AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

AgendaTitle:
Presentation of the 2012 Gunnison County Financial Audit

Action Requested: Other Presentation of the 2012 audit

Parties to the Agreement:

Term Begins: **Term Ends:** **Grant Contract #:**

Summary:
Paul Backes, McMahan and Associates, will present the 2012 audit to the BOCC.

Fiscal Impact: n/a

Submitted by: B. Lucero for L. Nienhueser **Submitter's Email Address:** lnienhueser@gunnisoncounty.org

Finance Review: (●) Required ( ) Not Required

Comments:

Reviewed by: Lnienhueser Discharge Date: 8/6/2013

County Attorney Review: ( ) Required (●) Not Required

Comments:

Reviewed by: Discharge Date: Certificate of Insurance Required

Yes ( ) No ( )

County Manager Review:

Comments:

Reviewed by: MBirnie Discharge Date: 8/14/2013

( ) Consent Agenda (●) Regular Agenda ( ) Worksession Time Allotted:

Agenda Date: 8/20/2013 Follow Up Agenda Date: N/A

Revised April 2013

Gunnison County

Financial Report

December 31, 2012

Gunnison County, Colorado
Financial Report
December 31, 2012

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INDEPENDENT AUDITOR'S REPORT

To the Board of County Commissioners
Gunnison County, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Gunnison County, Colorado (the "County"), as of and for the year ended December 31, 2012, and the related noted 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit includes 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 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 County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. 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 financial statement presentation.

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

Member: American Institute of Certified Public Accountants

Paul J. Backes, CPA, CGMA
Michael N. Jenkins, CA, CPA, CGMA
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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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Gunnison County, Colorado as of December 31, 2012, 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

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis in Section B 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.

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements taken as a whole. The combining fund financial statements, individual fund budgetary information, the Local Highway Finance Report, and the statistical section listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the County's financial statements. The combining fund financial statements, the individual fund budgetary information, and the Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Additionally, the Schedule of Passenger Facility Charges Collected and Expended in section F, and the Schedule of Expenditures of Federal Awards included in the Single Audit section are presented for the purpose of additional analysis, as required by the *Passenger Facility Charge Audit Guide for Public Agencies, issued by the Federal Aviation Administration,* and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and are not a required part of the County's financial statements. Such information has been subjected to the auditing procedures applied audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Passenger Facility Charges Collected and Expended and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated July 31, 2013 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with 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 the 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.

McMahan and Associates, L.L.C.
Avon, Colorado
July 31, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

Gunnison County, Colorado

Management's Discussion and Analysis

December 31, 2012

As management of the Gunnison County (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2012.

Financial Highlights

- On a short term view, the County's governmental funds decreased $1,267,089. This was primarily due to decreases in the Airport Construction Fund related to capital outlays on the runway.

- On a long term view the County's governmental activities increased net position by $87,754. This occurred because a portion of the County's fund expenditures were invested in capital assets that had a useful life of longer than one year.

- On a short term view the County's business type funds available resources decreased $ (259,636). This is mainly due to decreases in the Airport Operations Fund.

- On a long-term view the County's business type activities decreased net position by $ (783,781). This decrease is primarily due to decreases in the Airport Operations Fund and Landfill Operations Fund.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The County has three component units: 1) The Gunnison Valley Hospital and Health Care Center, 2) the Gunnison County Housing Authority ("Authority") and 3) the Gunnison River Valley Local Marketing District. The latter two entities are treated as a blended component unit, meaning they are treated as funds of the County, because their Boards are the same as the Board of County Commissioners. The Hospital is treated as a discretely presented component unit. Refer to the Hospitals separately issued financial statements.

Government-wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all the County's assets and liabilities, with the difference between the two 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 is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues

and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Overview of the Financial Statements (continued)

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges, (business-type activities). The governmental activities of the County include general government, judicial, public safety, health and welfare, auxiliary services, culture and recreation and public works. The business-type activities of the County include those relating to the airport, water systems, sewer systems, landfill and housing operations.

The government-wide financial statements can be found on pages C1 and C2 of this report.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The County's major governmental funds include the General Fund, Road and Bridge Fund, Human Services Fund, Sales Tax Capital Improvement Fund, Airport Construction, and Capital Expenditures Fund. The County also reports a number of minor governmental funds.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County adopts an annual appropriated budget for all its Funds. A budgetary comparison statement has been provided for all funds to demonstrate compliance with this budget.

The basic major governmental fund financial statements can be found on pages C3 through C6.

Proprietary Funds: The County maintains proprietary funds commonly known as enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its airport, water, sewer, landfill and housing authority operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the business-type services provided by the County, each of which is considered to be a major fund of the County.

The basic proprietary fund financial statements can be found on pages C7 through C9 of this report.

Overview of the Financial Statements (continued)

Fiduciary Funds: 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 statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The fiduciary funds used by the County account for the County Treasurer and the Public Trustee, both of which collect and hold assets on behalf of other individuals and governments.

The basic fiduciary fund financial statements can be found on page C10 of this report.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found in Section D of this report.

Government-wide Financial Analysis

Traditionally, the largest portion of any County's investments is in its capital assets. Land, buildings, equipment, machinery, and specialized tools are necessary in order to deliver and/or provide services to the County's residents and visitors.

At the end of the 2012 fiscal year, the County is able to report positive balances in all three categories of net position, first for the government as a whole, and then as separate governmental and business-type activities.

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Assets:						
Current and other assets	31,529,183	32,447,845	5,383,822	5,541,220	36,913,005	37,989,065
Capital assets, net	37,115,859	37,431,688	45,723,103	45,603,290	82,838,962	83,034,978
Total Assets	68,645,042	69,879,533	51,106,925	51,144,510	119,751,967	121,024,043
Deferred Outflow of Resources:						
Deferred Outflow of Resources	111,097	115,064	291,829	305,726	402,926	420,790
Total Outflow of Resources	111,097	115,064	291,829	305,726	402,926	420,790
Liabilities:						
Other liabilities	5,115,576	5,648,800	316,771	229,010	5,432,347	5,877,810
Long-term liabilities	19,140,238	20,609,695	5,466,785	4,822,247	24,607,023	25,431,942
Total Liabilities	24,255,814	26,258,495	5,783,556	5,051,257	30,039,370	31,309,752
Deferred Inflow of Resources:						
Deferred Inflow of Resources	6,164,441	6,271,753	-	-	6,164,441	6,271,753
Total Inflow of Resources	6,164,441	6,271,753	-	-	6,164,441	6,271,753
Net Position:						
Net investment in capital assets	18,166,877	16,355,869	41,388,256	41,967,023	59,555,133	58,322,892
Restricted	2,200,937	2,492,683	1,263,534	29,163	3,464,471	2,521,846
Unrestricted	17,968,070	18,615,797	2,963,408	4,402,793	20,931,478	23,018,590
Total Net Position	38,335,884	37,464,349	45,615,198	46,398,979	83,951,082	83,863,328

Government-wide Financial Analysis (continued)

Governmental Activities: Governmental activities increased $817,535 while Business-type activities decreased $783,781. Key elements of this increase were as follows:

Significant events impacting 2012 were:

- Net position as a result of governmental activities increased $871,535 because total governmental revenues exceeded total governmental expenses.
- Net position as a result of business type activities decreased $783,781 because total business type expenditures exceeded total business type revenues.

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	2,815,781	3,673,658	2,900,241	3,043,143	5,716,022	6,716,801
Grants and contributions	12,296,792	13,319,416	70,510	249,557	12,367,302	13,568,973
General revenues:						
Sales taxes	1,726,268	1,686,927	35,683	26,875	1,761,951	1,713,802
Property taxes	7,278,102	7,883,886	-	-	7,278,102	7,883,886
Other taxes	1,506,691	1,402,126	-	-	1,506,691	1,402,126
Interest and other revenue	192,290	260,141	47,940	53,379	240,230	313,520
Total Revenues	25,815,924	28,226,154	3,054,374	3,372,954	28,870,298	31,599,108
Expenses:						
General government	8,082,650	7,624,020	-	-	8,082,650	7,624,020
Judicial	252,849	252,849	-	-	252,849	252,849
Public safety	2,686,129	2,715,499	-	-	2,686,129	2,715,499
Health and welfare	4,993,542	4,867,706	-	-	4,993,542	4,867,706
Auxiliary services	254,582	274,322	-	-	254,582	274,322
Culture and recreation	1,236,329	309,426	-	-	1,236,329	309,426
Public works	5,177,367	6,174,063	-	-	5,177,367	6,174,063
Interest on long-term debt	1,040,570	918,259	-	-	1,040,570	918,259
Airport operations	-	-	2,646,560	2,727,211	2,646,560	2,727,211
Sewer	-	-	545,648	586,233	545,648	586,233
Water	-	-	521,288	507,134	521,288	507,134
Landfill	-	-	684,346	583,091	684,346	583,091
Housing	-	-	313,538	335,403	313,538	335,403
Total Expenses	23,724,018	23,136,144	4,711,380	4,739,072	28,435,398	27,875,216
Change in Net Position before Transfers	2,091,906	5,090,010	(1,657,006)	(1,366,118)	434,900	3,723,892
Transfers	(868,869)	(2,282,345)	868,869	2,282,345	-	-
Loss on disposals	(351,502)	(527)	4,356	(430)	(347,146)	(957)
	(1,220,371)	(2,282,872)	873,225	2,281,915	(347,146)	(957)
Change in Net Position	871,535	2,807,138	(783,781)	915,797	87,754	3,722,935
Net Position - Beginning	37,464,349	34,657,211	46,398,979	45,381,115	83,863,328	80,038,326
Prior Period Adjustment	-	-		102,067	-	102,067
Net Position - Beginning	37,464,349	34,657,211	46,398,979	45,483,182	83,863,328	80,140,393
Net Position - Ending	38,335,884	37,464,349	45,615,198	46,398,979	83,951,082	83,863,328

Government-wide Financial Analysis (continued)

Financial Analysis of the County's Funds

As mentioned earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All County funds had a nominal change in available resources:

The County's available resources for 2012 is charted below:

	Beginning Available Resources (Restated)	Increase (Decrease)	Ending Available Resources	2012 Expenditures	% of EAV to Expenditures
Governmental Major Funds:					
General Fund	7,638,099	(189,172)	7,448,927	13,045,170	57%
Road & Bridge	5,188,944	(473,383)	4,715,561	5,873,397	80%
Human Services Fund	467,740	24,821	492,561	3,590,031	14%
Sales Tax Fund	1,015,345	846,073	1,861,419	848,447	219%
Airport Construction Fund	659,889	(961,236)	(301,348)	2,385,004	-13%
Capital Expenditures Fund	2,701,837	(370,660)	2,331,177	437,339	533%
Non-Major Funds	1,751,809	(143,531)	1,608,278	3,727,706	43%
Business Type Funds:					
Airport Operations Fund	1,033,328	(266,666)	766,662	1,423,782	54%
Sewer Fund	824,096	64,294	888,390	498,263	178%
Water Fund	288,138	925	289,063	1,050,245	28%
Solid Waste Fund	2,831,561	(45,061)	2,786,500	908,847	307%
Assisted Living Fund	3,050	-	3,050	36,821	8%
Mountain View Fund	180,366	(13,128)	167,238	237,820	70%
Internal Service Funds:					
ISF I Fund	1,366,724	180,075	1,546,799	2,835,241	55%
ISF II Fund	563,969	19,383	583,352	740,872	79%
ISF III Fund	985,477	126,071	1,111,548	2,199,132	51%
	27,500,372	(1,201,195)	26,299,177	39,838,117	66%

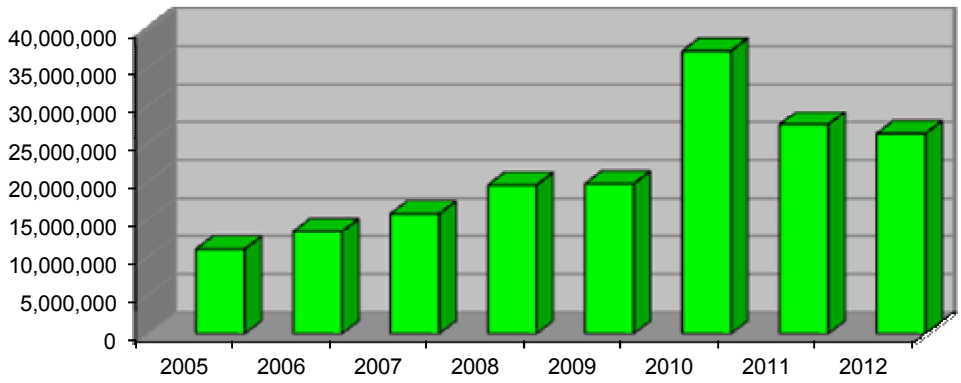
Governmental Funds: The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds decreased $1,267,088. This was primarily due to a decrease in the Airport Construction Fund related to capital outlays on the runway.

Government-wide Financial Analysis (continued)

Financial Analysis of the County's Funds

The following chart represents the County's fund balances for the past several years.



Proprietary Funds: The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The County's proprietary funds decreased net position by $783,781.

Budget Variances in the General Fund: The General Fund budget was amended during the year by $1,412,976. Actual Expenditures were $992,976 less than the amended budget.

Capital Assets: The County's capitalization policy pertains to assets with a purchase value of $4,000 or greater. Assets of lesser value are treated as operational expenditures. Additional information as well as a detailed classification of the County's net capital assets can be found in the Notes to the Financial Statement in Section D of this report.

Long-term Debt: As of the end of the current fiscal year, the County's long-term liabilities totaled $25,788,843. Additional information as well as a detailed classification of the County's total long-term liabilities can be found in the Notes to the Financial Statements in section D of this report.

Next Year's Budget and Rates: The County's General Fund balance at the end of fiscal year 2012 totaled $7,448,926. The 2013 budget anticipates decreasing this balance by $283,349.

Request for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Gunnison County, County Finance Director, 200 E. Virginia Avenue, Gunnison, CO 81230

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Gunnison County
Statement of Net Position
December 31, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Hospital
Assets:				
Cash and investments	21,958,944	5,006,778	26,965,722	11,751,000
Due from other governments	8,063	-	8,063	-
Accounts, taxes, and other receivables	8,707,283	414,267	9,121,550	4,424,949
Prepaid expenses	78,155	20,154	98,309	414,560
Inventory	719,361	-	719,361	1,488,718
Internal balances	57,377	(57,377)	-	-
Capital Assets:				
Capital assets, not depreciated	2,069,499	12,353,100	14,422,599	-
Capital assets, net	35,046,360	33,370,003	68,416,363	19,643,131
Total Assets	68,645,042	51,106,925	119,751,967	37,722,358
Deferred Outflows of Resources:				
Deferred outflow from interest rate swap	-	-	-	563,874
Deferred financing costs	111,097	291,829	402,926	223,081
Total Deferred Outflows of Resources	111,097	291,829	402,926	786,955
Liabilities:				
Accounts payable	1,660,182	254,378	1,914,560	669,564
Accrued expenses	725,866	62,393	788,259	1,290,284
Deposits	655,412	-	655,412	-
Accrued interest	-	52,609	52,609	-
Unearned grant revenue	839,687	-	839,687	
Non-current Liabilities:				
Due within one year:				
Accrued compensated absences	570,274	45,415	615,689	-
Leases	156,562	-	156,562	464,355
Bonds	-	25,029	25,029	740,000
Certificates of participation	405,000	-	405,000	-
Loans	102,593	856,329	958,922	-
Due in more than one year:				
Accrued compensated absences	855,411	68,124	923,535	-
Leases	968,958	-	968,958	1,140,587
Bonds	-	1,643,725	1,643,725	11,988,491
Certificates of participation	16,865,000	-	16,865,000	-
Landfill closure and postclosure costs	-	965,789	965,789	-
Loans	450,869	1,809,765	2,260,634	-
Total Liabilities	24,255,814	5,783,556	30,039,370	16,293,281
Deferred Inflows of Resources:				
Deferred inflow from interest rate swap	-	-	-	563,874
Unavailable property tax revenue	6,164,441	-	6,164,441	-
Total Deferred Inflows of Resources	6,164,441	-	6,164,441	563,874
Net Position:				
Net investment in capital assets	18,166,877	41,388,255	59,555,132	7,131,592
Restricted for:				
Emergencies	780,000	-	780,000	-
Debt service	1,342,782	-	1,342,782	-
Other purposes	78,155	1,263,534	1,341,689	1,402,594
Unrestricted	17,968,070	2,963,409	20,931,479	13,117,972
Total Net Position	38,335,884	45,615,198	83,951,082	21,652,158

The accompanying notes are an integral part of these financial statements.

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

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
					Primary Governments			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Hospital
Functions/Programs:								
Primary Government:								
Governmental Activities:								
General government	8,082,650	2,041,053	672,736	-	(5,368,861)		(5,368,861)	
Judicial	252,849	-	-	-	(252,849)		(252,849)	
Public safety	2,686,129	249,856	190,481	-	(2,245,792)		(2,245,792)	
Health and welfare	4,993,542	216,949	4,322,020	-	(454,573)		(454,573)	
Auxiliary services	254,582	38,516	-	-	(216,066)		(216,066)	
Culture and recreation	1,236,329	15,798	55,399	-	(1,165,132)		(1,165,132)	
Public works	5,177,367	253,609	3,923,000	6,383	(994,375)		(994,375)	
Interest on long-term debt	1,040,570	-	-	-	(1,040,570)		(1,040,570)	
Total Governmental Activities	23,724,018	2,815,781	9,163,636	6,383	(11,738,218)		(11,738,218)	
Business-type Activities:								
Airport	2,646,560	1,101,187	250	-		(1,545,123)	(1,545,123)	
Sewer	545,648	485,197	-	69,840		9,389	9,389	
Water	521,288	216,847	-	-		(304,441)	(304,441)	
Landfill	684,346	835,916	420	-		151,990	151,990	
Housing	313,538	261,094	-	-		(52,444)	(52,444)	
Total Business-type Activities	4,711,380	2,900,241	670	69,840		(1,740,629)	(1,740,629)	
Total Primary Government	28,435,398	5,716,022	9,164,306	76,223	(11,738,218)	(1,740,629)	(13,478,847)	
Component Unit:								
Hospital	28,345,828	27,791,988	-	-				(553,840)
General Revenues and Transfers:								
Taxes:								
Property taxes					7,278,102	-	7,278,102	568,512
Specific ownership taxes					372,570	-	372,570	-
Sales taxes					1,726,268	35,683	1,761,951	-
Marketing and promotion taxes					1,093,649	-	1,093,649	-
Other taxes					40,472	-	40,472	-
Investment earnings					192,290	47,940	240,230	170,581
Grants and contributions not restricted to specific programs					3,126,773	-	3,126,773	623,345
Transfers					(868,869)	868,869	-	-
Loss on asset disposals					(351,502)	4,356	(347,146)	24,000
Total General Revenues and Transfers					12,609,753	956,848	13,566,601	1,386,438
Change in Net Position					871,535	(783,781)	87,754	832,598
Net Position - Beginning of Year					37,464,349	46,398,979	83,863,328	20,819,560
Net Position - End of Year					38,335,884	45,615,198	83,951,082	21,652,158

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

Gunnison County, Colorado
Governmental Funds
Balance Sheet
December 31, 2012

	General Fund	Road and Bridge Fund	Human Services Fund	Sales Tax Capital Improvement Fund	Airport Construction Fund	Capital Expenditures Fund	Non-major Governmental Funds	Total Governmental Funds
Assets:								
Cash and investments - Unrestricted	4,784,957	4,655,720	606,265	798,008	68,810	463,416	1,500,185	12,877,361
Cash and investments - Restricted	4,013,490	-	-	327,984	-	1,924,415	-	6,265,889
Accounts receivable	6,395,942	892,539	385,584	360,055	236,211	-	290,796	8,561,127
Prepaid expenses	-	-	-	-	-	-	20,000	20,000
Due from other governments	8,063	-	-	-	-	-	-	8,063
Due from other funds	-	-	-	687,098	5,004	-	24,581	716,683
Total Assets	15,202,452	5,548,259	991,849	2,173,145	310,025	2,387,831	1,835,562	28,449,123
Liabilities, Deferred Inflow of Resources, and Fund Balances:								
Liabilities:								
Accounts payable	508,650	71,370	1,849	147,760	371,180	44,751	38,479	1,184,039
Accrued liabilities	302,198	13,517	-	-	240,192	-	-	555,907
Deposits	89,364	566,048	-	-	-	-	-	655,412
Unearned grant revenue	163,806	-	469,370	163,967	-	-	51,284	848,427
Due to other funds	525,067	181,763	28,069	-	-	11,903	137,521	884,323
Total Liabilities	1,589,085	832,698	499,288	311,727	611,372	56,654	227,284	4,128,108
Deferred Inflow of Resources:								
Unavailable property tax revenue	6,164,441	-	-	-	-	-	-	6,164,441
Total Deferred Inflow of Resources	6,164,441	-	-	-	-	-	-	6,164,441
Fund Balances:								
Non-spendable	-	-	-	-	-	-	20,000	20,000
Spendable:								
Restricted	1,530,000	4,715,561	492,561	1,861,418	-	1,924,415	856,022	11,379,977
Committed	3,263,490	-	-	-	-	-	194,342	3,457,832
Assigned	-	-	-	-	-	406,762	537,914	944,676
Unassigned	2,655,436	-	-	-	(301,347)	-	-	2,354,089
Total Fund Balances	7,448,926	4,715,561	492,561	1,861,418	(301,347)	2,331,177	1,608,278	18,156,574
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	15,202,452	5,548,259	991,849	2,173,145	310,025	2,387,831	1,835,562	28,449,123

The accompanying notes are an integral part of these financial statements.

Gunnison County, Colorado
Reconciliation of Governmental Fund Balances to
Statement of Net Position
December 31, 2012

Total Governmental Fund Balances		18,156,574
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, are not reported in the funds. However, in the Statement of Net Position, the cost of those assets are capitalized and expensed over their estimated lives through annual depreciation expense.		
Cost of capital assets	64,360,833	
Less accumulated depreciation	(27,244,974)	37,115,859
Internal service funds are used by management to charge the costs of the motor pool, equipment costs and health insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position. This represents the net equity of the internal service funds less the fixed assets and long-term liabilities which are included in this reconciliation.		3,327,021
Debt issuance costs are not financial resources and therefore not reported in the funds. However, in the Statement of Net Position the cost of these items are capitalized and expensed over their estimated lives through amortization:		
Bond issuance costs, net		111,097
Long-term liabilities, including leases payable, bonds payable, compensated absences, and interest payable are not due and payable in the current period and, therefore, are not reported in the funds. The following liabilities are are reported in the government-wide Statement of Net Position.		
Accrued compensated absences	(1,425,685)	
COPS	(17,270,000)	
Leases	(1,125,520)	
Loans	(553,462)	(20,374,667)
Net Position of Governmental Activities		38,335,884

The accompanying notes are an integral part of these financial statements.

Gunnison County, Colorado
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
December 31, 2012

	General Fund	Road and Bridge Fund	Human Services Fund	Sales Tax Capital Improvement Fund	Airport Construction Fund	Capital Expenditure Fund	Non-major Governmental Funds	Total Governmental Funds
Revenues:								
Taxes	7,217,775	130,400	271,131	1,416,908	-	-	1,474,530	10,510,744
Licenses and permits	300,777	-	-	-	-	-	-	300,777
Intergovernmental	1,851,822	4,846,153	3,337,734	-	1,310,979	53,975	704,737	12,105,400
Charges for services	1,463,533	63,168	-	-	112,421	-	89,654	1,728,776
Investment income	114,298	52,534	-	5,869	367	5,603	13,621	192,292
Contributions	120,498	-	3,222	-	-	7,102	130,488	261,310
Miscellaneous	388,456	90,883	2,765	-	-	-	93,635	575,739
Total Revenues	11,457,159	5,183,138	3,614,852	1,422,777	1,423,767	66,680	2,506,665	25,675,038
Expenditures:								
General government	6,542,919	-	-	44,240	-	202,403	1,323,420	8,112,982
Judicial	251,665	-	-	-	-	114,486	-	366,151
Public safety	2,785,521	-	-	-	-	220,309	-	3,005,830
Health and welfare	823,151	-	3,474,906	-	-	-	574,094	4,872,151
Auxiliary services	257,857	-	-	-	-	-	-	257,857
Culture and recreation	279,413	-	-	-	-	-	290,461	569,874
Public works	137,559	4,976,388	-	-	1,383,560	85,201	-	6,582,708
Debt service	205,559	-	-	162,167	1,111,443	-	1,539,731	3,018,900
Total Expenditures	11,283,644	4,976,388	3,474,906	206,407	2,495,003	622,399	3,727,706	26,786,453
Excess (Deficiency) of Revenues Over Expenditures	173,515	206,750	139,946	1,216,370	(1,071,236)	(555,719)	(1,221,041)	(1,111,415)
Other Financing Sources (Uses):								
Transfers in	1,297,613	216,876	-	271,743	-	329,859	1,299,226	3,415,317
Transfers (out)	(1,761,528)	(897,009)	(115,125)	(642,040)	110,000	(144,800)	(221,716)	(3,672,218)
Sale of capital assets	101,227	-	-	-	-	-	-	101,227
Total Other Financing Sources (Uses)	(362,688)	(680,133)	(115,125)	(370,297)	110,000	185,059	1,077,510	(155,674)
Net Change in Fund Balances	(189,173)	(473,383)	24,821	846,073	(961,236)	(370,660)	(143,531)	(1,267,089)
Fund Balances - Beginning of Year	7,638,099	5,188,944	467,740	1,015,345	659,889	2,701,837	1,751,809	19,423,663
Fund Balances - End of Year	7,448,926	4,715,561	492,561	1,861,418	(301,347)	2,331,177	1,608,278	18,156,574

The accompanying notes are an integral part of these financial statements.

Gunnison County
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2012

Net Changes In Fund Balances - Total Governmental Funds		(1,267,089)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period for all governmental activities excluding internal service funds which is shown separately below:		
Depreciation expense	(1,132,870)	
Gain (Loss) on disposals, net	(351,502)	
Capital outlay	1,176,475	(307,897)
The internal service funds are used by management to charge the costs of the motor pool, equipment costs and health insurance to individuals funds. The net revenue of these funds is reported with governmental activities in the Statement of Activities.		475,677
Capitalization and amortization of bond issuance costs is an expenditure in the governmental funds but is charged over time in the Statement of Net Position:		
Amortization expense		(3,968)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		1,968,757
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. This represents the change in compensated balances during the past year for governmental funds.		
Liability @ December 31, 2012	1,340,361	
Liability @ December 31, 2011	1,346,416	6,055
Change in Net Position of Governmental Activities		871,535

The accompanying notes are an integral part of these financial statements.

Gunnison County, Colorado
Proprietary Funds
Statement of Net Position
December 31, 2012

	Business-type Activities - Enterprise Funds							Governmental Activities - Internal Service Funds
	Airport Operations Fund	Gunnison County Sewer Fund	Gunnison County Water Fund	Landfill Operations Fund	Gunnison County Housing Auth. Assisted Lvg.	Gunnison County Housing Auth. Mtn. View	Totals	
Assets:								
Current Assets:								
Cash - Unrestricted	821,016	876,128	285,085	588,311	3,051	52,588	2,626,179	2,815,694
Cash - Restricted	-	-	-	2,206,149	-	174,450	2,380,599	-
Accounts receivable, net of allowance for uncollectible accounts where applicable	131,392	106,709	111,601	64,365	-	200	414,267	146,156
Prepaid expenses	18,588	-	262	1,044	-	260	20,154	58,155
Due from other funds	-	-	-	-	-	317	317	227,381
Inventory, at cost	-	-	-	-	-	-	-	719,360
Total Current Assets	970,996	982,837	396,948	2,859,869	3,051	227,815	5,441,516	3,966,746
Non-current Assets:								
Construction-in-progress	-	102,666	946,585	-	-	-	1,049,251	-
Land, property and equipment	60,819,391	7,092,899	8,824,474	333,090	2,037,513	1,735,974	80,843,341	19,508,683
Less accumulated depreciation	(26,433,962)	(2,713,742)	(5,290,949)	(160,315)	(428,206)	(1,142,313)	(36,169,487)	(9,475,557)
Total Non-current Assets	34,385,429	4,481,823	4,480,110	172,775	1,609,307	593,661	45,723,105	10,033,126
Total Assets	35,356,425	5,464,660	4,877,058	3,032,644	1,612,358	821,476	51,164,621	13,999,872
Deferred Outflows of Resources								
Deferred financing costs	-	-	-	-	-	291,829	291,829	-
Total Deferred Outflows of Resources	-	-	-	-	-	291,829	291,829	-
Liabilities:								
Current Liabilities:								
Accounts payable	109,275	73,004	43,679	23,983	-	4,438	254,379	476,142
Accrued liabilities	6,835	11,916	39,089	1,023	-	56,139	115,002	161,219
Due to other funds	15,378	9,526	10,910	21,880	-	-	57,694	2,364
Debt obligations, due within one year	-	38,609	812,931	-	18,324	11,494	881,358	-
Total Current Liabilities	131,488	133,055	906,609	46,886	18,324	72,071	1,308,433	639,725
Non-current Liabilities:								
Accrued compensated absences	72,847	-	14,209	26,483	-	-	113,539	85,324
Loans	-	96,985	60,022	-	430,602	1,222,157	1,809,766	-
Revenues bonds	-	1,643,725	-	-	-	-	1,643,725	-
Landfill closure and postclosure costs	-	-	-	965,789	-	-	965,789	-
Total Non-current Liabilities	72,847	1,740,710	74,231	992,272	430,602	1,222,157	4,532,819	85,324
Total Liabilities	204,335	1,873,765	980,840	1,039,158	448,926	1,294,228	5,841,252	725,049
Net Position:								
Net investment in capital assets	34,385,429	2,702,504	3,607,157	172,775	1,160,381	(639,990)	41,388,256	10,033,126
Restricted	18,588	-	262	1,244,424	-	260	1,263,534	58,155
Unrestricted	748,073	888,391	288,799	576,287	3,051	458,807	2,963,408	3,183,542
Total Net Position	35,152,090	3,590,895	3,896,218	1,993,486	1,163,432	(180,923)	45,615,198	13,274,823

The accompanying notes are an integral part of these financial statements.

Gunnison County, Colorado
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended December 31, 2012

	Business-type Activities - Enterprise Funds							Governmental Activities - Internal Service Funds
	Airport Operations Fund	Gunnison County Sewer Fund	Gunnison County Water Fund	Landfill Operations Fund	Gunnison County Housing Auth. Assisted Lvg.	Gunnison County Housing Auth. Mtn. View	Totals	
Operating Revenues:								
Rent, net	796,730	-	-	-	36,488	220,208	1,053,426	1,783,330
Other	13,239	5,930	3,661	6,555	-	4,398	33,783	246,530
Charges and fees	287,104	479,267	213,186	829,781	-	-	1,809,338	3,090,987
Total Operating Revenues	1,097,073	485,197	216,847	836,336	36,488	224,606	2,896,547	5,120,847
Operating Expenses:								
Operations and maintenance	800,909	238,976	125,674	669,721	-	153,331	1,988,611	4,205,637
Administration	196,689	-	43,408	-	-	-	240,097	197,165
Depreciation and amortization	1,648,963	229,151	348,810	14,625	38,063	68,793	2,348,405	943,351
Total Operating Expenses	2,646,561	468,127	517,892	684,346	38,063	222,124	4,577,113	5,346,153
Operating Income (Loss)	(1,549,488)	17,070	(301,045)	151,990	(1,575)	2,482	(1,680,566)	(225,306)
Non-operating Revenues (Expenses):								
Gain (loss) on disposal of capital assets	6,736	-	-	-	-	(2,380)	4,356	-
Grant revenue	4,364	69,840	-	-	-	-	74,204	-
Sales tax	35,683	-	-	-	-	-	35,683	-
Investment revenue	9,731	7,973	2,854	27,296	-	86	47,940	10,483
Interest expense	-	(77,520)	(3,396)	-	(19,289)	(34,063)	(134,268)	(2,978)
Total Non-operating Revenues (Expenses)	56,514	293	(542)	27,296	(19,289)	(36,357)	27,915	7,505
Income (Loss) Before Contributions and Transfers	(1,492,974)	17,363	(301,587)	179,286	(20,864)	(33,875)	(1,652,651)	(217,801)
Capital Contributions	1,220,245	-	-	-	-	-	1,220,245	85,201
Transfers In	-	-	23,321	-	-	-	23,321	807,525
Transfers (Out)	(192,164)	(73,205)	(24,836)	(84,492)	-	-	(374,697)	(199,248)
Change in Net Position	(464,893)	(55,842)	(303,102)	94,794	(20,864)	(33,875)	(783,782)	475,677
Total Net Position - Beginning of Year	35,616,983	3,646,737	4,199,320	1,898,692	1,184,296	(147,048)	46,398,980	12,799,146
Total Net Position - End of Year	35,152,090	3,590,895	3,896,218	1,993,486	1,163,432	(180,923)	45,615,198	13,274,823

The accompanying notes are an integral part of these financial statements.

Gunnison County, Colorado
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2012

	Business-type Activities - Enterprise Funds							
	Airport Operations Fund	Gunnison County Sewer Fund	Gunnison County Water Fund	Landfill Operations Fund	Gunnison County Housing Auth. Assisted Lvg.	Gunnison County Housing Auth. Mtn. View	Totals	Governmental Activities - Internal Service Funds
Cash Flows from Operating Activities:								
Cash received from charges for services	1,088,375	527,014	231,315	814,615	36,488	220,894	2,918,701	4,838,914
Cash received from other sources	13,239	5,930	3,661	6,555	-	4,398	33,783	246,530
Cash payments to vendors for goods and services	(435,299)	(286,333)	(26,844)	(723,456)	-	(118,490)	(1,590,422)	(3,357,203)
Cash payments to employees for services	(465,367)	(41,867)	(64,443)	6,200	-	(29,815)	(595,292)	(678,954)
Net Cash Provided (Used) by Operating Activities	200,948	204,744	143,689	103,914	36,488	76,987	766,770	1,049,287
Cash Flows from Non-capital Financing Activities:								
Taxes	35,683	-	-	-	-	-	35,683	-
Transfers from (to) other funds, net	(194,082)	(87,610)	9,885	(73,362)	-	(7,000)	(352,169)	557,668
Net Cash Provided (Used) by Non-capital Financing Activities	(158,399)	(87,610)	9,885	(73,362)	-	(7,000)	(316,486)	557,668
Cash Flows from Capital and Related Financing Activities:								
Capital grants	4,364	69,840	-	-	-	-	74,204	-
Capital contributions	-	-	-	-	-	-	-	85,201
Interest paid on debt	-	(77,520)	(3,396)	-	(19,289)	(34,063)	(134,268)	(2,978)
Principal paid on loans and leases	-	(37,384)	(4,556)	-	(17,199)	(50,426)	(109,565)	(158,082)
Proceeds from debt	-	-	808,147	-	-	-	808,147	-
Purchase of capital assets	(233,856)	(71,631)	(848,376)	(85,958)	-	(1)	(1,239,822)	(1,012,134)
Cash from sale of assets	10,100	-	-	-	-	-	10,100	76,717
Net Cash Provided (Used) by Capital and Related Financing Activities	(219,392)	(116,695)	(48,181)	(85,958)	(36,488)	(84,490)	(591,204)	(1,011,276)
Cash Flows from Investing Activities:								
Cash from investment income	9,731	7,973	2,854	27,296	-	86	47,940	10,483
Net Cash Provided (Used) by Investing Activities	9,731	7,973	2,854	27,296	-	86	47,940	10,483
Net Increase (Decrease) in Cash	(167,112)	8,412	108,247	(28,110)	-	(14,417)	(92,980)	606,162
Cash - Beginning of Year	988,128	867,716	176,838	2,822,570	3,051	241,455	5,099,758	2,209,532
Cash - End of Year	821,016	876,128	285,085	2,794,460	3,051	227,038	5,006,778	2,815,694
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:								
Operating income (loss)	(1,549,488)	17,070	(301,045)	151,990	(1,575)	2,482	(1,680,566)	(225,306)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation and amortization	1,648,963	229,151	348,810	14,625	38,063	68,793	2,348,405	943,351
Changes in assets and liabilities:								
(Increase) decrease in accounts receivable	4,541	47,747	18,129	(15,166)	-	686	55,937	(35,403)
(Increase) decrease in prepaid expenses	7,156	-	-	2,113	-	(260)	9,009	(21,238)
(Increase) decrease in inventory	-	-	-	-	-	-	-	174,606
Increase (decrease) in accounts payable	77,663	(84,756)	39,772	11,650	-	(4,177)	40,152	200,256
Increase (decrease) in accrued liabilities	6,835	(4,468)	37,942	(67,498)	-	9,463	(17,726)	12,202
Increase (decrease) in compensated absences	5,278	-	81	6,200	-	-	11,559	819
Net Cash Provided (Used) by Operating Activities	200,948	204,744	143,689	103,914	36,488	76,987	766,770	1,049,287
Non-Cash Investing, Capital, and Financing Activities:								
Contribution of fixed assets	1,220,245	-	-	-	-	-	1,220,245	-

The accompanying notes are an integral part of these financial statements.

Gunnison County, Colorado
Agency Funds
Statement of Assets and Liabilities
December 31, 2012

	County Treasurer Agency Fund	Public Trustee Agency Fund
Assets:		
Cash	25,486,545	92,995
Less: cash held for County funds	(24,469,870)	-
Total Assets	1,016,675	92,995
Liabilities:		
Due to other governments and agencies	1,016,675	-
Due to governmental funds	-	25,733
Held by Trustee	-	67,262
Total Liabilities	1,016,675	92,995

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

Gunnison County (the "County") is a statutory county located in central Colorado. An elected Board of Commissioners is responsible for setting policy, appointing administrative personnel and the adoption of an annual budget in accordance with state statutes. The County's operations include sheriff protection, health and human services, culture and recreation, road maintenance, an airport, water and sewer services, a housing administration, and a landfill.

The County's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the County are discussed below.

A. Reporting Entity

The reporting entity consists of (a) the primary government; i.e., the County, and (b) organizations for which the County is financially accountable. The County is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the County. Consideration is also given to other organizations which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the County. Organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

The financial statements of component units have been included in the financial reporting entity either as blended or discretely presented component units.

1. Blended Component Units

The Gunnison County Housing Authority ("Authority") - Gunnison Senior Housing Project, an entity legally separate from the County, is governed by the Gunnison County Board of County Commissioners. For financial reporting purposes, the Authority is reported as if it was part of the County's operations because its purpose is to finance and provide low income senior housing to the citizens of the County.

In 2003, the County's electorate approved the creation of the Gunnison River Valley Local Marketing District ("District"). The District was created for the organization, promotion, marketing, and management of public events; activities in support of business recruitment, management and development; and coordinating tourism promotion activities within the District's boundaries. The County's Board of County Commissioners sits as *ex officio* as the District's Board. For financial reporting purposes, the District is reported as a blended component unit and resembles the reporting for other special revenue funds.

I. Summary of Significant Accounting Policies (continued)

A. Reporting Entity (continued)

2. Discretely Presented Component Unit

The component unit columns in the combined financial statements include the financial data of the County's discretely presented component unit. This unit is reported in a separate column to emphasize that it is legally separate from the County.

The Gunnison Valley Hospital and Health Care Center - The Gunnison Valley Hospital and Health Care Center Board is appointed by the County, is fiscally dependent on the County because they cannot issue debt without the approval of the County, and its operational and capital budgets and its annual property tax mill levy are approved by the County. The completed financial statements of the Hospital and Health Care Center can be obtained directly from their administrative office at:

Administrative Office
Gunnison Valley Hospital
214 East Denver Avenue
Gunnison, CO 81230

3. Intergovernmental Agreements

The County has entered into various governmental agreements that do not meet the criteria for inclusion in these financial statements as component units or as joint ventures.

The County receives funding from local, state, and federal government sources and must comply with all requirements of these funding sources. However, the County is not included in any other governmental reporting entity.

B. Government-wide and Fund Financial Statements

The County's basic financial statements include both government-wide (financial activities of the overall County, except for fiduciary activities) and fund financial statements (reporting the County's individual funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. Governmental activities are generally financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or part by fees charged to external parties.

1. Government-wide Financial Statements

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The County's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position.

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

1. Government-wide Financial Statements (continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the County's non-fiduciary functions (e.g., public safety, culture and recreation, etc.) and business-type activities (e.g., water, sewer, landfill, etc.). The functions are also supported by general government revenues (property and sales taxes, intergovernmental revenue, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The government-wide focus is on the sustainability of the County as an entity and the change in the County's net position resulting from the current year's activities.

2. Fund Financial Statements

The financial transactions of the County are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The fund focus is on current available resources and budget compliance.

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the County, except those required to be accounted for in another fund.

The *Road and Bridge Fund* accounts for the County's share of state revenues that are legally restricted for the maintenance of highways and roads within the County's boundaries and also accounts for other revenues restricted for highway and road purposes.

The *Human Services Fund* administers the County's state and federal revenues that are restricted for the provision of social services to the residents of the County.

The *Sales Tax Capital Improvement Fund* accounts for the collection of sales tax restricted for capital expenditures.

The *Airport Construction Fund* accounts for grants and construction expenditures relating to the County's airport. The constructed assets are contributed to the Airport Operations Fund.

The *Capital Expenditures Fund* accounts for the accumulation of resources for future capital expenditures.

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

2. Fund Financial Statements (continued)

The County reports the following major proprietary funds:

The *Airport Operations Fund* accounts for the operations of the Gunnison County Airport.

The *Gunnison County Sewer Fund* is used to account for the operations of sewer facilities operated by the County in unincorporated areas of the County.

The *Gunnison County Water Fund* is used to account for the operations of water system operated by the County in unincorporated areas of the County.

The *Landfill Operations Fund* accounts for the operations of the County's landfill and recycling program.

The *Gunnison County Housing Authority* is used to account for the activities of the Authority, a blended component unit of the County. Two funds are included which account for operations of an assisted living center and an elderly housing complex.

Additionally, the County reports the following fund types:

Internal services funds account for the rental of motor vehicles and heavy equipment, the usage of gravel and other construction materials, the rental of computer equipment, and to account for health insurance and unemployment claims. These services are provided to other County funds and departments on a cost reimbursement basis.

Agency funds are used to account for the collection and distribution of property and other taxes between the County's funds and other governments and agencies. Agency funds are also used to account for the activities of the County Trustee and segregate these activities into a separate fund as required by State of Colorado statutes.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

I. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

1. Long-term Economic Focus and Accrual Basis

Both the governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows. On the accrual basis, revenue from property taxes is recognized in the year for which taxes are levied. Revenue from grants and donations is recognized in the year in which all eligibility requirements have been satisfied.

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. The County considered all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general ling-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term liabilities and acquisitions under capital leases are reported as other financing sources.

3. Financial Statement Presentation

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise fund are charges to customers for sales. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expense notes meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts

1. Cash and Cash Equivalents

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with maturities of three months or less.

Restricted cash and cash equivalents represent amounts restricted by bond indentures and other binding commitments.

2. Investments

Investments are stated at fair value.

3. Receivables

Receivables are reported net of an allowance for uncollectible accounts, whenever applicable.

4. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental unit until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded as a receivable and as deferred revenue on the fund financial statements.

5. Interfund Receivables and Payables

Balances at year-end between funds are reported as “due to / from other funds” in the fund financial statements. Any residual balances not eliminated between the governmental and business-type activities are reported as “internal balances” in the government-wide financial statements.

6. Inventories

Inventories are carried at cost. The Internal Service Fund I inventory includes gravel held for County use. The cost value of such inventory is recorded as an expenditure at the time of use.

7. Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond December 31, 2012 are recorded as prepaid expenses.

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

8. Capital Assets

Capital assets, which include land, buildings, building improvements, equipment, and vehicles, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial cost of $4,000 or more and an estimated useful life in excess of two years for all assets other than equipment. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the assets constructed in the business-type activities.

Infrastructure, buildings, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Infrastructure	15-30
Buildings and improvements	15-40
Machinery and equipment	3-10
Vehicles	10

The book value of property and equipment transferred to the City of Gunnison for additional capacity at their wastewater treatment facility are being amortized on the straight-line method over a period of twenty-five (25) years. The term of the agreement is indefinite and does not include treatment costs.

9. Deferred Property Taxes

Property taxes in the State of Colorado are assessed in one year as a lien on the property, but not collected by the governmental units until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded in the accompanying financial statements as a receivable and as deferred inflow of resources.

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

10. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the governmental activities column in the government-wide financial statements. Vested or accumulated vacation leave of the proprietary fund type is recorded as an expense and liability of that fund as the benefits accrue to employees. In accordance with the provisions of GASB No. 16, *Accounting for Compensated Absences,* no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

11. Recognition of Grant Revenue

Where the expenditure of funds is the prime factor for determining eligibility for grant funds, revenue is recognized at the time the expenditure is incurred.

12. Bond Premiums, Discounts and Issuance Costs

On the government-wide Statement of Net Position and the proprietary fund type Statement of Net Position, bond premiums and discounts are netted with bond issuance costs and reported as issuance costs. On the government-wide and proprietary fund type Statement of Activities, bond premiums and discounts and bond issuance costs are deferred and amortized over the life of the bonds using the effective interest method. At the governmental fund reporting level, bond premiums and discounts are reported as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs are reported as expenditures.

13. Fund Equity

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

Fund Balance – Generally, fund balance represents the difference between the current assets and current liabilities. Governmental accounting standards establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, include Non-spendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the general fund. The general fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance. For further details of the various fund balance classifications refer to Note IV.O.

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

13. Fund Equity (continued)

Net Position - Net position represent the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. 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. This net position amount also is adjusted by any bond issuance deferred amounts. 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.

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

14. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The County has one item that qualifies for reporting in this category. It is the deferred financing costs reported in the Statement of Net Position. A deferred financing costs results from debt and mortgage issuance costs. These amounts are deferred and amortized over the life of the debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has only one item that qualifies for reporting in this category. Accordingly, unavailable property tax revenue, is deferred and recognized as an inflow of resources in the period that the amounts become available and earned.

15. Interfund Transactions

Quasi-external (i.e., internal service fund) transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

I. Summary of Significant Accounting Policies (continued)

E. Significant Accounting Policies

1. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Legal Provisions and Authorization of Deposits

The County is governed by state statutes as to the type of institutions and investments with which it may deposit funds and transact business.

Cash and investments include amounts in demand deposits as well as investments. The funds of the County are invested by the County Treasurer. The County Treasurer accounts for the transactions of each individual fund of the County and maintains a separate ledger for each County fund and all other governments and agencies within the County for which the County Treasurer collects and disburses funds.

The cash and investments of the County's component units are invested by each entity within the guidelines set forth by their respective Boards of Trustees.

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund Balance Sheet includes reconciliation between *fund balance – total governmental funds* and *net position of governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that “Internal Service Funds are used by management to charge the costs of the motor pool, equipment costs and health insurance to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position. This represents the net equity of the internal service funds less the fixed assets.”

III. Stewardship, Compliance, and Accountability

A. Legal Compliance - Budgets

Property taxes become a lien on the property as of January 1 of the year assessed. Taxes levied in one year are collected in the succeeding year. Thus taxes certified in 2011 were collected in 2012 and taxes certified in 2012 will be collected in 2013. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28 and June 15th) without interest or penalty. Taxes which are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 15th. Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, supplementary appropriations were necessary. Appropriations lapse at the end of each calendar year.

III. Stewardship, Compliance, and Accountability (continued)

B. Budgetary Information

As required by Colorado statutes, the County follows these procedures in establishing the budgetary data reflected in the financial statements.

(1) For the 2012 budget, prior to August 25, 2011, the County Assessor sent to the County Finance Director a certified assessed valuation of all taxable property within the County.

(2) Based on this assessed valuation, the County Finance Director computed a rate of levy which when levied would raise the amounts, along with other revenues, necessary to fund the County operating requirements. The levy rate and proposed budget was submitted to the County Commissioners before December 22.

(3) Notice was published within ten (10) days which contained: availability of proposed budget for public inspection, date and time of budget adoption meeting, and that any County taxpayer may file objection prior to adoption of the budget.

(4) The final budget and appropriating resolution was adopted prior to December 31.

(5) After adoption of the budget resolution, the County may make by resolution the following changes: (i) supplemental appropriations to the extent of revenues in excess of the estimated in the budget; (ii) emergency appropriations; and (iii) reduction of appropriations for which originally estimated revenues are insufficient. At any time during the year, the County may, by resolution, transfer part of all of any unexpended funds from one department or fund to another.

B. Budget Amendments

The following amendments were made to the original budget for each fund.

	Original Budget	Budget Amendments	Final Budget
General Fund	$ 12,744,275	1,412,976	14,157,251
Road & Bridge	6,432,603	127,945	6,560,548
Human Services	3,450,652	279,928	3,730,580
Sales Tax	1,920,713	(13,521)	1,907,192
Airport Construction	2,579,484	56,667	2,636,151
Capital Expenditures	-	226,704	226,704
Conservation Trust	20,485	300	20,785
Public Health	398,245	45,321	443,566
Mosquito Control	81,026	1,510	82,536
Sage Grouse	26,358	60,000	86,358
Housing Authority Administration	339,739	(19,291)	320,448
Gunnison Valley Local Marketing District	980,255	245,799	1,226,054
Airport Operations	1,386,178	110,000	1,496,178
Solid Waste	1,260,481	200,000	1,460,481
Mountain View	241,838	21,575	263,413
ISF-I	2,696,667	604,376	3,301,043
	$ 41,994,965	3,360,289	45,355,254

III. Stewardship, Compliance, and Accountability (continued)

D. TABOR Amendment – Revenue and Spending Limitation Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations which apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The County has reserved year-end fund balance in the General Fund for emergencies as required under Tabor in the amount of $780,000.

The initial base for local government spending and revenue limits is December 31, 1992. Future spending and revenue limits are determined based on the prior year's fiscal year spending adjusted for inflation in the prior calendar year plus annual local growth. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions. Revenue, if any, in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

On November 5, 1996, the County's electorate approved the following ballot question:

> *"May Gunnison County, without any increase in County rates and without exceeding the property tax revenue limit, keep and spend for County services and capital expenditures, in 1996 and each year thereafter, any excess revenues from grants, fees, interest, sales tax, and all other revenue sources without being limited by the restrictions of Article X, Section 20 of the Colorado Constitution (commonly known as Amendment 1 and/or the "Tabor Amendment")".*

On November 7, 2000 the County's electorate approved the following ballot question:

> *"May Gunnison County be authorized to collect, keep, and expend all revenues it receives from its property tax levy in 2001 and each year thereafter as a revenue change pursuant to Article X, Section 20 of the Colorado Constitution provided that nothing in this question authorizes the County to increase its permanent rate of levy without prior voter approval".*

The County's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation

III. Stewardship, Compliance, and Accountability (continued)

E. Deficit Net Position

The Airport Construction Fund had a deficit of net position at December 31, 2012 of $301,347. The Gunnison County Housing Authority Mountain View Fund had a deficit of net position at December 31, 2012 of $180,923.

IV. Detailed Notes on All Funds

A. Deposits and Investments

The County' deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first $250,000 of the County's deposits at each financial institution. Deposit balances over $250,000 are collateralized as required by PDPA. The County had the following investments and maturities:

	Standard & Poors Rating	Carrying Amounts	Less than one year	Less than five years
Deposits:				
Cash on hand	*Not Rated*	234,537	234,537	-
Checking	*Not Rated*	1,006,735	1,006,735	-
Savings	*Not Rated*	1,912,970	1,912,970	-
CDS	*Not Rated*	7,425,820	2,835,445	4,590,375
Investments:				
Pools	*AAAm*	13,368,392	13,368,392	-
Agencies - FHLB	*AAA*	1,810,012	-	1,810,012
Deposits held by Trustee	*Not Rated*	2,316,926	2,316,926	-
Total		$ 28,075,392	21,675,005	6,400,387
Reconciliation to Statement of Net Position:				
Cash and cash equivalents		26,965,722		
Fiduciary Funds		1,109,670		
Total		$ 28,075,392		

The Investment Pool represents investments in COLOTRUST and CSAFE which is a 2a7-like pool. The fair value of the pool is determined by the pool's share price. The County has no regulatory oversight for the pool.

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the County diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer. The County coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years from the purchase date. As a result of the limited length of maturities the County has limited its interest rate risk.

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Credit Risk. State law and County policy limit investments to those authorized by State statutes including U.S. Agencies and 2a7-like pools. The County's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Concentration of Credit Risk. The County diversifies its investments by security type and institution. Investments may only be made in those financial institutions which are insured or issued by the Federal Deposit Insurance Corporation, the Federal Home Mortgage Association, the Federal Savings and Loan Insurance Corporation, Congressionally authorized mortgage lenders and investments that are federally guaranteed. Financial institutions holding County funds must provide the County a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository. Investments in the federally guaranteed Federal Home Loan Bank and Federal National Mortgage Association securities represent $5,010,694 of the County's total investments.

Restricted Cash and Investments. The County has restricted $1,343,708 for debt service which exceeds the requirements of the 2010 Certificates of Participation. The County has restricted $580,707 of unspent proceeds from the 2010 Certificates of Participation for capital projects. The County has restricted $86,670 for water resource protection, $544,329 related to workforce impact fees, and $2,308,205 for building construction.

B. Component Unit - Gunnison Valley Hospital and Gunnison Health Care Center

1. As of December 31, 2012, the carrying value of Gunnison Valley Hospital and Gunnison Health Care Center's bank balances of $3,569,899 were exposed to custodial risk and was collateralized by securities held by the pledging financial institution in other than the entity's name.

1. As of December 31, 2012, the amount of the Gunnison Valley Hospital and Gunnison Health Care Center's carrying amount of investments was $11,751,000. The investments consisted of mutual funds, money markets, and real estate.

IV. Detailed Notes on All Funds (continued)

C. Receivables

Receivables as of year-end for the County's funds are as follows:

	General	Road & Bridge	Human Services	Sales Tax Capital Improvement	Airport Construction	Capital Expenditures	Non-major Governmental	Total
Receivables:								
Accounts	6,395,942	892,539	385,584	360,055	236,211	-	290,796	8,561,127
Intergovernmental	8,063	-	-	-	-	-	-	8,063
Total receivables	6,404,005	892,539	385,584	360,055	236,211	-	290,796	8,569,190

	Airport Operations	Sewer	Water	Landfill Operations	Assisted Living	Mountain View	Internal Service Funds	Total
Receivables:								
Accounts	131,392	97,695	46,795	64,365	-	200	146,156	486,603
Other	-	9,014	64,806	-	-	-	-	73,820
Total receivables	131,392	106,709	111,601	64,365	-	200	146,156	560,423

Governmental funds report *unavailable property tax revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Deferred inflows of resources include property taxes levied in 2012 but not available until 2013. Governments also defer revenue recognition in connection with funds that have been received, but not yet earned.

IV. Detailed Notes on All Funds (continued)

D. Capital Assets

Capital asset activity for the year ended December 31, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 1,685,334	-	(351,502)	1,333,832
Construction in progress	12,099,699	443,444	(11,807,476)	735,667
Total capital assets, not being depreciated	13,785,033	443,444	(12,158,978)	2,069,499
Capital assets, being depreciated:				
Infrastructure	13,042,674	1,242,711	-	14,285,385
Improvements	1,133,287	11,214	-	1,144,501
Buildings	21,546,241	11,361,685	-	32,907,926
Equipment	13,631,761	937,032	(615,271)	13,953,522
Total capital assets being depreciated	49,353,963	13,552,642	(615,271)	62,291,334
Less accumulated depreciation for:				
Infrastructure	(9,755,664)	(521,628)	-	(10,277,292)
Improvements	(342,248)	(70,679)	-	(412,927)
Buildings	(5,907,908)	(551,542)	-	(6,459,450)
Equipment	(9,701,487)	(932,371)	538,553	(10,095,305)
Total accumulated depreciation	(25,707,307)	(2,076,220)	538,553	(27,244,974)
Total capital assets being depreciated, net	23,646,656	11,476,422	(76,718)	35,046,360
Governmental activities capital assets, net	$ 37,431,689	11,919,866	(12,235,696)	37,115,859
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 11,303,849	-	-	11,303,849
Construction in progress	2,762,299	820,037	(2,533,085)	1,049,251
Total capital assets not being depreciated	14,066,148	820,037	(2,533,085)	12,353,100
Capital assets, being depreciated:				
Improvements	36,943,752	3,069,929	-	40,013,681
Buildings	10,114,284	170,963	(23,395)	10,261,852
Utility treatment transmission systems	15,240,594	94,069	-	15,334,663
Equipment	3,119,840	838,153	(28,698)	3,929,295
Total capital assets being depreciated	65,418,470	4,173,114	(52,093)	69,539,491
Less accumulated depreciation for:				
Improvements	(20,423,516)	(1,346,285)	-	(21,769,801)
Buildings	(3,884,407)	(290,502)	21,015	(4,153,894)
Utility treatment transmission systems	(7,174,037)	(553,247)	-	(7,727,284)
Equipment	(2,399,370)	(144,473)	25,334	(2,518,509)
Total accumulated depreciation	(33,881,330)	(2,334,507)	46,349	(36,169,488)
Total capital assets being depreciated, net	31,537,140	1,838,607	(5,744)	33,370,003
Business-type activities capital assets, net	$ 45,603,288	2,658,644	(2,538,829)	45,723,103

IV. Detailed Notes on All Funds (continued)

D. Capital Assets (continued)

The County had the following depreciation expense for the following functions:

Governmental Activities:	
General government	$ 509,651
Judicial	1,184
Public safety	195,618
Health and welfare	717,120
Auxiliary services	15,102
Culture and recreation	79,326
Public works	558,219
Total Governmental Activities	$ 2,076,220
Business-type Activities:	
Airport	$ 1,648,963
Sewer	229,151
Water	348,810
Landfill	14,625
Housing	92,957
Total Business-type Activities	$ 2,334,506

E. Component Unit - Gunnison Valley Hospital and Health Care Center - Capital Assets

Capital assets consist of the following at December 31, 2012:

	Beginning Balance	Additions	Deletions	Ending Balance
Land and improvements	$ 892,540	18,654		911,194
Building leasehold improvements	23,287,683	20,831		23,308,514
Equipment	11,641,558	261,720	(95,382)	11,807,896
Construction in progress	2,618	27,066	(2,618)	27,066
Total property and equipment	35,824,399	328,271	(98,000)	36,054,670
Less: accumulated depreciation	(14,819,168)	(1,690,371)	98,000	(16,411,539)
Capital assets, net	$ 21,005,231	(1,362,100)	-	19,643,131

Capital assets are depreciated on a straight-line basis over the estimated useful lives of each asset. Assets under capital lease obligations are depreciated over the shorter of the lease term or their respective estimated useful lives.

IV. Detailed Notes on All Funds (continued)

F. Interfund Transfers, Receivables, and Payables (continued)

Interfund balances at December 31, 2012, consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The County expects to repay all interfund balances within one year.

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, 2) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and, 3) provide additional resources for current operations or debt service.

The following represents interfund balances and transfers at December 31, 2012. All amounts presented below are owed to / received from or transferred through the County Treasurer Agency Fund.

	Due from County	Due to County	Transfer in	Transfer (out)
General Fund	-	499,334	1,297,613	(1,761,528)
Road and Bridge Fund	-	181,763	216,876	(897,009)
Human Services Fund	-	28,069	-	(115,125)
Capital improvements Fund	687,098	-	271,743	(642,040)
Airport Construction	5,004	-	-	110,000
Capital Expenditures	-	11,903	329,859	(144,800)
Non-major Governmental Funds	24,581	137,521	1,299,226	(221,716)
Airport Operations	-	15,378	-	(192,164)
Sewer Fund	-	9,526	-	(73,205)
Water Fund	-	10,910	23,321	(24,836)
Landfill operations	-	21,880	-	(84,492)
Mountain View	317	-	-	-
Internal Service Funds	227,381	2,364	807,525	(199,248)
Public Trustee Agency Fund	-	25,733	-	-
	944,381	944,381	4,246,163	(4,246,163)

G. Operating Leases

The government is committed under various leases for buildings, office space and data processing equipment. These leases are considered, for accounting purposes, to be operating leases.

IV. Detailed Notes on All Funds (continued)

H. Long-term Liabilities – Governmental Activities

1. Heavy Equipment Lease

On April 1, 2008, the County signed a lease purchase agreement with Wells Fargo Brokerage Services for the purchase of heavy equipment. The debt was recorded on the County's Internal Service Fund I. The terms require annual payments of $163,615 through July 15, 2012 at a stated interest rate of 3.5% per annum. The lease purchase agreement was paid off in July 2012.

2. Open Space Sales Tax Revenue Bonds

The County issued $1,294,000 of Gunnison County Open Space Sales Tax Revenue Bonds, series 2002, on May 22, 2002, bearing interest at a fixed rate of 4.71%, payable on January 1 annually and maturing in 2012. The bond was paid off in January 2012.

The principal and interest on these bonds are to be paid from the Gunnison County sales tax of 1%. One-half (1/2) of the sales tax collected within any incorporated municipality is distributed to such municipality. All other sales tax collected is distributed to Gunnison County and used solely for capital outlay, capital expenditures, land preservation or retirement of debt thereon. However, as approved in a 1997 County resolution, an annual total of $230,000 is to be deposited into a fund for repayment of the Open Space Sales Tax Revenue Bond debt and interest. Of this $230,000, $80,000 is to be collected from the County and $150,000 will be collected from municipalities within the County.

3. Colorado SIB Loans - 2004

In 2004, the County signed two promissory notes totaling $572,064 with the Colorado State Investment Bank for use in transportation projects. Principal and interest for the first note in the amount of $60,995 is due annually through January 12, 2014, while the second note was repaid during 2009. Both notes have a stated interest rate of 4%.

4. Rock Creek Lease

On August 10, 2001, the County signed an agreement for the purchase of property known as Rock Creek. The agreement financed $494,900, and requires annual payments of $38,392, and provides for interest at 4.7%. The agreement maturity date is July 1, 2021.

During the year ended December 31, 2003, the County refinanced this agreement, replacing the property as collateral with three motor graders. The new terms require semi-annual payments of $29,532 on February 25 and August 25 at an annual interest rate of 4.0%. Payments began August 25, 2003 with the final payment on February 25, 2013.

5. West Gunnison Property Loan

In 2006 the County signed a loan for West Gunnison Property. The loan totaled $351,502 and required payments each January and July for $22,645. The loan carried an interest rate of 4.85% and matures in 2015. During 2012, the County repaid the entire amount of the loan.

IV. Detailed Notes on All Funds (continued)

H. Long-term Liabilities – Governmental Activities (continued)

6. Advocacy Center Lease

On December 19, 2005, the County signed an agreement for the purchase of property to be used for a Community Advocacy Center. The agreement financed $390,775, and requires annual payments of $48,780, and provides for interest at 4.250%. The agreement maturity date is December 19, 2015.

7. Pitchfork Property Loan

On December 28, 2001 the County signed an agreement with Colorado Housing Authority for the purchase of land to be resold to local families to provide affordable housing. The original agreement financed $63,173, with repayment to occur by December 31, 2005. On December 1, 2005, there was a modification to this agreement which refinanced $30,665. New terms require monthly payments of $211, and provides for interest at 4.00%. The agreement maturity date is July 30, 2023.

8. Airport Construction Loan

On October 20, 2009 the County signed a loan agreement for a Broom Truck. The loan totaled $188,238 and requires annual payments each July of $23,627. The loan carries and interest rate of 4.60% and matures on July 15, 2019.

9. 2010 Tax-Exempt Certificates of Participation (Series A)

On September 2, 2010 the County issued $730,000 in Certificates of Participation with interest ranging from 2.00% to 3.00%. The net proceeds of $731,508 (after payment of $10,463 in underwriting fees and other issuance costs, and a premium of $11,972) were deposited with a Trustee to provide for construction of a public safety center and public works facility. The Certificates of Participation are paid through a lease purchase agreement with the County. The lease is subject to annual appropriation. The issue requires semi-annual payment on January 1st and July 1st from $167,500 to $197,500 until December 1, 2012. The Certificate of Participation was repaid during 2012.

10. 2010 Taxable Certificates of Participation (Series B)

On September 2, 2010 the County issued $17,270,000 in Certificates of Participation with interest ranging from 2.25% to 6.125%. The net proceeds of $17,022,464 (after payment of $247,536 in underwriting fees and other issuance costs) were deposited with a Trustee to provide for construction of a public safety center and public works facility. The Certificates of Participation are paid through a lease purchase agreement with the County. The lease is subject to annual appropriation. The issue requires semi-annual payment on January 1st and July 1st from $202,500 to $487,500 until December 1, 2040.

IV. Detailed Notes on All Funds (continued)

H. Long-term Liabilities – Governmental Activities (continued)

10. 2010 Taxable Certificates of Participation (Series B) (Continued)

These certificates are Qualified Build America Bonds, which indicates the certificates are not tax-exempt. Under the Build America Program, the County may apply for interest cost subsidies from the federal government. Such subsidies will be used by the County to pay debt service on these certificates. During the fiscal year ended December 31, 2012, the County recognized revenue of $0 related to this subsidy.

These certificates are secured by a Reserve Fund. In accordance with certificates indentures, the County has restricted cash and net position equal to $1,343,708.

These 2010B certificates are subject to redemption prior to maturity at the option of the County at par plus accrued interest without a redemption premium.

11. 2010 Energy Improvement Lease

On August 1, 2010, the County entered into lease purchase agreements for the purchase and construction of various building improvements throughout the County. The purchased assets included heating, lighting, and air-conditioning controls at a cost of $1,168,919. The lease agreements provide for a reduction of payments if certain budgeted energy savings are not realized. A portion of the debt has been recorded on the Airport Operations Fund and the Housing Authority Fund with the remaining amount included in the Government-wide Statement of Net Position – Governmental Activities column. The lease purchase has a ten year term. Semi-annual payments are required on February 1 and August 1 of each year through August 1, 2020.

12. 1416 Rock Creek Loan

In 2010 the County signed a loan for the 1416 Rock Creek Property. The loan totaled $104,000 and requires monthly payments of $612 and a final estimated payment of $92,819. The loan carries an interest rate of 5.00% and matures on October 1, 2015.

13. 1420 Rock Creek Loan

In 2011 the County signed a loan for the 1420 Rock Creek Property. The loan totaled $85,000 and requires monthly payments of $552 and a final estimated payment of $76,843. The loan carries an interest rate of 5.99% and matures on April 15, 2016.

14. Stallion Park Loan

In 2010 the County signed a loan for the Stallion Park Property. The loan totaled $94,400 and requires monthly payments of $607 and a final estimated payment of $85,517. The loan carries an interest rate of 5.90% and matures on January 15, 2015.

IV. Detailed Notes on All Funds (continued)

H. Long-term Liabilities – Governmental Activities (continued)

15. Colorado SIB Loan - 2011

In 2011, the County signed a promissory note totaling $1,000,000 with the Colorado State Investment Bank for use in transportation projects. Principal and interest for the note in the amount of $355,231 were due beginning July 25, 2012 annually through July 25, 2014. The note had a stated interest rate of 3.25%. During 2012, the County repaid the entire amount of the note.

I. Long-term Liabilities – Business-type Activities

1. Impact Assistance Loan Funds - Somerset

During the year ended December 31, 2003, the County received $100,000 from the Colorado Department of Local Affairs for the assistance financing the installation of a new water treatment system for the community of Somerset, Colorado. The loan is payable in 20 annual installments of $8,024, including interest at the rate of 5% per annum, beginning September 1, 2004.

The County levies the necessary charges, fees and assessments to raise revenues for repayment of the loan as well as for operational and maintenance costs of the wastewater treatment facilities.

2. Antelope Hills Water Line Extension Loan

In 2012, the County received interim financing to cover the costs of the Antelope Hills water line extension project. Funds received during the year totaled $808,147 and are due in full when the County receives additional funding for the project from the USDA. The loan carries an interest rate of 2.5% and has no set maturity.

3. Mineral Impact Loan

On November 4, 2004 the County took out a mineral impact loan with the Colorado Department of Local Affairs for $200,000. The loan is financed by the Sewer Fund and the proceeds were used for the North Gunnison County sewer reconstruction project. The loan requires payments totaling $19,108 annually thru 2019 with a 5% interest rate.

4. Sewer Refunding and Improvement Revenue Bonds

The County issued $1,519,270 of Gunnison County Sewer Fund, North Gunnison Sewer Project Refunding Bonds, on October 15, 2005, bearing interest at 4.25%. The bonds require semi-annual payments of $39,669 each June 1 and December 1. The bonds are subject to optional redemption without any additional premium. The bonds mature in 2044.

In 2006 the County issued and additional revenue bond totaling $322,000 with an interest rate of 4.25%. The Bonds require payments of $8,408 and mature in 2046.

IV. Detailed Notes on All Funds (continued)

I. Long-term Liabilities – Business-type Activities (continued)

5. Gunnison County Housing Authority

Primary Mortgage. In 2003 the Housing Authority, a blended component unit of the County, agreed to a mortgage, which is subject to a first deed of trust including a lien on, and pledge of, the gross revenues derived and to be derived from operation of the Mountain View housing project, payable to the Colorado Housing Finance Authority in the amount of $528,100. The loan requires $3,082 per month, including interest at 5.75%, with payment on October 1, 2033.

Surplus Cash. During the year ended December 31, 2003, the Housing Authority received $378,864 from the Secretary of Housing and Urban Development, Washington D.C. evidenced by a Note Payable and secured by the Mountain View Apartments. The maturity date of the Note is November 1, 2033 with an interest rate of 1.0% per annum, to accrue on the original principal balance until maturity. The Authority is required to establish a reserve fund to accumulate funds at a rate of $425 per month for the replacement and major maintenance costs. Additionally, there are certain mortgage issuance costs relating to the refunding under HUD's Mark-to-Market (M2M) program being amortized over the course of the new mortgage which total $ - ,net of accumulated amortization, at December 31, 2012.

Contingent Payable. During the year ended December 31, 2003, the Housing Authority received $624,011 from the Secretary of Housing and Urban Development, Washington D.C., evidenced by a Note Payable and secured by the Mountain View Apartments. The maturity date of the Note is November 1, 2033 with an interest rate of 1.0% per annum, annually, on the unpaid principal balance until paid.

6. $600,000 Revenue Note, Series 2001

In 2001, Gunnison County Housing Authority issued a $710,000 revenue note, dated November 6, 2001, pledged with a security interest in the revenues and property associated with the Palisades Assisted Living Center (the "Center'). The note has a 5.9% annual coupon rate and a maturity date of November 1, 2020. The note was later amended to reduce the outstanding balance to $600,000.

During the year ended December 31, 2003, the Authority refinanced the outstanding balance. The new terms provide for a lower interest rate of 4.13%, fixed until November 1, 2005, after which the rate will be adjusted to 4.14%. The loan is payable in 207 regular monthly payments of $3,041 and one irregular last payment estimated at $290,153.

The Center (which includes the Willows Assisted Living Facility) was then leased to the Board of Trustees of the Gunnison Valley Hospital. The lease term is for a period of four years, commencing on February 20, 2008. The lease was extended for another two years in a similar agreement on February 21, 2012. The lease can be terminated, extended, or modified with the mutual agreement of both parties.

IV. Detailed Notes on All Funds (continued)

I. Long-term Liabilities – Business-type Activities (continued)

7. Landfill Closure and Postclosure Liability

In accordance with EPA requirements the County has conducted a study to estimate its liability to close the landfill and monitor it for thirty years thereafter. These costs are reflected as the landfill accepts waste. The County's landfill has used 73% to date of the currently developed cell's capacity and has five years left on its currently developed cell. Additional cells will be opened as needed. The landfill liability recorded at year end is $965,789. The estimated total current cost of closure and post-closure care remaining to be recognized is $361,661. The estimated total amount of the landfill closure and post-closure cost is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2012. However, the actual cost of closure and post-closure may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The County is required by state and federal laws and regulations to provide adequate financial resources to pay for all closure and post-closure care. At December 31, 2012, the County had reserved $1,243,380 for these purposes. The remaining portion of anticipated 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 landfill users, taxpayers, or both.

J. Long-term Liabilities - Compensated Absences

The County has a policy of allowing the accumulation of paid vacation and sick leave, subject to certain maximum limits. In accordance with GAAP, the County's approximate liability for vacation pay earned by employees at December 31, 2012 has been reflected in the proprietary type fund financial statements and in the governmental activities column of the government-wide financial statements. Compensated absences for governmental activities are generally liquidated by the General Fund.

IV. Detailed Notes on All Funds (continued)

K. Long-term Liabilities – Summary

Long-term liability activity for the year ended December 31, 2012 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Internal Service Fund:					
Heavy Equipment Lease	158,082	-	(158,082)	-	-
Compensated Absences	84,505	819	-	85,324	34,130
Other Governmental Debt:					
Open Space Sales Tax Revenue Bonds, Series 2002	133,763	-	(133,763)	-	-
Colorado SIB Loan - 2004	169,267	-	(54,225)	115,042	56,396
Rock Creek Lease	85,165	-	(56,213)	28,952	28,952
West Gunnison Property Loan	162,621	-	(162,621)	-	-
Advocacy Center	176,029	-	(41,299)	134,730	43,054
Pitchfork Loan	23,462	-	(1,621)	21,841	1,683
Airport Construction	155,113	-	(16,393)	138,720	17,246
Certificates of Participation - 2010	17,665,000	-	(395,000)	17,270,000	405,000
Energy Improvement Lease - 2010	1,070,816	-	(101,866)	968,950	105,774
Rock Creek Loan 1416	101,497	-	(2,241)	99,256	2,372
Rock Creek Loan 1420	83,963	-	(1,636)	82,327	1,670
Stallion Park Loan	91,041	-	(1,877)	89,164	2,008
Colorado SIB Loan - 2011	1,000,000	-	(1,000,000)	-	-
Compensated Absences	1,346,416	-	(6,055)	1,340,361	536,144
Total Governmental Activities Long-term Liabilities	22,506,740	819	(2,132,892)	20,374,667	1,234,429
Business-type Activities:					
Impact Assistance Loan Funds - Water	69,363	-	(4,557)	64,806	4,784
Antelope Hills Water Line Extension Loan	-	808,147	-	808,147	808,147
DOLA Mineral Impact Loan	123,498	-	(12,933)	110,565	13,580
North Gunnison Sewer Revenue Bond - 2005	1,391,850	-	(20,463)	1,371,387	20,870
North Gunnison Sewer Revenue Bond - 2006	301,355	-	(3,988)	297,367	4,159
Gunnison County Housing Authority:					
Mortgage - Primary Mortgage	458,893	-	(10,880)	448,013	11,494
Mortgage - Surplus Cash	446,320	-	(39,546)	406,774	-
Mortgage - Contingent Payable	378,864	-	-	378,864	-
Note Payable - Palisades Living Center	466,124	-	(17,199)	448,925	18,324
Accrued Liability for Landfill Closure Costs	1,034,310	73,285	(141,806)	965,789	-
Compensated Absences	101,980	11,559	-	113,539	45,415
Total Business-type Activities Long-term Liabilities	4,772,557	892,991	(251,372)	5,414,176	926,773

IV. Detailed Notes on All Funds (continued)

L. Long-term Liabilities – Activity and Debt Service Schedules

Debt service requirements at December 31, 2012 were as follows:

Dates		Governmental Funds		Business-Type		Internal Service Funds		Housing Authority		Total	
		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2013		664,155	1,006,120	851,540	83,406	-	-	29,818	43,652	1,545,513	1,133,178
2014		649,555	987,073	45,386	84,400	-	-	31,268	42,202	726,209	1,113,675
2015		777,866	961,504	47,471	81,656	-	-	32,790	40,680	858,127	1,083,840
2016		642,051	935,231	49,652	78,804	-	-	34,344	39,126	726,047	1,053,161
2017		575,582	915,396	51,935	75,837	-	-	36,066	37,404	663,583	1,028,637
2018	2022	2,778,211	4,238,021	237,543	333,225	-	-	433,192	141,966	3,448,946	4,713,212
2023	2027	2,736,562	3,579,382	212,292	273,398	-	-	114,765	70,146	3,063,619	3,922,926
2028	2032	3,305,000	2,705,089	256,253	224,426	-	-	152,897	32,014	3,714,150	2,961,529
2033	2037	4,010,000	1,616,694	316,220	164,459	-	-	817,436	7,183	5,143,656	1,788,336
2038	2042	2,810,000	348,819	390,221	90,458	-	-	-	-	-	-
2043	2047	-	-	193,759	20,145	-	-				
		18,948,982	17,293,328	2,652,272	1,510,214	-	-	1,682,576	454,373	19,889,850	18,798,493

M. Long-term Liabilities – Component Unit

1. **Hospital Revenue Bonds** - Series 1998 Revenue Bonds, remaining annual maturities of $350,000 to $715,000, through July 1, 2023, bearing interest at rates ranging from 5.300% to 5.625%, payable semiannually.

   The Series 1998 Bonds are issued pursuant to and are secured by the Bond Resolution. The Bonds are limited obligations payable solely from the net revenues derived from operations of the Hospital and Health Care Center.

   Series 2010 Revenue Bonds, remaining annual maturities of $300,000 to $480,000, through September 1, 2023, bearing interest at 65% of monthly Libor plus 1.95%, payable semiannually.

   The Series 2010 Bonds are issued pursuant to and are secured by the Bond Resolution. The Bonds are limited obligations payable solely from the net revenues derived from operations of the Hospital and Health Care Center.

   Series 2012 Revenue Refunding Bonds, remaining annual maturities of $435,000 to $595,000, through July 1, 2023, bearing interest at 2.7% payable semiannually. The Bonds were issued to advance refund the aforementioned Series 1998 Bonds.

   The Series 2012 Revenue Refunding Bonds are issued pursuant to and are secured by the Bond Resolution. The Bonds are limited obligations payable solely from the net revenues derived from operations of the Hospital and Health Care Center.

IV. Detailed Notes on All Funds (continued)

M. Long-term Liabilities – Component Unit (continued)

The indenture agreements for the Series 2010 and 2012 Revenue Bonds require that certain funds be established with the trustee. Accordingly, these funds are included as assets held by trustee for debt service in the combined statements of net position. The indenture agreement also requires the Organizations to comply with certain restrictive covenants including minimum insurance coverage, maintaining a debt-service coverage ratio of at least 1.25, have 90 days of cash on hand, and restrictions on incurrence of additional debt.

During 2012 the Organizations' debt-service coverage ratio was below the required ratio. A forbearance agreement was entered into on September 28, 2012, which reduced the required debt-service coverage ratio to 1.10 until May 31, 2013, at which time the required ratio goes back to 1.25. Management believes the Organizations were in compliance with the restrictive covenants at December 31, 2012.

Gunnison County was required to guarantee the debt service payments in connection with the issuance of the Series 2012 Revenue Refunding Bonds as additional security for the Bond. The County was required to establish a reserve account ("County Reserve Fund") in the amount of $750,000 with CoBiz Bank. Should the County Reserve Fund be utilized to pay the debt service the County will be require to replenish the fund. The Hospital pledges to reimburse the County, on a subordinate basis to the 2010 and 2012 Bonds. As a provision of the guarantee agreement, the County Reserve Fund can be reduced to $375,000 and potentially $0 between now and December 31, 2014 if certain financial performance measures are met by the Hospital. As of December 31, 2012 the required balance was $750,000.

2. **Interest Rate Swap Agreement** – In connection with the Series 2010 Revenue Bonds, the Hospital entered into a interest rate swap agreement with the intention of effectively changing the Hospital's variable interest rate to a synthetic fixed rate of 4.025%. As of December 31, 2012 and 2011, the agreement had a fair value of $563,874 and $497,739, respectively. The value is calculated using the par-value method.

3. **Capital Lease Obligations** – The Hospital is obligated under a lease for equipment that is account for as a capital lease. The assets under capital leases at December 31, 2012 and 2011, totaled $2,345,081, net of accumulated depreciation of $755,787 and $286,771, respectively. There are two separate capital leases entered into that require monthly payments of $4,672 and $37,064, at interest rates of 2.90% and 2.59%, respectively. The lease terms are through October 2015 and May 2016, respectively.

IV. Detailed Notes on All Funds (continued)

M. Long-term Liabilities – Component Unit (continued)

The Gunnison Valley Hospital and Health Care Center have the following long-term liability activity for the year ended December 31, 2012:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Hospital revenue bonds	$ 13,875,054	5,720,000	(6,765,000)	12,830,054	740,000
Capital lease obligations	2,057,505	-	(452,563)	1,604,942	464,355
Total Long-term Liabilities	15,932,559	5,720,000	(7,217,563)	14,434,996	1,204,355
Deferred Loss on Refinancing	-	(101,563)	-	(101,563)	-
Total Long-term Liabilities	$ 15,932,559	5,618,437	(7,217,563)	14,333,433	1,204,355

Debt service requirements at December 31, 2012 were as follows:

	Bonds		Capital Lease	
	Principal	Interest	Principal	Interest
2013	$ 740,000	358,546	464,354	36,480
2014	825,000	408,747	476,689	24,145
2015	840,000	381,702	479,996	11,494
2016	850,000	354,252	183,903	1,417
2017	890,000	326,029	-	-
2018-2022	4,970,000	1,162,204	-	-
2023	3,715,054	78,050	-	-
Total Long-term Liabilities	$ 12,830,054	3,069,530	1,604,942	73,536

O. Fund Balance Disclosures

The County classifies governmental fund balances as follows:

Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Spendable Fund Balance:

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the Board of County Commissioners. The County's original budget legislation begins with combining historical data, assessment of needs for the upcoming year and the Board's platform to review, and/or make changes to each department's budget. Before year end, a budgetary committee will meet again with each department for final review and approval of preliminary budget. The Budget is then formally presented to the Board via an advertised public process for their review, revisions and final approval by year end. All subsequent budget requests made during the year, after Board approval, must be presented via a public process and again approval by the Board.

IV. Detailed Notes on All Funds (continued)

O. Fund Balance Disclosures (continued)

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Board or its management designee.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The County uses restricted amounts to be spent first when both restricted and restricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the County would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The County does not have a formal minimum fund balance policy. However, the County's budget includes a calculation of a targeted reserve positions and the Administration calculates targets and report them annually to the Board.

As of December 31, 2012, fund balances are composed of the following:

	General Fund	Other Governmental Funds	Total Governmental Funds	Description
Non-spendable:				
Prepaid expenses	$ -	$ 20,000	$ 20,000	
Restricted:				
Emergency reserve	780,000	-	780,000	Legislative Restriction
Hospital Guarantee	750,000	-	750,000	Debt Restriction
Road and Bridge	-	4,715,561	4,715,561	Legislative Restriction
Human Services	-	492,561	492,561	Legislative Restriction
Sales Tax Capital Improvement	-	1,861,418	1,861,418	Ballot Restriction
Capital Expenditure	-	1,924,415	1,924,415	Debt Restriction
Conservation Trust	-	85,133	85,133	Legislative Restriction
Land Preservation	-	335,364	335,364	Ballot Restriction
Local Marketing District	-	435,525	435,525	Ballot Restriction
Committed:				
Water Resource Protection	86,671	-	86,671	BOCC Resolution
Workforce Impact Fees	544,329	-	544,329	BOCC Resolution
Jailhouse Construction	2,308,205	-	2,308,205	BOCC Resolution
Courthouse Renovation	324,285	-	324,285	BOCC Resolution
Public Health	-	20,688	20,688	BOCC Resolution
Mosquito Control	-	18,127	18,127	BOCC Resolution
Sage Grouse	-	155,527	155,527	BOCC Resolution
Assigned:				
Capital Expenditure	-	406,762	406,762	General Designation
Risk Management	-	435,612	435,612	General Designation
Housing Authority Administration	-	102,302	102,302	General Designation
Unassigned				
Unassigned	2,655,436	(301,347)	2,354,089	
Total Fund Balances	$ 7,448,926	$ 10,707,648	$ 18,156,574	

V. Other Information

A. Pension Plans

The County is a member of the Colorado County Officials and Employees Retirement Association ("CCOERA") which offers a defined contribution pension plan 401(a), and a Section 457 deferred compensation plan. CCOERA was organized in 1966 pursuant to state statutes, and includes counties, municipalities and special districts. The 401(a) plan requires mandatory pre-tax contributions, which are established by the employer, up to a maximum of 6%.

1. Defined Contribution Pension Plan

Under a defined contribution pension plan, the benefits a participant will receive depend upon separation from employment; include the total of all employee contributions, the returns earned on investments of those contributions, and the vested percentage of the employer match.

Participation is mandatory for all regular employees who work 1040 or more hours per year and contributions begin the first day of the month after the date of employment. Eligible employees contribute three percent (3%) of their base pay which is matched by the County. The plan has a five (5) year vesting period and is distributed upon the employee's separation from employment. Participants may also voluntarily contribute up to ten percent (10%) of an employee's base pay as an after-tax contribution in the plan.

During the year, the County's required and actual contributions amounted to $278,272 which was three percent (3%) of its current year covered payroll of $9,275,719. The County's total payroll for 2012 was $9,742,513. The County's employees contributed $278,272.

No pension provision changes occurred during the year that affected the required contributions made by the County or its employees.

2. Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan provides for salary deferral, in which the County will match up to the first two percent (2%) of base pay for all employees who work 1040 or more hours per year. All employees can voluntarily contribute tax sheltered or after-tax base pay to the 457 plan up to the current year maximum amount which is determined annually by the IRS.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the plan participants and their beneficiaries. Amounts contributed to the Deferred Compensation Plan are not available to employees until separation from employment or unforeseeable emergency. CCOERA also now offers loans on account balances above $5,000.

V. Other Information (continued)

A. Pension Plans (continued)

2. Deferred Compensation Plan (continued)

For 2012, the County contributed $146,367 to the Deferred Compensation Plan on behalf of participating employees, which represents the required 2% contribution based on 2012 covered payroll of $7,318,350.

The County has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The County does not administer the plan and is not the Trustee of the plan.

B. Other Employee Benefits

1. Post Employment Health Care Benefits

All County employees covered by COBRA insurance may continue their health insurance due to a reduction in work hours or termination of employment. Employees who elect continued coverage must pay the County for premiums from the termination date of coverage and monthly thereafter. No cost to the County is recognized as employees reimburse 102% of their premium cost to the County.

2. Cafeteria Plan

The County offers a cafeteria compensation plan organized under IRS Section 125 that includes the following benefits: medical disability, accident and/or term life insurance, health expense reimbursement and child care benefits. No cost to the County is recognized as the plan is a salary reduction plan.

C. Retirement Plan - Component Unit - Gunnison Valley Hospital and Health Care Center

The Organizations participate in the Colorado County Officials and Employees Retirement Association's defined contribution plan (the "Plan"). The Hospital contributes 5% and the Center contributes 3% for the years ended December 31, 2012 and 2011 on behalf of the employees who participate in the Plan. Employees become eligible for the Plan after working the lesser of one year or 1,040 hours and are vested in the contributions to the Plan over a five-year period. In May 2012, the Hospital discontinued the employer match. Employer plan contributions for the years ended December 31, 2012 and 2011 were $219,121 and $357,664 for the Hospital, respectively, and $153,785 and $144,844 for the Center, respectively. Employee contributions range from 5% to 25%.

V. Other Information (continued)

D. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance.

The County mitigates risk through the following self-insurance pools and funds:

1. Colorado Counties Casualty and Property Pool

The County is exposed to various risks of loss related to property and casualty losses. 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 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.

The County participates in CAPP's Partially Self-Funded Program whereby the County self funds a portion of its anticipated property and casualty claims.

2. Unemployment Insurance

The County has established Internal Service Funds to account for its risk associated with unemployment claims.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include amounts for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. The County had no liability for anticipated unemployment claims at December 31, 2012.

3. Self-Insurance Unemployment Pool

The County is designated as a Reimbursable Employer for unemployment claims. A reserve has been established to reimburse the State for unemployment claims as they arise, instead of paying unemployment tax on a quarterly basis.

4. Self-Insurance Health Insurance Pool

The County has established an internal service fund to account for partially self-funded employee health insurance costs. The County accumulates resources to pay health insurance costs, but carries a stop loss policy for individuals of $40,000 and an aggregate stop loss minimum exposure of $1,218,520 with IOA Re-Insurance Company.

V. Other Information (continued)

E. Commitments and Contingencies

1. Lawsuits

The County is currently the defendant in several lawsuits. Based upon the opinion of its legal counsel, any material claims would be covered by insurance.

2. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

3. Guarantee

Gunnison County was required to guarantee the debt service payments in connection with the issuance of the Hospital's aforementioned Series 2012 Revenue Refunding Bonds as additional security for the Bond. The County was required to establish a reserve account ("County Reserve Fund") in the amount of $750,000 with CoBiz Bank. Should the County Reserve Fund be utilized to pay the debt service the County will be require to replenish the fund. The Hospital pledges to reimburse the County, on a subordinate basis to the 2010 and 2012 Bonds. As a provision of the guarantee agreement, the County Reserve Fund can be reduced to $375,000 and potentially $0 between now and December 31, 2014 if certain financial performance measures are met by the Hospital. As of December 31, 2012 the required balance was $750,000.

F. Possible Violations of State Statutes - Budgets

The following funds had expenditures over budget; this may be a violation of Colorado state statutes:

	Final Budget	Actual	(Over) Budget
Debt Service Fund	947,155	1,341,876	(394,721)
Capital Expenditures	226,704	437,339	(210,635)
Mosquito Control	82,536	82,656	(120)

G. Subsequent Events

In 2013, the County anticipates entering into a combined grant and loan agreement with the USDA to fund the Antelope Hills water extension rural development project. The County will finance approximately $1,288,000 with the USDA in conjunction with the project.

In March 2013, the County entered into loan agreement with the Colorado State Infrastructure Bank (SIB) for $354,200 to fund the 2012 purchase of a rapid response emergency vehicle.

Management has evaluated all other subsequent events through July 31, 2013, the date these financial statements were available to be issued, and determined that no others required disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

Gunnison County, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes	7,220,768	7,220,768	7,217,775	(2,993)	7,792,287
Licenses and permits	328,470	313,470	300,777	(12,693)	388,066
Intergovernmental	1,538,737	1,664,420	1,851,822	187,402	1,686,634
Charges for services	1,313,908	1,313,908	1,463,533	149,625	1,510,712
Investment income	102,325	(59,720)	114,298	174,018	172,743
Contributions	101,046	101,046	120,498	19,452	626,122
Miscellaneous	344,656	349,256	388,456	39,200	188,664
Total Revenues	10,949,910	10,903,148	11,457,159	554,011	12,365,228
Expenditures:					
General government	7,248,581	7,315,327	6,542,919	772,408	7,161,876
Judicial	251,665	251,665	251,665	-	251,665
Public Safety	2,827,487	2,895,641	2,785,521	110,120	2,766,106
Health and welfare	880,848	893,735	823,151	70,584	914,683
Auxiliary services	274,436	274,436	257,857	16,579	273,621
Culture and recreation	255,115	296,187	279,413	16,774	243,546
Public works	150,223	150,223	137,559	12,664	127,869
Debt service	28,962	199,406	205,559	(6,153)	33,376
Total Expenditures	11,917,317	12,276,620	11,283,644	992,976	11,772,742
Excess (Deficiency) of Revenues Over Expenditures	(967,407)	(1,373,472)	173,515	1,546,987	592,486
Other Financing Sources (Uses):					
Transfers in	1,011,720	1,043,490	1,297,613	254,123	862,619
Transfers (out)	(826,958)	(1,880,631)	(1,761,528)	119,103	(368,718)
Sale of capital assets	-	100,000	101,227	1,227	-
Debt proceeds	-	-	-	-	85,000
Total Other Financing Sources (Uses)	184,762	(737,141)	(362,688)	374,453	578,901
Net Change in Fund Balances	(782,645)	(2,110,613)	(189,173)	1,921,440	1,171,387
Fund Balances - Beginning of Year			7,638,099		6,466,712
Fund Balances - End of Year			7,448,926		7,638,099

The accompanying notes are an integral part of these financial statements.

Gunnison County, Colorado
General Fund
Schedule of Revenues - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Taxes:					
General property taxes	6,990,454	6,990,454	6,950,562	(39,892)	7,535,743
Specific ownership tax	210,114	210,114	242,170	32,056	222,982
Delinquent tax and interest	20,200	20,200	25,042	4,842	33,562
Total Taxes	7,220,768	7,220,768	7,217,774	(2,994)	7,792,287
Licenses and Permits:					
Liquor licenses	1,500	1,500	4,283	2,783	8,195
Building permits	185,000	170,000	130,130	(39,870)	121,698
Other licenses and permits	141,970	141,970	166,365	24,395	258,172
Total Licenses and Permits	328,470	313,470	300,778	(12,692)	388,065
Intergovernmental:					
Federal Grants	360,873	374,393	422,955	48,562	345,142
State Grants	1,040,517	1,152,680	1,308,563	155,883	1,236,709
Local Grants	137,347	137,347	120,304	(17,043)	104,783
Total Intergovernmental	1,538,737	1,664,420	1,851,822	187,402	1,686,634
Charges for Services:					
Clerk and recorder	277,601	277,601	433,242	155,641	329,477
Sheriff's fees	69,000	69,000	68,278	(722)	69,576
Treasurer's fees	750,000	750,000	715,265	(34,735)	828,236
Other Fees	88,507	88,507	106,410	17,903	143,566
Assessor's Fees	10,000	10,000	15,057	5,057	13,685
Public Health Fees	55,700	55,700	43,392	(12,308)	46,829
Useful Public Service	42,000	42,000	38,266	(3,734)	43,028
Court Fines & Fees	21,100	21,100	43,623	22,523	36,316
Total Charges for Services	1,313,908	1,313,908	1,463,533	149,625	1,510,713
Other Revenue:					
Investment income	102,325	(59,720)	114,298	174,018	172,743
Contributions	101,046	101,046	120,498	19,452	626,122
Miscellaneous	344,656	349,256	388,456	39,200	188,664
Total Other Revenue	548,027	390,582	623,252	232,670	987,529
Total Revenues	10,949,910	10,903,148	11,457,159	554,011	12,365,228

The accompanying notes are an integral part of these financial statements.

Gunnison County, Colorado
General Fund
Schedule of Expenditures - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
General Government:					
Commissioners	574,938	574,938	451,766	123,172	394,877
Board Support	109,385	109,385	111,485	(2,100)	102,834
Executive Management	285,830	285,830	221,851	63,979	222,847
Public Information	60,920	60,920	54,539	6,381	40,802
Clerk	45,263	45,263	43,739	1,524	43,079
Motor Vehicle	198,710	198,710	199,681	(971)	185,442
Recording	122,702	122,702	118,343	4,359	143,375
Elections	271,029	310,121	307,508	2,613	200,833
Revenue (Treasurer)	265,154	265,154	248,899	16,255	291,334
Investments (Treasurer)	16,321	16,321	13,495	2,826	20,905
Human Resources	109,044	109,044	106,979	2,065	107,614
Wildlife Conservation	111,932	111,932	110,425	1,507	106,189
County Attorney	579,609	579,609	561,591	18,018	586,864
Facilities & Grounds	789,666	804,195	646,228	157,967	545,202
Project Services	114,466	114,466	92,777	21,689	96,144
Assessment Administration	294,861	294,861	274,616	20,245	258,168
Appraisal	353,873	353,873	372,551	(18,678)	335,006
Appeals	140,637	140,637	138,947	1,690	121,156
Personal Property	65,942	65,942	66,432	(490)	72,107
Permitting & Plan Review	446,011	446,011	289,248	156,763	404,864
Inspections	94,293	94,293	82,617	11,676	82,686
Response & Resolution	83,846	83,846	79,771	4,075	81,110
Data Collection	134,782	147,907	141,430	6,477	191,670
Codes & Regulations	71,734	71,734	73,381	(1,647)	73,089
Accounting & Auditing	304,095	304,095	292,397	11,698	281,939
Planning & Analysis	184,143	184,143	178,398	5,745	172,478
Compensated Absences	56,963	56,963	49,410	7,553	57,766
Weather Modification	93,918	93,918	97,462	(3,544)	76,637
Other General Fund Expenditures	1,153,756	1,153,756	1,014,974	138,782	1,713,614
Community Based Organizations	-	-	-	-	147,125
Energy Efficiency Intiatives	10,400	10,400	6,888	3,512	4,118
Staff Support for Boards	104,358	104,358	95,091	9,267	-
Total General Government	7,248,581	7,315,327	6,542,919	772,408	7,161,874
Judicial:					
Distric Attorney	251,665	251,665	251,665	-	251,665
Total Judicial	251,665	251,665	251,665	-	251,665
Public Safety:					
Detention Services	723,268	723,268	720,515	2,753	732,744
Enforcement	621,492	621,492	607,358	14,134	568,035
Operational Support	779,461	779,461	723,017	56,444	846,209
Courtroom Security	4,829	4,829	11,103	(6,274)	39,989
Investigations	150,220	150,220	147,393	2,827	114,773
Major Incident Response	33,272	33,272	29,724	3,548	31,206
Operational Support-Detention	159,208	159,208	136,931	22,277	134,500
Emergency Management	146,233	204,345	191,120	13,225	130,561
Coroner	80,938	90,980	90,207	773	67,775
Youth Intervention Services	128,566	128,566	128,152	414	100,314
Total Public Safety	2,827,487	2,895,641	2,785,520	110,121	2,766,106
Health and Welfare:					
Victim Services	110,398	110,398	91,725	18,673	102,018
Substance Abuse Prevention	136,334	149,221	143,799	5,422	148,517
Program Support	37,377	37,377	37,648	(271)	33,955
Senior Resources	154,096	154,096	158,316	(4,220)	179,893
Multicultural Client Services	-	-	-	-	103,047
Child & Family Health	250,488	250,488	226,265	24,223	181,075
Community Health Services	13,500	13,500	14,095	(595)	50
Family Planning	178,655	178,655	151,304	27,351	166,129
Total Health and Welfare	880,848	893,735	823,152	70,583	914,684
Auxiliary Services:					
Alternative Services	87,478	87,478	85,924	1,554	105,768
Adult Programming	77,601	77,601	68,488	9,113	73,719
Youth Development	104,043	104,043	99,107	4,936	89,850
Veterans	5,314	5,314	4,338	976	4,284
Total Auxiliary Services	274,436	274,436	257,857	16,579	273,621
Culture and Recreation:					
Fairgrounds Management	219,009	226,208	222,874	3,334	231,070
Trails - Parks	23,450	57,323	52,500	4,823	125
Landfill	7,476	7,476	300	7,176	7,510
Historic Preservation	5,180	5,180	3,740	1,440	4,842
Total Culture and Recreation	255,115	296,187	279,414	16,773	243,547
Public Works:					
Weed Management	150,223	150,223	137,559	12,664	127,869
Total Public Works	150,223	150,223	137,559	12,664	127,869
Debt Service:					
Principal	4,118	166,423	168,375	(1,952)	4,965
Interest	24,844	32,983	37,183	(4,200)	28,411
Total Debt Service	28,962	199,406	205,558	(6,152)	33,376
Total Expenditures	11,917,317	12,276,620	11,283,644	992,976	11,772,742

The accompanying notes are an integral part of these financial statements.

Gunnison County, Colorado
Special Revenue Funds
Road and Bridge Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
Specific ownership tax	113,138	113,138	130,400	17,262	122,158
Total Taxes	113,138	113,138	130,400	17,262	122,158
Intergovernmental:					
Payment in lieu of taxes	500,000	500,000	558,242	58,242	541,744
Local grants	1,000	1,000	242	(758)	6,223
Federal grants	355,400	355,400	93,256	(262,144)	8,160
State grants	418,980	418,980	166,116	(252,864)	144,770
Highway users trust fund	2,000,000	2,000,000	2,574,442	574,442	2,560,572
Forest service	395,000	395,000	475,820	80,820	554,012
Mineral leasing	1,000,000	1,000,000	978,035	(21,965)	1,259,023
Total Intergovernmental	4,670,380	4,670,380	4,846,153	175,773	5,074,504
Charges for Services:					
Municipalities	51,836	51,836	46,460	(5,376)	50,611
Permits	3,200	3,200	15,641	12,441	10,573
Other	4,065	4,065	1,067	(2,998)	15,314
Total Charges for Services	59,101	59,101	63,168	4,067	76,498
Other:					
Fines and forfeitures	50	50	-	(50)	1,671
Investment income	29,392	29,392	52,534	23,142	55,826
Contributions	16,750	16,750	-	(16,750)	16,750
Miscellaneous	65,300	65,300	90,883	25,583	73,610
Total Other Revenue	111,492	111,492	143,417	31,925	147,857
Total Revenues	4,954,111	4,954,111	5,183,138	229,027	5,421,017
Expenditures:					
Road construction	674,761	674,761	581,646	93,115	364,621
Bridges	411,245	411,245	207,815	203,430	114
Winter maintenance	885,508	885,508	653,940	231,568	715,024
Operational support	428,740	448,686	400,018	48,668	405,585
Trails and park	398,175	398,175	7,264	390,911	11,493
Municipalities	83,652	83,652	69,352	14,300	84,556
Road maintenance	2,761,512	2,761,512	3,056,353	(294,841)	2,852,172
Total Expenditures	5,643,593	5,663,539	4,976,388	687,151	4,433,565
Excess (Deficiency) of Revenues Over Expenditures	(689,482)	(709,428)	206,750	916,178	987,452
Other Financing Sources (Uses):					
Transfers in	216,876	216,876	216,876	-	203,313
Transfers (out)	(789,010)	(897,009)	(897,009)	-	(137,691)
Total Other Financing Sources (Uses)	(572,134)	(680,133)	(680,133)	-	65,622
Net Change in Fund Balances	(1,261,616)	(1,389,561)	(473,383)	916,178	1,053,074
Fund Balances - Beginning of Year			5,188,944		4,135,870
Fund Balances - End of Year			4,715,561		5,188,944

The accompanying notes are an integral part of these financial statements.

Gunnison County, Colorado
Special Revenue Funds
Human Services Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
Property tax revenue	268,823	268,823	270,277	1,454	292,559
Delinquent tax and interest	660	660	854	194	1,420
Intergovernmental:					
EBT reimbursements	3,160,770	3,391,115	3,302,856	(88,259)	3,254,198
Other	35,000	35,000	34,878	(122)	31,393
Other:					
Contributions	2,140	2,140	3,222	1,082	5,151
Miscellaneous	2,500	2,500	2,765	265	8,721
Total Revenues	3,469,893	3,700,238	3,614,852	(85,386)	3,593,442
Expenditures:					
Youth and family prevention services	102,112	102,112	85,019	17,093	86,055
Self-sufficiency development	211,029	235,935	195,051	40,884	191,675
Program support	446,084	446,084	407,932	38,152	404,989
Children and family services	818,436	818,436	870,040	(51,604)	871,785
Child support enforcement	76,439	76,439	76,643	(204)	74,254
Public assistance	1,648,667	1,903,689	1,840,221	63,468	1,711,246
Total Expenditures	3,302,767	3,582,695	3,474,906	107,789	3,340,004
Excess (Deficiency) of Revenues Over Expenditures	167,126	117,543	139,946	22,403	253,438
Other Financing Sources (Uses):					
Transfers (out)	(147,885)	(147,885)	(115,125)	32,760	(165,881)
Total Other Financing Sources (Uses)	(147,885)	(147,885)	(115,125)	32,760	(165,881)
Net Change in Fund Balances	19,241	(30,342)	24,821	55,163	87,557
Fund Balances - Beginning of Year			467,740		380,183
Fund Balances - End of Year			492,561		467,740

The accompanying notes are an integral part of these financial statements.

Gunnison County, Colorado
Special Revenue Funds
Sales Tax Capital Improvement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
Sales tax	1,334,266	1,334,266	1,416,908	82,642	1,382,079
Intergovernmental:					
Federal grants	327,934	327,934	-	(327,934)	285,121
State grants	-	-	-	-	57,664
Investment Income	1,700	1,700	5,869	4,169	6,956
Total Revenues	1,663,900	1,663,900	1,422,777	(241,123)	1,731,820
Expenditures:					
General Government:					
Sales tax	47,717	47,717	41,540	6,177	228,195
Energy efficiency initiatives	2,797	2,797	2,700	97	450
Debt Service:					
Principal	395,000	395,000	143,165	251,835	472,718
Interest	1,107,021	1,107,021	19,002	1,088,019	854,686
Total Expenditures	1,552,535	1,552,535	206,407	1,346,128	1,556,049
Excess (Deficiency) of Revenues Over Expenditures	111,365	111,365	1,216,370	1,105,005	175,771
Other Financing Sources (Uses):					
Transfers in	259,200	259,200	271,743	12,543	256,600
Transfers (out)	(368,178)	(354,657)	(642,040)	(287,383)	(679,054)
Total Other Financing Sources (Uses)	(108,978)	(95,457)	(370,297)	(274,840)	(422,454)
Net Change in Fund Balances	2,387	15,908	846,073	830,165	(246,683)
Fund Balances - Beginning of Year			1,015,345		1,262,028
Fund Balances - End of Year			1,861,418		1,015,345

The accompanying notes are an integral part of these financial statements.

SUPPLEMENTARY INFORMATION

Gunnison County, Colorado
Capital Project Funds
Airport Construction Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Intergovernmental:					
Federal grants	769,429	769,429	792,643	23,214	1,681,792
State grants	558,261	708,261	518,336	(189,925)	364,908
Charges for Services:					
Passenger facility charges	130,000	130,000	112,421	(17,579)	125,301
Investment Income	1,156	1,156	367	(789)	2,325
Total Revenues	1,458,846	1,608,846	1,423,767	(185,079)	2,174,326
Expenditures:					
Public Works	1,462,361	1,629,028	1,383,560	245,468	2,539,450
Debt Service:					
Principal	1,070,618	1,070,618	1,070,618	-	68,010
Interest	46,505	46,505	40,825	5,680	16,614
Total Expenditures	2,579,484	2,746,151	2,495,003	251,148	2,624,074
Excess (Deficiency) of Revenues Over Expenditures	(1,120,638)	(1,137,305)	(1,071,236)	66,069	(449,748)
Other Financing Sources (Uses):					
Transfers (out)	-	110,000	110,000	-	-
Sale of capital assets	35,000	35,000	-	(35,000)	-
Debt proceeds	300,000	300,000	-	(300,000)	1,000,000
Total Other Financing Sources (Uses)	335,000	445,000	110,000	(335,000)	1,000,000
Net Change in Fund Balances	(785,638)	(692,305)	(961,236)	(268,931)	550,252
Fund Balances - Beginning of Year			659,889		109,637
Fund Balances - End of Year			(301,347)		659,889

The accompanying notes are an integral part of these financial statements.

Gunnison County, Colorado
Capital Projects Funds
Capital Expenditures Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Intergovernmental:					
Federal grants	-	36,579	35,738	(841)	366,696
State grants	-	18,237	18,237	-	668,818
Investment Income	1,500	1,500	5,603	4,103	7,630
Contributions	-	-	7,102	7,102	6,100
Total Revenues	1,500	56,316	66,680	10,364	1,049,244
Expenditures:					
General Government:					
Ohio City town hall	-	-	-	-	323
Multi-purpose heating system	218,000	218,000	202,275	15,725	-
Other capital expenditures	-	-	128	(128)	446
Public Safety:					
Jail construction	-	131,301	220,309	(89,008)	8,677,365
Culture and Recreation:					
Fairgrounds restroom	-	-	-	-	312,159
Public Works:					
Public works facility construction	-	33,471	85,201	(51,730)	4,513,342
Judicial:					
District attorney	-	101,384	114,486	(13,102)	-
Total Expenditures	218,000	484,156	622,399	(138,243)	13,503,635
Excess (Deficiency) of Revenues Over Expenditures	(216,500)	(427,840)	(555,719)	(127,879)	(12,454,391)
Other Financing Sources (Uses):					
Transfers in	218,000	402,252	329,859	(72,393)	(97,225)
Transfers (out)	-	(144,800)	(144,800)	-	-
Total Other Financing Sources (Uses)	218,000	257,452	185,059	(72,393)	(97,225)
Net Change in Fund Balances	1,500	(170,388)	(370,660)	(200,272)	(12,551,616)
Fund Balances - Beginning of Year			2,701,837		15,253,453
Fund Balances - End of Year			2,331,177		2,701,837

The accompanying notes are an integral part of these financial statements.

Gunnison County, Colorado
Non-major Governmental Funds
Combining Balance Sheet
For the Year Ended December 31, 2012

	Special Revenue								Debt Service	
	Conservation Trust Fund	Public Health Fund	Mosquito Control Fund	Land Preservation Fund	Sage Grouse Fund	Risk Management Fund	Gunnison County Housing Auth. Administration	Local Marketing District	Debt Service Fund	Total Non-major Governmental Funds
Assets:										
Cash and investments	184,166	11,704	17,060	309,768	155,527	446,119	111,347	264,494	-	1,500,185
Accounts receivable	-	31,122	-	51,559	-	2,361	10,771	194,983	-	290,796
Prepaid expenses	-	-	-	-	-	20,000	-	-	-	20,000
Due from other funds	-	22,025	1,067	-	-	1,489	-	-	-	24,581
Total Assets	184,166	64,851	18,127	361,327	155,527	469,969	122,118	459,477	-	1,835,562
Liabilities, Deferred Inflow of Resources, and Fund Balances:										
Liabilities:										
Accounts payable	(528)	4,969	-	-	-	14,357	5,495	14,186	-	38,479
Unearned grant revenue	-	39,194	-	-	-	-	12,090	-	-	51,284
Due to other funds	99,561	-	-	25,963	-	-	2,231	9,766	-	137,521
Total Liabilities	99,033	44,163	-	25,963	-	14,357	19,816	23,952	-	227,284
Fund Balances:										
Non-spendable	-	-	-	-	-	20,000	-	-	-	20,000
Spendable:										
Restricted	85,133	-	-	335,364	-	-	-	435,525	-	856,022
Committed	-	20,688	18,127	-	155,527	-	-	-	-	194,342
Assigned	-	-	-	-	-	435,612	102,302	-	-	537,914
Total Fund Balances	85,133	20,688	18,127	335,364	155,527	455,612	102,302	435,525	-	1,608,278
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	184,166	64,851	18,127	361,327	155,527	469,969	122,118	459,477	-	1,835,562

The accompanying notes are an integral part of these financial statements.

Gunnison County, Colorado
Non-major Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2012

	Special Revenue								Debt Service	
	Conservation Trust Fund	Public Health Fund	Mosquito Control Fund	Land Preservation Fund	Sage Grouse Fund	Risk Management Fund	Gunnison County Housing Auth. Administration	Local Marketing District	Debt Service Fund	Total Non-major Governmental Funds
Revenues:										
Taxes	-	17,515	54,006	309,360	-	-	-	1,093,649	-	1,474,530
Intergovernmental	52,899	213,469	13,521	-	-	-	96,914	-	327,934	704,737
Charges for services	-	39,927	-	-	-	-	49,727	-	-	89,654
Investment income	2,048	-	-	1,978	-	4,030	1,497	4,013	55	13,621
Contributions	-	2,140	-	-	-	128,348	-	-	-	130,488
Miscellaneous	-	11,722	319	-	64,537	6,275	10,782	-	-	93,635
Total Revenues	54,947	284,773	67,846	311,338	64,537	138,653	158,920	1,097,662	327,989	2,506,665
Expenditures:										
General government	-	-	-	-	47,753	74,967	-	1,200,700	-	1,323,420
Health and welfare	-	383,003	81,540	-	-	-	109,551	-	-	574,094
Culture and recreation	529	-	-	289,932	-	-	-	-	-	290,461
Debt service	-	-	-	136,265	-	-	61,590	-	1,341,876	1,539,731
Total Expenditures	529	383,003	81,540	426,197	47,753	74,967	171,141	1,200,700	1,341,876	3,727,706
Excess (Deficiency) of Revenues Over Expenditures	54,418	(98,230)	(13,694)	(114,859)	16,784	63,686	(12,221)	(103,038)	(1,013,887)	(1,221,041)
Other Financing Sources (Uses):										
Transfers in	-	125,343	13,521	-	-	-	146,475	-	1,013,887	1,299,226
Transfers (out)	(20,000)	(30,732)	(1,116)	-	(80,000)	-	(73,428)	(16,440)	-	(221,716)
Total Other Financing Sources (Uses)	(20,000)	94,611	12,405	-	(80,000)	-	73,047	(16,440)	1,013,887	1,077,510
Net Change in Fund Balances	34,418	(3,619)	(1,289)	(114,859)	(63,216)	63,686	60,826	(119,478)	-	(143,531)
Fund Balances - Beginning of Year	50,715	24,307	19,416	450,223	218,743	391,926	41,476	555,003	-	1,751,809
Fund Balances - End of Year	85,133	20,688	18,127	335,364	155,527	455,612	102,302	435,525	-	1,608,278

The accompanying notes are an integral part of these financial statements.

Gunnison County, Colorado
Special Revenue Funds
Conservation Trust Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Lottery proceeds	40,000	40,000	52,899	12,899	48,444
Earnings on investments	380	360	2,048	1,688	1,278
Total Revenues	40,380	40,360	54,947	14,587	49,722
Expenditures:					
Other	85	85	-	85	-
Treasurer's fees	400	700	529	171	485
Total Expenditures	485	785	529	256	485
Excess (Deficiency) of Revenues Over Expenditures	39,895	39,575	54,418	14,843	49,237
Other Financing Sources (Uses):					
Transfers (out)	(20,000)	(20,000)	(20,000)	-	(79,030)
Total Other Financing Sources (Uses)	(20,000)	(20,000)	(20,000)	-	(79,030)
Net Change in Fund Balances	19,895	19,575	34,418	14,843	(29,793)
Fund Balances - Beginning of Year			50,715		80,508
Fund Balances - End of Year			85,133		50,715

The accompanying notes are an integral part of these financial statements.

Gunnison County, Colorado
Special Revenue Funds
Public Health Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
Other taxes	4,000	9,000	17,515	8,515	14,102
Intergovernmental:					
Federal grants	-	-	-	-	30,366
State grants	178,931	207,714	200,682	(7,032)	237,157
Local grants	19,458	21,858	12,787	(9,071)	65,840
Charges for Services	32,800	32,800	39,927	7,127	43,393
Contributions	-	1,000	2,140	1,140	600
Miscellaneous	-	10,000	11,722	1,722	-
Total Revenues	235,189	282,372	284,773	2,401	391,458
Expenditures:					
Health and welfare:					
Program support	133,925	138,614	138,929	(315)	142,655
Multicultural client services	-	-	-	-	14,186
Child and family health	120,840	153,704	126,346	27,358	106,574
Community health services	112,748	120,516	117,728	2,788	222,726
Total Expenditures	367,513	412,834	383,003	29,831	486,141
Excess (Deficiency) of Revenues Over Expenditures	(132,324)	(130,462)	(98,230)	32,232	(94,683)
Other Financing Sources (Uses):					
Transfers in	155,369	155,369	125,343	(30,026)	93,749
Transfers (out)	(30,732)	(30,732)	(30,732)	-	-
Total Other Financing Sources (Uses)	124,637	124,637	94,611	(30,026)	93,749
Net Change in Fund Balances	(7,687)	(5,825)	(3,619)	2,206	(934)
Fund Balances - Beginning of Year			24,307		25,241
Fund Balances - End of Year			20,688		24,307

The accompanying notes are integral part of these financial statements.

Gunnison County, Colorado
Special Revenue Funds
Mosquito Control Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
Property tax revenue	53,884	53,884	54,024	140	53,204
Delinquent tax and interest	-	-	(18)	(18)	(36)
Intergovernmental:					
Local grants	13,521	13,521	13,521	-	13,538
Miscellaneous	200	200	319	119	335
Total Revenues	67,605	67,605	67,846	241	67,041
Expenditures:					
Operations	79,910	81,420	81,540	(120)	80,161
Total Expenditures	79,910	81,420	81,540	(120)	80,161
Excess (Deficiency) of Revenues Over Expenditures	(12,305)	(13,815)	(13,694)	121	(13,120)
Other Financing Sources (Uses):					
Transfers in	13,521	13,521	13,521	-	13,538
Transfers (out)	(1,116)	(1,116)	(1,116)	-	(1,056)
Total Other Financing Sources (Uses)	12,405	12,405	12,405	-	12,482
Net Change in Fund Balances	100	(1,410)	(1,289)	121	(638)
Fund Balances - Beginning of Year			19,416		20,054
Fund Balances - End of Year			18,127		19,416

The accompanying notes are an integral part of these financial statements.

Gunnison County, Colorado
Special Revenue Funds
Land Preservation Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
Sales tax	303,733	303,733	309,360	5,627	304,848
Intergovernmental:					
Investment Income	950	950	1,978	1,028	2,758
Total Revenues	304,683	304,683	311,338	6,655	307,606
Expenditures:					
Culture and Recreation:					
Land preservation	301,268	301,268	289,932	11,336	324,910
Debt Service:					
Principal payments	157,795	157,795	133,762	24,033	150,697
Interest payments	7,432	7,432	2,503	4,929	14,530
Total Expenditures	466,495	466,495	426,197	40,298	490,137
Net Change in Fund Balances	(161,812)	(161,812)	(114,859)	46,953	(182,531)
Fund Balances - Beginning of Year			450,223		632,754
Fund Balances - End of Year			335,364		450,223

The accompanying notes are an integral part of these financial statements.

Gunnison County, Colorado
Special Revenue Funds
Sage Grouse Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Miscellaneous	-	-	64,537	64,537	54,768
Total Revenues	-	-	64,537	64,537	54,768
Expenditures:					
General government	2,500	62,500	47,753	14,747	2,544
Total Expenditures	2,500	62,500	47,753	14,747	2,544
Excess (Deficiency) of Revenues Over Expenditures	(2,500)	(62,500)	16,784	79,284	52,224
Other Financing Sources (Uses):					
Transfers in	56,142	56,142	-	(56,142)	-
Transfers (out)	(80,000)	(80,000)	(80,000)	-	(75,219)
Total Other Financing Sources (Uses)	(23,858)	(23,858)	(80,000)	(56,142)	(75,219)
Net Change in Fund Balances	(26,358)	(86,358)	(63,216)	23,142	(22,995)
Fund Balances - Beginning of Year			218,743		241,738
Fund Balances - End of Year			155,527		218,743

The accompanying notes are an integral part of these financial statements.

Gunnison County, Colorado
Special Revenue Funds
Risk Management Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Investment Income	2,925	2,925	4,030	1,105	5,715
Contributions	134,096	134,096	128,348	(5,748)	159,527
Miscellaneous	-	-	6,275	6,275	1,028
Total Revenues	137,021	137,021	138,653	1,632	166,270
Expenditures:					
General Government:					
CAPP Insurance Claims	50,000	50,000	32,312	17,688	61,585
Other expenses	69,500	69,500	42,655	26,845	107,848
Total Expenditures	119,500	119,500	74,967	44,533	169,433
Net Change in Fund Balances	17,521	17,521	63,686	46,165	(3,163)
Fund Balances - Beginning of Year			391,926		395,089
Fund Balances - End of Year			455,612		391,926

The accompanying notes are an integral part of these financial statements.

Gunnison County, Colorado
Special Revenue Funds
Gunnison County Housing Authority Administration
Schedule of Revenues, Expenditures and Available Resources
Budget (Non-GAAP Basis) and Actual
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Intergovernmental:					
Federal grants	17,358	17,358	16,310	(1,048)	18,706
Local grants	80,604	80,604	80,604	-	80,002
Charges for Services:					
Fees	44,398	44,398	49,727	5,329	22,968
Investment Income	-	-	1,497	1,497	462
Contributions	-	-	-	-	500
Miscellaneous	-	-	10,782	10,782	18,236
Total Revenues	142,360	142,360	158,920	16,560	140,874
Expenditures:					
Health and Welfare	159,429	165,429	109,551	55,878	177,140
Debt Service:					
Principal	87,900	54,031	57,836	(3,805)	91,547
Interest	18,982	7,560	3,754	3,806	15,334
Total Expenditures	266,311	227,020	171,141	55,879	284,021
Excess (Deficiency) of Revenues Over Expenditures	(123,951)	(84,660)	(12,221)	72,439	(143,147)
Other Financing Sources (Uses):					
Transfers in	195,899	150,608	146,475	(4,133)	253,407
Transfers (out)	(73,428)	(93,428)	(73,428)	20,000	(79,141)
Total Other Financing Sources (Uses)	122,471	57,180	73,047	15,867	174,266
Net Change in Fund Balances	(1,480)	(27,480)	60,826	88,306	31,119
Fund Balances - Beginning of Year			41,476		10,357
Fund Balances - End of Year			102,302		41,476

The accompanying notes are an integral part of these financial statements.

Gunnison County, Colorado
Special Revenue Funds
Local Marketing District
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Marketing and promotion tax	969,000	969,000	1,093,649	124,649	1,009,984
Earnings on investments	1,150	1,150	4,013	2,863	4,449
Total Revenues	970,150	970,150	1,097,662	127,512	1,014,433
Expenditures:					
General Government:					
Contracted services	948,000	1,188,000	1,180,107	7,893	908,000
Other	15,815	21,614	20,593	1,021	26,569
Total Expenditures	963,815	1,209,614	1,200,700	8,914	934,569
Excess (Deficiency) of Revenues Over Expenditures	6,335	(239,464)	(103,038)	136,426	79,864
Other Financing Sources (Uses):					
Transfers (out)	(16,440)	(16,440)	(16,440)	-	(19,216)
Total Other Financing Sources (Uses)	(16,440)	(16,440)	(16,440)	-	(19,216)
Net Change in Fund Balances	(10,105)	(255,904)	(119,478)	136,426	60,648
Fund Balances - Beginning of Year			555,003		494,355
Fund Balances - End of Year			435,525		555,003

The accompanying notes are an integral part of these financial statements.

Gunnison County, Colorado
Debt Service Funds
Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Federal grants	-	-	327,934	327,934	-
Earnings on investments	-	-	55	55	-
Total Revenues	-	-	327,989	327,989	-
Expenditures:					
Debt Service:					
Principal	-	-	395,000	(395,000)	-
Interest	-	944,855	944,855	-	-
Other debt service	-	2,300	2,021	279	-
Total Expenditures	-	947,155	1,341,876	(394,721)	-
Excess (Deficiency) of Revenues Over Expenditures	-	(947,155)	(1,013,887)	(66,732)	-
Other Financing Sources (Uses):					
Transfers in	-	-	1,013,887	1,013,887	-
Total Other Financing Sources (Uses)	-	-	1,013,887	1,013,887	-
Net Change in Fund Balances	-	(947,155)	-	947,155	-
Fund Balances - Beginning of Year			-		-
Fund Balances - End of Year			-		-

The accompanying notes are an integral part of these financial statements.

Gunnison County, Colorado
Enterprise Funds
Airport Operations Fund
Schedule of Revenues, Expenditures and Available Resources
Budget (Non-GAAP Basis) and Actual
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating Revenues:					
Airport fees	331,627	331,627	300,548	(31,079)	384,740
Terminal & hanger rent	435,527	435,527	431,760	(3,767)	428,956
Parking fees & fines	79,500	79,500	72,985	(6,515)	76,148
Grants	37,700	37,700	52,506	14,806	43,503
Other	300,900	300,900	279,321	(21,579)	343,357
Total Operating Revenues	1,185,254	1,185,254	1,137,120	(48,134)	1,276,704
Operating Expenditures:					
Administration	215,374	215,374	193,953	21,421	224,566
Terminal operations	221,272	221,272	212,318	8,954	196,190
Runway & grounds maintenance.	203,472	203,472	183,900	19,572	168,158
Snow removal	131,609	131,609	80,950	50,659	75,945
Aircraft rescue	143,198	143,198	124,173	19,025	152,340
Security	93,557	93,557	107,797	(14,240)	97,408
Wildlife	35,532	35,532	37,786	(2,254)	39,069
Capital outlay	260,000	260,000	290,742	(30,742)	90,510
Total Operating Expenditures	1,304,014	1,304,014	1,231,619	72,395	1,044,186
Operating Income (Loss)	(118,760)	(118,760)	(94,499)	24,261	232,518
Non-operating Revenues (Expenditures):					
Proceeds from sale of assets	-	-	10,100	10,100	170
Transfers (out)	(82,164)	(192,164)	(192,164)	-	(97,000)
Investment revenue	12,000	12,000	9,896	(2,104)	10,645
Total Non-operating Revenues (Expenditures)	(70,164)	(180,164)	(172,168)	7,996	(86,185)
Change in Net Position - Budget Basis	(188,924)	(298,924)	(266,667)	32,257	146,333
Available Resources - Beginning of Year			1,033,328		886,995
Available Resources - End of Year			766,661		1,033,328
Available resources at year-end is computed as follows:					
Current assets			970,996		1,149,805
Current liabilities			(131,488)		(48,908)
Accrued compensated absences			(72,847)		(67,569)
			766,661		1,033,328

The accompanying notes are an integral part of these financial statements.

Gunnison County, Colorado
Enterprise Funds
Gunnison County Sewer Fund
Schedule of Revenues, Expenditures and Available Resources
Budget (Non-GAAP) Basis and Actual
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Dos Rios Division:					
Tap fees	5,500	5,500	-	(5,500)	5,500
User fees	157,750	157,750	157,118	(632)	156,759
Late fees	2,000	2,000	2,195	195	3,094
Other revenue	-	-	2,345	2,345	9,092
Total Dos Rios Division	165,250	165,250	161,658	(3,592)	174,445
Somerset Division:					
User fees	8,350	8,350	8,341	(9)	8,341
Late fees	100	100	151	51	175
Other revenue	-	-	693	693	-
Total Somerset Division	8,450	8,450	9,185	735	8,516
Antelope Hills Division:					
User fees	44,430	44,430	44,435	5	44,435
Late fees	400	400	495	95	649
Other revenue	-	-	4,102	4,102	-
Total Antelope Hills Division	44,830	44,830	49,032	4,202	45,084
North Gunnison Division:					
Tap fees	6,000	6,000	37,500	31,500	30,000
User fees	226,400	226,400	223,867	(2,533)	214,867
Late fees	1,500	1,500	1,193	(307)	3,893
Other revenue	-	-	72,339	72,339	172,518
Total North Gunnison Division	233,900	233,900	334,899	100,999	421,278
Tomichi Division:					
Tap fees	-	-	-	-	35,500
User fees	9,793	9,793	7,554	(2,239)	-
Other revenue	-	-	230	230	316
Total Tomichi Division	9,793	9,793	7,784	(2,009)	35,816
Total Revenues	462,223	462,223	562,558	100,335	685,139
Expenditures:					
Dos Rios Division:					
Operations	114,461	114,461	115,649	(1,188)	85,750
Transfers to other funds	39,983	39,983	39,064	919	40,702
Capital outlay	85,000	85,000	71,631	13,369	102,666
Total Dos Rios Division	239,444	239,444	226,344	13,100	229,118
Somerset Division:					
Operations	5,974	5,974	7,615	(1,641)	2,850
Transfers to other funds	1,300	1,300	1,270	30	1,406
Total Somerset Division	7,274	7,274	8,885	(1,611)	4,256
Antelope Hills Division:					
Operations	26,467	26,467	21,004	5,463	23,136
Transfers to other funds	8,949	8,949	8,781	168	8,203
Capital outlay	-	-	-	-	6,762
Total Antelope Hills Division	35,416	35,416	29,785	5,631	38,101
North Gunnison Division:					
Operations	77,118	77,118	87,475	(10,357)	104,271
Transfers to other funds	24,244	24,244	23,756	488	22,038
Capital outlay	-	-	-	-	57,393
Debt service	115,244	115,244	114,451	793	114,487
Total North Gunnison Division	216,606	216,606	225,682	(9,076)	298,189
Tomichi Division:					
Operations	9,429	9,429	7,234	2,195	23,208
Transfers to other funds	364	364	334	30	-
Total Tomichi Division	9,793	9,793	7,568	2,225	23,208
Total Expenditures	508,533	508,533	498,264	10,269	592,872
Change in Net Position - Budget Basis	(46,310)	(46,310)	64,294	110,604	92,267
Available Resources - Beginning of Year			824,097		731,830
Available Resources - End of Year			888,391		824,097
Available resources at year-end is computed as follows:					
Current assets			982,837		1,022,172
Current liabilities			(133,055)		(235,006)
Current portion of long-term obligations			38,609		36,931
			888,391		824,097

The accompanying notes are an integral part of these financial statements.

Gunnison County, Colorado
Enterprise Funds
Water Fund
Schedule of Revenues, Expenditures and Available Resources
Budget (Non-GAAP) Basis and Actual
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating Revenues:					
User fees	289,858	289,858	198,741	(91,117)	198,601
Availability fees	8,120	8,120	7,445	(675)	7,600
Contributions	-	-	5,000	5,000	13,500
Grants	-	-	-	-	51,384
Earnings on investments	-	-	2,854	2,854	2,790
Other	18,184	18,184	5,661	(12,523)	4,071
Total Operating Revenues	316,162	316,162	219,701	(96,461)	277,946
Operating Expenditures:					
Dos Rios Division:					
Operating expenses	126,307	126,307	118,488	7,819	105,685
Somerset Division:					
Debt service	8,024	8,024	7,952	72	7,949
Antelope Hills Division:					
Operating expenses	91,964	91,964	7,187	84,777	231
Capital outlay	796,881	796,881	848,375	(51,494)	126,548
Capital outlay	1,809,030	1,809,030	-	1,809,030	-
Utilities Administration:					
Operating expenses	44,652	44,652	43,408	1,244	48,704
Capital outlay	-	-	-	-	163,767
Total Operating Expenditures	2,876,858	2,876,858	1,025,410	1,851,448	452,884
Operating Income (Loss)	(2,560,696)	(2,560,696)	(805,709)	1,754,987	(174,938)
Non-operating Revenues (Expenditures):					
Grant revenue	1,696,000	1,696,000	-	(1,696,000)	-
Transfers in	24,956	24,956	23,321	(1,635)	21,717
Transfers (out)	(25,336)	(25,336)	(24,836)	500	(25,283)
Debt proceeds	913,357	913,357	808,147	(105,210)	-
Total Non-operating Revenues (Expenditures)	2,608,977	2,608,977	806,632	(1,802,345)	(3,566)
Change in Net Position - Budget Basis	48,281	48,281	923	(47,358)	(178,504)
Available Resources - Beginning of Year			288,138		466,642
Available Resources - End of Year			289,061		288,138

Available resources at year-end is computed as follows:

Current assets	396,948	307,320
Current liabilities	(906,609)	(9,610)
Current portion of long-term obligations	812,931	4,556
Accrued compensated absences	(14,209)	(14,128)
	289,061	288,138

The accompanying notes are an integral part of these financial statements.

Gunnison County, Colorado
Enterprise Funds
Landfill Operations Fund
Schedule of Revenues, Expenditures and Available Resources
Budget (Non-GAAP Basis) and Actual
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating Revenues:					
Sage Grouse mitigation	56,142	56,142	-	(56,142)	54,768
Landfill:					
Disposal fees	629,478	629,478	670,566	41,088	548,653
Other	29,102	29,102	36,308	7,206	28,764
Total Landfill Revenues	714,722	714,722	706,874	(7,848)	632,185
Recycling:					
Recycled material sales	95,000	95,000	129,463	34,463	175,388
Total Recycling Revenues	95,000	95,000	129,463	34,463	175,388
Total Operating Revenues	809,722	809,722	836,337	26,615	807,573
Operating Expenditures:					
Closure and postclosure	5,136	5,136	-	5,136	-
Operations and maintenance	1,044,961	1,244,961	593,378	651,583	525,961
Capital outlay	70,000	70,000	145,018	(75,018)	3,221
Total Landfill Expenditures	1,120,097	1,320,097	738,396	581,701	529,182
Recycling Expenditures:					
Capital outlay	-	-	85,959	(85,959)	15,000
Total Recycling Expenditures	-	-	85,959	(85,959)	15,000
Total Operating Expenditures	1,120,097	1,320,097	824,355	495,742	544,182
Operating Income (Loss)	(310,375)	(510,375)	11,982	522,357	263,391
Non-operating Revenues (Expenditures):					
Transfers (out)	(140,634)	(140,634)	(84,492)	56,142	(84,192)
Investment revenue	30,000	30,000	27,450	(2,550)	30,815
Total Non-operating Revenues (Expenditures)	(110,634)	(110,634)	(57,042)	53,592	(53,377)
Change in Net Position - Budget Basis	(421,009)	(621,009)	(45,060)	575,949	210,014
Available Resources - Beginning of Year			2,831,560		2,621,546
Available Resources - End of Year			2,786,500		2,831,560

Available resources at year-end is computed as follows:

Current assets	2,859,869	2,874,927
Current liabilities	(46,886)	(23,084)
Accrued compensated absences	(26,483)	(20,283)
	2,786,500	2,831,560

The accompanying notes are an integral part of these financial statements.

Gunnison County, Colorado
Enterprise Funds
Gunnison County Housing Authority - Assisted Living
Schedule of Revenues, Expenditures and Available Resources
Budget (Non-GAAP Basis) and Actual
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating Revenues:					
Palisade Assisted Living:					
Donations and debt service reimbursements	36,488	36,488	36,821	333	36,817
Total Operating Revenues	36,488	36,488	36,821	333	36,817
Operating Expenditures:					
Principal payments	16,426	16,426	17,532	(1,106)	16,876
Interest payments	20,062	20,062	19,289	773	19,941
Total Operating Expenditures	36,488	36,488	36,821	(333)	36,817
Change in Net Position - Budget Basis	-	-	-	-	-
Available Resources - Beginning of Year			3,051		3,051
Available Resources - End of Year			3,051		3,051
Available resources at year-end is computed as follows:					
Current assets			3,051		3,051
Current liabilities			(18,324)		(17,532)
Current portion of long-term obligations			18,324		17,532
			3,051		3,051

The accompanying notes are an integral part of these financial statements.

Gunnison County, Colorado
Enterprise Funds
Gunnison County Housing Authority - Mountain View
Schedule of Revenues, Expenditures and Available Resources
Budget (Non-GAAP Basis) and Actual
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating Revenues:					
Mountain View Apartments:					
Tenant payments	87,070	87,070	92,742	5,672	92,526
Assistance payment	131,850	131,850	128,950	(2,900)	127,458
Vacancies	(2,500)	(2,500)	(1,484)	1,016	(3,901)
Other revenue	4,900	4,900	4,398	(502)	5,211
Total Operating Revenues	221,320	221,320	224,606	3,286	221,294
Operating Expenditures:					
Mountain View Apartments:					
Operations	181,988	181,988	153,332	28,656	169,404
Capital outlay	26,000	26,000	-	26,000	13,523
Principal on debt	12,850	49,300	50,426	(1,126)	42,649
Interest on debt	21,000	26,125	34,063	(7,938)	35,519
Total Operating Expenditures	241,838	283,413	237,821	45,592	261,095
Operating Income (Loss)	(20,518)	(62,093)	(13,215)	48,878	(39,801)
Non-operating Revenues (Expenditures):					
Sale of capital assets	-	-	-	-	(600)
Transfers (out)	-	20,000	-	(20,000)	-
Investment revenue	320	320	86	(234)	247
Total Non-operating Revenues (Expenditures)	320	20,320	86	(20,234)	(353)
Change in Net Position - Budget Basis	(20,198)	(41,773)	(13,129)	28,644	(40,154)
Available Resources - Beginning of Year			180,367		220,521
Available Resources - End of Year			167,238		180,367

Available resources at year-end is computed as follows:

Current assets	227,815	242,606
Current liabilities	(72,071)	(73,092)
Current portion of long-term obligations	11,494	10,853
	167,238	180,367

The accompanying notes are an integral part of these financial statements.

Gunnison County, Colorado
Internal Service Funds
Combining Statement of Net Position
For the Year Ended December 31, 2012

	Internal Service Fund I	Internal Service Fund II	Internal Service Fund III	Total
Current Assets:				
Cash	1,054,818	565,706	1,195,170	2,815,694
Accounts receivable, net of allowance for uncollectible accounts, where applicable	686	4,931	140,539	146,156
Prepaid expenses	815	57,340	-	58,155
Due from other funds	226,199	-	1,182	227,381
Inventory, at cost	711,853	7,507	-	719,360
Total Current Assets	1,994,371	635,484	1,336,891	3,966,746
Non-current Assets:				
Land, property and equipment	17,980,401	1,528,282	-	19,508,683
Less: Accumulated depreciation	(8,417,325)	(1,058,232)	-	(9,475,557)
Total Non-current Assets	9,563,076	470,050	-	10,033,126
Total Assets	11,557,447	1,105,534	1,336,891	13,999,872
Liabilities:				
Current Liabilities:				
Accounts payable	393,103	24,061	58,978	476,142
Accrued liabilities	-	-	161,219	161,219
Due to other funds	-	2,364	-	2,364
Total Current Liabilities	393,103	26,425	220,197	639,725
Non-current Liabilities:				
Accrued compensated absences	54,470	25,708	5,146	85,324
Total Non-current Liabilities	54,470	25,708	5,146	85,324
Total Liabilities	447,573	52,133	225,343	725,049
Net Position:				
Net investment in capital assets	9,563,076	470,050	-	10,033,126
Restricted	815	57,340	-	58,155
Unrestricted	1,545,983	526,011	1,111,548	3,183,542
Total Net Position	11,109,874	1,053,401	1,111,548	13,274,823

The accompanying notes are an integral part of these financial statements.

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

	Internal Service Fund I	Internal Service Fund II	Internal Service Fund III	Total
Operating Revenues:				
Rent, net	1,783,330	-	-	1,783,330
Charges and fees	8,552	9	237,969	246,530
Other	259,490	754,746	2,076,751	3,090,987
Total Operating Revenues	2,051,372	754,755	2,314,720	5,120,847
Operating Expenses:				
Operations and maintenance	1,582,373	451,696	2,171,568	4,205,637
Administration	71,899	125,266	-	197,165
Depreciation and amortization	652,929	290,422	-	943,351
Total Operating Expenses	2,307,201	867,384	2,171,568	5,346,153
Operating Income (Loss)	(255,829)	(112,629)	143,152	(225,306)
Non-operating Revenues (Expenses):				
Investment revenue	-	-	10,483	10,483
Interest expense	(2,978)	-	-	(2,978)
Total Non-operating Revenues (Expenses)	(2,978)	-	10,483	7,505
Income (Loss) Before Transfers	(258,807)	(112,629)	153,635	(217,801)
Capital Contributions	85,201	-	-	85,201
Transfers In	802,025	5,500	-	807,525
Transfers (Out)	(97,896)	(73,788)	(27,564)	(199,248)
Change in Net Position	530,523	(180,917)	126,071	475,677
Total Net Position - Beginning of Year	10,579,351	1,234,318	985,477	12,799,146
Total Net Position - End of Year	11,109,874	1,053,401	1,111,548	13,274,823

The accompanying notes are an integral part of these financial statements.

Gunnison County, Colorado
Internal Service Funds
Combing Statement of Cash Flows
For the Year Ended December 31, 2012

	Internal Service Fund I	Internal Service Fund II	Internal Service Fund III	Total
Cash Flows from Operating Activities:				
Cash received from charges for services	2,044,682	752,202	2,042,030	4,838,914
Cash received from other sources	8,552	9	237,969	246,530
Cash payments to vendors for goods and services	(763,437)	(362,796)	(2,230,970)	(3,357,203)
Cash payments to employees for services	(427,810)	(238,202)	(12,942)	(678,954)
Net Cash Provided (Used) by Operating Activities	861,987	151,213	36,087	1,049,287
Cash Flows from Non-capital Financing Activities:				
Transfers from (to) other funds, net	645,325	(59,237)	(28,420)	557,668
Net Cash Provided (Used) by Non-capital Financing Activities	645,325	(59,237)	(28,420)	557,668
Cash Flows from Capital and Related Financing Activities:				
Capital contributions	85,201	-	-	85,201
Interest paid on debt	(2,978)	-	-	(2,978)
Principal paid on loans and leases	(158,082)	-	-	(158,082)
Purchase of capital assets	(922,012)	(90,122)	-	(1,012,134)
Cash from sale of assets	76,717	-	-	76,717
Net Cash Provided (Used) by Capital and Related Financing Activities	(921,154)	(90,122)	-	(1,011,276)
Cash Flows from Investing Activities:				
Cash from investment income	-	-	10,483	10,483
Net Cash Provided (Used) by Investing Activities	-	-	10,483	10,483
Net Increase (Decrease) in Cash	586,158	1,854	18,150	606,162
Cash - Beginning of Year	468,660	563,852	1,177,020	2,209,532
Cash - End of Year	1,054,818	565,706	1,195,170	2,815,694
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	(255,829)	(112,629)	143,152	(225,306)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation and amortization	652,929	290,422	-	943,351
Changes in Assets and Liabilities:				
(Increase) decrease in accounts receivable	1,862	(2,544)	(34,721)	(35,403)
(Increase) decrease in prepaid expenses	(370)	(20,868)	-	(21,238)
(Increase) decrease in inventory	167,192	7,414	-	174,606
Increase (decrease) in accounts payable	298,489	(11,533)	(86,700)	200,256
Increase (decrease) in accrued liabilities	(2,555)	-	14,757	12,202
Increase (decrease) in compensated absences	269	951	(401)	819
Net Cash Provided (Used) by Operating Activities	861,987	151,213	36,087	1,049,287

The accompanying notes are an integral part of these financial statements.

Gunnison County, Colorado
Internal Service Funds
Internal Service Fund I
Schedule of Revenues, Expenditures and Available Resources
Budget (Non-GAAP Basis) and Actual
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating Revenues:					
Equipment rent	1,781,161	1,781,161	1,783,330	2,169	1,839,420
Material and gravel sales	403,500	403,500	257,430	(146,070)	258,030
Other revenues	5,241	5,241	95,814	90,573	7,333
Total Operating Revenues	2,189,902	2,189,902	2,136,574	(53,328)	2,104,783
Operating Expenditures:					
Administration	273,149	273,149	218,648	54,501	234,625
Fleet maintenance	1,061,528	1,111,528	1,218,389	(106,861)	1,127,943
Materials	403,500	403,500	269,265	134,235	290,321
Property and equipment purchases	694,226	1,248,602	866,871	381,731	279,325
Equipment lease payments	166,368	166,368	164,172	2,196	164,246
Total Operating Expenditures	2,598,771	3,203,147	2,737,345	465,802	2,096,460
Operating Income (Loss)	(408,869)	(1,013,245)	(600,771)	412,474	8,323
Non-operating Revenues (Expenditures):					
Sale of capital assets	7,500	213,563	76,717	(136,846)	10,243
Grant revenue	-	-	-	-	28,204
Transfers in	694,026	802,025	802,025	-	316,750
Transfers (out)	(97,896)	(97,896)	(97,896)	-	(84,893)
Total Non-operating Revenues (Expenditures)	603,630	917,692	780,846	(136,846)	270,304
Change in Net Position - Budget Basis	194,761	(95,553)	180,075	275,628	278,627
Available Resources - Beginning of Year			1,366,723		1,088,096
Available Resources - End of Year			1,546,798		1,366,723
Available resources at year-end is computed as follows:					
Current assets			1,994,371		1,518,093
Current liabilities			(393,103)		(255,251)
Current portion of long-term obligations			-		158,082
Accrued compensated absences			(54,470)		(54,201)
			1,546,798		1,366,723

The accompanying notes are an integral part of these financial statements.

Gunnison County, Colorado
Internal Service Funds
Internal Service Fund II
Schedule of Revenues, Expenditures and Available Resources
Budget (Non-GAAP Basis) and Actual
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating Revenues:					
Data processing	394,856	394,856	396,565	1,709	391,102
Mapping	190,483	190,483	190,708	225	195,795
Telephone system	73,008	73,008	74,660	1,652	74,040
Photocopy and postage	64,991	64,991	92,008	27,017	66,572
Other	2,000	2,000	814	(1,186)	2,541
Total Operating Revenues	725,338	725,338	754,755	29,417	730,050
Operating Expenditures:					
Data Processing:					
Operations	344,157	344,157	152,405	191,752	197,278
Capital outlay	-	-	-	-	350
GIS Mapping:					
Operations	184,563	184,563	137,378	47,185	154,150
Capital outlay	-	-	30,192	(30,192)	4,546
Telephone System:					
Operations	38,807	38,807	31,001	7,806	41,393
Capital outlay	-	-	59,930	(59,930)	93,671
Photocopy and Postage:					
Operations	64,496	64,496	80,577	(16,081)	62,319
Help Desk:					
Operations	159,711	159,711	160,469	(758)	113,870
IT Infrastructure:					
Operations	1,150	1,150	8,859	(7,709)	11,598
Systems Development:					
Operations	-	-	-	-	7,454
IT Training:					
Operations	14,275	14,275	6,274	8,001	16,303
Total Operating Expenditures	807,159	807,159	667,085	140,074	702,932
Operating Income (Loss)	(81,821)	(81,821)	87,670	169,491	27,118
Non-operating Revenues (Expenditures):					
Transfers in	5,500	5,500	5,500	-	133,200
Transfers (out)	(73,788)	(73,788)	(73,788)	-	(62,924)
Total Non-operating Revenues (Expenditures)	(68,288)	(68,288)	(68,288)	-	70,276
Change in Net Position - Budget Basis	(150,109)	(150,109)	19,382	169,491	97,394
Available Resources - Beginning of Year			563,969		466,575
Available Resources - End of Year			583,351		563,969
Available resources at year-end is computed as follows:					
Current assets			635,484		624,319
Current liabilities			(26,425)		(35,593)
Accrued compensated absences			(25,708)		(24,757)
			583,351		563,969

The accompanying notes are an integral part of these financial statements.

Gunnison County, Colorado
Internal Service Funds
Internal Service Fund III
Schedule of Revenues, Expenditures and Available Resources
Budget (Non-GAAP Basis) and Actual
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating Revenues:					
Premium contributions	2,504,882	2,504,882	2,309,763	(195,119)	2,437,509
Miscellaneous	-	-	4,957	4,957	9,987
Total Operating Revenues	2,504,882	2,504,882	2,314,720	(190,162)	2,447,496
Operating Expenditures:					
Operations	2,494,245	2,494,245	2,171,568	322,677	2,665,496
Total Operating Expenditures	2,494,245	2,494,245	2,171,568	322,677	2,665,496
Operating Income (Loss)	10,637	10,637	143,152	132,515	(218,000)
Non-operating Revenues (Expenditures):					
Transfers (out)	(27,564)	(27,564)	(27,564)	-	(26,021)
Investment revenue	20,000	20,000	10,483	(9,517)	12,249
Total Non-operating Revenues (Expenditures)	(7,564)	(7,564)	(17,081)	(9,517)	(13,772)
Change in Net Position - Budget Basis	3,073	3,073	126,071	122,998	(231,772)
Available Resources - Beginning of Year			985,477		1,217,249
Available Resources - End of Year			1,111,548		985,477
Available resources at year-end is computed as follows:					
Current assets			1,336,891		1,283,164
Current liabilities			(220,197)		(292,140)
Accrued compensated absences			(5,146)		(5,547)
			1,111,548		985,477

The accompanying notes are an integral part of these financial statements.

Gunnison County, Colorado
Agency Funds
County Treasurer Agency Fund
Schedule of Changes in Assets and Liabilities
For the Year Ended December 31, 2012

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Assets:				
Cash	24,261,324			25,486,545
	}	- }	160,021 {	
Less: Cash held for County funds	(23,404,670)			(24,469,870)
Total Assets	856,654	-	160,021	1,016,675
Liabilities:				
Due to other governments and agencies	856,654	-	160,021	1,016,675
Total Liabilities	856,654	-	160,021	1,016,675

The accompanying notes are an integral part of these financial statements.

Gunnison County, Colorado
Agency Funds
Public Trustee Agency Fund
Schedule of Changes in Assets and Liabilities
For the Year Ended December 31, 2012

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Assets:				
Cash	125,834	147,887	(180,726)	92,995
Total Assets	125,834	147,887	(180,726)	92,995
Liabilities:				
Due to governmental funds	25,322	413	-	25,735
Held by Trustee	100,512	147,474	(180,726)	67,260
Total Liabilities	125,834	147,887	(180,726)	92,995

The accompanying notes are an integral part of these financial statements.

ANNUAL SCHEDULE OF REVENUES AND EXPENDITURES
FOR ROADS, BRIDGES AND STREETS

Gunnison County
COLORADO

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Gunnison County
	YEAR ENDING : December 2012
This Information From The Records Of (example - City of _ or County of _) County of Gunnison	Prepared By: Linda Nienhueser Phone: (970)641-7622

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	
3. Other local imposts (from page 2)	177,101
4. Miscellaneous local receipts (from page 2)	380,522
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	557,623
B. Private Contributions	
C. Receipts from State government (from page 2)	2,740,558
D. Receipts from Federal Government (from page 2)	2,077,149
E. Total receipts (A.7 + B + C + D)	5,375,330

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	804,906
2. Maintenance:	3,166,008
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	667,602
c. Other	
d. Total (a. through c.)	667,602
4. General administration & miscellaneous	1,288,846
5. Highway law enforcement and safety	
6. Total (1 through 5)	5,927,362
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	5,927,362

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
5,267,592	5,375,330	5,927,362	4,715,561	0

Notes and Comments:

{763A6D4D-20D5-471E-A674-4246F2DB27F8}

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2012

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assessments		a. Interest on investments	52,534
b. Other local imposts:		b. Traffic Fines & Penalities	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	15,086
5. Specific Ownership &/or Other	177,101	g. Other Misc. Receipts	312,901
6. Total (1. through 5.)	177,101	h. Other	
c. Total (a. + b.)	177,101	i. Total (a. through h.)	380,522
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes	2,574,442	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	517,516
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	46,513	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant	117,506	e. U.S. Corps of Engineers	
e. Other (Specify) DOT	2,096	f. Other Federal	1,559,633
f. Total (a. through e.)	166,116	g. Total (a. through f.)	2,077,149
4. Total (1. + 2. + 3.f)	2,740,558	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs		26,539	26,539
b. Engineering Costs		18,533	18,533
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		305,183	305,183
(3). System Preservation		201,237	201,237
(4). System Enhancement & Operation		253,414	253,414
(5). Total Construction (1) + (2) + (3) + (4)	0	759,834	759,834
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	804,906	804,906
			(Carry forward to page 1)

Notes and Comments:

SINGLE AUDIT REPORTS AND SCHEDULES

Gunnison County
COLORADO

McMahan and Associates, L.L.C.
Certified Public Accountants and Consultants

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

Independent Auditor's Report

To the Board of County Commissioners
Gunnison County, Colorado

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

Internal Control Over Financial Reporting

In planning and performing our audit on 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe that a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

McMahan and Associates, L.L.C.
Avon, Colorado
July 31, 2013

McMahan and Associates, L.L.C.
Certified Public Accountants and Consultants

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; ON COMPLIANCE WITH THE PASSENGER FACILITY CHARGE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND THE PASSENGER FACILITY CHARGE AUDIT GUIDE FOR PUBLIC AGENCIES

Independent Auditor's Report

To the Board of County Commissioners
Gunnison County, Colorado

Report on Compliance for Each Major Program

We have audited the Gunnison County's (the "County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2012 and its compliance with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (the "Guide"), issued by the Federal Aviation Administration, for it passenger facility charge program for the year ended December 31, 2012. 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs and to the passenger facility charge program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and to the passenger facility charge program based on our audit of the types of compliance requirements referred to above, We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments*, *and Non-Profit Organizations* and the Guide. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program and on the passenger facility charge 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 and on the passenger facility charge program. However, our audit does not provide a legal determination on the County's compliance with those requirements.

To the Board of County Commissioners
Gunnison County

Opinion on Each Major Federal Program and Passenger Facility Charge 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 and on passenger facility charge program for the year ended December 31, 2012.

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, we considered the County's internal control over compliance with types of requirements that could have a direct and material effect on each major federal program and on the passenger facility charge program to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and passenger facility charge program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do no 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 or passenger facility charge program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 or passenger facility charge 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 combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or passenger facility program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charges with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to indentify 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 in internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the Guide. Accordingly, this report is not suitable for any other purpose.

McMahan and Associates, L.L.C.
Avon, Colorado
July 31, 2013

Gunnison County, Colorado
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2012

Part I: Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
Material weakness identified	None noted
Significant deficiency identified	None reported
Noncompliance material to financial statements noted	None noted

Federal Awards

Internal control over major programs:	
Material weakness identified	None noted
Significant deficiency identified	None reported
Type of auditor's report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133	None noted
Major program – Capitalization Grants for	
Airport Improvement Projects (total)	CFDA# 20.106
Emergency Management Performance Grant	CFDA# 97.042
Insured Loan Program	CFDA# 14.135
Lower Income Housing Assistance Program	CFDA# 14.871
Dollar threshold used to identify Type A from Type B programs	$300,000
Identified as low-risk auditee	Yes

Part II: Findings Related to Financial Statements

Findings related to financial statements as required by Government Auditing Standards	None noted
Auditor-assigned reference number	Not applicable

Part III: Findings Related to Federal Awards

Internal control findings	None noted
Compliance findings	None noted
Questioned costs	None noted
Auditor-assigned reference number	Not applicable

Note: There were no findings for the fiscal year ended December 31, 2011.

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

Program Title	Federal CFDA Number	Major Program	Expenditures
Department of Agriculture:			
Passed through Colorado Department of Public Health and Environment:			
Women, Infant, Children	10.557	No	68,241
Women, Infant, Children Breast Feeding Peer Counselor	10.557	No	12,159
Women, Infant, Children (non-cash vouchers)	10.557	No	147,478
Passed through Colorado Department of Human Services:			
Food Assistance-Administration	10.561	No	89,587
Total Department of Agriculture:			317,465
Department of Health and Human Services:			
Drug-Free Communities Support Program	93.276	No	124,901
Passed through Colorado Department of Human Services:			
TANF CO Works	93.558	No	204,466
Title IV-D - Administration	93.563	No	113,785
Low-income Home Energy Assistance	93.568	No	132,141
CCDF Discretionary	93.596	No	77,573
CCDF	93.575	No	58,783
Child Welfare Services IVB	93.645	No	4,768
Foster Care-Title IV-E	93.658	No	151,958
Adoption	93.659	No	33,797
Social Services Block Grant	93.667	No	91,760
Independent Living	93.674	No	1,718
Promoting Safe and Stable Families (PSSF)	93.556	No	(22,155)
TANF ARRA	93.714	No	1,117
Medicaid Assistance Program	93.778	No	49,909
Adjustments to Costs	93.000	No	(499)
Passed through Colorado Department of Public Health and Environment:			
CORE (BT)	93.069	No	19,898
Family Planning	93.217	No	49,656
Immunizations	93.268	No	4,312
CWCCI/WWC	93.283	No	6,747
Nurturing parent	93.590	No	16,074
Sexually Transmitted Diseases	93.977	No	4,095
Public Health Nurse - Maternal and Child Health Service	93.994	No	5,211
Health Assmt & Plan (OPP)	93.991	No	10,000
Passed through Colorado Department of Public Health and Environment through Region 10 Area for Aging:			
Special Program for the Aging	93.044	No	21,096
Passed through Colorado Department of Local Affairs through Delta County:			
Medicaid Assistance Program	93.778	No	44,536
Passed through Colorado Department of State:			
Voting Access for Individuals with Disabilities - Grants to States	93.617	No	18,462
Total Department of Health and Human Services:			1,224,109
Department of Transportation:			
Federal Aviation Administration:			
Airport Improvement Projects (total)	20.106	Yes	792,643
			792,643
Subtotal			2,334,217

Gunnison County, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2012
(continued)

Program Title	Federal CFDA Number	Major Program	Expenditures
Department of Homeland Security:			
Passed through Colorado Department of Local Affairs			
Emergency Management Performance Grant	97.042	Yes	106,342
Emergency Operations Center	97.052	No	35,738
Total Department of Homeland Security:			142,080
Department of Justice:			
Title V Delinquency Prevention Program	16.548	No	6,302
Victims of Crime Act, Crime Victim Assistance Program	16.575	No	43,768
Juvenile Accountability	16.523	No	35,150
Edward Byrne Memorial Justice Assistance Grant Program	16.738	No	31,196
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	No	12,911
State Criminal Alien Assistance Program	16.606	No	12,242
Total Department of Justice:			141,569
Department of Housing and Urban Development:			
Passed through Colorado Department of Local Affairs - Division of Housing:			
Section 8 Housing Assistance Payment Program	14.195	No	226,603
Passed through Colorado Department Housing and Finance Authority:			
Insured Loan Program	14.135	Yes	785,638
Lower Income Housing Assistance Program	14.871	Yes	128,950
Total Department of Housing and Urban Development:			1,141,191
Total Federal Assistance:			3,759,057

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2012

Note 1. Basis of Presentation:
The Schedule of Expenditures of Federal Awards includes the federal grant activity of Gunnison County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the general purpose financial statements.

Note 2. Determining the Name of Non-cash Awards Expended :
Fair market value of assistance at the time of disbursement to the recipient, or the assessed value provided by the state or federal agency.

Note 3. Pass Through Sub recipients:
The County had no sub recipients as of December 31, 2012.

Gunnison County, Colorado
Schedule of Passenger Facility Charges Collected and Expended
For the Year Ended December 31, 2012

Program Title	Amounts for Current Year	Unliquidated Balance
Unliquidated PFC revenues, beginning of year		$ -
Revenues:		
Revenues collected from air carriers	112,421	
Interest Earned	-	
Total PFC Revenues	112,421	112,421
Project Expenditures:		
Construction	(112,421)	
Total PFC project expenditures	(112,421)	(112,421)
Unliquidated PFC revenues, end of year		$ -

The accompanying notes are an integral part of these financial statements.