

Gunnison County

Financial Report

December 31, 2007



**Gunnison County, Colorado
Financial Report
December 31, 2007**

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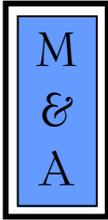
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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners Gunnison County, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Gunnison County, Colorado (the "County"), as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Gunnison Valley Hospital and Health Care Center, the discretely presented component unit of Gunnison County. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Gunnison County, is based on the report of the other auditors.

We conducted our audit in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, each major fund, and the aggregate remaining fund information of Gunnison County as of December 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2006, on our consideration of Gunnison County's internal control over financial reporting and on our tests of its compliance with provisions of laws, regulations, contracts, and grants. That report is an integral part of and audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis in Section B is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Performing services for local governments throughout Colorado

D. Jerry McMahan, C.P.A.
Paul J. Backes, C.P.A.

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Michael N. Jenkins, C.A., C.P.A.

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National and Colorado Government Finance Officers Association/Colorado Municipal League

*Board of County Commissioners
Gunnison County, Colorado*

The budgetary comparison schedules in Section E are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying financial information in Section F and G is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying financial information presented as supporting schedules and the Schedule of Expenditures of Federal Awards in Section G is presented for purposes of additional analysis and as required by the U.S. Office of Management Budget Circular A-133, *Audits of States and Local Governments, and Non-Profit Organizations*, and are not a required part of the basic financial statements of Gunnison County, Colorado. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

McMahan and Associates, L.L.C.
July 20, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS



Gunnison County, Colorado

Management's Discussion and Analysis

December 31, 2007

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, 2007.

Financial Highlights

- On a short term view, the County's governmental funds increased \$1,859,018 . This was primarily due to increases in the General Fund and Road and Bridge Fund. These increases were both due to higher revenues and lower expenditures than anticipated.
- On a long term view the County's governmental activities increased \$3,020,980. 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 increased \$230,282 . This is primarily due to an increase in the solid waste fund.
- On a long-term view the County's business type funds increased \$3,744,572. This increase is primarily due to increases in the Airport Operations Fund relating to grants and contributions which were used for the purchase and construction of capital assets.

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.

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 Assets presents information on all the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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.

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.

Overview of the Financial Statements (continued)

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

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Assets:						
Current and other assets	21,482,071	18,585,208	4,713,386	4,474,789	26,195,457	23,059,997
Capital assets, net	18,054,736	17,794,590	47,209,647	43,774,257	65,264,383	61,568,847
Total Assets	39,536,807	36,379,798	51,923,033	48,249,046	91,459,840	84,628,844
Liabilities:						
Other liabilities	9,663,382	8,875,296	199,401	203,446	9,862,783	9,078,742
Long-term liabilities	4,239,963	4,892,019	4,968,218	5,034,762	9,208,181	9,926,781
Total Liabilities	13,903,345	13,767,315	5,167,619	5,238,208	19,070,964	19,005,523
Net Assets:						
Invested in capital assets, net of related debt	14,831,671	14,041,803	43,598,367	40,091,532	58,430,038	54,133,335
Restricted	516,000	550,000	1,398,220	316,718	1,914,220	866,718
Unrestricted	10,285,791	8,020,680	1,758,827	2,602,588	12,044,618	10,623,268
Total Net Assets	25,633,462	22,612,483	46,755,414	43,010,838	72,388,876	65,623,321

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. The County added all infrastructure (roads, bridges, etc.), to its accounting records retroactively in 2006.

At the end of the 2007 fiscal year, the County is able to report positive balances in all three categories of net assets, first for the government as a whole, and then as separate governmental and business-type activities.

Government-wide Financial Analysis (continued)

Governmental Activities: Governmental activities increased \$3,020,980 while Business-type activities increased \$3,744,572. Key elements of this increase were as follows:

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program revenues:						
Charges for services	2,037,163	2,053,339	2,934,634	2,616,270	4,971,797	4,669,609
Grants and contributions	10,287,067	10,129,502	4,746,235	1,517,563	15,033,302	11,647,065
General revenues:						
Sales taxes	2,059,331	1,771,736	21,491	18,536	2,080,822	1,790,272
Property taxes	5,873,152	5,488,831	-	-	5,873,152	5,488,831
Other taxes	1,919,721	1,801,768	-	-	1,919,721	1,801,768
Interest and other revenue	684,640	509,694	132,968	89,837	817,608	599,531
Total Revenues	22,861,074	21,754,870	7,835,328	4,242,206	30,696,402	25,997,076
Expenses:						
General government	6,400,787	6,621,623	-	-	6,400,787	6,621,623
Judicial	215,903	214,432	-	-	215,903	214,432
Public safety	3,545,019	2,518,727	-	-	3,545,019	2,518,727
Health and welfare	3,770,169	4,817,560	-	-	3,770,169	4,817,560
Auxiliary services	227,609	201,747	-	-	227,609	201,747
Culture and recreation	1,359,920	1,496,823	-	-	1,359,920	1,496,823
Public works	3,967,866	3,498,675	-	-	3,967,866	3,498,675
Interest on long-term debt	155,533	125,960	-	-	155,533	125,960
Airport operations	-	-	2,595,012	2,390,489	2,595,012	2,390,489
Sewer	-	-	373,498	681,798	373,498	681,798
Water	-	-	427,585	130,007	427,585	130,007
Landfill	-	-	571,653	423,291	571,653	423,291
Housing	-	-	320,296	250,618	320,296	250,618
Total Expenses	19,642,806	19,495,547	4,288,044	3,876,203	23,930,850	23,371,750
Change in Net Assets before Transfers	3,218,268	2,259,323	3,547,284	366,003	6,765,552	2,625,326
Transfers	(197,288)	(89,823)	197,288	89,823	-	-
Change in Net Assets	3,020,980	2,169,500	3,744,572	455,826	6,765,552	2,625,326
Net Assets - Beginning	22,612,482	20,442,983	43,010,842	42,555,012	65,623,324	62,997,995
Net Assets - Ending	25,633,462	22,612,483	46,755,414	43,010,838	72,388,876	65,623,321

Significant events impacting 2007 were:

- Net assets as a result of governmental activities increased \$3,020,980 because total governmental revenues exceeded total governmental expenses. This is at least partially due to the significant increase in grants and contributions for public safety (terrorism).
- Business type grants and contributions increased due to airport construction grants.

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 2007 is charted below:

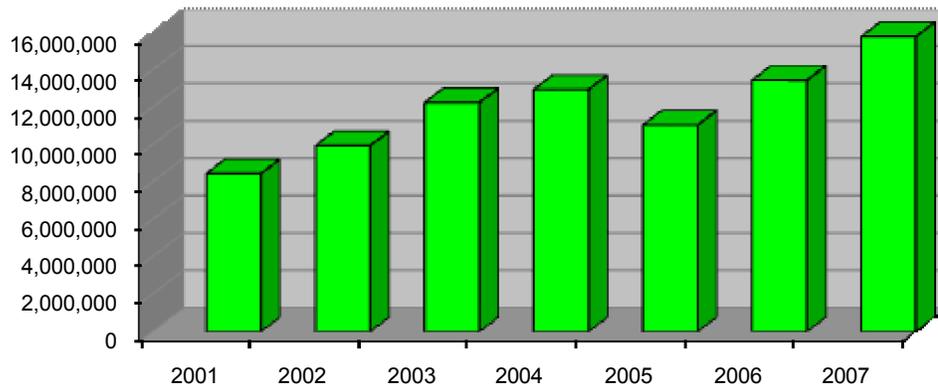
	<u>Beginning Available Resources</u>	<u>Increase (Decrease)</u>	<u>Ending Available Resources</u>	<u>2007 Expenditures</u>	<u>% of EAV to Expenditures</u>
Governmental Major Funds:					
General Fund	3,358,640	704,235	4,062,875	9,478,274	43%
Road & Bridge	802,242	501,851	1,304,093	3,625,856	36%
Human Services Fund	259,793	(15,147)	244,645	2,159,709	11%
Sales Tax Fund	761,680	195,405	957,084	1,854,349	52%
Airport Construction Fund	233,034	51,667	284,701	4,609,932	6%
Capital Expenditures Fund	22,855	14,833	37,688	3,246,100	1%
Non-Major Funds	942,616	406,175	1,348,791	2,942,213	46%
Business Type Funds:					
Airport Operations Fund	710,248	(14,427)	695,821	1,236,822	56%
Sewer Fund	627,891	(94,463)	533,428	543,029	98%
Water Fund	421,213	4,281	425,494	222,828	191%
Solid Waste Fund	1,611,515	364,483	1,975,998	671,027	294%
Assisted Living Fund	10	-	10	36,488	0%
Mountain View Fund	429,757	(29,592)	400,165	226,104	177%
Internal Service Funds:					
ISF I Fund	1,914,268	94,261	2,008,529	1,850,504	109%
ISF II Fund	229,612	7,656	237,268	744,314	32%
ISF III Fund	1,137,989	145,719	1,283,708	1,476,977	87%
	<u>13,463,363</u>	<u>2,336,936</u>	<u>15,800,299</u>	<u>34,924,526</u>	45%

Financial Analysis of the County's Funds (continued)

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 increased \$1,859,018. This was primarily due to an increase in the General Fund and an increase in the Road and Bridge Fund.

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 increased net assets by \$3,744,572.

Budget Variances in the General Fund: No budget amendments were made to the General Fund during the year. Actual Expenditures were \$543,116 less than the amended budget. No significant expenditures variances were noted in the General Fund.

Capital Assets: The County's capitalization policy pertains to assets with a purchase value of \$5,000 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 on page D16 of this report.

Long-term Debt: As of the end of the current fiscal year, the County's long-term liabilities totaled \$8,572,172. The County did not have significant changes in long-term debt other than the issuance of sewer bonds to replace interim financing. 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 2007 totaled \$4,062,875. The 2008 budget anticipates decreasing this balance by \$4,627.

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 Assets
December 31, 2007

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Hospital
Assets:				
Cash and investments	11,214,306	4,023,289	15,237,595	7,832,985
Due from other governments	2,449,340	-	2,449,340	-
Accounts, taxes, and other receivables	6,894,463	344,803	7,239,266	4,130,977
Prepaid expenses	33,886	25,436	59,322	191,192
Inventory	848,620	-	848,620	992,829
Internal balances	41,456	(41,456)	-	-
Other Assets:				
Deferred charges	-	361,314	361,314	135,622
Capital Assets:				
Capital assets, cost	37,741,888	71,581,020	109,322,908	24,341,797
Accumulated depreciation	(19,687,152)	(24,371,373)	(44,058,525)	(10,432,889)
Total Assets	39,536,807	51,923,033	91,459,840	27,192,513
Liabilities:				
Accounts payable	976,781	89,054	1,065,835	391,731
Accrued expenses	970,598	10,347	980,945	1,260,990
Unearned revenue	6,899,322	100,000	6,999,322	-
Deposits	816,681	-	816,681	-
Accrued interest	-	36,626	36,626	-
Non-current Liabilities:				
Due within one year:				
Leases	299,964	11,310	311,274	112,063
Bonds	131,262	20,282	151,544	320,000
Loans	204,783	37,870	242,653	647,572
Due in more than one year:				
Accrued compensated absences	1,016,898	85,126	1,102,024	-
Leases	700,145	17,805	717,950	50,497
Bonds	565,824	1,761,062	2,326,886	7,530,000
Landfill closure and postclosure costs	-	873,872	873,872	-
Loans	1,321,087	2,124,265	3,445,352	-
Total Liabilities	13,903,345	5,167,619	19,070,964	10,312,853
Net Assets:				
Invested in capital assets, net of related debt	14,831,671	43,598,367	58,430,038	6,181,253
Restricted for:				
Emergencies	516,000	-	516,000	-
Other purposes	-	1,398,220	1,398,220	73,260
Unrestricted	10,285,791	1,758,827	12,044,618	10,625,147
Total Net Assets	25,633,462	46,755,414	72,388,876	16,879,660

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

Gunnison County, Colorado
Statement of Activities
For the Year Ended December 31, 2007

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>			<u>Component Unit</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Governments</u>			
					<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	
Functions/Programs:								
Primary Government:								
Governmental Activities:								
General government	6,400,787	1,615,841	877,693	44,923	(3,862,330)		(3,862,330)	
Judicial	215,903	930	-	-	(214,973)		(214,973)	
Public safety	3,545,019	158,088	165,305	1,074,552	(2,147,074)		(2,147,074)	
Health and welfare	3,770,169	187,464	2,062,366	572,197	(948,142)		(948,142)	
Auxiliary services	227,609	-	-	-	(227,609)		(227,609)	
Culture and recreation	1,359,920	37,668	219,465	217,053	(885,734)		(885,734)	
Public works	3,967,866	37,172	2,775,584	648,133	(506,977)		(506,977)	
Interest on long-term debt	155,533	-	-	-	(155,533)		(155,533)	
Total Governmental Activities	19,642,806	2,037,163	6,100,413	2,556,858	(8,948,372)		(8,948,372)	
Business-type Activities:								
Airport	2,595,012	1,168,699	-	4,164,228		2,737,915	2,737,915	
Sewer	373,498	395,589	-	71,934		94,025	94,025	
Water	427,585	207,426	6,302	497,811		283,954	283,954	
Landfill	571,653	939,135	5,960	-		373,442	373,442	
Housing	320,296	223,785	-	-		(96,511)	(96,511)	
Total Business-type Activities	4,288,044	2,934,634	12,262	4,733,973		3,392,825	3,392,825	
Total Primary Government	23,930,850	4,971,797	6,112,675	7,290,831	(8,948,372)	3,392,825	(5,555,547)	
Component Unit:								
Hospital	21,230,328	21,074,024	-	-				(156,304)
General Revenues and Transfers:								
Taxes:								
Property taxes					5,873,152	-	5,873,152	462,513
Specific ownership taxes					547,787	-	547,787	-
Sales taxes					2,059,331	21,491	2,080,822	-
Lodging taxes					1,352,945	-	1,352,945	-
Other taxes					18,989	-	18,989	-
Investment earnings					684,640	132,968	817,608	407,498
Grants and contributions not restricted to specific programs					1,629,796	-	1,629,796	-
Transfers					(197,288)	197,288	-	-
Total General Revenues and Transfers					11,969,352	351,747	12,321,099	870,011
Change in Net Assets					3,020,980	3,744,572	6,765,552	713,707
Net Assets - Beginning of Year					22,612,482	43,010,842	65,623,324	16,165,953
Net Assets - End of Year					25,633,462	46,755,414	72,388,876	16,879,660

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

FUND FINANCIAL STATEMENTS



**Gunnison County, Colorado
Governmental Funds
Balance Sheet
December 31, 2007**

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Human Services Fund</u>	<u>Sales Tax Capital Improvement Fund</u>	<u>Airport Construction Fund</u>	<u>Capital Expenditures Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:								
Cash and investments	4,326,545	1,537,218	249,797	629,629	287,181	147,740	1,405,273	8,583,383
Accounts receivable	5,665,675	422	357,388	989	47,652	9,514	641,693	6,723,333
Prepaid expenses	-	-	-	-	-	-	32,235	32,235
Due from other governments	141,123	501,359	327,551	610,024	444,721	187,518	235,111	2,447,407
Due from other funds	269,741	-	-	-	-	137,386	-	407,127
Total Assets	<u>10,403,084</u>	<u>2,038,999</u>	<u>934,736</u>	<u>1,240,642</u>	<u>779,554</u>	<u>482,158</u>	<u>2,314,312</u>	<u>18,193,485</u>
Liabilities and Fund Balances:								
Liabilities:								
Accounts payable	169,350	104,822	3,296	157,548	67,235	261,035	58,857	822,143
Accrued liabilities	192,638	8,649	353,115	-	416,196	-	-	970,598
Deposits	319,647	459,511	-	-	-	-	37,523	816,681
Due to other funds	-	161,923	37,762	126,010	11,422	-	227,667	564,784
Deferred revenue	5,658,574	-	295,918	-	-	183,435	641,472	6,779,399
Total Liabilities	<u>6,340,209</u>	<u>734,905</u>	<u>690,091</u>	<u>283,558</u>	<u>494,853</u>	<u>444,470</u>	<u>965,519</u>	<u>9,953,605</u>
Fund Balances:								
Reserved for emergencies	516,000	-	-	-	-	-	-	516,000
Reserved for prepaids	-	-	-	-	-	-	32,235	32,235
Unreserved:								
General Fund	3,546,875	-	-	-	-	-	-	3,546,875
Special revenue funds	-	1,304,094	244,645	957,084	-	-	1,316,558	3,822,381
Capital projects funds	-	-	-	-	284,701	37,688	-	322,389
Total Fund Balances	<u>4,062,875</u>	<u>1,304,094</u>	<u>244,645</u>	<u>957,084</u>	<u>284,701</u>	<u>37,688</u>	<u>1,348,793</u>	<u>8,239,880</u>
Total Liabilities and Fund Balances	<u>10,403,084</u>	<u>2,038,999</u>	<u>934,736</u>	<u>1,240,642</u>	<u>779,554</u>	<u>482,158</u>	<u>2,314,312</u>	<u>18,193,485</u>

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

Gunnison County, Colorado
Reconciliation of Governmental Fund Balances to
Statement of Net Assets
December 31, 2007

Total Governmental Fund Balances 8,239,880

**Amounts reported for governmental activities in the
Statement of Net Assets are different because:**

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. However, in the Statement of Net Assets, the cost of those assets are capitalized and expensed over their estimated lives through annual depreciation expense.

Cost of capital assets	37,741,888	
Less accumulated depreciation	<u>(19,687,152)</u>	18,054,736

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 Assets. This represents the net equity of the internal service funds less the fixed assets which are included above. 3,342,834

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 reported in the government-wide Statement of Net Assets. These amounts exclude internal service fund long-term liabilities, which are included in the above amount.

Accrued compensated absences	(967,586)	
Leases	(813,446)	
Bonds	(697,086)	
Loans	<u>(1,525,870)</u>	<u>(4,003,988)</u>

Net Assets of Governmental Activities 25,633,462

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, 2007

	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	5,419,713	182,484	253,580	1,732,511	-	-	2,263,915	9,852,203
Licenses and permits	300,326	-	-	-	-	-	-	300,326
Intergovernmental	892,335	3,553,776	1,873,286	255,636	4,494,375	2,420,457	355,582	13,845,447
Charges for services	1,530,880	36,509	-	-	152,123	658,125	388,887	2,766,524
Investment income	506,408	65,904	-	13,177	15,101	23,947	60,103	684,640
Contributions	358,201	10,000	1,320	38,431	-	17,053	47,643	472,648
Miscellaneous	179,762	132,913	16,375	-	-	-	188,213	517,263
Total Revenues	9,187,625	3,981,586	2,144,561	2,039,755	4,661,599	3,119,582	3,304,343	28,439,051
Expenditures:								
General government	5,003,395	-	-	388,189	-	-	1,225,620	6,617,204
Judicial	214,596	-	-	-	-	-	-	214,596
Public safety	2,358,355	-	-	20,000	-	2,452,666	-	4,831,021
Health and welfare	1,155,289	-	2,159,709	-	-	-	762,050	4,077,048
Auxiliary services	231,673	-	-	-	-	-	-	231,673
Culture and recreation	288,634	-	-	200,000	-	266,608	786,062	1,541,304
Public works	132,195	3,533,916	-	-	4,446,558	496,925	-	8,609,594
Debt service	16,974	-	-	220,053	163,374	-	168,481	568,882
Total Expenditures	9,401,111	3,533,916	2,159,709	828,242	4,609,932	3,216,199	2,942,213	26,691,322
Excess (Deficiency) of Revenues Over Expenditures	(213,486)	447,670	(15,148)	1,211,513	51,667	(96,617)	362,130	1,747,729
Other Financing Sources (Uses):								
Transfers in	994,886	146,120	-	10,000	-	141,350	184,906	1,477,262
Transfers (out)	(77,164)	(91,940)	-	(1,026,108)	-	(29,900)	(159,118)	(1,384,230)
Sale of capital assets	-	-	-	-	-	-	18,257	18,257
Total Other Financing Sources (Uses)	917,722	54,180	-	(1,016,108)	-	111,450	44,045	111,289
Net Change in Fund Balances	704,236	501,850	(15,148)	195,405	51,667	14,833	406,175	1,859,018
Fund Balances - Beginning of Year	3,358,640	802,242	259,793	761,680	233,034	22,855	942,616	6,380,860
Fund Balances - End of Year	4,062,876	1,304,092	244,645	957,085	284,701	37,688	1,348,791	8,239,878

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, 2007

Net Changes In Fund Balances - Total Governmental Funds 1,859,018

**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	(1,068,565)	
Capital outlay	<u>1,438,558</u>	369,993

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. 264,152

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 523,375

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, 2007	(967,586)	
Liability @ December 31, 2006	<u>972,024</u>	<u>4,438</u>

Change in Net Assets of Governmental Activities 3,020,980

Gunnison County, Colorado
Proprietary Funds
Statement of Net Assets
December 31, 2007

	Business-type Activities - Enterprise Funds						Totals	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		
Assets:								
Current Assets:								
Cash - Unrestricted	614,094	708,541	295,712	559,574	10	70,676	2,248,607	2,630,922
Cash - Restricted	-	-	-	1,398,220	-	376,461	1,774,681	-
Accounts receivable, net of allowance for uncollectible accounts where applicable	131,685	16,158	3,099	100,557	-	-	251,499	171,130
Due from other governments	7,786	-	85,518	-	-	-	93,304	1,933
Prepaid expenses	24,699	123	415	199	-	-	25,436	1,651
Due from other funds	6,249	-	57,989	-	-	-	64,238	199,852
Inventory, at cost	-	-	-	-	-	-	-	848,620
Total Current Assets	784,513	724,822	442,733	2,058,550	10	447,137	4,457,765	3,854,108
Non-current Assets:								
Deferred financing costs, net	-	-	-	-	-	361,314	361,314	-
Construction-in-progress	67,000	3,525,643	-	-	-	-	3,592,643	86,444
Land, property and equipment	53,718,406	2,637,033	7,881,155	123,089	2,037,513	1,591,181	67,988,377	10,654,099
Less accumulated depreciation	(17,794,883)	(1,703,662)	(3,605,753)	(103,331)	(237,892)	(925,851)	(24,371,372)	(7,352,585)
Total Non-current Assets	35,990,523	4,459,014	4,275,402	19,758	1,799,621	1,026,644	47,570,962	3,387,958
Total Assets	36,775,036	5,183,836	4,718,135	2,078,308	1,799,631	1,473,781	52,028,727	7,242,066
Liabilities:								
Current Liabilities:								
Accounts payable	44,302	16,967	5,503	12,898	-	9,382	89,052	154,630
Accrued liabilities	-	13,554	1,429	-	-	31,990	46,973	-
Due to other funds	-	60,873	-	39,222	-	5,600	105,695	740
Deferred revenue	-	100,000	-	-	-	-	100,000	119,923
Debt obligations, due within one year	10,721	30,922	3,748	-	14,854	9,217	69,462	91,975
Total Current Liabilities	55,023	222,316	10,680	52,120	14,854	56,189	411,182	367,268
Non-current Liabilities:								
Accrued compensated absences	44,389	-	10,306	30,431	-	-	85,126	49,312
Loans	-	158,718	81,770	-	513,432	1,370,345	2,124,265	-
Leases	16,877	-	-	-	-	928	17,805	94,688
Revenues bonds	-	1,761,062	-	-	-	-	1,761,062	-
Landfill closure and postclosure costs	-	-	-	873,872	-	-	873,872	-
Total Non-current Liabilities	61,266	1,919,780	92,076	904,303	513,432	1,371,273	4,862,130	144,000
Total Liabilities	116,289	2,142,096	102,756	956,423	528,286	1,427,462	5,273,312	511,268
Net Assets:								
Invested in capital assets, net of related debt	35,962,925	2,508,312	4,189,884	19,758	1,271,335	(353,846)	43,598,368	3,201,295
Restricted	-	-	-	1,398,220	-	-	1,398,220	-
Unrestricted	695,822	533,428	425,495	(296,093)	10	400,165	1,758,827	3,529,503
Total Net Assets	36,658,747	3,041,740	4,615,379	1,121,885	1,271,345	46,319	46,755,415	6,730,798

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 Assets
For the Year Ended December 31, 2007

	Business-type Activities - Enterprise Funds						Totals	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		
Operating Revenues:								
Rent, net	735,418	-	-	-	36,488	185,280	957,186	1,541,814
Other	18,252	-	6,302	1,489	-	2,018	28,061	153,915
Charges and fees	415,029	395,589	207,426	943,606	-	-	1,961,650	2,215,138
Total Operating Revenues	<u>1,168,699</u>	<u>395,589</u>	<u>213,728</u>	<u>945,095</u>	<u>36,488</u>	<u>187,298</u>	<u>2,946,897</u>	<u>3,910,867</u>
Operating Expenses:								
Operations and maintenance	677,391	202,475	88,855	530,367	-	157,341	1,656,429	3,249,010
Administration	322,616	5,583	31,114	32,592	-	-	391,905	10,570
Depreciation and amortization	1,590,751	80,410	303,221	8,693	38,063	63,391	2,084,529	598,224
Total Operating Expenses	<u>2,590,758</u>	<u>288,468</u>	<u>423,190</u>	<u>571,652</u>	<u>38,063</u>	<u>220,732</u>	<u>4,132,863</u>	<u>3,857,804</u>
Operating Income (Loss)	<u>(1,422,059)</u>	<u>107,121</u>	<u>(209,462)</u>	<u>373,443</u>	<u>(1,575)</u>	<u>(33,434)</u>	<u>(1,185,966)</u>	<u>53,063</u>
Non-operating Revenues (Expenses):								
Gain (loss) on disposal of capital assets	(2,875)	-	-	-	-	(1,157)	(4,032)	(2,291)
Sales tax	21,491	-	-	-	-	-	21,491	-
Investment revenue	31,204	2,133	-	90,417	-	9,214	132,968	67,963
Interest expense	(1,379)	(85,030)	(4,395)	-	(22,493)	(37,852)	(151,149)	(8,703)
Total Non-operating Revenues (Expenses)	<u>48,441</u>	<u>(82,897)</u>	<u>(4,395)</u>	<u>90,417</u>	<u>(22,493)</u>	<u>(29,795)</u>	<u>(722)</u>	<u>75,100</u>
Income (Loss) Before Contributions and Transfers	<u>(1,373,618)</u>	<u>24,224</u>	<u>(213,857)</u>	<u>463,860</u>	<u>(24,068)</u>	<u>(63,229)</u>	<u>(1,186,688)</u>	<u>128,163</u>
Capital Contributions	4,472,568	71,934	615,780	-	-	-	5,160,282	-
Transfers In	-	-	13,381	-	-	-	13,381	302,469
Transfers (Out)	<u>(64,490)</u>	<u>(57,001)</u>	<u>(24,620)</u>	<u>(96,291)</u>	<u>-</u>	<u>-</u>	<u>(242,402)</u>	<u>(166,480)</u>
Change in Net Assets	3,034,460	39,157	390,684	367,569	(24,068)	(63,229)	3,744,573	264,152
Total Net Assets - Beginning of Year	<u>33,624,287</u>	<u>3,002,583</u>	<u>4,224,694</u>	<u>754,317</u>	<u>1,295,413</u>	<u>109,548</u>	<u>43,010,842</u>	<u>6,466,646</u>
Total Net Assets - End of Year	<u>36,658,747</u>	<u>3,041,740</u>	<u>4,615,378</u>	<u>1,121,886</u>	<u>1,271,345</u>	<u>46,319</u>	<u>46,755,415</u>	<u>6,730,798</u>

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, 2007

	Business-type Activities - Enterprise Funds						Totals	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		
Cash Flows from Operating Activities:								
Cash received from charges for services	1,118,572	394,326	211,941	938,254	36,488	193,022	2,892,603	3,610,237
Cash received from other sources	18,252	-	6,302	1,489	-	2,018	28,061	153,915
Cash payments to vendors for goods and services	(586,806)	(174,094)	(81,534)	(365,221)	(1)	(119,126)	(1,326,782)	(2,781,899)
Cash payments to employees for services	(410,896)	(27,734)	(44,311)	(196,162)	-	(33,368)	(712,471)	(551,535)
Net Cash Provided (Used) by Operating Activities	<u>139,122</u>	<u>192,498</u>	<u>92,398</u>	<u>378,360</u>	<u>36,487</u>	<u>42,546</u>	<u>881,411</u>	<u>430,718</u>
Cash Flows from Non-capital Financing Activities:								
Taxes	21,491	-	-	-	-	-	21,491	-
Transfers from (to) other funds, net	(76,441)	(48,125)	(18,668)	(64,731)	-	202	(207,763)	(94,473)
Net Cash Provided (Used) by Non-capital Financing Activities	<u>(54,950)</u>	<u>(48,125)</u>	<u>(18,668)</u>	<u>(64,731)</u>	<u>-</u>	<u>202</u>	<u>(186,272)</u>	<u>(94,473)</u>
Cash Flows from Capital and Related Financing Activities:								
Capital grants	-	-	-	-	-	-	-	18,131
Capital contributions	-	71,934	-	-	-	-	71,934	-
Interest paid on debt	(1,379)	(85,030)	(4,395)	-	(22,493)	(37,852)	(151,149)	(8,703)
Principal paid on loans and leases	(10,314)	(31,837)	(3,570)	-	(13,995)	(25,627)	(85,343)	(125,202)
Purchase of capital assets	(160,633)	(182,194)	(70,275)	(7,885)	-	(1,722)	(422,709)	(511,831)
Cash from sale of assets	1,001	-	-	-	-	-	1,001	20,000
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(171,325)</u>	<u>(227,127)</u>	<u>(78,240)</u>	<u>(7,885)</u>	<u>(36,488)</u>	<u>(65,201)</u>	<u>(586,266)</u>	<u>(607,605)</u>
Cash Flows from Investing Activities:								
Cash from investment income	31,204	2,133	-	90,417	-	9,214	132,968	67,963
Net Cash Provided (Used) by Investing Activities	<u>31,204</u>	<u>2,133</u>	<u>-</u>	<u>90,417</u>	<u>-</u>	<u>9,214</u>	<u>132,968</u>	<u>67,963</u>
Net Increase (Decrease) in Cash	(55,949)	(80,621)	(4,510)	396,161	(1)	(13,239)	241,841	(203,397)
Cash - Beginning of Year	670,043	789,161	300,223	1,561,630	10	460,376	3,781,443	2,834,318
Cash - End of Year	<u>614,094</u>	<u>708,540</u>	<u>295,713</u>	<u>1,957,791</u>	<u>9</u>	<u>447,137</u>	<u>4,023,284</u>	<u>2,630,921</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:								
Operating income (loss)	(1,422,059)	107,121	(209,462)	373,443	(1,575)	(33,434)	(1,185,966)	53,063
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation and amortization	1,590,751	80,410	303,221	8,693	38,063	63,391	2,084,529	598,224
Changes in assets and liabilities:								
(Increase) decrease in accounts receivable	(31,875)	(1,263)	4,515	(5,352)	-	7,742	(26,233)	(155,695)
(Increase) decrease in prepaid expenses	(5,198)	(123)	(150)	(199)	-	-	(5,670)	(85)
(Increase) decrease in inventory	-	-	-	-	-	-	-	(136,150)
Increase (decrease) in accounts payable	4,110	4,750	(6,815)	(7,371)	(1)	(419)	(5,746)	60,250
Increase (decrease) in accrued liabilities	-	1,603	(60)	(3,892)	-	5,266	2,917	-
Increase (decrease) in deferred revenues	-	-	-	-	-	-	-	8,980
Increase (decrease) in compensated absences	3,393	-	1,149	13,038	-	-	17,580	2,131
Net Cash Provided (Used) by Operating Activities	<u>139,122</u>	<u>192,498</u>	<u>92,398</u>	<u>378,360</u>	<u>36,487</u>	<u>42,546</u>	<u>881,411</u>	<u>430,718</u>
Non-Cash Investing, Capital, and Financing Activities:								
Contribution of fixed assets	4,472,568	-	615,780	-	-	-	5,088,348	-

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

**Gunnison County, Colorado
Agency Funds
Statement of Fiduciary Net Assets
December 31, 2007**

	<u>County Treasurer Agency Fund</u>	<u>Public Trustee Agency Fund</u>
Assets:		
Cash	16,623,557	39,543
Less: cash held for County funds	<u>(14,762,000)</u>	<u>-</u>
Total Assets	<u><u>1,861,557</u></u>	<u><u>39,543</u></u>
 Liabilities:		
Due to other governments and agencies	1,861,557	-
Held by Trustee	<u>-</u>	<u>39,543</u>
Total Liabilities	<u><u>1,861,557</u></u>	<u><u>39,543</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS



Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2007

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). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board ("FASB") issued through November 30, 1989, when applicable, that do not conflict with or contradict GASB pronouncements. 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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2007
(Continued)

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 Assets, 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 assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2007
(Continued)

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 assets 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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2007
(Continued)

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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2007
(Continued)

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 long-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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2007
(Continued)

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.

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 lower of cost or market. 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, 2007 are recorded as prepaid expenses.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2007
(Continued)

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 \$5,000 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:

<u>Assets</u>	<u>Years</u>
Infrastructure	15-30
Buildings and improvements	15-40
Machinery and equipment	3-10
Vehicles	5

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 revenue.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2007
(Continued)

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. Fund Equity

Governments report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. At December 31, 2007, the County reported net assets invested in capital assets, restricted for landfill closure and emergencies as required by Colorado law.

Designations of fund balance represent tentative management plans that are subject to change. Designations of fund balance, if any, are reported only on fund financials and not on the government-wide financial statements.

13. 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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2007
(Continued)

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. Proprietary Funds

As required by GASB 20, the County has elected to follow for its proprietary funds, all (1) GASB pronouncements and (2) FASB Statements and Interpretations, APB Opinions, and Accounting Research Bulletins (ARBs) issued on or before November 30, 1989, except those that conflict with a GASB pronouncement.

3. 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 Assets

The governmental fund Balance Sheet includes reconciliation between *fund balance – total governmental funds* and *net assets of governmental activities* as reported in the government-wide Statement of Net Assets. 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 Assets. This represents the net equity of the internal service funds less the fixed assets.” This \$3,342,834 increase in comprised of \$3,854,101 of current assets less \$511,267.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2007
(Continued)

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 2006 were collected in 2007 and taxes certified in 2007 will be collected in 2008. 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.

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 2007 budget, prior to August 25, 2006, 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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2007
(Continued)

III. Stewardship, Compliance, and Accountability

C. Budget Amendments

Amendments made to the original budget for each fund were as follows:

	<u>Original Budget</u>	<u>Budget Amendments</u>	<u>Final Budget</u>
General Fund	\$ 10,021,391	-	10,021,391
Road & Bridge	4,238,332	-	4,238,332
Human Services	2,498,721	-	2,498,721
Conservation Trust	37,460	500	37,960
Sales Tax	2,818,653	-	2,818,653
Land Preservation	338,228	-	338,228
Library	703,843	50,000	753,843
Mosquito Control	76,389	-	76,389
Sage Grouse	140,825	-	140,825
Risk Management	90,430	30,000	120,430
Airport Construction	4,816,497	130,000	4,946,497
Capital Expenditures	2,105,311	1,240,000	3,345,311
Airport Operations	1,185,613	140,000	1,325,613
Sewer	730,927	-	730,927
Water	332,015	-	332,015
Solid Waste	826,016	-	826,016
Local Marketing District	1,137,349	34,700	1,172,049
Housing Authority Administration	1,115,311	-	1,115,311
Mountain View	228,548	-	228,548
Assisted Living	36,488	-	36,488
ISF-I	2,233,869	268,500	2,502,369
ISF-II	736,016	80,000	816,016
ISF-III	1,304,585	180,000	1,484,585
	<u>\$ 37,752,817</u>	<u>2,153,700</u>	<u>39,906,517</u>

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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2007
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

D. TABOR Amendment – Revenue and Spending Limitation Amendment (continued)

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 \$516,000.

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2007
(Continued)

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 \$100,000 of the County's deposits at each financial institution. Deposit balances over \$100,000 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
<i>Deposits:</i>				
Cash on hand	<i>Not Rated</i>	898,767	898,767	-
Checking	<i>Not Rated</i>	958,757	958,757	-
Savings	<i>Not Rated</i>	3,157,713	3,157,713	-
CDS	<i>Not Rated</i>	5,200,406	5,200,406	-
<i>Investments:</i>				
Pools	<i>AAAm</i>	6,671,413	6,671,413	-
Agencies	<i>AAA</i>	251,636	251,636	-
Total		<u>\$ 17,138,692</u>	<u>17,138,692</u>	<u>-</u>

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.

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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2007
(Continued)

IV. Detailed Notes on All Funds (continued)

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

1. As of December 31, 2007, \$2,971,732 of the Gunnison Valley Hospital and Gunnison Health Care Center's bank balances of \$3,462,463 was exposed to custodial risk and was collateralized by securities held by the pledging financial institution in other than the entity's name. The carrying value of these deposits was \$3,241,586 at December 31, 2007.
2. As of December 31, 2007, the amount of the Gunnison Valley Hospital and Gunnison Health Care Center's carrying amount of investments was \$4,587,504. The investments consisted of mutual funds and money markets.

C. Receivables

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

	<u>General</u>	<u>Road & Bridge</u>	<u>Human Services</u>	<u>Sales Tax Capital Improvement</u>	<u>Airport Construction</u>	<u>Capital Expenditures</u>	<u>Non-major Governmental</u>	<u>Total</u>
Receivables:								
Taxes	5,640,824	-	254,247	-	-	-	634,385	6,529,456
Accounts	24,851	422	103,141	989	47,652	9,514	7,308	193,877
Intergovernmental	141,123	501,359	327,551	610,024	444,721	187,518	235,111	2,447,407
Total receivables	<u>5,806,798</u>	<u>501,781</u>	<u>684,939</u>	<u>611,013</u>	<u>492,373</u>	<u>197,032</u>	<u>876,804</u>	<u>9,170,740</u>
	<u>Airport Operations</u>	<u>Sewer</u>	<u>Water</u>	<u>Landfill Operations</u>	<u>Assisted Living</u>	<u>Mountain View</u>	<u>Internal Service Funds</u>	<u>Total</u>
Receivables:								
Accounts	131,685	16,158	3,099	100,557	-	-	171,130	422,629
Intergovernmental	7,786	-	85,518	-	-	-	1,933	95,237
Total receivables	<u>139,471</u>	<u>16,158</u>	<u>88,617</u>	<u>100,557</u>	<u>-</u>	<u>-</u>	<u>173,063</u>	<u>517,866</u>

Management considers all receivables to be collectible. No allowances for uncollectible accounts were established at December 31, 2007. Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Deferred revenue includes property taxes levied in 2007 but not available until 2008. Governments also defer revenue recognition in connection with funds that have been received, but not yet earned.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2007
(Continued)

IV. Detailed Notes on All Funds (continued)

D. Capital Assets

Capital asset activity for the year ended December 31, 2007 was as follows:

ASSET	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,460,516	59,302	-	1,519,818
Construction in progress	427,459	100,927	(275,539)	252,847
Total capital assets, not being depreciated	<u>1,887,975</u>	<u>160,229</u>	<u>(275,539)</u>	<u>1,772,665</u>
Capital assets, being depreciated:				
Infrastructure	10,776,962	147,536	-	10,924,498
Improvements	365,305	53,587	-	418,892
Buildings	12,465,665	992,225	(12,994)	13,444,896
Equipment	10,471,434	872,351	(162,847)	11,180,938
Total capital assets being depreciated	<u>34,079,366</u>	<u>2,065,699</u>	<u>(175,841)</u>	<u>35,969,224</u>
Less accumulated depreciation for:				
Infrastructure	(6,932,363)	(567,244)	-	(7,499,607)
Improvements	(168,037)	(20,214)	-	(188,251)
Buildings	(4,297,988)	(331,556)	11,831	(4,617,713)
Equipment	(6,774,362)	(747,774)	140,556	(7,381,580)
Total accumulated depreciation	<u>(18,172,750)</u>	<u>(1,666,788)</u>	<u>152,387</u>	<u>(19,687,151)</u>
Total capital assets being depreciated, net	<u>15,906,616</u>	<u>398,911</u>	<u>(23,454)</u>	<u>16,282,073</u>
Governmental activities capital assets, net	<u>\$ 17,794,591</u>	<u>559,140</u>	<u>(298,993)</u>	<u>18,054,738</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 11,329,880	-	-	11,329,880
Construction in progress	3,401,473	191,170	-	3,592,643
Total capital assets not being depreciated	<u>14,731,353</u>	<u>191,170</u>	<u>-</u>	<u>14,922,523</u>
Capital assets, being depreciated:				
Improvements	29,866,362	4,405,568	-	34,271,930
Buildings	9,409,924	16,782	(2,617)	9,424,089
Utility treatment transmission systems	9,553,977	673,804	-	10,227,781
Equipment	2,546,682	223,733	(35,718)	2,734,697
Total capital assets being depreciated	<u>51,376,945</u>	<u>5,319,887</u>	<u>(38,335)</u>	<u>56,658,497</u>
Less accumulated depreciation for:				
Improvements	(13,344,661)	(1,261,163)	-	(14,605,824)
Buildings	(1,706,035)	(221,395)	1,460	(1,925,970)
Utility treatment transmission systems	(4,810,286)	(364,146)	-	(5,174,432)
Equipment	(2,473,059)	(223,931)	31,843	(2,665,147)
Total accumulated depreciation	<u>(22,334,041)</u>	<u>(2,070,635)</u>	<u>33,303</u>	<u>(24,371,373)</u>
Total capital assets being depreciated, net	<u>29,042,904</u>	<u>3,249,252</u>	<u>(5,032)</u>	<u>32,287,124</u>
Business-type activities capital assets, net	<u>\$ 43,774,257</u>	<u>3,440,422</u>	<u>(5,032)</u>	<u>47,209,647</u>

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2007
(Continued)

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	\$ 358,161
Judicial	1,307
Public safety	128,790
Health and welfare	64,033
Auxiliary services	1,740
Culture and recreation	72,304
Public works	1,040,453
Total Governmental Activities	<u><u>\$ 1,666,788</u></u>
Business-type Activities:	
Airport	\$ 1,590,751
Sewer	80,410
Water	303,221
Landfill	8,693
Housing	87,560
Total Business-type Activities	<u><u>\$ 2,070,635</u></u>

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

Capital assets consist of the following at December 31, 2007:

	Beginning			Ending
	Balance	Additions	Deletions	Balance
Land and improvements	\$ 521,803	-	-	521,803
Building leasehold improvements	15,657,147	952,341	-	16,609,488
Equipment	6,683,922	447,073	-	7,130,995
Construction in progress	18,664	60,847	-	79,511
Total property and equipment	22,881,536	1,460,261	-	24,341,797
Less: accumulated depreciation	(9,272,109)	(1,160,780)	-	(10,432,889)
Capital assets, net	<u><u>\$ 13,609,427</u></u>	<u><u>299,481</u></u>	<u><u>-</u></u>	<u><u>13,908,908</u></u>

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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2007
(Continued)

IV. Detailed Notes on All Funds (continued)

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

Interfund balances at December 31, 2007, 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, 2007. All amounts presented below are owed to / received from or transferred through the County Treasurer Agency Fund.

	<u>Due from County</u>	<u>Due to County</u>	<u>Transfer in</u>	<u>Transfer (out)</u>
General Fund	269,741	-	994,886	(77,164)
Road and Bridge Fund	-	161,923	146,120	(91,940)
Human Services Fund	-	37,762	-	-
Capital improvements Fund	-	126,010	10,000	(1,026,108)
Airport Construction	-	11,422	-	-
Capital Expenditures	137,386	-	141,350	(29,900)
Non-major Governmental Funds	-	227,667	184,906	(159,118)
Airport Operations	6,249	-	-	(64,490)
Sewer Fund	-	60,873	-	(57,001)
Water Fund	57,989	-	13,381	(24,620)
Landfill operations	-	39,222	-	(96,291)
Mountain View	-	5,600	-	-
Internal Service Funds	199,854	740	302,469	(166,480)
	<u>671,219</u>	<u>671,219</u>	<u>1,793,112</u>	<u>(1,793,112)</u>

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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2007
(Continued)

IV. Detailed Notes on All Funds (continued)

H. Long-term Liabilities – Governmental Activities

1. Compactor Lease

On April 3, 2001, the County signed a lease purchase agreement with Wagner Equipment for the purchase of a Compactor. The debt was recorded on the County's Internal Service Fund I. During the year ended December 31, 2003, the County refinanced the lease purchase agreement. The new terms required monthly payments of \$3,642 at a stated interest rate of 4.0% per annum. The final payment was made on November 16, 2007.

2. Motor Grader Lease

In 2004, the County signed a lease with Wells Fargo for three motor graders. The lease term is through November 2009 with a 2.95% interest rate. Annual payments of \$97,482 are required.

3. Blackstock Energy Improvements Lease

On May 26, 2000, the County entered into a lease purchase agreement to provide financing for energy improvements to the "Blackstock" building. The agreement funded costs of \$814,000 with a 5.85% interest rate. The lease purchase has a ten year term. Annual payments are required on January 5 of each year.

During the year ended December 31, 2003, the County refinanced this lease purchase agreement. The new terms require an annual payment of \$101,433 on January 7 of each year, beginning January 7, 2004 and ending January 7, 2010. Interest compounds annually at 3.85%.

4. Energy Savings Lease

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 \$243,807. 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 Assets – Governmental Activities column. Annual payments of \$31,038 are required. The leases have a stated interest rate of 5.25%.

During the year ended December 31, 2003, the County refinanced this agreement. The new terms require semi-annual payments of \$15,018 on February 15 and August 15 of each year, beginning February 15, 2003 and ending on February 15, 2010. Interest compounds annually at 3.90%.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2007
(Continued)

IV. Detailed Notes on All Funds (continued)

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

5. Family Services Energy Improvements Lease

In 1999, the County signed a lease purchase agreement for the acquisition of energy improvements and enhancements at the Gunnison Family Center. Two semi-annual payments of \$36,690 are required on the first of January and June. The lease has a stated interest rate of 5.45%.

During the year ended December 31, 2003, the County refinanced this agreement. The new terms require two semi-annual payments of \$34,920 on the first of January and July with final payment on July 1, 2009. The lease has a stated interest rate of 3.10%.

6. 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 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.

7. Colorado SIB Loans

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 principal and interest for the second note which totals \$33,694 is payable on July 23, annually through 2009. Both notes have a stated interest rate of 4%. In 2006, the County signed an additional loan for \$557,095 with similar terms.

8. 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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2007
(Continued)

IV. Detailed Notes on All Funds (continued)

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

8. West Gunnison Property Loan

In 2006 the County signed a loan for West Gunnison Property. The loan totaled \$351,502 and requires payments each January and July for \$22,645. The loan carries an interest rate of 4.85% and matures in 2015.

9. 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.

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. 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 with a 5% interest rate.

3. 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, 1992, bearing interest at 4.25%. Payments of \$39,669 are required semi-annually 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 an additional revenue bond totaling \$322,000 with an interest rate of 4.25%. The Bonds require payments of \$8,408 and mature in 2046.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2007
(Continued)

IV. Detailed Notes on All Funds (continued)

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

4. Mortgage Payable

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.

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 towards the amortization of the principal.

5. Mortgage Restructuring Loan – Contingent Loan

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. The loan is payable in 207 regular monthly payments of \$3,041 and one irregular last payment estimated at \$290,153.

The Center was then leased to the Gunnison Home Association (a Colorado non-profit corporation). The lease term shall continue until the above note has been paid in full. Upon full payment, the Center will be deeded to the Gunnison Home Association. The lease can be terminated, extended, or modified with the mutual agreement of both parties.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2007
(Continued)

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 one year left on its currently developed cell. Additional cells will be opened as needed. The landfill liability recorded at year end is \$873,872. 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, 2007. 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, 2007, the County had reserved \$1,398,220 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, 2007 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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2007
(Continued)

IV. Detailed Notes on All Funds (continued)

K. Long-term Liabilities – Summary

Long-term liability activity for the year ended December 31, 2007 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Internal Service Fund:					
Compactor Lease	35,862	-	(35,862)	-	-
Motor Grader Lease	276,002	-	(89,340)	186,662	91,975
Compensated Absences	47,182	2,130	-	49,312	-
Other Governmental Debt:					
Blackstock Energy					
Improvements Lease	369,496	-	(87,208)	282,288	90,565
Energy Savings Lease	57,786	-	(15,455)	42,331	16,277
Family Services Center Energy					
Improvements Lease	198,605	-	(64,176)	134,429	66,181
Open Space Sales Tax Revenue					
Bonds, Series 2002	822,444	-	(125,358)	697,086	131,262
Colorado SIB Loans - 2003	504,170	-	(74,523)	429,647	77,503
Pitchfork Lease	30,665	-	(1,329)	29,336	-
Colorado SIB Loans - 2006	557,095	-	(46,401)	510,694	48,257
Rock Creek Lease	335,138	-	(46,115)	289,023	47,978
West Gunnison Property Loan	325,776	-	(29,270)	296,506	31,045
Advocacy Center	358,602	-	(33,540)	325,062	34,965
Compensated Absences	973,195	-	(5,609)	967,586	-
Total Governmental Activities					
Long-term Liabilities	<u>4,892,018</u>	<u>2,130</u>	<u>(654,186)</u>	<u>4,239,962</u>	<u>636,008</u>
Business-type Activities:					
Impact Assistance Loan Funds - Water					
DOLA Mineral Impact Loan	89,088	-	(3,570)	85,518	3,748
North Gunnison Sewer Revenue Bond - 2005	1,481,046	-	(18,471)	1,462,575	16,912
North Gunnison Sewer Revenue Bond - 2006	322,000	-	(3,232)	318,768	3,370
Energy Savings Lease - Airport	37,912	-	(10,314)	27,598	10,721
Accrued Liability for Landfill Closure Costs	877,764	-	(3,892)	873,872	-
Compensated Absences	67,546	17,580	-	85,126	-
Gunnison County Housing Authority:					
Mortgage - Primary Mortgage	504,987	-	(8,313)	496,674	8,628
Mortgage - Surplus Cash	520,181	-	(16,747)	503,434	-
Mortgage - Contingent Payable	378,864	-	-	378,864	-
Energy Savings Lease	2,084	-	(566)	1,518	589
Note Payable - Palisades					
Living Center	542,281	-	(13,995)	528,286	14,854
Total Business-type Activities					
Long-term Liabilities	<u>5,003,244</u>	<u>17,580</u>	<u>(89,233)</u>	<u>4,931,591</u>	<u>69,462</u>

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2007
(Continued)

IV. Detailed Notes on All Funds (continued)

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

Debt service requirements at December 31, 2007 were as follows:

Dates	Governmental Funds		Business-Type		Internal Service Funds		Housing Authority		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2008	545,412	128,412	45,391	89,570	91,975	5,507	24,071	50,042	706,849	273,53
2009	568,115	105,709	47,405	87,558	94,688	2,793	25,290	48,823	735,498	244,86
2010	478,514	82,632	43,661	86,454	-	-	26,186	47,606	548,361	216,69
2011	388,282	62,287	39,667	83,601	-	-	27,124	46,346	455,073	192,23
2012	381,304	68,256	41,487	81,781	-	-	28,385	45,085	451,176	195,12
2013 2017	662,065	59,042	237,837	378,503	-	-	164,287	203,064	1,064,189	640,60
2018 2022	11,147	1,488	237,544	321,470	-	-	433,192	141,966	681,883	464,92
2023 2027	1,562	18	212,292	273,253	-	-	114,765	70,146	328,619	343,41
2028 2032	-	-	256,253	224,426	-	-	152,897	32,014	409,150	256,44
2033 2037	-	-	316,220	164,459	-	-	912,579	7,183	1,228,799	171,64
2038 2042	-	-	390,221	90,458	-	-	-	-	390,221	90,45
2043 2046	-	-	195,839	20,145	-	-	-	-	195,839	20,14
	<u>3,036,401</u>	<u>507,844</u>	<u>2,063,817</u>	<u>1,901,678</u>	<u>186,663</u>	<u>8,300</u>	<u>1,908,776</u>	<u>692,275</u>	<u>7,195,657</u>	<u>3,110,05</u>

M. Long-term Liabilities – Component Unit

- Hospital Revenue Bonds** - Series 1998, remaining annual maturities of \$320,000 to \$715,000, through July 1, 2023, bearing interest at rates ranging from 5.150% 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.

- Capital Lease Obligations** - mature between 2005 and 2009 and have imputed interest rate of 4.35%. The leases are collateralized by leased equipment.

The Gunnison Valley Hospital and Health Care Center have the following long-term liability activity for the year ended December 31, 2007:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Hospital revenue bonds	\$ 8,150,000	-	(300,000)	7,850,000	320,000
Capital lease obligations	279,829	-	(117,269)	162,560	112,063
Total Long-term Liabilities	<u>\$ 8,429,829</u>	<u>-</u>	<u>(417,269)</u>	<u>8,012,560</u>	<u>432,063</u>

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2007
(Continued)

IV. Detailed Notes on All Funds (continued)

M. Long-term Liabilities – Component Unit

Debt service requirements at December 31, 2007 were as follows:

	<u>Bonds</u>		<u>Lease</u>	<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Payments</u>	
2008	\$ 320,000	435,870	122,031	877,901
2009	340,000	419,230	46,276	805,506
2010	350,000	401,780	-	751,780
2011	375,000	382,870	-	757,870
2012	395,000	362,768	-	757,768
2013-2017	2,310,000	1,461,415	-	3,771,415
2018-2022	3,045,000	734,428	-	3,779,428
2023	715,000	40,223	-	755,223
Total Long-term Liabilities	<u>\$ 7,850,000</u>	<u>4,238,584</u>	<u>168,307</u>	<u>12,256,891</u>
		Less Interest	<u>(5,747)</u>	<u>(4,244,331)</u>
			<u>162,560</u>	<u>8,012,560</u>

V. Other Information

A. Pension Plans

The County is a member of the Colorado County Officials and Employees Retirement Association (“COERA”) which offers a defined contribution pension plan 401(a), and a Section 457 deferred compensation plan. COERA was organized in 1966 pursuant to state statutes, and includes counties, municipalities and special districts. Required contributions are established by the governing board of the Association.

1. Defined Contribution Pension Plan

Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant’s account plus the returns earned on investments of those contributions.

Participation is mandatory for all employees after one year 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 termination or retirement. Two (2) additional voluntary plans are also offered. One plan provides for contributions up to ten percent (10%) of an employee’s base pay while the other plan provides for deferred compensation in which the employee may tax shelter up to nineteen percent (19%) of their base pay.

During the year, the County’s required and actual contributions amounted to \$240,151 which was three percent (3%) of its current year covered payroll of \$8,005,044. The County’s total payroll for 2007 was \$8,897,002. The County’s employees contributed \$353,595.

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2007
(Continued)

V. Other Information

A. Pension Plans

2. Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

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.

The accrual basis of accounting is used for the plan. Revenues are recognized when earned and expenditures are recognized when incurred. Investments are recorded at market value.

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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2007
(Continued)

V. Other Information (continued)

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, 2007 and 2006 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. Employer plan contributions for the years ended December 31, 2007 and 2006 were \$305,910 and \$216,236 for the Hospital, respectively, and \$36,355 and \$19,358 for the Center, respectively. Employee contributions range from 5% to 25%.

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.

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, 2007.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2007
(Continued)

V. Other Information (continued)

D. Risk Management (continued)

3. Self-Insurance Unemployment Pool

In 2007, the County established a self-insurance plan to fund unemployment claims. The self-insurance plan covers individual claims up to \$25,000 per individual, subject to an aggregate loss of approximately \$600,000. 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).

4. Self-Insurance Health Insurance Pool

The County has established a self insurance internal service fund to account for employee health insurance costs. The County accumulates resources to pay health insurance costs but carries a stop loss policy for individuals of \$30,000 and an aggregate stop loss minimum exposure of \$800,000 with BPI combined insurance company.

E. Wastewater Treatment Capacity

In exchange for the waste treatment plant and land of the Gunnison County Sewer District - Dos Rios Division, the County received capacity at the City of Gunnison wastewater treatment facility for the treatment of 200,000 gallons per day of wastewater originating from the Dos Rios Sanitation District. The term of the agreement is indefinite and does not include treatment costs. Book value of property and equipment transferred amounted to \$56,255 and is being amortized over a period of twenty-five (25) years.

F. 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. County Industrial Revenue Bonds

In 1981, the County issued \$10,000,000 of Pollution Control Revenue Refunding Bonds AMAX, Inc. Project. The bonds were authorized by the State of Colorado to promote industry and develop trade or other economic activity with the State of Colorado. The bonds are not a debt of the County. The bonds will be payable and secured only by the revenues arising from the pledge and assignment under the indentures of the amounts due under the loan agreement.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2007
(Continued)

V. Other Information (continued)

F. Commitments and Contingencies (continued)

3. Commitments

The County has an active construction project for a bridge replacement as of December 31, 2007. At year end, the County spent \$77,842 on this capital project and has a commitment of \$589,298 related to its completion.

G. Possible Violations of State Statutes - Budgets

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

	<u>Final Budget</u>	<u>Actual</u>	<u>(Over) Budget</u>
Conservation Trust	37,960	38,637	(677)

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, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	<u>2007</u>			<u>Final Budget</u>	<u>2006</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Positive</u>	<u>Actual</u>
				<u>(Negative)</u>	
Revenues:					
Taxes	5,397,964	5,397,964	5,419,713	21,749	5,067,161
Licenses and permits	368,000	368,000	300,326	(67,674)	362,409
Intergovernmental	822,594	822,594	892,335	69,741	803,729
Charges for services	1,430,170	1,430,170	1,530,880	100,710	1,436,824
Investment income	344,540	344,540	506,408	161,868	412,449
Contributions	191,294	191,294	358,201	166,907	288,050
Miscellaneous	157,593	157,593	179,762	22,169	223,448
Total Revenues	<u>8,712,155</u>	<u>8,712,155</u>	<u>9,187,625</u>	<u>475,470</u>	<u>8,594,070</u>
Expenditures:					
General government	5,414,272	5,414,272	5,003,395	410,877	5,097,149
Judicial	214,596	214,596	214,596	-	213,125
Public Safety	2,442,755	2,442,755	2,358,355	84,400	2,157,954
Health and welfare	1,142,783	1,142,783	1,155,289	(12,506)	829,666
Auxiliary services	236,129	236,129	231,673	4,456	206,259
Culture and recreation	317,403	317,403	288,634	28,769	243,989
Public works	159,315	159,315	132,195	27,120	145,882
Debt service	16,974	16,974	16,974	-	16,974
Total Expenditures	<u>9,944,227</u>	<u>9,944,227</u>	<u>9,401,111</u>	<u>543,116</u>	<u>8,910,998</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>(1,232,072)</u>	<u>(1,232,072)</u>	<u>(213,486)</u>	<u>1,018,586</u>	<u>(316,928)</u>
Other Financing Sources (Uses):					
Transfers in	598,381	598,381	994,886	396,505	818,304
Transfers (out)	(77,164)	(77,164)	(77,164)	-	(113,870)
Sale of capital assets	100	100	-	(100)	-
Total Other Financing Sources (Uses)	<u>521,317</u>	<u>521,317</u>	<u>917,722</u>	<u>396,405</u>	<u>704,434</u>
Net Change in Fund Balances	<u>(710,755)</u>	<u>(710,755)</u>	704,236	<u>1,414,991</u>	387,506
Fund Balances - Beginning of Year			<u>3,358,640</u>		<u>2,971,134</u>
Fund Balances - End of Year			<u>4,062,876</u>		<u>3,358,640</u>

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, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	2007			Final Budget Variance Positive (Negative)	2006
	Original Budget	Final Budget	Actual		Actual
Taxes:					
General property taxes	5,043,364	5,043,364	5,060,340	16,976	4,707,659
Specific ownership tax	336,600	336,600	365,303	28,703	342,262
Delinquent tax and interest	18,000	18,000	(5,930)	(23,930)	17,240
Total Taxes	<u>5,397,964</u>	<u>5,397,964</u>	<u>5,419,713</u>	<u>21,749</u>	<u>5,067,161</u>
Licenses and Permits:					
Liquor licenses	16,000	16,000	1,391	(14,609)	1,151
Building permits	300,000	300,000	248,966	(51,034)	308,453
Other licenses and permits	52,000	52,000	49,968	(2,032)	52,805
Total Licenses and Permits	<u>368,000</u>	<u>368,000</u>	<u>300,325</u>	<u>(67,675)</u>	<u>362,409</u>
Intergovernmental:					
Payment in lieu of taxes	-	-	-	-	70,000
Federal Grants	90,610	90,610	100,547	9,937	83,339
State Grants	678,718	678,718	715,135	36,417	614,210
Local Grants	53,266	53,266	65,541	12,275	36,180
Mineral Leasing	-	-	11,111	11,111	-
Total Intergovernmental	<u>822,594</u>	<u>822,594</u>	<u>892,334</u>	<u>69,740</u>	<u>803,729</u>
Charges for Services:					
Clerk and recorder	460,000	460,000	471,682	11,682	457,089
Sheriff's fees	80,000	80,000	77,719	(2,281)	94,526
Treasurer's fees	585,900	585,900	588,814	2,914	582,541
Other Fees	37,170	37,170	73,164	35,994	53,114
Assessor's Fees	15,000	15,000	13,422	(1,578)	16,199
Public Health Fees	140,000	140,000	158,490	18,490	96,260
Land Use Fees	30,000	30,000	54,553	24,553	44,228
Useful Public Service	45,000	45,000	42,873	(2,127)	47,540
Court Fines & Fees	17,000	17,000	20,163	3,163	25,328
Public Trustee	20,100	20,100	30,000	9,900	20,000
Total Charges for Services	<u>1,430,170</u>	<u>1,430,170</u>	<u>1,530,880</u>	<u>100,710</u>	<u>1,436,825</u>
Other Revenue:					
Investment income	344,540	344,540	506,408	161,868	412,449
Contributions	191,294	191,294	358,201	166,907	288,050
Miscellaneous	157,593	157,593	179,762	22,169	223,448
Total Other Revenue	<u>693,427</u>	<u>693,427</u>	<u>1,044,371</u>	<u>350,944</u>	<u>923,947</u>
Total Revenues	<u>8,712,155</u>	<u>8,712,155</u>	<u>9,187,623</u>	<u>475,468</u>	<u>8,594,071</u>

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, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	2007			2006	
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
General Government:					
Board of county commissioners	474,647	474,647	400,798	73,849	411,034
Attorney	437,321	437,321	439,184	(1,863)	409,119
Planning	865,357	865,357	690,523	174,834	658,841
Manager	533,000	533,000	505,005	27,995	419,824
Sage grouse	18,545	18,545	15,242	3,303	16,321
Personnel	92,135	92,135	90,032	2,103	84,182
Compensated absences	62,350	62,350	49,978	12,372	51,875
Other administration	287,541	287,541	296,609	(9,068)	309,668
Clerk operations	424,384	424,384	431,752	(7,368)	478,536
Elections	85,559	85,559	94,609	(9,050)	225,847
Treasurer	278,819	278,819	278,074	745	271,869
Assessor operations	731,050	731,050	724,938	6,112	637,450
Buildings & grounds	716,749	716,749	584,398	132,351	571,156
Finance	371,815	371,815	354,724	17,091	315,428
Contributions	35,000	35,000	47,529	(12,529)	235,998
Total General Government	5,414,272	5,414,272	5,003,395	410,877	5,097,148
Judicial:					
District attorney	214,596	214,596	214,596	-	213,125
Public Safety:					
Wildfire containment	5,531	5,531	708	4,823	205
Search & rescue	16,909	16,909	12,477	4,432	17,564
Sheriff's operations	1,369,594	1,369,594	1,352,950	16,644	1,171,848
Detention center	805,248	805,248	769,522	35,726	747,004
Coroner	70,642	70,642	77,173	(6,531)	64,049
Emergency management	109,767	109,767	86,428	23,339	103,291
Hazardous materials	12,139	12,139	6,801	5,338	9,888
Juvenile diversion	52,925	52,925	52,297	628	44,105
Total Public Safety	2,442,755	2,442,755	2,358,356	84,399	2,157,954
Health and Welfare:					
Health	2,055	2,055	2,250	(195)	1,999
Substance abuse	83,659	83,659	72,281	11,378	47,513
Early childhood	-	-	30,605	(30,605)	-
Senior services coordinator	27,377	27,377	71,750	(44,373)	32,085
Multi-cultural center	87,708	87,708	95,563	(7,855)	84,465
Public health	573,978	573,978	518,438	55,540	419,594
Family planning program	128,999	128,999	138,358	(9,359)	127,688
Victims assistance program	76,424	76,424	73,977	2,447	61,871
Senior citizens	62,583	62,583	57,675	4,908	54,352
Contributions	100,000	100,000	94,392	5,608	100
Total Health and Welfare	1,142,783	1,142,783	1,155,289	(12,506)	829,667
Auxiliary Services:					
Alternate service services	89,939	89,939	88,541	1,398	82,736
Extension service	140,752	140,752	138,917	1,835	119,364
Veterans office	5,438	5,438	4,215	1,223	4,158
Total Auxiliary Services	236,129	236,129	231,673	4,456	206,258
Culture and Recreation:					
Beautification Committee	10,000	10,000	10,101	(101)	7,182
Historic Preservation	4,867	4,867	3,048	1,819	2,341
County Fairgrounds	236,329	236,329	211,058	25,271	234,466
Contribution	66,207	66,207	64,427	1,780	-
Total Culture and Recreation	317,403	317,403	288,634	28,769	243,989
Public Works:					
Weed program	159,315	159,315	132,195	27,120	145,882
Debt Service:					
Principal	-	-	14,822	(14,822)	14,073
Interest	16,974	16,974	2,152	14,822	2,901
Total Debt Service	16,974	16,974	16,974	-	16,974
Total Expenditures	9,944,227	9,944,227	9,401,112	543,115	8,910,997

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, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	2007			Final Budget Variance Positive (Negative)	2006
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
Specific ownership tax	168,275	168,275	182,484	14,209	171,098
Total Taxes	<u>168,275</u>	<u>168,275</u>	<u>182,484</u>	<u>14,209</u>	<u>171,098</u>
Intergovernmental:					
Payment in lieu of taxes	349,565	349,565	329,003	(20,562)	269,420
State grants	41,000	41,000	155,076	114,076	832,449
Highway users trust fund	2,121,100	2,121,100	2,260,172	139,072	2,358,638
Forest service	265,218	265,218	259,477	(5,741)	257,597
Mineral leasing	415,000	415,000	550,047	135,047	554,144
Total Intergovernmental	<u>3,191,883</u>	<u>3,191,883</u>	<u>3,553,775</u>	<u>361,892</u>	<u>4,272,248</u>
Charges for Services:					
Municipalities	47,000	47,000	23,307	(23,693)	42,025
Permits	7,800	7,800	13,202	5,402	10,652
Other	500	500	-	(500)	-
Total Charges for Services	<u>55,300</u>	<u>55,300</u>	<u>36,509</u>	<u>(18,791)</u>	<u>52,677</u>
Other:					
Fines and forfeitures	-	-	-	-	-
Investment income	23,765	23,765	65,904	42,139	22,429
Contributions	40,000	40,000	10,000	(30,000)	-
Miscellaneous	26,250	26,250	132,913	106,663	8,892
Total Other Revenue	<u>90,015</u>	<u>90,015</u>	<u>208,817</u>	<u>118,802</u>	<u>31,321</u>
Total Revenues	<u>3,505,473</u>	<u>3,505,473</u>	<u>3,981,585</u>	<u>476,112</u>	<u>4,527,344</u>
Expenditures:					
Marble bank building	53,200	53,200	1,498	51,702	1,567
Construction	498,950	498,950	149,123	349,827	296,949
Maintenance of condition	2,208,823	2,208,823	2,275,801	(66,978)	3,069,273
Snow removal	720,124	720,124	630,027	90,097	731,142
Administration	373,379	373,379	361,004	12,375	384,570
Trails	207,828	207,828	14,636	193,192	8,729
Municipalities	84,088	84,088	101,827	(17,739)	87,416
Total Expenditures	<u>4,146,392</u>	<u>4,146,392</u>	<u>3,533,916</u>	<u>612,476</u>	<u>4,579,646</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(640,919)</u>	<u>(640,919)</u>	<u>447,669</u>	<u>1,088,588</u>	<u>(52,302)</u>
Other Financing Sources (Uses):					
Transfers in	804,800	804,800	146,120	(658,680)	254,410
Transfers (out)	(91,940)	(91,940)	(91,940)	-	(84,670)
Total Other Financing Sources (Uses)	<u>712,860</u>	<u>712,860</u>	<u>54,180</u>	<u>(658,680)</u>	<u>169,740</u>
Net Change in Fund Balances	<u>71,941</u>	<u>71,941</u>	<u>501,849</u>	<u>429,908</u>	<u>117,438</u>
Fund Balances - Beginning of Year			<u>802,242</u>		<u>684,801</u>
Fund Balances - End of Year			<u>1,304,091</u>		<u>802,239</u>

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, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	2007			Final Budget Variance Positive (Negative)	2006
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
Property tax revenue	253,500	253,500	253,916	416	253,608
Delinquent tax and interest	850	850	(336)	(1,186)	930
Intergovernmental:					
EBT reimbursements	1,160,806	1,160,806	832,657	(328,149)	1,079,923
Other	1,079,925	1,079,925	1,040,629	(39,296)	983,572
Other:					
Contributions	3,600	3,600	1,320	(2,280)	4,372
Miscellaneous	50	50	16,375	16,325	916
Total Revenues	<u>2,498,731</u>	<u>2,498,731</u>	<u>2,144,561</u>	<u>(354,170)</u>	<u>2,323,321</u>
Expenditures:					
Administration	832,057	832,057	734,776	97,281	676,889
Administration - IVD	3,500	3,500	4,755	(1,255)	2,609
Employment first	14,968	14,968	10,650	4,318	6,206
General assistance	3,500	3,500	3,193	307	3,630
Child care	7,860	7,860	10,505	(2,645)	9,916
Colorado works - TANF	58,973	58,973	69,237	(10,264)	53,600
AID to needy disabled	-	-	-	-	73
Medicaid transportation	8,000	8,000	10,116	(2,116)	6,930
Low income energy assistance	21,138	21,138	21,316	(178)	11,130
Child welfare / foster care	157,171	157,171	222,297	(65,126)	161,840
CORE services	84,317	84,317	70,587	13,730	59,650
FEMA grant	-	-	-	-	7,186
Community services block grant	27,000	27,000	25,023	1,977	30,502
Other	37,200	37,200	23,056	14,144	40,238
EBT transactions	1,234,837	1,234,837	946,232	288,605	1,167,434
Old Age Pension	8,200	8,200	7,965	235	8,399
Total Expenditures	<u>2,498,721</u>	<u>2,498,721</u>	<u>2,159,708</u>	<u>339,013</u>	<u>2,246,232</u>
Net Change in Fund Balances	<u>10</u>	<u>10</u>	<u>(15,147)</u>	<u>(15,157)</u>	<u>77,089</u>
Fund Balances - Beginning of Year			<u>259,793</u>		<u>182,703</u>
Fund Balances - End of Year			<u>244,646</u>		<u>259,792</u>

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, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	<u>2007</u>			Final Budget Variance Positive (Negative)	<u>2006</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Taxes:					
Sales tax	1,634,135	1,634,135	1,732,511	98,376	1,482,080
Intergovernmental:					
Federal grants	242,498	242,498	44,923	(197,575)	-
State grants	592,573	592,573	210,713	(381,860)	78,425
Investment Income	14,000	14,000	13,177	(823)	15,186
Contributions	94,900	94,900	38,431	(56,469)	5,000
Miscellaneous	20,000	20,000	-	(20,000)	-
Total Revenues	<u>2,598,106</u>	<u>2,598,106</u>	<u>2,039,755</u>	<u>(558,351)</u>	<u>1,580,691</u>
Expenditures:					
General Government:					
General administration	27,460	27,460	31,208	(3,748)	25,932
Buildings and grounds	1,035,006	1,035,006	356,981	678,025	642,637
Public Safety:					
Jail renovation	20,000	20,000	20,000	-	66,286
Culture and Recreation:					
Buildings and grounds	200,000	200,000	200,000	-	100,000
Debt Service:					
Principal	-	-	186,349	(186,349)	222,703
Interest	279,117	279,117	33,704	245,413	56,414
Total Expenditures	<u>1,561,583</u>	<u>1,561,583</u>	<u>828,242</u>	<u>733,341</u>	<u>1,113,972</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,036,523</u>	<u>1,036,523</u>	<u>1,211,513</u>	<u>174,990</u>	<u>466,719</u>
Other Financing Sources (Uses):					
Transfers in	78,855	78,855	10,000	(68,855)	-
Transfers (out)	(1,257,070)	(1,257,070)	(1,026,108)	230,962	(720,557)
Total Other Financing Sources (Uses)	<u>(1,178,215)</u>	<u>(1,178,215)</u>	<u>(1,016,108)</u>	<u>162,107</u>	<u>(720,557)</u>
Net Change in Fund Balances	<u>(141,692)</u>	<u>(141,692)</u>	195,405	<u>337,097</u>	(253,838)
Fund Balances - Beginning of Year			761,680		1,015,518
Fund Balances - End of Year			<u>957,085</u>		<u>761,680</u>

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, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	<u>2007</u>			<u>Final Budget</u>	<u>2006</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Positive</u>	<u>Actual</u>
				<u>(Negative)</u>	
Revenues:					
Intergovernmental:					
Federal grants	3,773,135	3,773,135	3,417,719	(355,416)	667,866
State grants	250,000	250,000	1,076,656	826,656	88,300
Charges for Services:					
Passenger facility charges	120,000	120,000	152,123	32,123	161,061
Investment Income	1,800	1,800	15,101	13,301	13,422
Miscellaneous	500,000	500,000	-	(500,000)	-
Total Revenues	<u>4,644,935</u>	<u>4,644,935</u>	<u>4,661,599</u>	<u>16,664</u>	<u>930,649</u>
Expenditures:					
Public Works	4,653,122	4,783,122	4,446,558	336,564	1,278,952
Debt Service:					
Principal	120,924	120,924	120,924	-	71,656
Interest	42,451	42,451	42,451	-	23,033
Total Expenditures	<u>4,816,497</u>	<u>4,946,497</u>	<u>4,609,933</u>	<u>336,564</u>	<u>1,373,641</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>(171,562)</u>	<u>(301,562)</u>	<u>51,666</u>	<u>353,228</u>	<u>(442,992)</u>
Other Financing Sources (Uses):					
Transfers in	25,000	25,000	-	(25,000)	100,000
Debt proceeds	-	-	-	-	557,095
Total Other Financing Sources (Uses)	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>	<u>657,095</u>
Net Change in Fund Balances	<u>(146,562)</u>	<u>(276,562)</u>	<u>51,666</u>	<u>328,228</u>	<u>214,103</u>
Fund Balances - Beginning of Year			<u>233,034</u>		<u>18,932</u>
Fund Balances - End of Year			<u>284,700</u>		<u>233,035</u>

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, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	<u>2007</u>			<u>Final Budget</u>	<u>2006</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>		<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Intergovernmental:					
Federal grants	1,374,262	1,374,262	1,561,975	187,713	2,000,218
State grants	603,644	603,644	858,483	254,839	457,619
Charges for Services	-	-	658,125	658,125	7,500
Investment Income	896	896	23,947	23,051	13,249
Contributions	-	-	17,053	17,053	746,690
Miscellaneous	-	-	-	-	196,191
Total Revenues	<u>1,978,802</u>	<u>1,978,802</u>	<u>3,119,583</u>	<u>1,140,781</u>	<u>3,421,467</u>
Expenditures:					
Public Safety:					
DOJ grant pass-through	934,163	1,022,163	1,692,747	(670,584)	810,011
Community Emergency Response Team	-	900,000	759,920	140,080	-
Culture and Recreation:					
Special projects	-	252,000	256,481	(4,481)	160,476
West Elk byway	680,390	680,390	10,127	670,263	13,295
Public Works:					
Tenderfoot construction	-	-	-	-	2,009,920
Rios water system	490,758	490,758	496,925	(6,167)	398,908
Total Expenditures	<u>2,105,311</u>	<u>3,345,311</u>	<u>3,216,200</u>	<u>129,111</u>	<u>3,392,610</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>(126,509)</u>	<u>(1,366,509)</u>	<u>(96,617)</u>	<u>1,269,892</u>	<u>28,857</u>
Other Financing Sources (Uses):					
Transfers in	113,632	113,632	141,350	27,718	-
Transfers (out)	-	-	(29,900)	(29,900)	(19,108)
Total Other Financing Sources (Uses)	<u>113,632</u>	<u>113,632</u>	<u>111,450</u>	<u>(2,182)</u>	<u>(19,108)</u>
Net Change in Fund Balances	<u>(12,877)</u>	<u>(1,252,877)</u>	<u>14,833</u>	<u>1,267,710</u>	<u>9,749</u>
Fund Balances - Beginning of Year			<u>22,855</u>		<u>13,105</u>
Fund Balances - End of Year			<u>37,688</u>		<u>22,854</u>

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, 2007

	Special Revenue							Total	
	Conservation Trust Fund	Gunnison Public Library Fund	Mosquito Control Fund	Land Preservation Fund	Sage Grouse Fund	Risk Management Fund	Gunnison County Housing Auth. Administration	Local Marketing District	Non-major Governmental Funds
Assets:									
Cash and investments	79,871	202,625	18,082	252,049	200,862	68,883	368,232	214,669	1,405,273
Accounts receivable	-	635,862	-	-	-	-	4,939	892	641,693
Prepaid expenses	-	-	-	-	-	32,235	-	-	32,235
Due from other governments	-	-	-	35,520	-	-	13,656	185,935	235,111
Total Assets	79,871	838,487	18,082	287,569	200,862	101,118	386,827	401,496	2,314,312
Liabilities and Fund Balances:									
Liabilities:									
Accounts payable	-	6,314	-	-	-	13,792	38,645	106	58,857
Deposits	-	37,523	-	-	-	-	-	-	37,523
Due to other funds	28,166	2,015	-	2,050	-	260	195,099	77	227,667
Deferred revenue	-	634,385	-	-	2,500	-	4,587	-	641,472
Total Liabilities	28,166	680,237	-	2,050	2,500	14,052	238,331	183	965,519
Fund Balances:									
Reserved for prepaid expenses	-	-	-	-	-	32,235	-	-	32,235
Unreserved:									
Special revenue funds	51,705	158,250	18,082	285,519	198,362	54,831	148,496	401,313	1,316,558
Total Fund Balances	51,705	158,250	18,082	285,519	198,362	87,066	148,496	401,313	1,348,793
Total Liabilities and Fund Balances	79,871	838,487	18,082	287,569	200,862	101,118	386,827	401,496	2,314,312

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, 2007

	Special Revenue								
	Conservation Trust Fund	Gunnison County Public Library Fund	Mosquito Control Fund	Land Preservation Fund	Sage Grouse Fund	Risk Management Fund	Gunnison County Housing Auth. Administration	Local Marketing District	Total Non-major Governmental Funds
Revenues:									
Taxes	-	584,150	-	326,820	-	-	-	1,352,945	2,263,915
Intergovernmental	49,910	90,747	12,732	-	-	-	202,193	-	355,582
Charges for services	-	24,758	51,185	-	-	-	312,944	-	388,887
Investment income	3,333	13,979	-	3,503	-	4,038	17,536	17,714	60,103
Contributions	-	13,402	-	-	-	34,241	-	-	47,643
Miscellaneous	-	19,406	251	-	-	3,882	164,674	-	188,213
Total Revenues	53,243	746,442	64,168	330,323	-	42,161	697,347	1,370,659	3,304,343
Expenditures:									
General government	-	-	-	-	6,347	108,646	-	1,110,627	1,225,620
Health and welfare	-	-	74,699	-	-	-	687,351	-	762,050
Culture and recreation	499	671,218	-	114,345	-	-	-	-	786,062
Debt service	-	727	-	165,227	-	-	2,527	-	168,481
Total Expenditures	499	671,945	74,699	279,572	6,347	108,646	689,878	1,110,627	2,942,213
Excess (Deficiency) of Revenues Over Expenditures	52,744	74,497	(10,531)	50,751	(6,347)	(66,485)	7,469	260,032	- 362,130
Other Financing Sources (Uses):									
Transfers in	-	-	12,732	-	62,451	39,432	70,291	-	184,906
Transfers (out)	(38,138)	(55,610)	(1,500)	-	(25,000)	-	(31,200)	(7,670)	(159,118)
Sale of capital assets	-	-	-	-	-	-	18,257	-	18,257
Total Other Financing Sources (Uses)	(38,138)	(55,610)	11,232	-	37,451	39,432	57,348	(7,670)	44,045
Net Change in Fund Balances	14,606	18,887	701	50,751	31,104	(27,053)	64,817	252,362	406,175
Fund Balances - Beginning of Year	37,099	139,362	17,381	234,767	167,258	114,118	83,680	148,951	942,616
Fund Balances - End of Year	51,705	158,249	18,082	285,518	198,362	87,065	148,497	401,313	1,348,791

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, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	2007			Final Budget Variance Positive (Negative)	2006
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Lottery proceeds	36,000	36,000	49,910	13,910	66,533
Earnings on investments	1,089	1,089	3,333	2,244	1,342
Total Revenues	37,089	37,089	53,243	16,154	67,875
Expenditures:					
Treasurer's fees	360	860	499	361	665
Total Expenditures	360	860	499	361	665
Excess (Deficiency) of Revenues Over Expenditures	36,729	36,229	52,744	16,515	67,210
Other Financing Sources (Uses):					
Transfers (out)	(37,100)	(37,100)	(38,138)	(1,038)	(30,774)
Total Other Financing Sources (Uses)	(37,100)	(37,100)	(38,138)	(1,038)	(30,774)
Net Change in Fund Balances	(371)	(871)	14,606	15,477	36,436
Fund Balances - Beginning of Year			37,099		662
Fund Balances - End of Year			51,705		37,098

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

Gunnison County, Colorado
Special Revenue Funds
Gunnison County Public Library Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	<u>2007</u>			Final Budget Variance Positive (Negative)	<u>2006</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Taxes:					
General property tax	582,882	582,882	582,152	(730)	525,310
Interest and penalties	1,750	1,750	1,998	248	1,672
Intergovernmental:					
State grants	46,100	46,100	86,747	40,647	35,929
Local grants	3,500	3,500	4,000	500	2,500
Charges for Services	25,000	25,000	24,758	(242)	35,649
Investment Income	9,279	9,279	13,979	4,700	11,462
Contributions	13,100	13,100	13,402	302	12,779
Miscellaneous	15,216	15,216	19,406	4,190	24,948
Total Revenues	<u>696,827</u>	<u>696,827</u>	<u>746,442</u>	<u>49,615</u>	<u>650,249</u>
Expenditures:					
Culture and Recreation:					
Operating expenditures	344,001	378,201	351,967	26,234	328,564
Crested Butte branch	190,447	190,447	176,022	14,425	180,977
Memorial and endowment expense	12,000	12,000	12,478	(478)	15,505
Capital improvement	-	-	10	(10)	-
Literacy	101,058	116,858	130,741	(13,883)	85,399
Debt Service:					
Principal	-	-	634	(634)	602
Interest	727	727	93	634	125
Total Expenditures	<u>648,233</u>	<u>698,233</u>	<u>671,945</u>	<u>26,288</u>	<u>611,172</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>48,594</u>	<u>(1,406)</u>	<u>74,497</u>	<u>75,903</u>	<u>39,077</u>
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	15,000
Transfers (out)	(55,610)	(55,610)	(55,610)	-	(49,310)
Total Other Financing Sources (Uses)	<u>(55,610)</u>	<u>(55,610)</u>	<u>(55,610)</u>	<u>-</u>	<u>(34,310)</u>
Net Change in Fund Balances	<u>(7,016)</u>	<u>(57,016)</u>	<u>18,887</u>	<u>75,903</u>	<u>4,767</u>
Fund Balances - Beginning of Year			<u>139,362</u>		<u>134,596</u>
Fund Balances - End of Year			<u>158,249</u>		<u>139,363</u>

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, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	2007			Final Budget Variance Positive (Negative)	2006
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for Services	50,662	50,662	51,185	523	53,344
Local grants	12,732	12,732	12,732	-	12,999
Miscellaneous	265	265	251	(14)	358
Total Revenues	<u>63,659</u>	<u>63,659</u>	<u>64,168</u>	<u>509</u>	<u>66,701</u>
Expenditures:					
Operations	74,889	74,889	74,699	190	76,484
Total Expenditures	<u>74,889</u>	<u>74,889</u>	<u>74,699</u>	<u>190</u>	<u>76,484</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(11,230)</u>	<u>(11,230)</u>	<u>(10,531)</u>	<u>699</u>	<u>(9,783)</u>
Other Financing Sources (Uses):					
Transfers in	12,732	12,732	12,732	-	12,999
Transfers (out)	(1,500)	(1,500)	(1,500)	-	(1,390)
Total Other Financing Sources (Uses)	<u>11,232</u>	<u>11,232</u>	<u>11,232</u>	<u>-</u>	<u>11,609</u>
Net Change in Fund Balances	<u>2</u>	<u>2</u>	701	<u>699</u>	1,826
Fund Balances - Beginning of Year			<u>17,381</u>		<u>15,555</u>
Fund Balances - End of Year			<u>18,082</u>		<u>17,381</u>

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, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	<u>2007</u>			Final Budget Variance Positive (Negative)	<u>2006</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
Sales tax	295,449	295,449	326,820	31,371	289,656
Investment Income	<u>2,237</u>	<u>2,237</u>	<u>3,503</u>	<u>1,266</u>	<u>2,836</u>
Total Revenues	<u>297,686</u>	<u>297,686</u>	<u>330,323</u>	<u>32,637</u>	<u>292,492</u>
Expenditures:					
Culture and Recreation:					
Land preservation	173,000	173,000	114,345	58,655	145,594
Debt Service:					
Principal payments	125,750	125,750	125,921	(171)	120,798
Interest payments	<u>39,478</u>	<u>39,478</u>	<u>39,307</u>	<u>171</u>	<u>44,429</u>
Total Expenditures	<u>338,228</u>	<u>338,228</u>	<u>279,573</u>	<u>58,655</u>	<u>310,821</u>
Net Change in Fund Balances	<u>(40,542)</u>	<u>(40,542)</u>	50,750	<u>91,292</u>	(18,329)
Fund Balances - Beginning of Year			<u>234,767</u>		<u>253,096</u>
Fund Balances - End of Year			<u>285,517</u>		<u>234,767</u>

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, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	<u>2007</u>			Final Budget Variance Positive (Negative)	<u>2006</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Miscellaneous	-	-	-	-	2,500
Total Revenues	-	-	-	-	2,500
Expenditures:					
General government	115,825	115,825	6,347	109,478	112,768
Total Expenditures	115,825	115,825	6,347	109,478	112,768
Excess (Deficiency) of Revenues Over Expenditures	(115,825)	(115,825)	(6,347)	109,478	(110,268)
Other Financing Sources (Uses):					
Transfers in	37,000	37,000	62,451	25,451	53,497
Transfers (out)	(25,000)	(25,000)	(25,000)	-	(25,000)
Total Other Financing Sources (Uses)	12,000	12,000	37,451	25,451	28,497
Net Change in Fund Balances	<u>(103,825)</u>	<u>(103,825)</u>	31,104	<u>134,929</u>	(81,771)
Fund Balances - Beginning of Year			167,258		249,030
Fund Balances - End of Year			<u>198,362</u>		<u>167,259</u>

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, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	2007			Final Budget Variance Positive (Negative)	2006
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Investment Income	3,035	3,035	4,038	1,003	4,046
Contributions	33,319	33,319	34,241	922	31,231
Miscellaneous	-	-	3,882	3,882	-
Total Revenues	<u>36,354</u>	<u>36,354</u>	<u>42,161</u>	<u>5,807</u>	<u>35,277</u>
Expenditures:					
General Government:					
CAPP Insurance Claims	-	10,000	37,339	(27,339)	40,878
Other expenses	90,430	110,430	71,307	39,123	30,684
Total Expenditures	<u>90,430</u>	<u>120,430</u>	<u>108,646</u>	<u>11,784</u>	<u>71,562</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(54,076)</u>	<u>(84,076)</u>	<u>(66,485)</u>	<u>17,591</u>	<u>(36,285)</u>
Other Financing Sources (Uses):					
Transfers in	39,432	39,432	39,432	-	40,691
Total Other Financing Sources (Uses)	<u>39,432</u>	<u>39,432</u>	<u>39,432</u>	<u>-</u>	<u>40,691</u>
Net Change in Fund Balances	<u>(14,644)</u>	<u>(44,644)</u>	<u>(27,053)</u>	<u>17,591</u>	<u>4,406</u>
Fund Balances - Beginning of Year			<u>114,118</u>		<u>109,712</u>
Fund Balances - End of Year			<u>87,065</u>		<u>114,118</u>

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, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	2007			2006	
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Intergovernmental:					
Federal grants	230,000	230,000	134,672	(95,328)	115,794
State grants	26,028	26,028	22,520	(3,508)	13,061
Local grants	60,000	60,000	45,000	(15,000)	50,188
Charges for Services:					
Fees	640,270	640,270	312,944	(327,326)	295,996
Investment Income	-	-	17,536	17,536	4,576
Contributions	-	-	-	-	4,537
Miscellaneous	11,200	11,200	164,674	153,474	892
Total Revenues	<u>967,498</u>	<u>967,498</u>	<u>697,346</u>	<u>(270,152)</u>	<u>485,044</u>
Expenditures:					
Health and Welfare	999,532	999,532	687,351	312,181	496,398
Debt Service:					
Principal	5,300	5,300	1,437	3,863	-
Interest	424	424	1,090	(666)	2,527
Total Expenditures	<u>1,005,256</u>	<u>1,005,256</u>	<u>689,878</u>	<u>315,378</u>	<u>498,925</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(37,758)</u>	<u>(37,758)</u>	<u>7,468</u>	<u>45,226</u>	<u>(13,881)</u>
Other Financing Sources (Uses):					
Transfers in	70,291	70,291	70,291	-	113,116
Transfers (out)	(110,055)	(110,055)	(31,200)	78,855	(29,750)
Sale of capital assets	82,855	82,855	18,257	(64,598)	-
Total Other Financing Sources (Uses)	<u>43,091</u>	<u>43,091</u>	<u>57,348</u>	<u>14,257</u>	<u>83,366</u>
Net Change in Fund Balances	<u>5,333</u>	<u>5,333</u>	64,816	<u>59,483</u>	69,485
Fund Balances - Beginning of Year			<u>83,680</u>		<u>14,196</u>
Fund Balances - End of Year			<u>148,496</u>		<u>83,681</u>

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, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	<u>2007</u>			Final Budget Variance Positive (Negative)	<u>2006</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Marketing and promotion tax	900,000	900,000	1,077,945	177,945	1,020,820
Admission tax - Mt. Crested Butte	250,000	250,000	275,000	25,000	250,000
Earnings on investments	6,800	6,800	17,714	10,914	8,697
Total Revenues	<u>1,156,800</u>	<u>1,156,800</u>	<u>1,370,659</u>	<u>213,859</u>	<u>1,279,517</u>
Expenditures:					
General Government:					
Contracted services	1,050,000	1,075,000	1,075,000	-	1,050,000
Other	29,679	39,379	35,627	3,752	24,371
Debt Service:					
Principal	50,000	50,000	-	50,000	-
Total Expenditures	<u>1,129,679</u>	<u>1,164,379</u>	<u>1,110,627</u>	<u>53,752</u>	<u>1,074,371</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>27,121</u>	<u>(7,579)</u>	<u>260,032</u>	<u>267,611</u>	<u>205,146</u>
Other Financing Sources (Uses):					
Transfers (out)	(7,670)	(7,670)	(7,670)	-	(14,000)
Lease proceeds	2,080	2,080	-	(2,080)	-
Total Other Financing Sources (Uses)	<u>(5,590)</u>	<u>(5,590)</u>	<u>(7,670)</u>	<u>(2,080)</u>	<u>(14,000)</u>
Net Change in Fund Balances	<u>21,531</u>	<u>(13,169)</u>	<u>252,362</u>	<u>265,531</u>	<u>191,146</u>
Fund Balances - Beginning of Year			<u>148,951</u>		<u>(42,197)</u>
Fund Balances - End of Year			<u>401,313</u>		<u>148,949</u>

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, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	<u>2007</u>			<u>Final Budget</u>	<u>2006</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Positive</u>	<u>Actual</u>
				<u>(Negative)</u>	
Operating Revenues:					
Airport fees	287,635	287,635	393,709	106,074	327,749
Terminal & hanger rent	302,890	302,890	312,806	9,916	306,753
Ground transportation	212,301	212,301	241,111	28,810	202,566
Parking fees & fines	62,839	62,839	87,134	24,295	89,523
FBO rent and fees	25,915	25,915	25,712	(203)	24,918
Aviation fuel tax	23,066	23,066	38,694	15,628	31,645
Other	38,466	38,466	91,803	53,337	64,485
Total Operating Revenues	<u>953,112</u>	<u>953,112</u>	<u>1,190,969</u>	<u>237,857</u>	<u>1,047,639</u>
Operating Expenditures:					
Administration	360,247	360,247	323,134	37,113	276,539
Terminal operations	196,207	196,207	171,841	24,366	150,290
Runway & grounds maintenance.	193,275	193,275	208,858	(15,583)	123,248
Snow removal	61,564	61,564	50,992	10,572	74,118
Aircraft rescue	124,737	131,737	128,532	3,205	89,370
Security	50,400	50,400	52,830	(2,430)	49,002
Capital outlay	98,000	231,000	224,451	6,549	21,671
Debt payments	11,693	11,693	10,314	1,379	9,924
Total Operating Expenditures	<u>1,096,123</u>	<u>1,236,123</u>	<u>1,170,952</u>	<u>65,171</u>	<u>794,162</u>
Operating Income (Loss)	<u>(143,011)</u>	<u>(283,011)</u>	<u>20,017</u>	<u>303,028</u>	<u>253,477</u>
Non-operating Revenues (Expenditures):					
Proceeds from sale of assets	-	-	1,001	1,001	13,800
Transfers (out)	(89,490)	(89,490)	(64,490)	25,000	(161,550)
Investment revenue	18,535	18,535	30,424	11,889	24,586
Interest expense	-	-	(1,379)	(1,379)	(1,770)
Total Non-operating Revenues	<u>-</u>	<u>-</u>	<u>30,424</u>	<u>11,889</u>	<u>24,586</u>
(Expenditures)	<u>(70,955)</u>	<u>(70,955)</u>	<u>(34,444)</u>	<u>36,511</u>	<u>(124,934)</u>
Change in Net Assets - Budget Basis	<u>(213,966)</u>	<u>(353,966)</u>	<u>(14,427)</u>	<u>339,539</u>	<u>128,543</u>
Available Resources - Beginning of Year			<u>710,248</u>		<u>581,705</u>
Available Resources - End of Year			<u>695,821</u>		<u>710,248</u>

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, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	<u>2007</u>			<u>Final Budget</u>	<u>2006</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Positive</u>	<u>Actual</u>
				<u>(Negative)</u>	
Revenues:					
Dos Rios Division:					
Tap fees	16,500	16,500	11,000	(5,500)	22,000
User fees	157,850	157,850	156,429	(1,421)	153,279
Late fees	1,200	1,200	1,297	97	2,270
Other revenue	50	50	-	(50)	3
Total Dos Rios Division	<u>175,600</u>	<u>175,600</u>	<u>168,726</u>	<u>(6,874)</u>	<u>177,552</u>
Somerset Division:					
User fees	7,810	7,810	7,501	(309)	7,812
Late fees	100	100	120	20	125
Total Somerset Division	<u>7,910</u>	<u>7,910</u>	<u>7,621</u>	<u>(289)</u>	<u>7,937</u>
Antelope Hills Division:					
Tap fees	5,500	5,500	-	(5,500)	5,500
User fees	42,840	42,840	42,595	(245)	41,494
Late fees	400	400	359	(41)	325
Total Antelope Hills Division	<u>48,740</u>	<u>48,740</u>	<u>42,954</u>	<u>(5,786)</u>	<u>47,319</u>
North Gunnison Division:					
Tap fees	18,000	18,000	39,844	21,844	42,000
User fees	189,090	189,090	189,063	(27)	160,147
Late fees	1,000	1,000	357	(643)	2,310
Other revenue	300,000	300,000	-	(300,000)	300,500
Debt proceeds	-	-	-	-	322,000
Total North Gunnison Division	<u>508,090</u>	<u>508,090</u>	<u>229,264</u>	<u>(278,826)</u>	<u>826,957</u>
Total Revenues	<u>740,340</u>	<u>740,340</u>	<u>448,565</u>	<u>(291,775)</u>	<u>1,059,765</u>
Expenditures:					
Dos Rios Division:					
Operations	120,019	120,019	85,049	34,970	98,741
Transfers to other funds	14,319	14,319	15,095	(776)	13,407
Capital outlay	25,000	25,000	38,359	(13,359)	(23,025)
Total Dos Rios Division	<u>159,338</u>	<u>159,338</u>	<u>138,503</u>	<u>20,835</u>	<u>89,123</u>
Somerset Division:					
Operations	4,100	4,100	5,694	(1,594)	3,090
Transfers to other funds	1,893	1,893	1,972	(79)	1,735
Debt service	-	-	31,836	(31,836)	-
Total Somerset Division	<u>5,993</u>	<u>5,993</u>	<u>39,502</u>	<u>(33,509)</u>	<u>4,825</u>
Antelope Hills Division:					
Operations	30,844	30,844	21,651	9,193	22,325
Transfers to other funds	7,629	7,629	7,213	416	6,142
Capital outlay	4,000	4,000	-	4,000	-
Debt service	-	-	-	-	3,035
Total Antelope Hills Division	<u>42,473</u>	<u>42,473</u>	<u>28,864</u>	<u>13,609</u>	<u>31,502</u>
North Gunnison Division:					
Operations	99,754	99,754	218,409	(118,655)	93,765
Transfers to other funds	32,541	32,541	32,721	(180)	28,066
Capital outlay	275,566	275,566	-	275,566	92,781
Debt service	115,262	115,262	85,030	30,232	109,925
Total North Gunnison Division	<u>523,123</u>	<u>523,123</u>	<u>336,160</u>	<u>186,963</u>	<u>324,537</u>
Total Expenditures	<u>730,927</u>	<u>730,927</u>	<u>543,029</u>	<u>187,898</u>	<u>449,987</u>
Change in Net Assets - Budget Basis	<u>9,413</u>	<u>9,413</u>	(94,464)	<u>(103,877)</u>	609,778
Available Resources - Beginning of Year			<u>627,891</u>		<u>18,114</u>
Available Resources - End of Year			<u>533,427</u>		<u>627,892</u>

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

Gunnison County, Colorado
Enterprise Funds
Gunnison County Water Fund
Schedule of Revenues, Expenditures and Available Resources
Budget (Non-GAAP) Basis and Actual
For the Year Ended December 31, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	<u>2007</u>			<u>Final Budget</u>	<u>2006</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Positive</u>	<u>Actual</u>
				<u>(Negative)</u>	
Operating Revenues:					
User fees	192,630	192,630	202,334	9,704	196,123
Availability fees	4,640	4,640	5,092	452	6,078
Contributions	20,524	20,524	4,454	(16,070)	30,136
Other	400	400	1,848	1,448	1,191
Total Operating Revenues	<u>258,194</u>	<u>258,194</u>	<u>213,728</u>	<u>(44,466)</u>	<u>233,528</u>
Operating Expenditures:					
Dos Rios Division:					
Operating expenses	123,007	123,007	88,855	34,152	96,676
Capital outlay	-	-	-	-	12,646
Allocations	24,620	24,620	24,620		22,770
Somerset Division:					
Debt service	8,024	8,024	7,965	59	7,968
Utilities Administration:					
Operating expenses	176,364	176,364	101,389	74,975	26,117
Total Operating Expenditures	<u>332,015</u>	<u>332,015</u>	<u>222,829</u>	<u>109,186</u>	<u>166,177</u>
Operating Income (Loss)	<u>(73,821)</u>	<u>(73,821)</u>	<u>(9,101)</u>	<u>64,720</u>	<u>67,351</u>
Non-operating Revenues (Expenditures):					
Transfers in	12,762	12,762	13,381	619	13,380
Total Non-operating Revenues	<u>12,762</u>	<u>12,762</u>	<u>13,381</u>	<u>619</u>	<u>13,380</u>
(Expenditures)	<u>12,762</u>	<u>12,762</u>	<u>13,381</u>	<u>619</u>	<u>13,380</u>
Change in Net Assets - Budget Basis	<u>(61,059)</u>	<u>(61,059)</u>	4,280	<u>65,339</u>	80,731
Available Resources - Beginning of Year			<u>421,213</u>		<u>340,483</u>
Available Resources - End of Year			<u>425,493</u>		<u>421,214</u>

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, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	2007			2006	
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating Revenues:					
Sage Grouse mitigation	37,000	37,000	62,451	25,451	53,497
Construction surcharge	65,000	65,000	108,675	43,675	93,095
Landfill:					
Disposal fees	260,000	260,000	423,194	163,194	371,519
Closure cost surcharge	21,000	21,000	28,109	7,109	24,079
Other fees	-	-	5,702	5,702	-
Other	1,500	1,500	1,489	(11)	2,682
Total Landfill Revenues	384,500	384,500	629,620	245,120	544,872
Recycling:					
Recycling surcharge	84,500	84,500	141,666	57,166	121,344
Recycled material sales	90,000	90,000	173,809	83,809	123,355
Total Recycling Revenues	174,500	174,500	315,475	140,975	244,699
Total Operating Revenues	559,000	559,000	945,095	386,095	789,571
Operating Expenditures:					
Closure, post closure, construction reserve	261,722	261,722	29,344	232,378	2,783
Operations	317,154	317,154	347,886	(30,732)	273,806
Capital outlay	2,500	2,500	-	2,500	-
Total Landfill Expenditures	581,376	581,376	377,230	204,146	276,589
Recycling Expenditures:					
Operations	142,217	142,217	157,019	(14,802)	124,416
Capital outlay	1,000	1,000	7,895	(6,895)	2,472
Total Recycling Expenditures	143,217	143,217	164,914	(21,697)	126,888
Total Operating Expenditures	724,593	724,593	542,144	182,449	403,477
Operating Income (Loss)	(165,593)	(165,593)	402,951	568,544	386,094
Non-operating Revenues (Expenditures):					
Transfers (out)	(101,423)	(101,423)	(128,883)	(27,460)	(103,652)
Investment revenue	42,060	42,060	90,417	48,357	56,824
Total Non-operating Revenues (Expenditures)	(59,363)	(59,363)	(38,466)	20,897	(46,828)
Change in Net Assets - Budget Basis	(224,956)	(224,956)	364,485	589,441	339,266
Available Resources - Beginning of Year			1,611,515		1,272,249
Available Resources - End of Year			1,976,000		1,611,515

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, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	2007			Final Budget Variance Positive (Negative)	2006
	Original Budget	Final Budget	Actual		Actual
Operating Revenues:					
Palisade Assisted Living:					
Donations and debt service reimbursements	36,448	36,448	36,488	40	36,488
Total Operating Revenues	<u>36,448</u>	<u>36,448</u>	<u>36,488</u>	<u>40</u>	<u>36,488</u>
Operating Expenditures:					
Principal payments	14,313	14,313	13,995	318	13,425
Interest payments	22,175	22,175	22,493	(318)	23,063
Total Operating Expenditures	<u>36,488</u>	<u>36,488</u>	<u>36,488</u>	<u>-</u>	<u>36,488</u>
Change in Net Assets - Budget Basis	<u>(40)</u>	<u>(40)</u>	-	<u>40</u>	-
Available Resources - Beginning of Year			<u>10</u>		<u>10</u>
Available Resources - End of Year			<u>10</u>		<u>10</u>

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, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	<u>2007</u>			<u>Final Budget</u>	<u>2006</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Positive</u>	<u>Actual</u>
				<u>(Negative)</u>	
Operating Revenues:					
Mountain View Apartments:					
Tenant payments	62,700	62,700	93,685	30,985	86,583
Assistance payment	128,024	128,024	103,951	(24,073)	103,319
Vacancies	(3,658)	(3,658)	(12,357)	(8,699)	(12,063)
Other revenue	1,060	1,060	2,018	958	1,378
Total Operating Revenues	<u>188,126</u>	<u>188,126</u>	<u>187,297</u>	<u>(829)</u>	<u>179,217</u>
Operating Expenditures:					
Mountain View Apartments:					
Operations	190,627	190,627	166,188	24,439	127,713
Capital outlay	750	750	-	750	-
Principal on debt	8,158	8,158	22,064	(13,906)	38,633
Interest on debt	29,013	29,013	37,852	(8,839)	38,474
Total Operating Expenditures	<u>228,548</u>	<u>228,548</u>	<u>226,104</u>	<u>2,444</u>	<u>204,820</u>
Operating Income (Loss)	<u>(40,422)</u>	<u>(40,422)</u>	<u>(38,807)</u>	<u>1,615</u>	<u>(25,603)</u>
Non-operating Revenues (Expenditures):					
Sale of capital assets	-	-	-	-	3,199
Investment revenue	7,680	7,680	9,214	1,534	8,427
Total Non-operating Revenues	<u>7,680</u>	<u>7,680</u>	<u>9,214</u>	<u>1,534</u>	<u>11,626</u>
(Expenditures)	<u>7,680</u>	<u>7,680</u>	<u>9,214</u>	<u>1,534</u>	<u>11,626</u>
Change in Net Assets - Budget Basis	<u>(32,742)</u>	<u>(32,742)</u>	<u>(29,593)</u>	<u>3,149</u>	<u>(13,977)</u>
Available Resources - Beginning of Year			<u>429,757</u>		<u>443,663</u>
Available Resources - End of Year			<u>400,164</u>		<u>429,686</u>

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

Gunnison County, Colorado
Internal Service Funds
Combining Statement of Net Assets
For the Year Ended December 31, 2007

	<u>Internal Service Fund I</u>	<u>Internal Service Fund II</u>	<u>Internal Service Fund III</u>	<u>Total</u>
Current Assets:				
Cash	1,113,153	240,955	1,276,814	2,630,922
Accounts receivable, net of allowance for uncollectible accounts, where applicable	18,196	4,008	148,926	171,130
Due from other governments	1,933	-	-	1,933
Prepaid expenses	150	1,501	-	1,651
Due from other funds	199,852	-	-	199,852
Inventory, at cost	833,600	15,020	-	848,620
Total Current Assets	<u>2,166,884</u>	<u>261,484</u>	<u>1,425,740</u>	<u>3,854,108</u>
Non-current Assets:				
Land, property and equipment	9,878,047	862,495	-	10,740,542
Less: Accumulated depreciation	<u>(6,654,526)</u>	<u>(698,059)</u>	<u>-</u>	<u>(7,352,585)</u>
Total Non-current Assets	<u>3,223,521</u>	<u>164,436</u>	<u>-</u>	<u>3,387,957</u>
Total Assets	<u>5,390,405</u>	<u>425,920</u>	<u>1,425,740</u>	<u>7,242,065</u>
Liabilities:				
Current Liabilities:				
Accounts payable	120,409	17,054	17,165	154,628
Due to other funds	-	32	708	740
Deferred revenue	-	-	119,923	119,923
Leases, due within one year	91,975	-	-	91,975
Total Current Liabilities	<u>212,384</u>	<u>17,086</u>	<u>137,796</u>	<u>367,266</u>
Non-current Liabilities:				
Accrued compensated absences	37,946	7,130	4,236	49,312
Leases, due in more than one year	94,688	-	-	94,688
Total Non-current Liabilities	<u>132,634</u>	<u>7,130</u>	<u>4,236</u>	<u>144,000</u>
Total Liabilities	<u>345,018</u>	<u>24,216</u>	<u>142,032</u>	<u>511,266</u>
Net Assets:				
Invested in capital assets, net of related debt	3,036,858	164,436	-	3,201,294
Unrestricted	<u>2,008,529</u>	<u>237,268</u>	<u>1,283,708</u>	<u>3,529,505</u>
Total Net Assets	<u>5,045,387</u>	<u>401,704</u>	<u>1,283,708</u>	<u>6,730,799</u>

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 Assets
For the Year Ended December 31, 2007

	<u>Internal Service Fund I</u>	<u>Internal Service Fund II</u>	<u>Internal Service Fund III</u>	<u>Total</u>
Operating Revenues:				
Rent, net	1,541,814	-	-	1,541,814
Charges and fees	639	750	152,526	153,915
Other	124,480	688,451	1,402,207	2,215,138
Total Operating Revenues	<u>1,666,933</u>	<u>689,201</u>	<u>1,554,733</u>	<u>3,910,867</u>
Operating Expenses:				
Operations and maintenance	1,242,582	529,451	1,476,977	3,249,010
Administration	10,570	-	-	10,570
Depreciation and amortization	568,153	30,071	-	598,224
Total Operating Expenses	<u>1,821,305</u>	<u>559,522</u>	<u>1,476,977</u>	<u>3,857,804</u>
Operating Income (Loss)	<u>(154,372)</u>	<u>129,679</u>	<u>77,756</u>	<u>53,063</u>
Non-operating Revenues (Expenses):				
Gain (loss) on disposal of capital assets	(2,291)	-	-	(2,291)
Grant revenue	18,131	-	-	18,131
Investment revenue	-	-	67,963	67,963
Interest expense	(8,703)	-	-	(8,703)
Total Non-operating Revenues (Expenses)	<u>7,137</u>	<u>-</u>	<u>67,963</u>	<u>75,100</u>
Income (Loss) Before Transfers	<u>(147,235)</u>	<u>129,679</u>	<u>145,719</u>	<u>128,163</u>
Transfers In	239,700	62,769	-	302,469
Transfers (Out)	<u>(100,280)</u>	<u>(66,200)</u>	<u>-</u>	<u>(166,480)</u>
Change in Net Assets	(7,815)	126,248	145,719	264,152
Total Net Assets - Beginning of Year	<u>5,053,201</u>	<u>275,456</u>	<u>1,137,989</u>	<u>6,466,646</u>
Total Net Assets - End of Year	<u><u>5,045,386</u></u>	<u><u>401,704</u></u>	<u><u>1,283,708</u></u>	<u><u>6,730,798</u></u>

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, 2007

	Internal Service Fund I	Internal Service Fund II	Internal Service Fund III	Total
Cash Flows from Operating Activities:				
Cash received from charges for services	1,646,621	687,215	1,276,401	3,610,237
Cash received from other sources	639	750	152,526	153,915
Cash payments to vendors for goods and services	(986,976)	(343,682)	(1,451,241)	(2,781,899)
Cash payments to employees for services	(336,553)	(204,312)	(10,670)	(551,535)
Net Cash Provided (Used) by Operating Activities	323,731	139,971	(32,984)	430,718
Cash Flows from Non-capital Financing Activities:				
Transfers from (to) other funds, net	(92,442)	(7,039)	5,008	(94,473)
Net Cash Provided (Used) by Non-capital Financing Activities	(92,442)	(7,039)	5,008	(94,473)
Cash Flows from Capital and Related Financing Activities:				
Capital grants	18,131	-	-	18,131
Interest paid on debt	(8,703)	-	-	(8,703)
Principal paid on loans and leases	(125,202)	-	-	(125,202)
Purchase of capital assets	(363,167)	(148,664)	-	(511,831)
Cash from sale of assets	20,000	-	-	20,000
Net Cash Provided (Used) by Capital and Related Financing Activities	(458,941)	(148,664)	-	(607,605)
Cash Flows from Investing Activities:				
Cash from investment income	-	-	67,963	67,963
Net Cash Provided (Used) by Investing Activities	-	-	67,963	67,963
Net Increase (Decrease) in Cash	(227,652)	(15,732)	39,987	(203,397)
Cash - Beginning of Year	1,340,804	256,685	1,236,829	2,834,318
Cash - End of Year	1,113,152	240,953	1,276,816	2,630,921
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	(154,372)	129,679	77,756	53,063
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation and amortization	568,153	30,071	-	598,224
Changes in Assets and Liabilities:				
(Increase) decrease in accounts receivable	(19,673)	(1,236)	(134,786)	(155,695)
(Increase) decrease in prepaid expenses	(150)	65	-	(85)
(Increase) decrease in inventory	(131,507)	(4,643)	-	(136,150)
Increase (decrease) in accounts payable	52,815	(6,549)	13,984	60,250
Increase (decrease) in deferred revenues	-	-	8,980	8,980
Increase (decrease) in compensated absences	8,465	(7,416)	1,082	2,131
Net Cash Provided (Used) by Operating Activities	323,731	139,971	(32,984)	430,718

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, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	<u>2007</u>			<u>Final Budget</u>	<u>2006</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Positive</u>	<u>Actual</u>
				<u>(Negative)</u>	
Operating Revenues:					
Equipment rent	1,331,701	1,331,701	1,541,814	210,113	1,505,750
Material and gravel sales	328,400	328,400	120,274	(208,126)	84,006
Other revenues	6,100	6,100	4,845	(1,255)	12,708
Total Operating Revenues	<u>1,666,201</u>	<u>1,666,201</u>	<u>1,666,933</u>	<u>732</u>	<u>1,602,464</u>
Operating Expenditures:					
Administration	21,236	21,236	13,805	7,431	15,113
County shops	1,200,468	1,200,468	1,090,647	109,821	1,126,064
Materials	315,400	315,400	120,274	195,126	84,006
Pit maintenance	60,828	60,828	60	60,768	-
Property and equipment purchases	428,109	696,609	391,533	305,076	539,960
Equipment lease payments	137,548	137,548	133,905	3,643	141,190
Total Operating Expenditures	<u>2,163,589</u>	<u>2,432,089</u>	<u>1,750,224</u>	<u>681,865</u>	<u>1,906,333</u>
Operating Income (Loss)	<u>(497,388)</u>	<u>(765,888)</u>	<u>(83,291)</u>	<u>682,597</u>	<u>(303,869)</u>
Non-operating Revenues (Expenditures):					
Sale of capital assets	10,000	10,000	20,000	10,000	112,485
Grant revenue	-	-	18,131	18,131	399,261
Transfers in	239,700	239,700	239,700	-	48,560
Transfers (out)	(70,280)	(70,280)	(100,280)	(30,000)	(61,511)
Total Non-operating Revenues (Expenditures)	<u>179,420</u>	<u>179,420</u>	<u>177,551</u>	<u>(1,869)</u>	<u>498,795</u>
Change in Net Assets - Budget Basis	<u>(317,968)</u>	<u>(586,468)</u>	94,260	<u>680,728</u>	194,926
Available Resources - Beginning of Year			<u>1,914,268</u>		<u>1,719,340</u>
Available Resources - End of Year			<u>2,008,528</u>		<u>1,914,266</u>

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, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	<u>2007</u>			<u>2006</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative) Actual</u>
Operating Revenues:				
Data processing	353,194	353,194	353,464	270
Mapping	190,315	190,315	190,315	-
Telephone system	64,119	64,119	64,119	-
Photocopy and postage	81,496	81,496	77,799	(3,697)
Other	3,750	3,750	3,504	(246)
Total Operating Revenues	<u>692,874</u>	<u>692,874</u>	<u>689,201</u>	<u>(3,673)</u>
Operating Expenditures:				
Data Processing:				
Operations	282,605	362,605	251,677	110,928
Acquisition of property and equipment	58,489	58,489	11,090	47,399
Mapping:				
Operations	184,404	184,404	147,297	37,107
Acquisition of property and equipment	-	-	2,275	(2,275)
Telephone System:				
Operations	47,710	47,710	34,633	13,077
Acquisition of property and equipment	11,640	11,640	146,389	(134,749)
Photocopy and Postage:				
Operations	84,968	84,968	84,753	215
Acquisition of property and equipment	1,484	1,484	1,484	-
Total Operating Expenditures	<u>671,300</u>	<u>751,300</u>	<u>679,598</u>	<u>71,702</u>
Operating Income (Loss)	<u>21,574</u>	<u>(58,426)</u>	<u>9,603</u>	<u>68,029</u>
Non-operating Revenues (Expenditures):				
Transfers in	32,769	32,769	62,769	30,000
Transfers (out)	(64,716)	(64,716)	(64,716)	-
Total Non-operating Revenues (Expenditures)	<u>(31,947)</u>	<u>(31,947)</u>	<u>(1,947)</u>	<u>30,000</u>
Change in Net Assets - Budget Basis	<u>(10,373)</u>	<u>(90,373)</u>	<u>7,656</u>	<u>98,029</u>
Available Resources - Beginning of Year			<u>229,612</u>	<u>179,629</u>
Available Resources - End of Year			<u>237,268</u>	<u>229,609</u>

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, 2007
(With Comparative Actual Amounts for the Year Ended December 31, 2006)

	<u>2007</u>			<u>Final Budget</u>	<u>2006</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Positive</u>	<u>Actual</u>
				<u>(Negative)</u>	
Operating Revenues:					
Premium contributions	1,287,673	1,287,673	1,402,207	114,534	1,266,236
Miscellaneous	30,000	30,000	152,526	122,526	54,999
Total Operating Revenues	<u>1,317,673</u>	<u>1,317,673</u>	<u>1,554,733</u>	<u>237,060</u>	<u>1,321,235</u>
Operating Expenditures:					
Operations	1,304,585	1,484,585	1,476,977	7,608	1,119,274
Total Operating Expenditures	<u>1,304,585</u>	<u>1,484,585</u>	<u>1,476,977</u>	<u>7,608</u>	<u>1,119,274</u>
Operating Income (Loss)	<u>13,088</u>	<u>(166,912)</u>	<u>77,756</u>	<u>244,668</u>	<u>201,961</u>
Non-operating Revenues (Expenditures):					
Investment revenue	50,000	50,000	67,963	17,963	44,887
Total Non-operating Revenues	<u>50,000</u>	<u>50,000</u>	<u>67,963</u>	<u>17,963</u>	<u>44,887</u>
(Expenditures)	<u>50,000</u>	<u>50,000</u>	<u>67,963</u>	<u>17,963</u>	<u>44,887</u>
Change in Net Assets - Budget Basis	<u>63,088</u>	<u>(116,912)</u>	<u>145,719</u>	<u>262,631</u>	<u>246,848</u>
Available Resources - Beginning of Year			<u>1,137,989</u>		<u>891,142</u>
Available Resources - End of Year			<u>1,283,708</u>		<u>1,137,990</u>

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, 2007

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Assets:				
Cash	14,783,236			16,623,557
Less: Cash held for County funds	(12,861,110)	97,065,924	(95,225,603)	(14,762,000)
Total Assets	<u>1,922,126</u>	<u>97,065,924</u>	<u>(95,225,603)</u>	<u>1,861,557</u>
Liabilities:				
Due to other governments and agencies	1,922,126	97,065,924	(95,225,603)	1,861,557
Total Liabilities	<u>1,922,126</u>	<u>97,065,924</u>	<u>(95,225,603)</u>	<u>1,861,557</u>

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, 2007

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Assets:				
Cash	<u>57,490</u>	<u>49,065</u>	<u>(67,012)</u>	<u>39,543</u>
Total Assets	<u><u>57,490</u></u>	<u><u>49,065</u></u>	<u><u>(67,012)</u></u>	<u><u>39,543</u></u>
Liabilities:				
Held by Trustee	<u>57,490</u>	<u>49,065</u>	<u>(67,012)</u>	<u>39,543</u>
Total Liabilities	<u><u>57,490</u></u>	<u><u>49,065</u></u>	<u><u>(67,012)</u></u>	<u><u>39,543</u></u>

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

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



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

LOCAL HIGHWAY FINANCE REPORT	City or County: Gunnison
	YEAR ENDING : December 2007

This Information From The Records Of (example - City of _ or County of _) County of Gunnison Prepared By: Linda Nienhueser, Finance Director
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	III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES
--	--

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	163,758
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	2,377,628
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations		b. Snow and ice removal	630,027
3. Other local imposts (from page 2)	226,061	c. Other	
4. Miscellaneous local receipts (from page 2)	332,895	d. Total (a. through c.)	630,027
5. Transfers from toll facilities		4. General administration & miscellaneous	454,442
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	3,625,856
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	558,956	b. Redemption	
B. Private Contributions	14,975	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	2,415,249	2. Notes:	
D. Receipts from Federal Government (from page 2)	1,138,527	a. Interest	
E. Total receipts (A.7 + B + C + D)	4,127,707	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)	3,625,856

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
	802,242	4,127,707	3,625,856	1,304,093	0

Notes and Comments:
The beginning Balance (A.) above doesn't tie to the ending balance (D.) from last year because last year's report was completed prior to the audit. Actual 2006 ending balance is reflected above in the beginning balance for 2007.

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2007

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	65,904
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	20,270	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	37,731
5. Specific Ownership &/or Other	205,791	g. Other Misc. Receipts	229,260
6. Total (1. through 5.)	226,061	h. Other	
c. Total (a. + b.)	226,061	i. Total (a. through h.)	332,895
	(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	2,260,172	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	259,477
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	45,704	d. Federal Transit Admin	
d. Other (DOLA Mineral Impact)	107,159	e. U.S. Corps of Engineers	
e. Other (Dept of Health & Transp.)	2,213	f. Other Federal	879,050
f. Total (a. through e.)	155,076	g. Total (a. through f.)	1,138,527
4. Total (1. + 2. + 3.f)	2,415,249	3. Total (1. + 2.g)	
			(Carry forward to page 1)

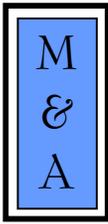
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs		56,442	56,442
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		92,680	92,680
(4). System Enhancement & Operation		14,636	14,636
(5). Total Construction (1) + (2) + (3) + (4)	0	107,316	107,316
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	163,758	163,758
			(Carry forward to page 1)

Notes and Comments:

SINGLE AUDIT REPORTS AND SCHEDULES





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

Board of Education Gunnison County Gunnison, Colorado

We have audited the financial statements 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 (the "Gunnison") as of and for the year ended December 31, 2007, which collectively comprise Gunnison County's basic financial statements and have issued our report thereon dated July 20, 2008. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Gunnison'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*.

Internal Control Over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the Gunnison's ability to initiate, authorize, record, process, or report financial data reliably in accordance with general accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Gunnison's financial statements that is more than inconsequential will not be prevented or detected by the Gunnison's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Performing services for local governments throughout Colorado

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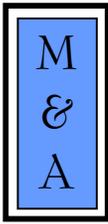
**Board of County Commissioners
Gunnison County**

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

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

McMahan and Associates, LLC.

**McMahan and Associates, L.L.C.
July 20, 2008**



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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

**Board of Education
Gunnison County
Gunnison, Colorado**

Compliance

We have audited the compliance of the Gunnison County (the "Gunnison") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2007. The Gunnison's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Gunnison's management. Our responsibility is to express an opinion on the Gunnison's compliance based on our audit.

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*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Gunnison's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Gunnison's compliance with those requirements.

In our opinion, the Gunnison complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2007.

Internal Control Over Compliance

The management of the Gunnison is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Gunnison's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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**Board of County Commissioners
Gunnison County, Colorado**

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

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

McMahan and Associates, LLC.

**McMahan and Associates, L.L.C.
July 20, 2008**

Gunnison County
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2007

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
Reportable condition identified that is not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted	None noted

Federal Awards

Internal control over major programs:	
Material weakness identified	None noted
Material weaknesses that are not considered to be significant deficiencies	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 programs: Food Assistance - EBT	CFDA #10.551
Airport Improvement Projects	CFDA #20.106
State Homeland Security	CFDA #97.067
HUD Insured Loan Program	CFDA #14.857
Environmental Cleanup & Acceleration	CFDA #81.104
Dollar threshold used to identify Type A from Type B programs	\$300,000
Identified as low-risk auditee	No

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

Gunnison County
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2007

Note: There were no findings for the fiscal year ended December 31, 2006.

Gunnison County, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2007

Program Title	Federal CFDA Number	Major Program	Expenditures
Department of Agriculture:			
Rural development grant	10.771	No	133,672
Passed through Colorado Department of Public Health and Environment:			
Women, Infant, Children	10.557	No	50,495
Women, Infant, Children (non-cash vouchers)	10.557	No	100,798
Passed through Colorado Department of Human Services:			
Temporary Emergency Food Assistance Food Program (TEFAP) Program	10.568	No	453
Food Distribution	10.569	No	132
Food Assistance-EBT	10.551	Yes	367,843
Food Assistance-Administration	10.561	Yes	66,917
Total Department of Agriculture:			<u>720,310</u>
Department of Health and Human Services:			
Passed through Colorado Department of Human Services:			
Independent living	93.674	No	33,266
CSBG Grant	93.667	No	24,264
TANF CO Works	93.558	No	92,917
Title IV-D - Administration	93.563	No	93,824
Low-income Home Energy Assistance	93.568	No	85,407
CCDF Discretionary	93.596	No	77,044
CCDF	93.575	No	53,975
Promoting Safe and Stable Families	93.556	No	50,000
Child Welfare Services IVB	93.645	No	4,988
Foster Care-Title IV-E	93.658	No	150,481
Adoption	93.659	No	31,965
Social Services Block Grant	93.667	No	81,949
Medicaid Assistance Program	93.778	No	41,718
Adjustments to Costs	93.000	No	(2,302)
Passed through Colorado Department of Public Health and Environment:			
Maternal and Child Health	93.110	No	612
Family Planning	93.217	No	46,937
Family Planning - non-cash materials inc. manuals/IUDs	93.217	No	2,222
Immunizations	93.268	No	2,552
Immunizations - non-cash vaccinations	94.268	No	110,647
CWCCI/WWC	93.283	No	15,640
Bioterrorism	93.283	No	20,877
BT Pandemic Influenza	93.283	No	26,752
Sexually Transmitted Diseases	93.977	No	2,440
Public Health Nurse - Maternal and Child Health Service	93.994	No	3,194
Special Program for the Aging	93.044	No	27,904
Medicaid Assistance Program	93.778	No	25,594
Total Department of Health and Human Services:			<u>1,104,867</u>
Department of Transportation:			
Federal Aviation Administration:			
Airport Improvement Projects (total)	20.106	Yes	3,400,709
Department of Transportation:			<u>3,400,709</u>

Gunnison County, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2007
(continued)

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Major Program</u>	<u>Expenditures</u>
Department of Homeland Security:			
Emergency Food and Shelter National Board Program	97.024	No	6,934
Passed through Colorado Department of Local Affairs			
State Homeland Security Program 2005	97.067	No	1,155,095
Total Department of Homeland Security:			<u>1,162,029</u>
Department of Justice:			
Violence Against Women	16.588	No	18,463
Victims of Crime Act, Crime Victim Assistance Program	16.575	No	19,640
Juvenile Accountability	16.523	No	12,084
Total Department of Justice:			<u>50,187</u>
Department of Housing and Urban Development:			
Passed through Colorado Department of Local Affairs - Division of Housing:			
Emergency Shelter Grants	14.231	No	17,376
CDBG Grant	14.228	No	222,738
Section 8 Housing Assistance Payment Program	14.195	No	18,658
Passed through Colorado Department Housing and Finance Authority:			
Insured Loan Program	14.135	Yes	883,851
Lower Income Housing Assistance Program	14.857	Yes	103,951
Total Department of Housing and Urban Development:			<u>1,246,574</u>
Department of Education:			
Passed through Colorado Department of Education through Montrose School District RE-1J:			
Adult Education	84.002	No	59,018
Total Department of Energy:			<u>59,018</u>
Department of Energy:			
Environmental Cleanup and Acceleration	81.104	Yes	452,265
Total Department of Energy:			<u>452,265</u>
Total Federal Assistance:			<u>8,195,959</u>

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2007

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, 2007.

Gunnison County, Colorado
Schedule of Passenger Facility Charges Collected and Expended
For the Year Ended December 31, 2007

<u>Program Title</u>	<u>Amounts for Current Year</u>	<u>Unliquidated Balance</u>
Unliquidated PFC revenues, beginning of year		\$ -
Revenues:		
Revenues collected from air carriers	152,123	
Interest Earned	-	
Total PFC Revenues	<u>152,123</u>	152,123
Project Expenditures:		
Construction	<u>(152,123)</u>	
Total PFC project expenditures	<u>(152,123)</u>	<u>(152,123)</u>
Unliquidated PFC revenues, end of year		<u>\$ -</u>

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