12,767	4,440	1,637,188	120,402
2009/2010	218,947	627,914	403,858	52,575	12,633	5,028	1,941,632	199,112
2010/2011	219,829	635,055	400,987	45,774	12,643	11,528	956,182	72,799
2011/2012	169,770	577,163	375,127	15,006	13,138	10,937	1,163,229	69,779
2012/2013	165,008	582,114	370,910	16,026	13,064	10,450	1,045,119	72,606
2013/2014	139,718	547,468	355,529	15,442	13,778	12,129	686,641	71,711
2014/2015	136,017	556,214	358,921	19,125	14,637	11,507	830,854	79,016
2015/2016	139,116	624,381	369,871	20,530	13,627	10,991	968,521	77,332

Assessment/ Fiscal Year	Total Assessed	Estimated Actual Value	Ratio of Assessed Value to Total Est. Actual Value	Oil and Gas As % of Total	La Plata County only Mill Levy
2006/2007	3,008,045	9,779,128	30.8%	65.9%	8.500
2007/2008	2,885,995	11,252,387	25.6%	55.3%	8.693 ¹
2008/2009	3,017,991	11,996,568	25.2%	54.2%	8.564 ¹
2009/2010	3,461,699	13,183,765	26.3%	56.1%	8.674 ¹
2010/2011	2,354,797	11,703,823	20.1%	40.6%	8.500
2011/2012	2,394,149	10,306,419	23.2%	48.6%	8.500
2012/2013	2,275,297	10,742,115	21.2%	45.9%	8.500
2013/2014	1,842,416	9,760,082	18.9%	37.3%	8.500
2014/2015	2,006,292	10,072,411	19.9%	41.4%	8.500
2015/2016	2,224,369	11,128,335	20.0%	43.5%	8.500

Sources: La Plata County Assessor's Abstract & La Plata County Certification of Levies and Revenue

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

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

(in thousands of \$)

**La Plata County, Colorado
Property Tax Rates**

Fiscal Years 2007-2016

Table 9

Collection Year:		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
La Plata County	mill	8.500	8.500	8.693	8.564	8.674	8.500	8.500	8.500	8.500	8.500
	tax \$	21,106,223	25,568,291	25,087,956	25,846,078	30,026,777	20,015,775	19,340,023	15,660,540	17,038,980	18,877,774
<u>Municipalities:</u>											
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 \$	949,080	972,396	1,248,819	1,279,024	1,347,238	1,344,677	1,219,564	1,178,797	1,202,738	1,294,677
Town of Bayfield	mill	5.950	5.950	5.950	5.950	5.950	5.950	5.950	5.950	5.950	5.950
	tax \$	157,513	212,115	245,627	240,482	249,010	229,066	210,669	196,965	199,296	204,936
Town of Ignacio	mill	3.192	3.084	2.978	2.918	2.747	2.780	3.559	3.813	4.107	4.598
	tax \$	16,906	16,404	19,335	20,460	21,153	22,184	26,751	27,400	29,759	31,430
<u>School Districts:</u>											
Durango 9R	mill	16.347	14.556	15.189	14.765	14.484	16.368	17.017	19.090	19.090	17.876
	tax \$	29,954,630	30,424,187	30,269,840	29,957,375	31,850,209	26,847,994	25,417,181	24,508,106	25,914,491	26,639,109
Bayfield 10R	mill	19.429	16.450	16.450	16.364	15.814	17.045	21.219	23.222	21.599	21.161
	tax \$	5,456,837	6,168,019	6,142,706	6,249,134	7,074,726	4,979,766	6,134,289	5,340,928	5,476,870	5,983,476
Ignacio 11JT	mill	6.217	4.246	4.463	4.032	3.574	7.761	10.671	13.173	11.470	12.436
	tax \$	2,299,053	2,305,286	2,319,418	2,448,082	2,914,008	2,010,902	5,256,193	4,328,688	4,513,733	5,570,564
<u>Special Districts:</u>											
Animas Fire Protection- Bonded Indebtedness	mill	0.631	0.526	0.486	0.480	0.454	0.373	0.524	0.000	0.000	0.000
	tax \$	506,154	491,804	451,821	452,671	482,698	300,908	387,106	-	-	-
Animas Fire Protection	mill	5.069	5.207	5.232	5.119	5.069	5.069	5.069	0.000	0.000	0.000
	tax \$	3,449,902	4,196,518	3,978,531	3,913,896	4,471,782	3,128,438	2,872,952	-	-	-
Animas La Plata Water Conservancy	mill	0.249	0.254	0.219	0.226	0.229	0.243	0.295	0.325	0.333	0.322
	tax \$	160,308	170,545	180,518	191,763	204,647	215,908	232,434	240,866	251,057	260,454
Animas Mosquito Control	mill	0.990	0.990	0.990	0.990	0.990	0.990	0.990	0.990	0.990	0.990
	tax \$	508,366	521,894	646,004	655,768	686,670	678,815	611,458	582,696	592,932	638,930
Aspen Trails Metro	mill	14.224	13.989	11.777	10.659	10.391	5.000	5.000	5.000	5.000	5.000
	tax \$	24,835	25,083	28,178	31,144	31,065	14,909	13,570	12,915	12,947	13,422
Aspen Trails Metro Bonds	mill	0.000	0.000	0.000	0.000	0.000	5.405	5.842	6.240	6.240	6.160
	tax \$	-	-	-	-	-	16,117	15,855	16,118	16,158	16,536
Durango Conference Center Business Improvement Center	mill	1.500	1.500	1.500	1.500	1.500	2.000	2.000	2.000	2.000	2.000
	tax \$	150,619	150,021	199,861	203,037	203,037	277,177	249,498	240,353	241,815	243,677

La Plata County, Colorado
Property Tax Rates

Fiscal Years 2007-2016

Table 9

Collection Year:		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Durango Fire Protection	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5.700	5.700	5.700
	tax \$	-	-	-	-	-	-	-	3,034,251	3,192,756	3,592,455
Durango Hills Local Improvement	mill	15.731	16.538	16.369	17.241	16.515	15.951	20.204	20.379	20.379	20.379
	tax \$	51,288	54,304	65,655	68,991	72,443	72,168	76,525	73,694	74,481	76,752
Durango West Metropolitan I	mill	38.800	22.400	17.960	17.960	17.540	17.430	18.450	20.200	20.300	19.460
	tax \$	136,218	79,322	79,703	79,921	79,319	79,628	79,700	79,716	79,530	85,321
Durango West Metropolitan II	mill	21.822	20.977	17.403	17.469	16.726	17.361	0.000	0.000	0.000	0.000
	tax \$	210,544	200,708	205,902	207,581	207,126	214,760	-	-	-	-
Durango West Metropolitan II Bonds	mill	0.000	0.000	0.000	0.000	0.000	0.000	18.254	0.000	0.000	0.000
	tax \$	-	-	-	-	-	-	202,454	-	-	-
Edgemont Ranch Metropolitan	mill	14.402	12.963	10.892	10.469	10.605	7.874	7.874	7.874	7.876	7.875
	tax \$	128,260	148,516	210,138	234,836	226,086	170,386	135,211	133,819	137,657	171,324
Edgemont Ranch Bonds	mill	0.000	0.000	0.000	0.000	0.000	2.691	3.391	3.426	3.600	2.893
	tax \$	-	-	-	-	-	58,231	58,230	58,225	62,921	62,938
El Rancho Florida Metropolitan Bonds	mill	0.000	0.000	0.000	0.000	0.000	0.000	29.035	25.333	20.589	21.149
	tax \$	-	-	-	-	-	-	93,701	97,038	63,863	70,759
Florida Mosquito Control	mill	0.700	0.700	0.700	0.700	0.700	0.700	0.700	0.700	0.700	0.700
	tax \$	360,275	447,073	391,103	389,324	470,256	281,547	273,289	212,380	243,388	279,351
Florida Water Conservancy	mill	0.099	0.086	0.086	0.086	0.074	0.074	0.073	0.073	0.066	0.060
	tax \$	43,691	47,064	42,772	43,231	44,834	27,948	27,076	21,155	22,068	22,900
Forest Lakes Metropolitan	mill	35.524	35.524	35.524	35.524	35.524	35.524	35.524	35.524	35.524	35.524
	tax \$	583,157	606,152	827,775	835,635	842,619	845,208	668,649	549,179	549,343	578,055
Fort Lewis Fire Protection	mill	5.900	5.900	5.900	5.900	5.900	7.400	7.400	7.400	7.400	7.400
	tax \$	191,814	204,462	253,809	269,048	290,386	407,806	408,939	413,150	420,737	405,061
Hermosa Cliffs Fire Protection	mill	8.961	8.643	8.243	8.075	8.021	6.890	6.907	0.000	0.000	0.000
	tax \$	544,099	602,874	743,893	796,464	877,210	758,217	583,689	-	-	-
Hermosa Cliffs Fire Bonds	mill	0.000	0.000	0.000	0.000	0.000	1.029	1.312	0.000	0.000	0.000
	tax \$	-	-	-	-	-	113,237	110,873	-	-	-

**La Plata County, Colorado
Property Tax Rates**

Fiscal Years 2007-2016

Table 9

Collection Year:		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Ignacio-Allison-Oxford Cemetery	mill tax \$	0.244 60,738	0.244 91,782	0.244 88,517	0.244 104,681	0.244 143,426	0.244 72,928	0.244 89,647	0.244 58,435	0.244 70,611	0.244 80,285
Ignacio Community Library	mill tax \$	1.500 554,702	1.500 814,397	1.500 779,549	1.500 910,745	1.500 1,223,003	1.500 633,554	1.500 738,852	1.500 492,905	1.500 590,287	1.500 671,908
La Plata County Palo Verde Public Improvement District #3	mill tax \$	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	8.448 5,000	4.840 5,000	4.559 5,675
La Plata County Palo Verde Public Imp District #3 Bond	mill tax \$	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	62.934 37,246	16.860 17,419	13.567 16,888
La Plata Archuleta Water	mill tax \$	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	5.000 2,589,468	5.000 2,748,969	5.000 1,964,008	5.000 2,238,777	5.000 2,563,619
La Plata Water Conservancy	mill tax \$	0.295 8,245	0.295 8,817	0.295 10,848	0.295 11,477	0.295 12,008	0.295 13,802	0.295 13,327	0.295 13,549	0.295 14,094	0.295 13,334
Los Pinos Fire Protection	mill tax \$	3.520 1,962,154	3.520 2,738,232	3.520 2,493,126	3.520 2,732,576	3.520 3,560,534	3.520 1,800,840	3.520 2,068,496	3.520 1,369,200	3.520 1,627,641	3.520 1,850,280
Los Pinos Fire/Mt. Allison	mill tax\$	1.500 35,061	1.500 56,885	1.500 65,239	1.500 68,657	1.500 107,897	1.500 71,325	0.000 -	0.000 -	0.000 -	0.000 -
Montezuma Dolores County Metropolitan Rec Dist.	mill tax\$	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.000 -	0.777 38,129	0.777 36,215
Pine River Cemetery	mill tax \$	0.112 31,456	0.091 34,121	0.091 33,981	0.091 34,751	0.079 35,342	0.079 23,080	0.075 21,682	0.150 34,499	0.150 38,036	0.150 42,414
Pine River Library	mill tax \$	2.500 702,151	2.500 937,389	2.500 933,542	2.500 954,708	2.500 1,118,428	2.500 730,385	2.500 722,735	2.500 574,986	2.504 634,940	2.501 707,182
Purgatory Metropolitan	mill tax \$	27.313 399,506	27.313 403,027	27.313 625,166	27.313 688,863	27.313 879,343	27.313 888,728	27.313 661,908	27.313 510,574	27.313 514,718	27.313 598,558
Purgatory Metropolitan Subdistrict	mill tax \$	0.000 -	0.000 -	0.000 -	15.000 184,944	15.000 253,484	15.000 255,821	15.000 160,804	15.000 123,884	15.000 125,356	15.000 151,907
SW Colorado TV Translator	mill tax \$	0.777 22,445	0.777 23,944	0.777 29,427	0.777 31,079	0.777 32,865	0.777 37,682	0.777 36,102	0.777 36,680	0.000 -	0.000 -
SW Water Conservancy	mill tax \$	0.225 558,694	0.205 616,647	0.207 597,401	0.216 651,886	0.200 692,339	0.272 640,505	0.309 698,516	0.368 678,009	0.362 725,660	0.340 755,111

La Plata County, Colorado
Property Tax Rates

Fiscal Years 2007-2016

Table 9

Collection Year:		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Tamarron Metro	mill	40.000	50.000	50.000	50.000	50.079	37.000	13.239	13.239	13.000	13.000
	tax \$	339,136	694,766	717,886	892,058	960,989	710,535	166,878	140,748	139,094	148,320
Tamarron Metro Bonds	mill	0.000	0.000	0.000	0.000	0.000	13.006	37.000	37.000	37.000	37.000
	tax \$	-	-	-	-	-	249,763	466,384	393,359	395,884	422,142
Three Springs Metro #1	mill	0.000	35.000	35.000	35.000	35.000	44.000	10.000	4.275	4.275	4.275
	tax \$	-	136,969	358,953	499,689	576,021	684,619	131,152	51,544	57,029	66,499
Three Springs Metro #1 Bonds	mill	0.000	0.000	0.000	0.000	0.000	0.000	34.000	45.725	45.725	45.725
	tax \$	-	-	-	-	-	-	445,917	551,312	609,979	711,268
Three Springs Metro #2	mill	0.000	0.000	35.000	35.000	35.000	44.000	44.000	50.000	50.000	50.000
	tax \$	-	-	409	436	10,398	35,070	29,000	12,145	21,435	28,400
Twin Buttes Metro Dist No 2	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	20.000
	tax \$	-	-	-	-	-	-	-	-	-	8,913
Twin Buttes Metro Dist No 2 Bonds	mill	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	50.000
	tax \$	-	-	-	-	-	-	-	-	-	22,282
Upper Pine River Fire Bonds	mill	0.000	0.000	0.000	0.000	0.000	1.182	1.182	1.182	1.182	1.182
	tax \$	-	-	-	-	-	374,399	365,453	293,740	320,702	355,518
Upper Pine River Fire Protection	mill	6.507	6.132	6.132	6.132	6.132	4.950	4.950	10.900	10.900	10.900
	tax \$	2,035,186	2,524,470	2,511,689	2,543,406	2,958,796	1,567,915	1,530,452	2,708,767	2,957,403	3,278,465
Total tax to be collected		\$ 73,699,246	\$ 82,694,484	\$ 82,885,097	\$ 84,723,901	\$ 95,238,172	\$ 74,492,191	\$ 75,802,153	\$ 67,057,569	\$ 71,479,714	\$ 77,655,084

Source: La Plata County Certification of Levies and Revenue

La Plata County, Colorado
Principal Property Taxpayers

Table 10

Taxpayer	Type of Business	2016			2007		
		2015 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	2006 Assessed Valuation	Rank	Percentage of Total Assessed Valuation
BP America Production Co	Energy	\$ 261,451,540	1	13.03%	\$ 1,130,897,990	1	37.60%
Williams Four Corners LLC	Energy	59,576,520	2	2.97%	129,508,690	3	4.31%
Samson Resources Company	Energy	54,617,580	3	2.72%			0.00%
Red Cedar	Energy	26,664,250	4	1.33%	108,434,670	5	3.60%
XTO Energy Inc.	Energy	25,864,990	5	1.29%	141,522,180	2	4.70%
La Plata Electric Association	Energy	19,344,700	6	0.96%	87,973,530	6	2.92%
Conoco Phillips Company	Energy	18,490,690	7	0.92%			
Burlington Resources Oil & Gas	Energy	16,326,850	8	0.81%	82,788,580	7	2.75%
Red Willow Production Company	Energy	12,848,400	9	0.64%			
WPX Energy Production LLC	Utility	8,548,500	10	0.43%			0.00%
Chevron Texaco	Energy				124,907,140	4	4.15%
Chevron Midcontinent LP	Energy				49,548,490	8	1.65%
Williams Production	Energy				31,025,600	9	1.03%
Williams Gas Processing	Energy				20,819,770	10	0.69%
Total Assessed Valuation for 10 largest taxpayers		<u>\$ 503,734,020</u>		<u>25.11%</u>	<u>\$ 1,907,426,640</u>		<u>63.41%</u>
Total Assessed Valuation for all taxpayers		<u>\$ 2,006,291,720</u>		<u>100.00%</u>	<u>\$ 3,008,034,270</u>		<u>100.00%</u>

Source: La Plata County Assessor's Office

La Plata County, Colorado
Direct and Overlapping Sales Tax Rates

Table 11

Fiscal Year	County Direct Rate	State of Colorado
2007	2.0%	2.9%
2008	2.0%	2.9%
2009	2.0%	2.9%
2010	2.0%	2.9%
2011	2.0%	2.9%
2012	2.0%	2.9%
2013	2.0%	2.9%
2014	2.0%	2.9%
2015	2.0%	2.9%
2016	2.0%	2.9%

Source: La Plata County Finance Department

**La Plata County, Colorado
Principal Sales Tax Remitters**

Table 12

Taxpayer - Type of Business	2016			2007		
	2016 Sales Tax Collected	Rank	Percentage of Total Taxes Collected	2007 Sales Tax Collected	Rank	Percentage of Total Taxes Collected
Food & Beverage	\$ 2,069,098	1	12.92%	\$ 1,161,900	4	8.58%
General Merchandise	1,653,692	2	10.32%	1,741,903	1	12.87%
Food Services & Drinking Places	1,425,501	3	8.90%	1,219,554	3	9.01%
Bldg. Material & Garden Supplies/Equi	1,204,354	4	7.52%	1,245,604	2	9.20%
Manufacturing	593,957	9	3.71%	455,287	10	3.36%
Accommodation	963,070	5	6.01%	987,887	6	7.30%
Auto Dealers	853,882	6	5.33%	629,439	7	4.65%
Utilities	732,833	7	4.57%	505,525	9	3.73%
Wholesale Trade	681,126	8	4.25%	812,836	5	6.00%
Real Estate	524,244	10	3.27%	401,140	11	2.96%
Total Sales Taxes Collected by 10 Largest Businesses	<u>\$ 10,701,757</u>		<u>66.81%</u>	<u>\$ 9,161,075</u>		<u>67.68%</u>
Total Sales Taxes Collected by All Businesses	<u>\$ 16,018,771</u>		<u>100.00%</u>	<u>\$ 13,536,799</u>		<u>100.00%</u>

Source: Colorado State Department of Revenue

La Plata County, Colorado
Ratios of Outstanding Debt by Type

Table 13

Fiscal Year	General Obligation	Sales Tax Revenue	Certificates of Participation	Total	Per Capita Personal Income	Population	Debt Per Capita	Percentage of Personal Income	Percentage of Actual Taxable Value of Property
2007	-	-	2,925,000	2,925,000	40,407	49,343	59.28	0.15%	0.03%
2008	-	-	2,550,000	2,550,000	44,176	50,291	52.31	0.12%	0.02%
2009	-	-	2,165,000	2,165,000	40,971	51,105	42.36	0.10%	0.02%
2010	-	-	1,765,000	1,765,000	42,032	51,495	34.28	0.08%	0.01%
2011	-	-	1,350,000	1,350,000	43,834	51,924	26.00	0.06%	0.01%
2012	-	-	-	-	45,476	52,401	-	0.00%	0.00%
2013	-	-	-	-	46,492	53,446	-	0.00%	0.00%
2014	-	-	-	-	46,388	54,629	-	0.00%	0.00%
2015	265,843	-	-	265,843	50,206	54,688	4.86	0.01%	0.00%
2016	254,215	-	-	254,215	Not available	55,623	4.57	Not available	0.00%

Sources:

Region 9 Economic Development District of SW Colorado

United Census Bureau

La Plata County Assessor's Office

La Plata County Finance Department

La Plata County, Colorado
Computation of Legal Debt Margin

Table 14

Assessment Year Fiscal/Budget Year	2006 <u>2007</u>	2007 <u>2008</u>	2008 <u>2009</u>	2009 <u>2010</u>	2010 <u>2011</u>
Assessed Value	\$ 3,008,045,050	\$ 2,885,995,180	\$ 3,017,991,395	\$ 3,461,698,940	\$ 2,354,797,050
Actual Value	\$ 9,779,128,089	\$ 11,252,386,999	\$ 11,996,568,139	\$ 13,183,765,037	\$ 11,703,822,835
Legal Debt Margin:					
Debt limitation - 1.5% of total assessed value					
Debt limitation - 3% of total actual value	293,373,843	337,571,610	359,897,284	395,512,951	351,114,685
Debt applicable to limitation:					
Total debt	\$ 2,925,000	\$ 2,550,000	\$ 2,165,000	\$ 1,765,000	\$ 1,350,000
Less: Certificates of participation	2,925,000	2,550,000	2,165,000	1,765,000	1,350,000
Total debt applicable to debt limitation	-	-	-	-	-
Legal debt margin	\$ 293,373,843	\$ 337,571,610	\$ 359,897,284	\$ 395,512,951	\$ 351,114,685

Assessment Year Fiscal/Budget Year	2011 <u>2012</u>	2012 <u>2013</u>	2013 <u>2014</u>	2014 <u>2015</u>	2015 <u>2016</u>
Assessed Value	\$ 2,394,149,370	\$ 2,275,296,810	\$ 1,842,416,460	\$ 2,006,291,720	\$ 2,224,369,230
Actual Value	\$ 10,306,419,000	\$ 10,742,115,112	\$ 9,760,081,610	\$ 10,072,410,619	\$ 11,128,335,337
Legal Debt Margin:					
Debt limitation - 1.5% of total assessed value					
Debt limitation - 3% of total actual value	309,192,570	322,263,453	292,802,448	302,172,319	333,850,060
Debt applicable to limitation:					
Total debt	\$ -	\$ -	\$ -	\$ 265,843	\$ 254,215
Less: Certificates of participation	-	-	-	-	-
Total debt applicable to debt limitation	-	-	-	265,843	254,215
Legal debt margin	\$ 309,192,570	\$ 322,263,453	\$ 292,802,448	\$ 301,906,476	\$ 333,595,845

Sources: La Plata County Assessor's Office and La Plata County Department of Finance

Notes: Per Colorado Revised Statute 30-26-301(3), the aggregate amount of indebtedness for the County cannot exceed 1.5% of total assessed value for years 1998-2003, and cannot exceed 3% of total actual value for years 2004 forward

La Plata County, Colorado
Sales Tax Revenue Bonds Coverage

Table 15

Fiscal Year	Gross Sales Tax Revenue	Revenue Available for Debt Service ¹	Principal	Interest	Total	Coverage
2007 ²	13,536,798	N/A	N/A	N/A	N/A	N/A
2008	13,639,998	N/A	N/A	N/A	N/A	N/A
2009	12,264,867	N/A	N/A	N/A	N/A	N/A
2010	13,528,774	N/A	N/A	N/A	N/A	N/A
2011	12,363,979	N/A	N/A	N/A	N/A	N/A
2012	13,596,356	N/A	N/A	N/A	N/A	N/A
2013	14,080,460	N/A	N/A	N/A	N/A	N/A
2014	14,870,392	N/A	N/A	N/A	N/A	N/A
2015	15,734,279	N/A	N/A	N/A	N/A	N/A
2016	16,018,771	N/A	N/A	N/A	N/A	N/A

Source: La Plata County Finance Department

Notes:

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

² 1992 Sales Tax revenue bonds fully paid off in 2006

La Plata County, Colorado
Demographic and Economic Statistics

Table 16

Fiscal		Personal	Per Capita	Unemployment		K-12 School	Higher Education
Year	Population	Income ¹	Personal Income	Rate	Median Age	Enrollment ²	Enrollment ³
2007	49,343	1,993,825	40,407	2.8	38.0	6,602	3,935
2008	50,291	2,221,658	44,176	3.6	38.2	6,900	3,746
2009	51,105	2,093,812	40,971	6.0	38.8	7,031	3,685
2010	51,495	2,164,463	42,032	7.1	39.1	6,831	3,864
2011	51,924	2,276,033	43,834	7.0	38.5	6,658	3,853
2012	52,401	2,382,999	45,476	6.5	38.7	6,658	3,836
2013	53,446	2,484,802	46,492	5.5	38.7	6,383	4,065
2014	54,629	2,534,109	46,388	4.2	38.8	6,680	4,021
2015	54,688	2,745,644	50,206	5.5	38.4	6,911	4,065
2016	55,623	Not available	Not available	2.4	38.8	7,303	3,585

Sources:

United Census Bureau

Region 9 Economic Development District of SW Colorado

United States Department of Labor

Colorado Department of Education

Fort Lewis College

Notes:

¹ In thousands of dollars

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

³ Higher Education Enrollment is for Fort Lewis College

**La Plata County, Colorado
Principal Employers**

Table 17

<u>Employer</u>	<u>Type of Business</u>	<u>Estimate 2016</u>		<u>Estimate 2007</u>	
		<u>Employees FT & PT</u>	<u>Percentage of total County Employment</u>	<u>Employees</u>	<u>Percentage of total County Employment</u>
DSC Purgatory LLC	Recreation	1,000	2.94%	N/A	0.00%
Mercy Regional Medical Center	Health	860	2.53%	724	2.32%
Durango School District 9-R	Education	853	2.51%	795	2.55%
Southern Ute Indian Tribe - Administration	Government	795	2.34%	744	2.39%
Crossfire LLC	Oil & Gas	705	2.07%	N/A	0.00%
Fort Lewis College	Education	660	1.94%	645	2.07%
City of Durango	Government	546	1.61%	458	1.47%
La Plata County	Government	434	1.28%	388	1.25%
Sky Ute Lodge and Casino, Museum	Recreation	425	1.25%	301	0.97%
Mercury Payment Systems	Finance	365	1.07%	N/A	0.00%
Total Principal Employers		6,643	2.32%	4,055	3.68%
Total County Employment		33,981	100.00%	31,162	100.00%

Source:

Region 9 Economic Development District of SW Colorado

La Plata County, Colorado
Full-time Equivalent County Employees by Function/Program

Table 18

Department	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	% Change 2016 over 2015
Commissioners	4.10	5.10	5.12	5.13	5.00	5.10	5.00	5.00	3.00	3.00	0.0%
Clerk/Elections	16.63	18.80	16.88	14.10	16.16	18.50	16.00	16.00	16.00	16.00	0.0%
Treasurer/Trustee	5.12	5.00	5.00	5.29	5.00	5.10	5.00	5.00	5.00	5.00	0.0%
Assessor	20.45	20.45	20.20	18.94	18.80	19.00	19.00	17.00	17.00	17.00	0.0%
Administration	4.19	5.18	5.16	5.01	5.03	6.20	5.00	5.00	7.00	6.00	-14.3%
Attorney	0.00	0.00	6.00	6.00	5.75	5.10	6.00	6.00	6.00	6.00	0.0%
Facilities & Grounds	10.01	10.01	10.01	10.00	10.00	10.00	11.00	11.00	12.00	15.00	25.0%
Finance	4.02	4.00	5.00	5.00	3.75	3.80	4.50	5.00	5.00	5.00	0.0%
Information Services	10.00	10.00	10.00	10.00	9.02	9.00	9.00	9.00	9.00	9.00	0.0%
Procurement	3.79	3.79	4.02	4.02	4.00	4.00	2.75	2.50	2.50	2.50	0.0%
GIS	8.00	8.00	7.00	7.00	5.00	5.00	5.00	5.00	5.00	5.00	0.0%
Human Resources/Risk Mgt	4.11	4.08	4.11	4.11	4.11	4.10	4.00	4.00	4.00	4.00	0.0%
County Surveyor	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.25	-75.0%
Construction Management	1.17	1.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Sustainability Office	0.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
General Government Total	92.59	97.68	100.50	96.60	92.62	95.90	93.25	91.50	92.50	93.75	1.4%
Building Inspection / OEM	11.75	14.00	14.00	11.00	8.00	7.75	8.00	8.00	8.00	9.00	12.5%
Criminal Investigations	9.90	10.90	10.68	10.79	10.40	11.00	10.00	11.00	11.00	9.00	-18.2%
Special Investigations	5.80	5.76	5.57	5.53	5.50	5.50	6.00	5.00	5.00	5.00	0.0%
Special Services	24.10	23.20	22.44	22.29	21.50	21.70	21.25	22.25	22.25	11.00	-50.6%
Public Safety	34.90	34.92	34.13	34.15	33.25	33.50	32.00	32.00	34.00	44.00	29.4%
Alternative to Incarceration	5.30	5.48	5.34	5.34	5.30	5.40	5.00	5.00	5.00	4.00	-20.0%
Detentions	49.60	60.60	62.16	62.14	62.50	62.60	59.00	59.00	59.00	62.00	5.1%
Coroner	2.10	1.55	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	0.0%
District Attorney	25.10	25.10	25.10	25.50	25.50	25.00	25.00	25.00	25.00	25.00	0.0%
Public Safety Total	168.55	181.51	180.92	178.24	173.45	173.95	167.75	168.75	170.75	170.50	-0.1%
Road & Bridge, Eng.	51.89	52.64	53.70	49.89	46.33	48.40	41.00	41.00	41.00	41.00	0.0%
Public Works Total	51.89	52.64	53.70	49.89	46.33	48.40	41.00	41.00	41.00	41.00	0.0%
CERF	10.07	9.10	9.10	9.10	9.04	9.10	9.00	9.00	9.00	9.00	0.0%
Internal Service Funds	10.07	9.10	9.10	9.10	9.04	9.10	9.00	9.00	9.00	9.00	0.0%
Human Services	58.41	59.40	58.75	58.75	60.00	63.93	61.75	63.38	64.75	68.75	6.2%
Health & Welfare Total	58.41	59.40	58.75	58.75	60.00	63.93	61.75	63.38	64.75	68.75	6.2%
Extension Office	1.80	2.42	2.42	0.77	0.00	0.80	0.00	0.00	0.00	0.00	0.0%
Weed	1.50	1.70	1.67	1.49	1.30	1.50	1.00	1.00	1.50	2.00	33.3%
Fairgrounds	10.80	10.61	10.60	10.34	10.00	10.00	9.00	9.00	9.00	10.00	11.1%
Senior Center Ops & Act	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Planning	17.21	18.30	18.30	18.28	11.99	11.70	11.75	10.75	11.00	11.25	2.3%
Senior Services	7.70	8.41	8.72	8.52	8.59	9.50	8.00	8.00	8.00	8.50	6.3%
Veterans' Services Office	1.00	1.00	1.09	1.08	1.00	1.10	1.00	1.00	1.00	1.00	0.0%
Auxiliary Services	40.01	42.44	42.80	40.48	32.88	34.60	30.75	29.75	30.50	32.75	7.4%
Grand Total	421.52	442.77	445.77	433.06	414.32	425.88	403.50	403.38	408.50	415.75	1.8%

Source: La Plata County Annual Budget

Notes: Numbers include regular and temporary employees.

La Plata County, Colorado
Operating Indicators by Function/Program

Table 19

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Government										
<u>Clerk & Recorder</u>										
# Vehicle Transactions Processed	98,829	98,951	89,672	91,592	100,468	92,650	93,865	95,504	95,863	96,742
# Titles Issued (69% printed by staff)	23,230	19,083	14,472	13,624	14,955	15,853	17,553	18,679	17,795	17,804
# documents recorded	20,874	18,969	19,550	16,500	15,889	17,762	17,096	15,069	15,622	16,343
# of registered voters	33,658	37,615	37,185	37,243	38,590	41,516	41,785	40,154	41,677	44,828
# of votes cast	1,485	28,117	4,644	20,892	11,694	29,416	15,473	29,123	12,924	39,498
# of marriage licenses issued	526	528	515	506	554	573	571	632	637	606
<u>Treasurer</u>										
Receipts processed	36,913	37,980	37,740	37,954	37,995	59,790	26,366	25,934	29,540	36,025
<u>Assessor</u>										
# of property accounts maintained/assessed	Unavailable	46,293	Unavailable	46,589	46,503	46,657	46,420	46,580	74,436	47,161
Assessed value (in thousands)	2,885,995	3,017,991	3,461,699	2,354,797	2,394,149	2,275,296	1,842,416	2,004,585	2,220,914	1,815,518
<u>Geographic Information Services</u>										
# of recorded documents processed	5,429	4,024	1,196	325	5,440	7,039	1,486	226	128	123
# of rural addresses assigned	481	314	191	182	565	281	527	338	147	313
Public Safety										
<u>Building Inspection</u>										
# of permits issued	951	781	601	577	535	544	580	655	815	675
# of inspections completed	4,662	4,651	3,553	2,632	2,414	2,435	2,536	3,369	3,604	3,284
<u>Emergency Management</u>										
Search & Rescue Missions	71	37	14	23	30	34	35	37	34	56
<u>Sheriff - Public Safety</u>										
# of incidents investigated	Unavailable	25,530	3,552	23,652	23,227	22,561	23,224	23,640	28,694	37,731
# of arrests	Unavailable	946	Unavailable	594	705	586	678	804	1,224	1,597
# of citations	Unavailable	223	Unavailable	134	131	110	146	97	199	163
<u>Alternative to Incarceration</u>										
# of inmates under Day Reporting Supervision	88	93	89	102	124	99	45	11	0	0
# of inmates in Community Custody program	178	185	145	298	55	104	108	95	39	119
Pretrial management	245	255	222	270	371	333	299	304	337	615

La Plata County, Colorado
Operating Indicators by Function/Program

Table 19

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>Detentions</u>										
Total # of inmates booked into facility	3,087	2,900	Unavailable	3,020	2,943	2,033	2,662	2,858	3,294	3,843
average daily inmate population	186	181	140	149	166	148	114	111	118	148
Public Works										
<u>Maintenance Support</u>										
gallons of dust palliative applied	1,000,000	1,200,000	1,098,307	920,642	1,100,000	865,672	920,642	988,547	1,461,306	759,693
tons of road base hauled and placed	120,000	120,000	101,608	105,297	106,676	79,197	110,568	64,708	33,335	43,711
# of gallons of highway paint used	12,500	12,750	12,500	12,000	9,500	12,500	12,000	12,500	12,500	12,500
<u>Convenience Center</u>										
Customers served - Bayfield	2,841	2,506	2,116	2,159	2,117	2,154	1,493	2,091	2,010	2,203
Customers served - Marvel	713	699	550	421	543	523	340	498	475	483
Health & Welfare										
<u>Human Services</u>										
Child Welfare - # of assessments opened	303	283	172	315	266	273	262	283	272	263
Adult Protective Services - # of investigations	90	89	101	88	99	88	87	96	141	131
Child Support - \$ of payments collected	\$3,044,044	\$3,570,909	\$3,147,432	\$3,248,125	\$3,302,905	\$3,429,662	\$3,828,881	\$3,671,529	\$3,775,730	\$3,595,644
Community Programs										
Conservation Trust Funds	\$204,000	\$234,250	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Public Service Agency Funds	\$2,379,166	\$3,113,539	\$3,155,684	\$2,894,774	\$2,973,186	\$3,200,905	\$2,461,494	\$2,375,306	\$1,852,663	\$2,415,471
Auxiliary Services										
<u>Senior Services</u>										
# of meals provided	39,899	41,549	43,010	41,247	37,745	40,812	43,769	45,011	49,519	45,177
# of transportation rides provided	6,474	5,571	6,114	6,226	5,584	5,955	5,788	6,549	6,951	7,763
<u>Veterans Services</u>										
Compensation Claims	168	57	144	196	201	91	192	140	202	222
<u>Weed Management</u>										
# of miles treated for noxious weeds	1,309	680	675	**			672	675	435	326
# of acres treated for noxious weeds				505	Unavailable	451	90	105	273	183
small group bookings (less than 500 participants)	Unavailable	2,548	3,347	2,562	1,633	1,053	131	125	76	45
large bookings (more than 500 participants)	Unavailable	74	31	12	365	357	0	0	0	0

La Plata County, Colorado
Operating Indicators by Function/Program

Table 19

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>Planning</u>										
Major projects reviewed	119	91	55	28	48	35	100	122	116	110
Oil & Gas (Major & Minor)	232	230	82	31	35	42	25	62	56	59
Minor/Administrative Projects reviewed	106	134	80	92	62	71	108	126	159	109
Internal Service Funds										
<u>Capital Equipment Replacement Fund</u>										
<i>(prior to 2005, vehicles were in R & B Fleet division)</i>										
Vehicles maintained (self propelled mobile units)	233	237	243	246	305	301	307	311	317	326

Source: La Plata County - Various Departments

La Plata County, Colorado
Capital Asset Statistics by Function/Program

Table 20

		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government											
Clerk	Number of business locations	3	3	3	2	2	2	2	2	2	2
Facilities & Grounds	Facilities maintained	17	17	17	17	17	17	17	17	20	20
	Warehouses maintained	0	0	0	0	0	0	0	0	0	1
Procurement	Warehouses operated	1	1	1	1	1	1	1	1	1	0
Public Safety											
Detentions	Jail bed capacity	197	197	293	293	293	293	293	293	293	298
Public Works											
	Miles of Roadways maintained	655	658	658	658	658	656	672	656	656	656
	Bridges	53	53	53	53	53	48	48	49	49	49
Internal Service Funds											
CERF	Number of fleet vehicles maintained	233	237	243	246	305	301	307	311	317	326

Source: La Plata County - Various Departments

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

SINGLE AUDIT SECTION

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

May 26, 2017

To the Board of County Commissioners
La Plata County, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of La Plata County (the "County"), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated May 26, 2017.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a material weakness. 2016-001.

Compliance and Other Matters

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

County's Response to Findings

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



Albuquerque, New Mexico
May 26, 2017

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

May 26, 2017

To the Board of County Commissioners
La Plata County, Colorado

Report on Compliance for Each Major Federal Program

We have audited La Plata County Colorado's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2016. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

Report on Internal Control over Compliance

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

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

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

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

A handwritten signature in blue ink that reads "Axiom".

Albuquerque, New Mexico
May 26, 2017

La Plata County, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity ID Number	Expenditures as of 12/31/16	Amounts Passed- Through to Subrecipients
Department of Agriculture				
Passed through the Colorado Department of Human Services				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		\$ 434,379	
Direct				
Schools and Roads - Grants to States	10.665		180,625	
Total Department of Agriculture			<u>615,004</u>	
Department of Health and Human Services				
Passed through the Area Agency on Aging				
Special Programs for Aging-Title III, Part B - Grants for Supportive Services and Senior Centers	93.044		10,560	
Special Programs for Aging-Title III, Part C - Nutrition Services	93.045		109,668	
Nutrition Service Incentive Program	93.053		<u>44,306</u>	
Area Agency on Aging Cluster				164,534
Special Programs for Aging - Title III, Part E - National Family Caregiver Support	93.052		23,476	
Passed through the Colorado Department of Human Services				
Promoting Safe and Stable Families	93.556		122,441	
Temporary Assistance for Needy Families	93.558		880,044	86,288
Child Support Enforcement	93.563		356,613	
Low-Income Home Energy Assistance	93.568		187,343	
Child Care and Development Block Grant	93.575		177,290	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		<u>145,021</u>	
Child Care and Development Block Grant Cluster				322,311
Child Welfare Services - State Grants	93.645		8,484	
Foster Care Title IV-E	93.658		607,824	
Adoption Assistance	93.659		85,874	
Social Services Block Grant	93.667		293,220	
Chafee Foster Care Independence Program	93.674		27,418	
Medical Assistance Program	93.778		342,566	
Colorado Department of Regulatory Agencies				
Passed through Division of Insurance				
Special Programs for Aging-Title IV and Title II - Discretionary Projects	93.048		4,783	
Centers for Medicare and Medicaid Services (CMS) Research Demonstrations, and Evaluations	93.779		<u>13,860</u>	
Total Department of Health and Human Services			<u>3,440,791</u>	<u>86,288</u>

La Plata County, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity ID Number	Expenditures as of 12/31/16	Amounts Passed- Through to Subrecipients
Department of Interior				
Direct				
Aid to Tribal Governments	15.020		168,914	
Payments in Lieu of Taxes	15.226		627,520	
Total Department of Interior			796,434	
Department of Homeland Security				
Passed through the Colorado Department of Local Affairs				
Emergency Management Performance Grants	97.042	14EM-15-34	61,927	
Total Department of Homeland Security			61,927	
Department of Housing and Urban Development				
Passed through the Colorado Department of Local Affairs				
Community Development Block Grants/State's program	14.228	F15CDB15-600	832,345	832,345
Total Department of Housing and Urban Development			832,345	832,345
Department of Justice				
Direct				
Office of Justice Programs				
Bulletproof Vest Partnership Program	16.607		5,060	
State Criminal Alien Assistance Program	16.606		5,125	
Department of Justice / Criminal Division				
Equitable Sharing Program	16.922		111,178	
Passed through the Colorado Department of Public Safety				
Crime Victim Compensation (Sixth Judicial District)	16.576	13-VC-6	1	
Crime Victim Compensation (Sixth Judicial District)	16.576	14-VC-6	26,500	
Total Department of Justice			147,864	
Environmental Protection Agency				
Cooperative Agreement				
Office of Solid Waste and Emergency Response				
Superfund State, Political Subdivision, and Indian				
Tribe Site-Specific Cooperative Agreements	66.802		208,709	
Total Environmental Protection Agency			208,709	
Other Federal Assistance				
Direct				
Office of National Drug Control Policy, Dept of Treasury,				
Dept of Justice High Intensity Drug Trafficking				
Areas Program	95.001	G14RM0023A	375,583	
Total Office of National Drug Control Policy			375,583	
Total Federal Assistance			\$ 6,478,657	\$ 918,633

La Plata County, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016

Notes to Schedule:

Basis of Presentation

The Schedule of Expenditures of Federal Awards (the SEFA) includes the federal grant activity of La Plata County Colorado and the Sixth Judicial District. The information is presented in accordance with the requirements of the Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Expenditures have been recognized using the modified accrual basis of accounting.

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

The County has declined to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Clusters of Programs

The following programs are reported as clusters:	<u>CFDA #</u>	<u>Expenditures</u>
Aging Cluster		
Special Programs for Aging-Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	\$ 10,560
Special Programs for Aging-Title III, Part C - Nutrition Services	93.045	109,668
Special Programs for Aging-Title III, Part E - National Family Caregiver Support Program	93.052	23,476
Nutrition Service Incentive Program	93.053	44,306
Total		<u>\$ 188,010</u>
CCDF Cluster		
Child Care and Development Block Grant	93.575	\$ 177,290
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	145,021
Total		<u>\$ 322,311</u>

La Plata County, Colorado
Schedule of Findings and Questioned Costs
Year Ended December 31, 2016

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? X Yes No
- Significant deficiency identified that are not considered to be material weakness(es)? Yes X None Reported

Non-compliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency identified that are not considered to be material weakness(es) Yes X None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? Yes X No

Identification of Major Program

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.558	Temporary Assistance for Needy Families
14.228	Community Development Block Grant

Dollar threshold used to distinguish between type A and type B programs \$ 750,000

Auditee qualified as low-risk auditee? X Yes No

La Plata County, Colorado
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2016

B. FINANCIAL STATEMENT FINDINGS

2016-001: Segregation of Duties in the Treasurer's Office (Material Weakness)

CONDITION:

During our review of the Treasurer's Office control environment we noted improper segregation of duties as the same individual has access to post journal entries into the accounting software without any review or approval, review daily cash collections, receive checks, reconcile bank statements, transfer money amongst bank accounts, post Treasurer's checks, and sign checks.

CRITERIA:

The Codification of Statements on Auditing Standards (AU-C) Section 200 paragraph .05 states that the financial statements are management's responsibility. Management is responsible for adopting sound accounting policies, and for establishing and maintaining internal control that will, among other things, initiate, authorize, record, process, and report transactions (as well as events and conditions) consistent with management's assertions embodied in the financial statements.

EFFECT:

The County's financial transactions are more susceptible to uncorrected errors and there is an increased risk of fraud going undetected.

CAUSE:

The Treasurer's Office lacks the internal control policies to ensure that all receipts and all disbursements are properly recorded in a timely manner.

RECOMMENDATION:

The Treasurer's Office should implement controls that restrict a person's access to or underlying capability to perform certain functions that are incompatible from a segregation of duties viewpoint with their current job duties. If necessary, due to the limited staff resources in the Treasurer's Office, the County might want to consider using an individual from outside of the Treasurer's Office or from the finance department for that purpose.

MANAGEMENT RESPONSE:

The La Plata County Treasurer's Office has 2.5 employees to collect property taxes and fees for various taxing authorities, distribute these assets and process disbursements to the same. In 2016, over 138,000 transactions were completed by these employees. The La Plata County Treasurer's Office has, and will continue, to analyze the financial operations and develop policies and procedures to mitigate risks associated with segregation of duties.

La Plata County, Colorado
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2016

C. FINDINGS AND QUESTIONED COSTS UNDER 2 CFR 200.516(a)

None

La Plata County, Colorado
Schedule of Prior Year Findings
Year Ended December 31, 2016

There were no prior year findings