

Gunnison County

Financial Report

December 31, 2010



**Gunnison County, Colorado
Financial Report
December 31, 2010**

Table of Contents

	Page
INDEPENDENT AUDITOR'S REPORT	A1 - A2
Management's Discussion and Analysis	B1 – B6
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	C1
Statement of Activities	C2
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	C3
Reconciliation of Governmental Fund Balance to Statement of Statement of Net Assets	C4
Statement of Revenues, Expenditures and Changes in Fund Balances	C5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C6
Proprietary Funds:	
Statement of Net Assets	C7
Statement of Revenues, Expenses, and Changes in Fund Net Assets	C8
Statement of Cash Flows	C9
Fiduciary Funds:	
Statement of Fiduciary Net Assets	C10
 Notes to the Financial Statements	 D1 – D30
 Required Supplementary Information:	
General Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual	E1
Schedule of Revenues - Budget (GAAP Basis) and Actual	E2
Schedule of Expenditures - Budget (GAAP Basis) and Actual	E3
Major Special Revenue Funds:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual:	
Road and Bridge Fund	E4
Human Services Fund	E5
Sales Tax Capital Improvement Fund	E6
 Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Capital Projects Funds -	
Airport Construction Fund	F1
Capital Expenditures Fund	F2
Non-major Governmental Funds:	
Combining Balance Sheet	F3
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	F4

**Gunnison County, Colorado
Financial Report
December 31, 2010**

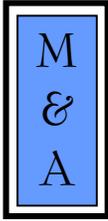
**Table of Contents
(Continued)**

	Page
Supplementary Information (continued):	
Non-major Special Revenue Funds (continued):	
Schedule of Revenues, Expenditures and Changes in Fund Balances -	
Budget (GAAP Basis) and Actual:	
Conservation Trust Fund	F5
Gunnison County Public Health Fund	F6
Mosquito Control Fund	F7
Land Preservation Fund	F8
Sage Grouse Fund	F9
Risk Management Fund	F10
Gunnison County Housing Authority Administration	F11
Local Marketing District	F12
Proprietary Funds:	
Schedule of Revenues, Expenditures and Available Resources -	
Budget (Non-GAAP Basis) and Actual:	
Airport Operations Fund	F13
Gunnison County Sewer Fund	F14
Gunnison County Water Fund	F15
Landfill Operations Fund	F16
Gunnison County Housing Authority- Assisted Living	F17
Gunnison County Housing Authority- Mountain View	F18
Internal Service Funds:	
Combining Statement of Net Assets	F19
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	F20
Combining Statement of Cash Flows	F21
Schedule of Revenues, Expenditures and Available Resources -	
Budget (Non-GAAP Basis) and Actual:	
Internal Service Fund I	F22
Internal Service Fund II	F23
Internal Service Fund III	F24
Fiduciary Funds:	
Schedule of Changes in Assets and Liabilities:	
County Treasurer Agency Fund	F25
Public Trustee Agency Fund	F26
Annual Schedule of Revenues and Expenditures for Roads, Bridges and Streets	F27 - F28

**Gunnison County, Colorado
Financial Report
December 31, 2010**

**Table of Contents
(Continued)**

	Page
Single Audit Reports and Schedules:	
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	G1 - G2
Report on Compliance with Requirements Applicable to each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	G3 – G4
Schedule of Findings and Questioned Costs	G5
Schedule of Prior Audit Findings and Questioned Costs	G6
Schedule of Expenditures of Federal Awards	G7 – G8
Schedule of Passenger Facility Charges Collected and Expended	G9



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

CHAPEL SQUARE, BLDG C
245 CHAPEL PLACE, SUITE 300
P.O. Box 5850, AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM
MAIN OFFICE: (970) 845-8800
FACSIMILE: (970) 845-8108
E-MAIL: MCMAHAN@MCMAHANCPA.COM

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 the Gunnison County, Colorado (the "County"), as of and for the year ended December 31, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the County. 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Gunnison County as of December 31, 2010, 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 September 28, 2011 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Member: American Institute of Certified Public Accountants

D. JERRY MCMAHAN, C.P.A.
PAUL J. BACKES, C.P.A.

DANIEL R. CUDAHY, C.P.A.
MICHAEL N. JENKINS, C.A., C.P.A.

AVON
(970) 845-8800

ASPEN
(970) 544-3996

FRISCO
(970) 668-3481

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

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

The budgetary fund information in section E is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. The budgetary fund 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 combining fund financial statements, individual non-major fund budgetary comparisons, the Schedule of Passenger Facility Charges Collected and Expended, and the Local Highway Finance Report listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the County's basic financial statements. The combining and individual non-major fund financial statements and the Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. Additionally, the Schedule of Passenger Facility Charges Collected and Expended and the Schedule of Expenditures of Federal Awards included in the Single Audit section are presented for the purpose of additional analysis, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and are not a required part of the County's basic financial statements. Such information 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.
September 28, 2011**

MANAGEMENT'S DISCUSSION AND ANALYSIS



Gunnison County, Colorado

Management's Discussion and Analysis

December 31, 2010

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, 2010.

Financial Highlights

- On a short term view, the County's governmental funds increased \$16,847,071. This was primarily due to increases in the Capital Expenditure Fund related to proceeds of the 2010 Certificates of Participation.
- On a long term view the County's governmental activities increased net assets by \$3,851,806. This occurred because a portion of the County's fund expenditures were invested in capital assets that had a useful life of longer than one year.
- On a short term view the County's business type funds available resources increased \$640,427. This is primarily due to an increase in the sewer fund.
- On a long-term view the County's business type activities decreased net assets by \$710,628. This decrease is primarily due to decreases in the Airport Operations Fund and Water Fund.

Overview of the Financial Statements

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

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

The Statement of Net 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.

Overview of the Financial Statements (continued)

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

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

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

Government-wide Financial Analysis

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

At the end of the 2010 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.

	Governmental		Business-type		Total	
	Activities		Activities			
	2010	2009 (Restated)	2010	2009	2010	2009 (Restated)
Assets:						
Current and other assets	44,002,947	24,795,121 ▼	5,444,298 ▼	5,140,379 ▼	49,447,245	29,935,500
Capital assets, net	24,489,624	18,791,664	44,960,960	46,344,086	69,450,584	65,135,750
Total Assets	68,492,571	43,586,785	50,405,258	51,484,465	118,897,829	95,071,250
Liabilities:						
Other liabilities	13,020,728	10,465,052 ▼	152,545 ▼	479,099	13,173,273	10,944,151
Long-term liabilities	20,814,632	2,316,328 ▼	4,871,601	4,913,626	25,686,233	7,229,954
Total Liabilities	33,835,360	12,781,380	5,024,146	5,392,725	38,859,506	18,174,105
Net Assets:						
Invested in capital assets, net of related debt	21,558,128	16,634,409 ▼	41,225,375	42,538,225	62,783,503	59,172,634
Restricted	1,978,780	754,498 ▼	950,347 ▼	1,765,398 ▼	2,929,127	2,519,896
Unrestricted	11,120,303	13,416,498 ▼	3,205,392 ▼	1,788,117 ▼	14,325,695	15,204,615
Total Net Assets	34,657,211	30,805,405	45,381,114	46,091,740	80,038,325	76,897,145

Government-wide Financial Analysis (continued)

Governmental Activities: Governmental activities increased \$3,851,806 while Business-type activities decreased \$710,628. Key elements of this increase were as follows:

Significant events impacting 2010 were:

- Net assets as a result of governmental activities increased \$3,851,806 because total governmental revenues exceeded total governmental expenses.
- Net assets as a result of business type activities decreased \$710,628 because total business type expenditures exceeded total business type revenues.

	Governmental		Business-type		Total	
	Activities		Activities			
	2010	2009 (Restated)	2010	2009	2010	2009 (Restated)
Revenues:						
Program revenues:						
Charges for services	2,151,932	2,159,537	2,960,185	2,916,919	5,112,117	5,076,456
Grants and contributions	11,759,846	10,679,702	1,169,078	1,764,921	12,928,924	12,444,623
General revenues:						
Sales taxes	1,798,480	1,672,076	27,492	19,155	1,825,972	1,691,231
Property taxes	7,335,584	6,903,396	-	-	7,335,584	6,903,396
Other taxes	1,380,142	1,701,523	-	-	1,380,142	1,701,523
Interest and other revenue	281,062	299,191	54,555	72,585	335,617	371,776
Total Revenues	24,707,046	23,415,425	4,211,310	4,773,580	28,918,356	28,189,005
Expenses:						
General government	8,252,235	7,322,287	-	-	8,252,235	7,322,287
Judicial	249,689	254,979	-	-	249,689	254,979
Public safety	805,756	3,507,818	-	-	805,756	3,507,818
Health and welfare	2,504,088	3,444,893	-	-	2,504,088	3,444,893
Auxiliary services	287,192	275,816	-	-	287,192	275,816
Culture and recreation	1,032,054	965,026	-	-	1,032,054	965,026
Public works	7,586,473	4,597,396	-	-	7,586,473	4,597,396
Interest on long-term debt	75,525	109,236	-	-	75,525	109,236
Airport operations	-	-	2,873,833	2,719,592	2,873,833	2,719,592
Sewer	-	-	654,637	510,026	654,637	510,026
Water	-	-	533,989	541,153	533,989	541,153
Landfill	-	-	620,602	724,473	620,602	724,473
Housing	-	-	301,033	302,099	301,033	302,099
Total Expenses	20,793,012	20,477,451	4,984,094	4,797,343	25,777,106	25,274,794
Change in Net Assets						
before Transfers	3,914,034	2,937,974	(772,784)	(23,763)	3,141,250	2,914,211
Transfers	(62,156)	810,864	62,156	(810,862)	-	2
Loss on disposals	(72)	(51,931)	-	-	(72)	(51,931)
	(62,228)	758,933	62,156	(810,862)	(72)	(51,929)
Change in Net Assets	3,851,806	3,696,907	(710,628)	(834,625)	3,141,178	2,862,282
Net Assets - Beginning (Restated)	30,805,405	27,108,498	46,091,740	46,926,365	76,897,145	74,034,863
Net Assets - Ending	34,657,211	30,805,405	45,381,112	46,091,740	80,038,323	76,897,145

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 2010 is charted below:

	<u>Beginning</u> <u>Available</u> <u>Resources</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Ending</u> <u>Available</u> <u>Resources</u>	<u>2010</u> <u>Expenditures</u>	<u>% of</u> <u>EAV to</u> <u>Expenditures</u>
Governmental Major Funds:					
General Fund	5,991,815	474,897	6,466,712	11,968,048	54%
Road & Bridge	3,170,818	965,052	4,135,870	5,375,997	77%
Human Services Fund	279,696	100,487	380,183	3,330,532	11%
Sales Tax Fund	1,028,748	233,280	1,262,028	2,470,814	51%
Airport Construction Fund	329,002	(219,365)	109,637	524,697	21%
Capital Expenditures Fund	240,629	15,012,824	15,253,453	3,504,898	435%
Non-Major Funds	1,620,200	279,896	1,900,096	2,297,864	83%
Business Type Funds:					
Airport Operations Fund	881,436	5,559	886,995	1,185,217	75%
Sewer Fund	383,977	347,853	731,830	903,910	81%
Water Fund	339,172	25,403	364,575	219,545	166%
Solid Waste Fund	2,364,166	257,380	2,621,546	732,195	358%
Assisted Living Fund	3,051	-	3,051	36,813	8%
Mountain View Fund	216,289	4,232	220,521	213,865	103%
Internal Service Funds:					
ISF I Fund	1,102,163	(14,067)	1,088,096	1,999,557	54%
ISF II Fund	369,225	97,350	466,575	1,097,389	43%
ISF III Fund	1,225,064	(7,815)	1,217,249	1,970,170	62%
	<u>19,545,451</u>	<u>17,562,966</u>	<u>37,108,416</u>	<u>37,831,510</u>	98%

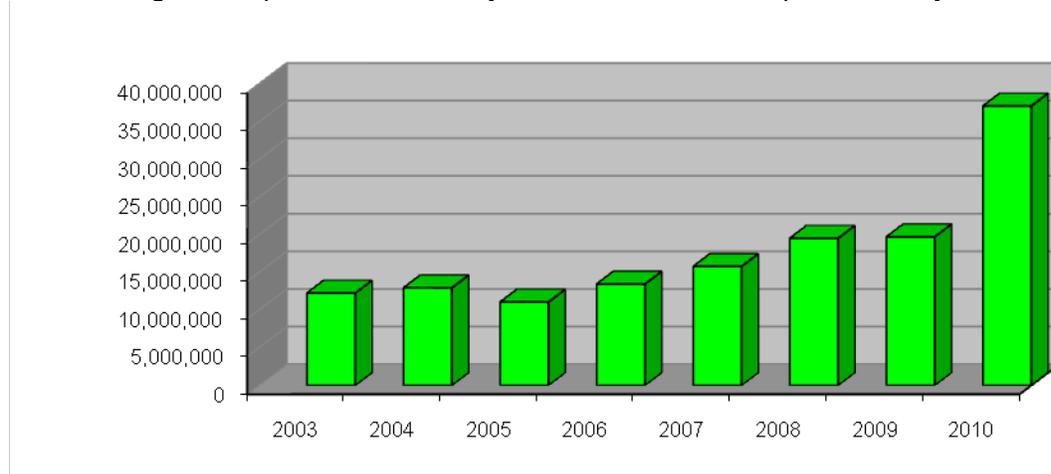
Governmental Funds: The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balances may serve as a useful measure 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 \$16,847,071. This was primarily due to an increase in the Capital Expenditure Fund related to proceeds from the 2010 Certificates of Participation.

Government-wide Financial Analysis (continued)

Financial Analysis of the County's Funds

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



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

The County's proprietary funds increased net assets by \$640,427.

Budget Variances in the General Fund: The General Fund budget was amended during the year by \$1,000,000. Actual Expenditures were \$519,972 less than the amended budget, largely due to public safety expenditures, which were \$269,198 less than budgeted.

Capital Assets: The County's capitalization policy pertains to assets with a purchase value of \$4,000 or greater. Assets of lesser value are treated as operational expenditures. Additional information as well as a detailed classification of the County's net capital assets can be found in the Notes to the Financial Statement 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 \$27,129,342. During 2010, the County issued \$18,000,000 of Certificates of Participation. 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 2010 totaled \$5,365,443. The 2011 budget anticipates decreasing this balance by \$434,143.

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, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Hospital
Assets:				
Cash and investments	32,884,450	4,436,423	37,320,873	11,227,698
Due from other governments	2,743,548	296,147	3,039,695	-
Accounts, taxes, and other receivables	7,395,421	341,749	7,737,170	3,925,155
Prepaid expenses	23,998	35,013	59,011	244,726
Inventory	851,841	-	851,841	1,682,851
Internal balances	(15,343)	15,343	-	-
Other Assets:				
Deferred charges	119,032	319,623	438,655	215,507
Capital Assets:				
Capital assets, not depreciated	7,463,497	12,080,148	19,543,645	-
Capital assets, net	17,026,127	32,880,812	49,906,939	15,849,690
Total Assets	68,492,571	50,405,258	118,897,829	33,145,627
Liabilities:				
Accounts payable	2,358,716	137,622	2,496,338	494,368
Accrued expenses	633,765	14,923	648,688	1,375,677
Unearned revenue	7,725,201	-	7,725,201	-
Deposits	813,413	-	813,413	-
Accrued interest	-	46,524	46,524	-
Non-current Liabilities:				
Due within one year:				
Accrued compensated absences	549,108	38,836	587,944	-
Leases	292,014	-	292,014	-
Bonds	150,697	23,011	173,708	491,071
Certificates of participation	335,000	-	335,000	-
Loans	162,814	43,780	206,594	-
Due in more than one year:				
Accrued compensated absences	823,661	58,253	881,914	-
Leases	1,428,390	-	1,428,390	-
Bonds	133,763	1,693,638	1,827,401	10,700,925
Certificates of participation	17,665,000	-	17,665,000	-
Landfill closure and postclosure costs	-	992,401	992,401	-
Loans	763,818	1,975,158	2,738,976	-
Total Liabilities	33,835,360	5,024,146	38,859,506	13,062,041
Net Assets:				
Invested in capital assets, net of related debt	21,558,128	41,225,373	62,783,501	6,423,552
Restricted for:				
Emergencies	612,000	-	612,000	-
Debt service	1,342,782	-	1,342,782	-
Other purposes	23,998	950,347	974,345	51,027
Unrestricted	11,120,303	3,205,392	14,325,695	13,609,007
Total Net Assets	34,657,211	45,381,112	80,038,323	20,083,586

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

Gunnison County, Colorado
Statement of Activities
For the Year Ended December 31, 2010

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governments			
					Governmental Activities	Business-type Activities	Total	
Functions/Programs:								
Primary Government:								
Governmental Activities:								
General government	8,252,235	1,596,314	228,619	-	(6,427,302)		(6,427,302)	
Judicial	249,689	39	-	-	(249,650)		(249,650)	
Public safety	805,756	168,963	314,726	442,005	119,938		119,938	
Health and welfare	2,504,088	200,314	2,336,939	32,776	65,941		65,941	
Auxiliary services	287,192	-	-	-	(287,192)		(287,192)	
Culture and recreation	1,032,054	20,750	92,864	1,200	(917,240)		(917,240)	
Public works	7,586,473	165,552	3,373,460	433,671	(3,613,790)		(3,613,790)	
Interest on long-term debt	75,525	-	-	-	(75,525)		(75,525)	
Total Governmental Activities	<u>20,793,012</u>	<u>2,151,932</u>	<u>6,346,608</u>	<u>909,652</u>	<u>(11,384,820)</u>		<u>(11,384,820)</u>	
Business-type Activities:								
Airport	2,873,833	1,144,734	3,049	303,633		(1,422,417)	(1,422,417)	
Sewer	654,637	416,906	-	831,965		594,234	594,234	
Water	533,989	205,312	4,721	9,161		(314,795)	(314,795)	
Landfill	620,602	939,679	16,472	-		335,549	335,549	
Housing	301,033	253,554	77	-		(47,402)	(47,402)	
Total Business-type Activities	<u>4,984,094</u>	<u>2,960,185</u>	<u>24,319</u>	<u>1,144,759</u>		<u>(854,831)</u>	<u>(854,831)</u>	
Total Primary Government	<u>25,777,106</u>	<u>5,112,117</u>	<u>6,370,927</u>	<u>2,054,411</u>	<u>(11,384,820)</u>	<u>(854,831)</u>	<u>(12,239,651)</u>	
Component Unit:								
Hospital	<u>27,530,927</u>	<u>27,417,679</u>	<u>-</u>	<u>-</u>				<u>(113,248)</u>
General Revenues and Transfers:								
Taxes:								
Property taxes					7,335,584	-	7,335,584	578,585
Specific ownership taxes					355,287	-	355,287	-
Sales taxes					1,798,480	27,492	1,825,972	-
Lodging taxes					983,054	-	983,054	-
Other taxes					41,801	-	41,801	-
Investment earnings					281,062	54,555	335,617	71,541
Grants and contributions not restricted to specific programs					4,503,586	-	4,503,586	263,118
Transfers					(62,156)	62,156	-	-
Loss on asset disposals					(72)	-	(72)	-
Total General Revenues and Transfers					<u>15,236,626</u>	<u>144,203</u>	<u>15,380,829</u>	<u>913,244</u>
Change in Net Assets					3,851,806	(710,628)	3,141,178	799,996
Net Assets - Beginning of Year					30,989,776	46,091,740	77,081,516	19,283,590
Prior Period Adjustment - See Note V.I.					(184,371)	-	(184,371)	
Net Assets - Beginning of Year (Restated)					<u>30,805,405</u>	<u>46,091,740</u>	<u>76,897,145</u>	<u>19,283,590</u>
Net Assets - End of Year					<u>34,657,211</u>	<u>45,381,112</u>	<u>80,038,323</u>	<u>20,083,586</u>

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

FUND FINANCIAL STATEMENTS



**Gunnison County, Colorado
Governmental Funds
Balance Sheet
December 31, 2010**

	<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	7,398,361	3,255,369	530,075	1,042,493	132,415	16,771,614	1,718,424	30,848,751
Accounts receivable	6,843,116	1,902	409,223	-	22,187	-	4,994	7,281,422
Prepaid expenses	-	-	-	-	-	-	10,508	10,508
Due from other governments	164,287	1,543,211	19,630	448,916	-	358,899	202,884	2,737,827
Due from other funds	-	-	-	43,270	-	57,239	91,256	191,765
Total Assets	<u>14,405,764</u>	<u>4,800,482</u>	<u>958,928</u>	<u>1,534,679</u>	<u>154,602</u>	<u>17,187,752</u>	<u>2,028,066</u>	<u>41,070,273</u>
Liabilities and Fund Balances:								
Liabilities:								
Accounts payable	212,383	68,163	1,367	180,653	32,615	1,691,139	48,483	2,234,803
Accrued liabilities	288,023	-	(339)	91,998	12,338	235,958	750	628,728
Deposits	397,026	416,387	-	-	-	-	-	813,413
Due to other funds	45,709	180,062	32,042	-	12	-	29,393	287,218
Deferred revenue	6,995,911	-	545,675	-	-	7,202	49,344	7,598,132
Total Liabilities	<u>7,939,052</u>	<u>664,612</u>	<u>578,745</u>	<u>272,651</u>	<u>44,965</u>	<u>1,934,299</u>	<u>127,970</u>	<u>11,562,294</u>
Fund Balances:								
Reserved for emergencies	612,000	-	-	-	-	-	-	612,000
Reserved for prepaids	-	-	-	-	-	-	10,508	10,508
Reserved for debt service	-	-	-	-	-	1,342,782	-	1,342,782
Unreserved:								
General Fund	5,854,712	-	-	-	-	-	-	5,854,712
Special revenue funds	-	4,135,870	380,183	1,262,028	-	-	1,889,588	7,667,669
Capital projects funds	-	-	-	-	109,637	13,910,671	-	14,020,308
Total Fund Balances	<u>6,466,712</u>	<u>4,135,870</u>	<u>380,183</u>	<u>1,262,028</u>	<u>109,637</u>	<u>15,253,453</u>	<u>1,900,096</u>	<u>29,507,979</u>
Total Liabilities and Fund Balances	<u>14,405,764</u>	<u>4,800,482</u>	<u>958,928</u>	<u>1,534,679</u>	<u>154,602</u>	<u>17,187,752</u>	<u>2,028,066</u>	<u>41,070,273</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, 2010

Total Governmental Fund Balances 29,507,979

**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	48,207,442	
Less accumulated depreciation	<u>(23,717,818)</u>	24,489,624

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 and long-term liabilities which are included in this reconciliation. 2,844,841

Debt issuance costs are not financial resources and therefore not reported in the funds. However, in the Statement of Net Assets the cost of these items are capitalized and expensed over their estimated lives through amortization:
Bond issuance costs, net 119,032

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.

Accrued compensated absences	(1,372,769)	
COPS	(18,000,000)	
Leases	(1,720,404)	
Bonds	(284,460)	
Loans	<u>(926,632)</u>	<u>(22,304,265)</u>

Net Assets of Governmental Activities 34,657,211

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, 2010

	<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 Expenditure Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:								
Taxes	7,308,945	124,349	293,036	1,490,212	-	-	1,297,663	10,514,205
Licenses and permits	225,940	-	-	-	-	-	-	225,940
Intergovernmental	1,265,504	5,819,004	3,122,401	32,776	162,011	470,096	587,924	11,459,716
Charges for services	1,369,587	97,262	-	-	141,622	-	154,676	1,763,147
Investment income	187,982	51,749	-	11,238	1,699	15,588	16,815	285,071
Contributions	435,076	-	3,067	-	-	3,230	121,552	562,925
Miscellaneous	250,075	118,713	12,514	950	-	16,836	73,573	472,661
Total Revenues	<u>11,043,109</u>	<u>6,211,077</u>	<u>3,431,018</u>	<u>1,535,176</u>	<u>305,332</u>	<u>505,750</u>	<u>2,252,203</u>	<u>25,283,665</u>
Expenditures:								
General government	5,693,619	-	-	70,757	-	-	1,033,996	6,798,372
Judicial	248,393	-	-	-	-	-	-	248,393
Public safety	2,533,544	-	-	1,035,934	-	2,778,792	-	6,348,270
Health and welfare	1,001,713	-	3,330,531	-	-	-	1,094,147	5,426,391
Auxiliary services	280,932	-	-	-	-	-	-	280,932
Culture and recreation	964,983	-	-	-	-	1,770,385	2,178	2,737,546
Public works	127,472	4,936,249	-	-	440,073	3,066	-	5,506,860
Debt service	10,785	-	-	150,214	84,624	-	167,543	413,166
Total Expenditures	<u>10,861,441</u>	<u>4,936,249</u>	<u>3,330,531</u>	<u>1,256,905</u>	<u>524,697</u>	<u>4,552,243</u>	<u>2,297,864</u>	<u>27,759,930</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>181,668</u>	<u>1,274,828</u>	<u>100,487</u>	<u>278,271</u>	<u>(219,365)</u>	<u>(4,046,493)</u>	<u>(45,661)</u>	<u>(2,476,265)</u>
Other Financing Sources (Uses):								
Transfers in	1,201,437	129,972	-	-	-	1,047,345	520,857	2,899,611
Transfers (out)	(1,106,608)	(439,748)	-	(1,213,910)	-	-	(195,300)	(2,955,566)
Debt proceeds	198,400	-	-	1,168,919	-	18,011,972	-	19,379,291
Total Other Financing Sources (Uses)	<u>293,229</u>	<u>(309,776)</u>	<u>-</u>	<u>(44,991)</u>	<u>-</u>	<u>19,059,317</u>	<u>325,557</u>	<u>19,323,336</u>
Net Change in Fund Balances	474,897	965,052	100,487	233,280	(219,365)	15,012,824	279,896	16,847,071
Fund Balances - Beginning of Year (Restated)	<u>5,991,815</u>	<u>3,170,818</u>	<u>279,696</u>	<u>1,028,748</u>	<u>329,002</u>	<u>240,629</u>	<u>1,620,200</u>	<u>12,660,908</u>
Fund Balances - End of Year	<u><u>6,466,712</u></u>	<u><u>4,135,870</u></u>	<u><u>380,183</u></u>	<u><u>1,262,028</u></u>	<u><u>109,637</u></u>	<u><u>15,253,453</u></u>	<u><u>1,900,096</u></u>	<u><u>29,507,979</u></u>

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, 2010

Net Changes In Fund Balances - Total Governmental Funds 16,847,071

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	(1,136,751)	
(Gain) Loss on disposals, net	(72)	
Capital outlay	5,099,484	3,962,661

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. 1,958,330

The issuance of debt increases the current available resources but does result in increased net assets. This is the amount of debt issued during the year and related accrued interest not expended. (19,367,319)

Capitalization and amortization of bond issuance costs is an expenditure in the governmental funds but is charged over time in the Statement of Net Assets:

Capitalization of bond issuance costs	123,000	
Amortization expense	(3,968)	

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 445,507

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, 2010	1,299,845	
Liability @ December 31, 2009	1,186,369	(113,476)

Change in Net Assets of Governmental Activities 3,851,806

Gunnison County, Colorado
Proprietary Funds
Statement of Net Assets
December 31, 2010

	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	845,194	485,858	245,235	675,177	3,051	100,828	2,355,343	2,035,699
Cash - Restricted	-	-	-	1,907,736	-	173,344	2,081,080	-
Accounts receivable, net of allowance for uncollectible accounts where applicable	129,197	15,564	63,297	59,742	-	248	268,048	113,999
Due from other governments	6,877	272,639	77,862	12,470	-	-	369,848	5,721
Prepaid expenses	26,322	-	25	8,666	-	-	35,013	13,490
Due from other funds	-	39,209	2,570	-	-	-	41,779	157,199
Inventory, at cost	-	-	-	-	-	-	-	851,841
Total Current Assets	1,007,590	813,270	388,989	2,663,791	3,051	274,420	5,151,111	3,177,949
Non-current Assets:								
Deferred financing costs, net	-	-	-	-	-	319,623	319,623	-
Construction-in-progress	379,203	390,162	6,934	-	-	-	776,299	1,890,120
Land, property and equipment	56,426,050	6,583,040	8,625,435	232,131	2,037,513	1,754,252	75,658,421	12,334,578
Less accumulated depreciation	(23,104,375)	(2,232,820)	(4,593,237)	(133,584)	(352,081)	(1,057,661)	(31,473,758)	(8,307,677)
Total Non-current Assets	33,700,878	4,740,382	4,039,132	98,547	1,685,432	1,016,214	45,280,585	5,917,021
Total Assets	34,708,468	5,553,652	4,428,121	2,762,338	1,688,483	1,290,634	50,431,696	9,094,970
Liabilities:								
Current Liabilities:								
Accounts payable	41,484	67,873	8,262	15,685	-	4,316	137,620	123,913
Accrued liabilities	3,815	13,567	1,222	-	-	42,844	61,448	5,037
Due to other funds	10,647	-	-	9,050	-	6,739	26,436	77,089
Deferred revenue	-	-	-	-	-	-	-	127,069
Debt obligations, due within one year	-	35,328	4,339	-	16,876	10,248	66,791	152,737
Total Current Liabilities	55,946	116,768	13,823	24,735	16,876	64,147	292,295	485,845
Non-current Liabilities:								
Accrued compensated absences	64,649	-	14,930	17,510	-	-	97,089	72,924
Loans	-	123,498	69,362	-	465,795	1,316,503	1,975,158	-
Leases	-	-	-	-	-	-	-	158,082
Revenues bonds	-	1,693,638	-	-	-	-	1,693,638	-
Landfill closure and postclosure costs	-	-	-	992,401	-	-	992,401	-
Total Non-current Liabilities	64,649	1,817,136	84,292	1,009,911	465,795	1,316,503	4,758,286	231,006
Total Liabilities	120,595	1,933,904	98,115	1,034,646	482,671	1,380,650	5,050,581	716,851
Net Assets:								
Invested in capital assets, net of related debt	33,700,878	2,887,918	3,965,431	98,547	1,202,761	(630,160)	41,225,375	5,764,284
Restricted	26,322	-	25	924,000	-	-	950,347	13,490
Unrestricted	860,673	731,830	364,550	705,145	3,051	540,144	3,205,393	2,600,345
Total Net Assets	34,587,873	3,619,748	4,330,006	1,727,692	1,205,812	(90,016)	45,381,115	8,378,119

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, 2010

	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	792,430	-	-	-	36,488	210,208	1,039,126	1,673,257
Other	6,160	-	4,721	12,424	-	6,936	30,241	2,275,523
Charges and fees	346,144	758,158	210,312	943,726	-	-	2,258,340	2,481,492
Total Operating Revenues	1,144,734	758,158	215,033	956,150	36,488	217,144	3,327,707	6,430,272
Operating Expenses:								
Operations and maintenance	691,988	348,754	141,697	607,649	-	130,221	1,920,309	3,983,932
Administration	365,317	430	43,530	-	-	-	409,277	16,916
Depreciation and amortization	1,816,381	224,725	344,938	12,953	38,063	71,486	2,508,546	795,816
Total Operating Expenses	2,873,686	573,909	530,165	620,602	38,063	201,707	4,838,132	4,796,664
Operating Income (Loss)	(1,728,952)	184,249	(315,132)	335,548	(1,575)	15,437	(1,510,425)	1,633,608
Non-operating Revenues (Expenses):								
Gain (loss) on disposal of capital assets	(35)	-	-	-	-	-	(35)	(4,163)
Grant revenue	3,049	306,454	4,161	-	-	-	313,664	-
Sales tax	27,493	-	-	-	-	-	27,493	-
Investment revenue	14,601	6,066	-	33,424	-	464	54,555	19,016
Interest expense	(112)	(80,726)	(3,823)	-	(20,619)	(40,643)	(145,923)	(13,652)
Total Non-operating Revenues (Expenses)	44,996	231,794	338	33,424	(20,619)	(40,179)	249,754	1,201
Income (Loss) Before Contributions and Transfers	(1,683,956)	416,043	(314,794)	368,972	(22,194)	(24,742)	(1,260,671)	1,634,809
Capital Contributions	636,113	181,500	-	-	-	-	817,613	-
Transfers In	-	-	25,753	-	-	-	25,753	486,469
Transfers (Out)	(101,677)	(55,513)	(14,508)	(121,621)	-	-	(293,319)	(162,948)
Change in Net Assets	(1,149,520)	542,030	(303,549)	247,351	(22,194)	(24,742)	(710,624)	1,958,330
Total Net Assets - Beginning of Year	35,737,393	3,077,718	4,633,555	1,480,341	1,228,006	(65,274)	46,091,739	6,419,789
Total Net Assets - End of Year	34,587,873	3,619,748	4,330,006	1,727,692	1,205,812	(90,016)	45,381,115	8,378,119

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, 2010

	Business-type Activities - Enterprise Funds						Governmental	
	Airport	Gunnison	Gunnison	Landfill	Gunnison	Gunnison	Activities -	
	Operations	County	County	Operations	County	County	Internal	
	Fund	Sewer Fund	Water	Fund	Housing Auth.	Housing Auth.	Service	
					Assisted Lvg.	Mtn. View	Funds	
							Totals	
Cash Flows from Operating Activities:								
Cash received from charges for services	1,183,464	350,852	198,306	1,022,262	36,488	210,002	3,001,374	4,087,331
Cash received from other sources	6,160	-	4,721	12,424	-	6,936	30,241	2,275,523
Cash payments to vendors for goods and services	(568,863)	(510,996)	(153,274)	(357,202)	-	(100,777)	(1,691,112)	(3,542,728)
Cash payments to employees for services	(480,108)	(36,179)	(60,527)	(241,993)	-	(31,470)	(850,277)	(691,238)
Net Cash Provided (Used) by Operating Activities	140,653	(196,323)	(10,774)	435,491	36,488	84,691	490,226	2,128,888
Cash Flows from Non-capital Financing Activities:								
Taxes	27,492	-	-	-	-	-	27,492	-
Transfers from (to) other funds, net	(93,613)	(89,235)	(7,226)	(131,104)	-	544	(320,634)	335,761
Net Cash Provided (Used) by Non-capital Financing Activities	(66,121)	(89,235)	(7,226)	(131,104)	-	544	(293,142)	335,761
Cash Flows from Capital and Related Financing Activities:								
Capital grants	3,049	306,454	4,161	-	-	-	313,664	-
Capital contributions	-	181,500	-	-	-	-	181,500	-
Interest paid on debt	(112)	(80,726)	(3,823)	-	(20,619)	(40,643)	(145,923)	(13,652)
Principal paid on loans and leases	(5,735)	(34,209)	(4,133)	-	(15,869)	(10,328)	(70,274)	(147,572)
Purchase of capital assets	(18,519)	(384,693)	(11,853)	(27,226)	-	(32,184)	(474,475)	(2,531,112)
Cash from sale of assets	(971)	-	-	-	-	-	(971)	(4,163)
Net Cash Provided (Used) by Capital and Related Financing Activities	(22,288)	(11,674)	(15,648)	(27,226)	(36,488)	(83,155)	(196,479)	(2,696,499)
Cash Flows from Investing Activities:								
Cash from investment income	14,601	6,066	-	33,424	-	464	54,555	19,016
Net Cash Provided (Used) by Investing Activities	14,601	6,066	-	33,424	-	464	54,555	19,016
Net Increase (Decrease) in Cash	66,845	(291,166)	(33,648)	310,585	-	2,544	55,160	(212,834)
Cash - Beginning of Year	778,349	777,024	278,883	2,272,328	3,051	271,628	4,381,263	2,248,533
Cash - End of Year	845,194	485,858	245,235	2,582,913	3,051	274,172	4,436,423	2,035,699
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:								
Operating income (loss)	(1,728,952)	184,249	(315,132)	335,548	(1,575)	15,437	(1,510,425)	1,633,608
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation and amortization	1,816,382	224,725	344,938	12,953	38,063	71,485	2,508,546	795,818
Changes in assets and liabilities:								
(Increase) decrease in accounts receivable	44,890	(307,307)	(12,006)	78,536	-	(206)	(196,093)	(70,576)
(Increase) decrease in prepaid expenses	(5,383)	-	(25)	(8,085)	-	-	(13,493)	20,253
(Increase) decrease in inventory	-	-	-	-	-	-	-	(33,522)
Increase (decrease) in accounts payable	3,028	(198,613)	(28,105)	2,968	-	(6,560)	(227,282)	(228,887)
Increase (decrease) in accrued liabilities	3,815	623	(68)	24,302	-	4,535	33,207	(2,391)
Increase (decrease) in deferred revenues	-	(100,000)	-	-	-	-	(100,000)	3,159
Increase (decrease) in compensated absences	6,873	-	(376)	(10,731)	-	-	(4,234)	11,426
Net Cash Provided (Used) by Operating Activities	140,653	(196,323)	(10,774)	435,491	36,488	84,691	490,226	2,128,888
Non-Cash Investing, Capital, and Financing Activities:								
Contribution of fixed assets	636,113	-	-	-	-	-	636,113	-

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

**Gunnison County, Colorado
Agency Funds
Statement of Fiduciary Net Assets
December 31, 2010**

	<u>County Treasurer Agency Fund</u>	<u>Public Trustee Agency Fund</u>
Assets:		
Cash	21,620,356	105,855
Less: cash held for County funds	<u>(20,427,294)</u>	<u>-</u>
Total Assets	<u><u>1,193,062</u></u>	<u><u>105,855</u></u>
 Liabilities:		
Due to other governments and agencies Held by Trustee	1,193,062	-
	<u>-</u>	<u>105,855</u>
Total Liabilities	<u><u>1,193,062</u></u>	<u><u>105,855</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, 2010

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, 2010

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, 2010

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, 2010

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, 2010

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, 2010

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

7. Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond December 31, 2010 are recorded as prepaid expenses.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2010

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

8. Capital Assets

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

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

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

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

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

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

9. Deferred Property Taxes

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2010

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

10. Compensated Absences

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

11. Recognition of Grant Revenue

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

12. Bond Premiums, Discounts and Issuance Costs

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

13. Fund Equity

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, 2010, 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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2010

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

14. 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.

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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2010

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 \$ 2,844,841 increase comprised of the \$ 8,378,119 net equity of the fund less \$ 5,533,278 of non-current assets.

III. Stewardship, Compliance, and Accountability

A. Legal Compliance - Budgets

Property taxes become a lien on the property as of January 1 of the year assessed. Taxes levied in one year are collected in the succeeding year. Thus taxes certified in 2009 were collected in 2010 and taxes certified in 2010 will be collected in 2011. 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 2010 budget, prior to August 25, 2009, 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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2010

III. Stewardship, Compliance, and Accountability (continued)

B. Budgetary Information (continued)

- (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.

C. Budget Amendments

	<u>Original Budget</u>	<u>Budget Amendments</u>	<u>Final Budget</u>
General Fund	\$ 11,987,904	1,000,000	12,987,904
Sales Tax	1,688,546	1,300,000	2,988,546
Capital Expenditures	473,220	3,950,000	4,423,220
Public Health	614,004	32,700	646,704
Airport Operations	1,229,315	48,500	1,277,815
ISF-II	1,772,820	200,000	1,972,820
	<u>\$ 40,795,052</u>	<u>6,531,200</u>	<u>47,326,252</u>

Amendments made to the original budget for each fund.

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, 2010

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 \$612,000.

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

E. Deficit Net Assets

The Gunnison County Housing Authority Mountain View Fund had a deficit of net assets at December 31, 2010 of \$90,016.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2010

IV. Detailed Notes on All Funds

A. Deposits and Investments

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

	Standard & Poors Rating	Carrying Amounts	Less than one year	Less than five years
<i>Deposits:</i>				
Cash on hand	<i>Not Rated</i>	182,054	182,054	-
Checking	<i>Not Rated</i>	893,314	893,314	-
Savings	<i>Not Rated</i>	1,149,277	1,149,277	-
CDS	<i>Not Rated</i>	8,641,069	3,326,443	5,314,626
<i>Investments:</i>				
Pools	<i>AAAm</i>	7,654,113	7,654,113	-
Agencies - FHLB	<i>AAA</i>	3,437,913	-	3,437,913
Deposits held by Trustee	<i>Not Rated</i>	16,662,050	16,662,050	-
Total		<u>\$ 38,619,790</u>	<u>29,867,251</u>	<u>8,752,539</u>
<i>Reconciliation to Statement of Net Assets:</i>				
Cash and cash equivalents		37,320,873		
Fiduciary Funds		1,298,917		
Total		<u>\$ 38,619,790</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. Investments in the federally guaranteed Federal Home Loan Bank securities represent 16,167,711 of the County's total investments.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2010

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Restricted Cash and Investments. The County has restricted \$1,342,782 for debt service which exceeds the requirements of the 2010 Certificates of Participation. The County has restricted \$15,064,788 of unspent proceeds from the 2010 Certificates of Participation for capital projects.

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

1. As of December 31, 2010, \$3,497,132 of the Gunnison Valley Hospital and Gunnison Health Care Center's bank balances of \$5,411,679 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 \$2,350,628 at December 31, 2010.
2. As of December 31, 2010, the amount of the Gunnison Valley Hospital and Gunnison Health Care Center's carrying amount of investments was \$8,875,975. 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	6,767,450	-	293,017	-	-	-	-	7,060,467
Accounts	75,666	1,902	116,206	-	22,187	-	4,994	220,955
Intergovernmental	164,287	1,543,211	19,630	448,916	-	358,899	202,884	2,737,827
Total receivables	<u>7,007,403</u>	<u>1,545,113</u>	<u>428,853</u>	<u>448,916</u>	<u>22,187</u>	<u>358,899</u>	<u>207,878</u>	<u>10,019,249</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	129,197	(14,660)	63,297	129,336	-	248	113,999	421,417
Other	-	30,224	-	-	-	-	-	30,224
Intergovernmental	6,877	272,639	77,862	12,470	-	-	5,721	375,569
Allowance for doubtful accts	-	-	-	(69,594)	-	-	-	(69,594)
Total receivables	<u>136,074</u>	<u>288,203</u>	<u>141,159</u>	<u>72,212</u>	<u>-</u>	<u>248</u>	<u>119,720</u>	<u>757,616</u>

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 2010 but not available until 2011. 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, 2010

IV. Detailed Notes on All Funds (continued)

D. Capital Assets

Capital asset activity for the year ended December 31, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,622,624	37,410	(10,000)	1,650,034
Construction in progress	1,090,627	5,513,714	(790,878)	5,813,463
Total capital assets, not being depreciated	<u>2,713,251</u>	<u>5,551,124</u>	<u>(800,878)</u>	<u>7,463,497</u>
Capital assets, being depreciated:				
Infrastructure	12,321,845	720,829	-	13,042,674
Improvements	416,757	658,444	-	1,075,201
Buildings	12,997,828	487,681	-	13,485,509
Equipment	12,448,714	1,018,761	(326,914)	13,140,561
Total capital assets being depreciated	<u>38,185,144</u>	<u>2,885,715</u>	<u>(326,914)</u>	<u>40,743,945</u>
Less accumulated depreciation for:				
Infrastructure	(8,561,781)	(576,783)	-	(9,138,564)
Improvements	(217,287)	(57,441)	-	(274,728)
Buildings	(5,189,889)	(341,542)	-	(5,531,431)
Equipment	(8,137,774)	(956,800)	321,479	(8,773,095)
Total accumulated depreciation	<u>(22,106,731)</u>	<u>(1,932,566)</u>	<u>321,479</u>	<u>(23,717,818)</u>
Total capital assets being depreciated, net	<u>16,078,413</u>	<u>953,149</u>	<u>(5,435)</u>	<u>17,026,127</u>
Governmental activities capital assets, net	<u>\$ 18,791,664</u>	<u>6,504,273</u>	<u>(806,313)</u>	<u>24,489,624</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 11,303,849	-	-	11,303,849
Construction in progress	390,162	386,137	-	776,299
Total capital assets not being depreciated	<u>11,694,011</u>	<u>386,137</u>	<u>-</u>	<u>12,080,148</u>
Capital assets, being depreciated:				
Improvements	36,522,496	213,248	-	36,735,744
Buildings	9,649,536	76,111	(20,122)	9,705,525
Utility treatment transmission systems	14,424,435	384,693	-	14,809,128
Equipment	3,058,117	53,071	(7,015)	3,104,173
Total capital assets being depreciated	<u>63,654,584</u>	<u>727,123</u>	<u>(27,137)</u>	<u>64,354,570</u>
Less accumulated depreciation for:				
Improvements	(17,487,701)	(1,507,922)	-	(18,995,623)
Buildings	(3,347,288)	(276,003)	19,319	(3,603,972)
Utility treatment transmission systems	(6,071,099)	(535,962)	-	(6,607,061)
Equipment	(2,098,421)	(174,761)	6,080	(2,267,102)
Total accumulated depreciation	<u>(29,004,509)</u>	<u>(2,494,648)</u>	<u>25,399</u>	<u>(31,473,758)</u>
Total capital assets being depreciated, net	<u>34,650,075</u>	<u>(1,767,525)</u>	<u>(1,738)</u>	<u>32,880,812</u>
Business-type activities capital assets, net	<u>\$ 46,344,086</u>	<u>(1,381,388)</u>	<u>(1,738)</u>	<u>44,960,960</u>

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2010

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	\$ 409,189
Judicial	1,296
Public safety	149,639
Health and welfare	70,389
Auxiliary services	1,131
Culture and recreation	73,981
Public works	1,064,942
Total Governmental Activities	<u><u>\$ 1,770,567</u></u>
Business-type Activities:	
Airport	\$ 1,816,381
Sewer	224,725
Water	344,938
Landfill	12,953
Housing	95,652
Total Business-type Activities	<u><u>\$ 2,494,649</u></u>

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

Capital assets consist of the following at December 31, 2010:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Land and improvements	\$ 521,803	-	-	521,803
Building leasehold improvements	16,957,702	32,845		16,990,547
Equipment	8,147,996	905,621	(5,500)	9,048,117
Construction in progress	25,818	2,698,499	-	2,724,317
Total property and equipment	25,653,319	3,636,965	(5,500)	29,284,784
Less: accumulated depreciation	(12,349,673)	(1,090,921)	5,500	(13,435,094)
Capital assets, net	<u><u>\$ 13,303,646</u></u>	<u><u>2,546,044</u></u>	<u><u>-</u></u>	<u><u>15,849,690</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, 2010

IV. Detailed Notes on All Funds (continued)

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

Interfund balances at December 31, 2010, 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, 2010. 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	-	45,709	1,201,437	(1,106,608)
Road and Bridge Fund	-	180,062	129,972	(439,748)
Human Services Fund	-	32,042	-	-
Capital improvements Fund	43,270	-	-	(1,213,910)
Airport Construction	-	12	-	-
Capital Expenditures	57,239	-	1,047,345	-
Non-major Governmental Funds	91,256	29,393	520,857	(195,300)
Airport Operations	-	10,647	-	(101,677)
Sewer Fund	39,209	-	-	(55,513)
Water Fund	2,570	-	25,753	(14,508)
Landfill operations	-	9,050	-	(121,621)
Mountain View	-	6,739	-	-
Internal Service Funds	157,199	77,089	486,469	(162,948)
	<u>390,743</u>	<u>390,743</u>	<u>3,411,833</u>	<u>(3,411,833)</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, 2010

IV. Detailed Notes on All Funds (continued)

H. Long-term Liabilities – Governmental Activities

1. Heavy Equipment Lease

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

2. 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 which began on January 7, 2004 and ended January 7, 2010.

3. 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 which began on February 15, 2003 and ended on February 15, 2010.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2010

IV. Detailed Notes on All Funds (continued)

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

4. 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.

5. 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 the second note was repaid during 2009. Both notes have a stated interest rate of 4%.

6. 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.

7. 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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2010

IV. Detailed Notes on All Funds (continued)

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

8. 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.

9. Pitchfork Property Loan

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

10. Airport Construction Loan

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

11. 2010 Tax-Exempt Certificates of Participation (Series A)

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

These certificates are secured by a Reserve Fund. In accordance with certificates indentures, the County has restricted cash and net assets equal to \$54,424.

These 2010A certificates are not subject to redemption prior to maturity.

12. 2010 Taxable Certificates of Participation (Series B)

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2010

IV. Detailed Notes on All Funds (continued)

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

12. 2010 Taxable Certificates of Participation (Series B) (Continued)

These certificates are Qualified Build America Bonds, which indicates the certificates are not tax-exempt. Under the Build America Program, the County may apply for interest cost subsidies from the federal government. Such subsidies will be used by the County to pay debt service on these certificates. During the fiscal year ended December 31, 2010, the County recognized revenue of \$0 related to this subsidy.

These certificates are secured by a Reserve Fund. In accordance with certificates indentures, the County has restricted cash and net assets equal to \$1,287,531.

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

13. 2010 Energy Improvement Lease

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

14. Rock Creek Loan

In 2010 the County signed a loan for the Rock Creek Property. The loan totaled \$104,000 and requires monthly payments of \$612 and a final estimated payment of \$92,838. The loan carries an interest rate of 5.00% and matures on October 1, 2015.

15. Stallion Park Loan

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

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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2010

IV. Detailed Notes on All Funds (continued)

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

1. Impact Assistance Loan Funds - Somerset (continued)

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, 2005, bearing interest at 4.25%. The bonds require semi-annual payments of \$39,669 each June 1 and December 1. The bonds are subject to optional redemption without any additional premium. The bonds mature in 2044.

In 2006 the County issued 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.

4. Gunnison County Housing Authority

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

Surplus Cash. During the year ended December 31, 2003, the Housing Authority received \$378,864 from the Secretary of Housing and Urban Development, Washington D.C. evidenced by a Note Payable and secured by the Mountain View Apartments. The maturity date of the Note is November 1, 2033 with an interest rate of 1.0% per annum, to accrue on the original principal balance until maturity. The Authority is required to establish a reserve fund to accumulate funds at a rate of \$425 per month for the replacement and major maintenance costs. Additionally, there are certain mortgage issuance costs relating to the refunding under HUD's Mark-to-Market (M2M) program being amortized over the course of the new mortgage which total \$ 319,623 ,net of accumulated amortization, at December 31, 2010.

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2010

IV. Detailed Notes on All Funds (continued)

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

5. \$600,000 Revenue Note, Series 2001

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

During the year ended December 31, 2003, the Authority refinanced the outstanding balance. The new terms provide for a lower interest rate of 4.13%, fixed until November 1, 2005, after which the rate will be adjusted to 4.14%. The loan is payable in 207 regular monthly payments of \$3,041 and one irregular last payment estimated at \$290,153. The principal balance of this note at December 31, 2010 was \$482,671.

The Center was then leased to the Board of Trustees of the Gunnison Valley Hospital. The lease term is for a period of four years, commencing on February 20, 2008. The lease can be terminated, extended, or modified with the mutual agreement of both parties.

6. Landfill Closure and Postclosure Liability

In accordance with EPA requirements the County has conducted a study to estimate its liability to close the landfill and monitor it for thirty years thereafter. These costs are reflected as the landfill accepts waste. The County's landfill has used 85% to date of the currently developed cell's capacity and has five years left on its currently developed cell. Additional cells will be opened as needed. The landfill liability recorded at year end is \$992,401. The estimated total current cost of closure and post-closure care remaining to be recognized is \$391,620. 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, 2010. 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, 2010, the County had reserved \$915,334 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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2010

IV. Detailed Notes on All Funds (continued)

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, 2010 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.

K. Long-term Liabilities – Summary

Long-term liability activity for the year ended December 31, 2010 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:					
Heavy Equipment Lease	458,391	-	(147,572)	310,819	152,737
Compensated Absences	61,498	11,425	-	72,923	29,170
Other Governmental Debt:					
Blackstock Energy Improvements Lease	97,671	-	(97,671)	-	-
Energy Savings Lease	8,911	-	(8,911)	-	-
Open Space Sales Tax Revenue Bonds, Series 2002	428,378	-	(143,918)	284,460	150,697
Colorado SIB Loan	271,540	-	(50,134)	221,406	52,139
Rock Creek Lease	191,129	-	(51,933)	139,196	54,031
West Gunnison Property Loan	232,832	-	(34,253)	198,579	35,958
Advocacy Center	253,647	-	(38,002)	215,645	39,616
Pitchfork Loan	26,519	-	(1,498)	25,021	1,559
Airport Construction	188,237	-	(17,252)	170,985	15,871
Energy Improvement Lease - 2010	-	1,168,919	-	1,168,919	98,103
Certificates of Participation - 2010	-	18,000,000	-	18,000,000	335,000
Rock Creek Loan	-	104,000	(358)	103,642	2,167
Stallion Park Loan	-	94,400	(1,576)	92,824	2,648
Compensated Absences	1,186,369	113,477	-	1,299,846	519,937
Total Governmental Activities Long-term Liabilities	<u>3,405,122</u>	<u>19,492,221</u>	<u>(593,078)</u>	<u>22,304,265</u>	<u>1,489,633</u>
Business-type Activities:					
Impact Assistance Loan Funds - Water	77,834	-	(4,134)	73,700	4,339
DOLA Mineral Impact Loan	147,546	-	(11,731)	135,815	12,317
North Gunnison Sewer Revenue Bond	1,430,630	-	(18,746)	1,411,884	19,186
North Gunnison Sewer Revenue Bond	308,497	-	(3,732)	304,765	3,825
Energy Savings Lease - Airport	5,734	-	(5,734)	-	-
Gunnison County Housing Authority:					
Mortgage - Primary Mortgage	478,866	-	(9,700)	469,166	10,248
Mortgage - Surplus Cash	479,034	-	(312)	478,722	-
Mortgage - Contingent Payable	378,864	-	-	378,864	-
Energy Savings Lease	316	-	(316)	-	-
Note Payable - Palisades Living Center	498,540	-	(15,869)	482,671	16,876
Accrued Liability for Landfill Closure Costs	968,100	24,301	-	992,401	-
Compensated Absences	101,322	-	(4,233)	97,089	38,836
Total Business-type Activities Long-term Liabilities	<u>4,875,283</u>	<u>24,301</u>	<u>(74,507)</u>	<u>4,825,077</u>	<u>105,627</u>

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2010

IV. Detailed Notes on All Funds (continued)

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

Debt service requirements at December 31, 2010 were as follows:

Dates	Governmental Funds		Business-Type		Internal Service Funds		Housing Authority		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	787,788	939,196	39,667	83,601	152,737	10,879	27,124	46,346	1,007,316	1,080,022
2012	843,165	1,057,429	41,487	81,781	158,082	5,533	28,385	45,085	1,071,119	1,189,828
2013	703,039	1,005,906	43,393	79,875	-	-	29,818	43,652	776,250	1,129,433
2014	690,326	984,972	45,386	77,882	-	-	31,268	42,202	766,980	1,105,056
2015	815,909	962,169	47,471	75,797	-	-	32,790	40,680	896,170	1,078,646
2016 2020	2,944,160	4,464,094	253,059	344,172	-	-	466,154	181,980	3,663,373	4,990,246
2021 2025	2,556,290	9,872,980	210,029	291,563	-	-	102,326	82,585	2,868,645	10,247,128
2026 2030	3,060,000	6,008,074	235,581	245,098	-	-	136,325	48,586	3,431,906	6,301,758
2031 2035	3,710,000	2,930,507	290,711	189,968	-	-	955,233	14,689	4,955,944	3,135,164
2036 2046	4,510,000	850,150	719,380	168,359	-	-	-	-	-	-
	<u>20,620,677</u>	<u>29,075,478</u>	<u>1,926,164</u>	<u>1,638,096</u>	<u>310,819</u>	<u>16,412</u>	<u>1,809,423</u>	<u>545,805</u>	<u>19,437,703</u>	<u>30,257,282</u>

M. Long-term Liabilities – Component Unit

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

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

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

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

- Note Payable, Bank** - At December 31, 2007, the Hospital had a promissory note due December 31, 2008; payable in full on due date; monthly interest payments are required at 3.8%; secured by a certificate of deposit held by the lender. At December 26, 2008, the promissory note was refinanced to a long-term note due January 10, 2015, with interest payable monthly until February 10, 2010, at which date principal and interest at 2.72% are due monthly through December 10, 2014. At December 15, 2009, the promissory note was refinanced to a short term note due November 10, 2010; monthly interest payments are required at 1.55%. The note was paid in full in 2010.
- Capital Lease Obligations** – The Hospital is obligated under a lease for equipment that is account for as a capital lease. The assets under capital leases at December 31, 2010 and 2009, totaled \$261,318 and \$0 respectively, net of accumulated depreciation of \$26,132 and \$0, respectively. The future minimum lease payments including interest at rate of 2.9% total \$252,593.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2010

IV. Detailed Notes on All Funds (continued)

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

The Gunnison Valley Hospital and Health Care Center have the following long-term liability activity for the year ended December 31, 2010:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Hospital revenue bonds	\$ 7,190,000	4,099,403	(350,000)	10,939,403	450,000
Note payable	647,572	-	(647,572)	-	-
Capital lease obligations	-	261,318	(8,725)	252,593	41,071
Total Long-term Liabilities	<u>\$ 7,837,572</u>	<u>4,360,721</u>	<u>(1,006,297)</u>	<u>11,191,996</u>	<u>491,071</u>

Debt service requirements at December 31, 2010 were as follows:

	<u>Bonds</u>		<u>Capital Lease</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal and Interest</u>
2011	\$ 450,000	512,984	56,065
2012	695,000	517,931	56,065
2013	740,000	490,156	56,065
2014	795,000	459,431	56,065
2015	820,000	427,374	46,721
2016-2020	4,725,000	1,596,941	-
2021-2023	2,714,403	346,653	-
Total Long-term Liabilities	<u>\$ 10,939,403</u>	<u>4,351,470</u>	<u>270,981</u>

V. Other Information

A. Pension Plans

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

1. Defined Contribution Pension Plan

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2010

V. Other Information

A. Pension Plans (continued)

1. Defined Contribution Pension Plan (continued)

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

During the year, the County's required and actual contributions amounted to \$272,803 which was three percent (3%) of its current year covered payroll of \$9,221,055. The County's total payroll for 2010 was \$9,564,929. The County's employees contributed \$272,803.

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

2. Deferred Compensation Plan

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

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

For 2010, the County contributed \$140,889 to the Deferred Compensation Plan on behalf of participating employees, which represents the required 2% contribution based on 2010 covered payroll of \$7,044,450.

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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2010

V. Other Information (continued)

B. Other Employee Benefits

1. Post Employment Health Care Benefits

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

2. Cafeteria Plan

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

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

The Organizations participate in the Colorado County Officials and Employees Retirement Association's defined contribution plan (the "Plan"). The Hospital contributes 5% and the Center contributes 3% for the years ended December 31, 2010 and 2009 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, 2010 and 2009 were \$395,997 and \$411,720 for the Hospital, respectively, and \$42,058 and \$44,030 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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2010

V. Other Information (continued)

D. Risk Management (continued)

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, 2010.

3. Self-Insurance Unemployment Pool

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

4. Self-Insurance Health Insurance Pool

The County has established an internal service fund to account for partially self-funded employee health insurance costs. The County accumulates resources to pay health insurance costs, but carries a stop loss policy for individuals of \$40,000, and an aggregate stop loss minimum exposure of \$1,234,403 with Perico Life 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 \$14,065 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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2010

V. Other Information (continued)

F. Commitments and Contingencies (continued)

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.

G. Possible Violations of State Statutes - Budgets

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

	Final Budget	Actual	(Over) Budget
Assisted Living	36,488	36,813	(325)

H. Subsequent Events

In 2011, the County anticipates entering into a combined grant and loan agreement with the USDA to fund the Antelope Hills water extension rural development project. The County will finance approximately \$1,288,000 with the USDA in conjunction with the project.

Management has evaluated all other subsequent events through September 28, 2011, the date these financial statements were available to be issued, and determined that no others required disclosure.

I. Prior Period Adjustment

During the audit, it was discovered that the County had been accruing an incorrect amount of HUTF payments receivable from the State in the previous years. An adjustment has been made to the beginning fund balance and the receivable is now correctly accrued.

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, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	<u>2010</u>			<u>Final Budget</u>	<u>2009</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	7,306,542	7,306,542	7,308,945	2,403	6,920,451
Licenses and permits	166,050	166,050	225,940	59,890	189,020
Intergovernmental	890,302	890,302	1,265,504	375,202	2,139,532
Charges for services	1,336,766	1,336,766	1,369,587	32,821	1,521,065
Investment income	178,675	178,675	187,982	9,307	196,537
Contributions	476,726	476,726	435,076	(41,650)	399,466
Miscellaneous	257,326	257,326	250,075	(7,251)	258,617
Total Revenues	<u>10,612,387</u>	<u>10,612,387</u>	<u>11,043,109</u>	<u>430,722</u>	<u>11,624,688</u>
Expenditures:					
General government	5,751,587	5,751,587	5,693,619	57,968	5,607,439
Judicial	248,373	248,373	248,393	(20)	253,672
Public Safety	2,802,741	2,802,741	2,533,544	269,197	2,670,645
Health and welfare	1,105,447	1,105,447	1,001,713	103,734	1,245,372
Auxiliary services	294,363	294,363	280,932	13,431	274,550
Culture and recreation	1,009,542	1,009,542	964,983	44,559	922,139
Public works	162,135	162,135	127,472	34,663	130,229
Debt service	7,225	7,225	10,785	(3,560)	17,701
Total Expenditures	<u>11,381,413</u>	<u>11,381,413</u>	<u>10,861,441</u>	<u>519,972</u>	<u>11,121,747</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>(769,026)</u>	<u>(769,026)</u>	<u>181,668</u>	<u>950,694</u>	<u>502,941</u>
Other Financing Sources (Uses):					
Transfers in	1,225,206	1,225,206	1,201,437	(23,769)	1,541,974
Transfers (out)	(606,491)	(1,606,491)	(1,106,608)	499,883	(565,069)
Sale of capital assets	100	100	-	(100)	15
Debt proceeds	-	-	198,400	198,400	-
Total Other Financing Sources (Uses)	<u>618,815</u>	<u>(381,185)</u>	<u>293,229</u>	<u>674,414</u>	<u>976,920</u>
Net Change in Fund Balances	<u>(150,211)</u>	<u>(1,150,211)</u>	<u>474,897</u>	<u>1,625,108</u>	<u>1,479,861</u>
Fund Balances - Beginning of Year			<u>5,991,815</u>		<u>4,511,954</u>
Fund Balances - End of Year			<u>6,466,712</u>		<u>5,991,815</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, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	2010			Final Budget Variance Positive (Negative)	2009
	Original Budget	Final Budget	Actual		Actual
Taxes:					
General property taxes	7,047,999	7,047,999	7,038,020	(9,979)	6,633,647
Specific ownership tax	238,227	238,227	230,938	(7,289)	258,117
Delinquent tax and interest	20,316	20,316	39,987	19,671	28,687
Total Taxes	<u>7,306,542</u>	<u>7,306,542</u>	<u>7,308,945</u>	<u>2,403</u>	<u>6,920,451</u>
Licenses and Permits:					
Liquor licenses	1,500	1,500	1,421	(79)	1,309
Building permits	149,000	149,000	198,744	49,744	159,092
Other licenses and permits	15,550	15,550	25,775	10,225	28,619
Total Licenses and Permits	<u>166,050</u>	<u>166,050</u>	<u>225,940</u>	<u>59,890</u>	<u>189,020</u>
Intergovernmental:					
Federal Grants	157,889	157,889	610,294	452,405	1,222,207
State Grants	602,413	602,413	524,223	(78,190)	749,672
Local Grants	110,000	110,000	110,987	987	117,653
Library district	20,000	20,000	20,000	-	50,000
Total Intergovernmental	<u>870,302</u>	<u>870,302</u>	<u>1,245,504</u>	<u>375,202</u>	<u>2,089,532</u>
Charges for Services:					
Clerk and recorder	307,000	307,000	295,657	(11,343)	395,288
Sheriff's fees	35,000	35,000	42,088	7,088	31,414
Treasurer's fees	740,000	740,000	793,630	53,630	754,117
Other Fees	112,266	112,266	107,177	(5,089)	122,165
Assessor's Fees	13,700	13,700	10,384	(3,316)	10,760
Public Health Fees	36,300	36,300	44,237	7,937	82,140
Land Use Fees	6,000	6,000	12,453	6,453	15,143
Useful Public Service	52,000	52,000	42,994	(9,006)	46,384
Court Fines & Fees	19,500	19,500	20,967	1,467	23,654
Public Trustee	15,000	15,000	-	(15,000)	40,000
Total Charges for Services	<u>1,336,766</u>	<u>1,336,766</u>	<u>1,369,587</u>	<u>32,821</u>	<u>1,521,065</u>
Other Revenue:					
Investment income	178,675	178,675	187,982	9,307	196,537
Contributions	476,726	476,726	435,076	(41,650)	399,466
Miscellaneous	257,326	257,326	250,075	(7,251)	258,617
Total Other Revenue	<u>912,727</u>	<u>912,727</u>	<u>873,133</u>	<u>(39,594)</u>	<u>854,620</u>
Total Revenues	<u>10,612,387</u>	<u>10,612,387</u>	<u>11,043,109</u>	<u>430,722</u>	<u>11,624,688</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, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	2010			2009	
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
General Government:					
Board of county commissioners	588,424	588,424	519,021	69,403	444,462
Attorney	304,353	304,353	296,639	7,714	571,950
Planning	742,632	742,632	714,653	27,979	784,709
Manager	579,547	579,547	541,140	38,407	565,421
Sage grouse	31,138	31,138	27,673	3,465	19,830
Personnel	142,231	142,231	152,066	(9,835)	137,691
Compensated absences	21,548	21,548	32,239	(10,691)	3,455
Other administration	400,395	400,395	654,969	(254,574)	385,956
Clerk operations	399,691	399,691	386,928	12,763	391,596
Elections	212,218	212,218	222,595	(10,377)	170,664
Treasurer	309,680	309,680	291,146	18,534	305,019
Assessor operations	817,997	817,997	770,445	47,552	762,829
Buildings & grounds	651,744	651,744	548,887	102,857	589,702
Finance	456,889	456,889	444,971	11,918	426,821
Contributions	34,050	34,050	31,605	2,445	35,587
Industrial park	59,050	59,050	58,641	409	11,747
Total General Government	5,751,587	5,751,587	5,693,618	57,969	5,607,439
Judicial:					
District attorney	248,373	248,373	248,393	(20)	253,672
Public Safety:					
Wildfire containment	4,723	4,723	-	4,723	465
Search & rescue	17,152	17,152	10,990	6,162	12,739
Sheriff's operations	1,598,141	1,598,141	1,453,011	145,130	1,559,338
Detention center	877,145	877,145	777,325	99,820	804,119
Coroner	75,583	75,583	64,726	10,857	74,507
Emergency management	125,800	125,800	128,376	(2,576)	108,018
Hazardous materials	11,034	11,034	8,299	2,735	8,643
Juvenile diversion	93,163	93,163	90,816	2,347	102,817
Total Public Safety	2,802,741	2,802,741	2,533,543	269,198	2,670,646
Health and Welfare:					
Health	-	-	-	-	1,609
Substance abuse	154,118	154,118	156,390	(2,272)	149,081
Early childhood	258,833	258,833	184,716	74,117	188,204
Senior services coordinator	145,284	145,284	162,436	(17,152)	145,225
Multi-cultural center	109,376	109,376	102,955	6,421	94,786
Public health	-	-	-	-	243,007
Family planning program	194,929	194,929	166,106	28,823	197,078
Victims assistance program	82,890	82,890	78,814	4,076	72,382
Senior citizens	70,418	70,418	61,561	8,857	64,000
Contributions	89,599	89,599	88,737	862	90,000
Total Health and Welfare	1,105,447	1,105,447	1,001,715	103,732	1,245,372
Auxiliary Services:					
Alternate service services	109,392	109,392	102,878	6,514	102,768
Extension service	179,657	179,657	173,763	5,894	167,493
Veterans office	5,314	5,314	4,291	1,023	4,289
Total Auxiliary Services	294,363	294,363	280,932	13,431	274,550
Culture and Recreation:					
Beautification Committee	7,500	7,500	3,263	4,237	5,375
Historic Preservation	7,849	7,849	6,268	1,581	4,575
County Fairgrounds	249,053	249,053	207,227	41,826	217,642
Contribution	40,400	40,400	37,925	2,475	27,262
	704,740	704,740	710,300	(5,560)	667,283
Total Culture and Recreation	304,802	304,802	254,683	50,119	254,854
Public Works:					
Weed program	162,135	162,135	127,472	34,663	130,229
Debt Service:					
Principal	-	-	10,846	(10,846)	17,144
Interest	7,225	7,225	(61)	7,286	557
Total Debt Service	7,225	7,225	10,785	(3,560)	17,701
Total Expenditures	11,381,413	11,381,413	10,861,441	519,972	11,121,746

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, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	2010			Final Budget Variance Positive (Negative)	2009
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
Specific ownership tax	128,276	128,276	124,349	(3,927)	129,042
Total Taxes	<u>128,276</u>	<u>128,276</u>	<u>124,349</u>	<u>(3,927)</u>	<u>129,042</u>
Intergovernmental:					
Payment in lieu of taxes	550,000	550,000	541,778	(8,222)	574,135
State grants	1,487,736	1,487,736	1,066,042	(421,694)	248,781
Highway users trust fund	2,125,568	2,125,568	2,541,993	416,425	2,337,928
Forest service	775,018	775,018	680,889	(94,129)	865,004
Mineral leasing	600,000	600,000	988,302	388,302	822,155
Total Intergovernmental	<u>5,538,322</u>	<u>5,538,322</u>	<u>5,819,004</u>	<u>280,682</u>	<u>4,848,003</u>
Charges for Services:					
Municipalities	75,000	75,000	68,133	(6,867)	53,611
Permits	4,900	4,900	6,473	1,573	5,533
Other	50,000	50,000	22,656	(27,344)	66,917
Total Charges for Services	<u>129,900</u>	<u>129,900</u>	<u>97,262</u>	<u>(32,638)</u>	<u>126,061</u>
Other:					
Fines and forfeitures	50	50	-	(50)	-
Investment income	40,000	40,000	51,749	11,749	63,813
Contributions	50	50	-	(50)	-
Miscellaneous	106,070	106,070	118,713	12,643	21,424
Total Other Revenue	<u>146,170</u>	<u>146,170</u>	<u>170,462</u>	<u>24,292</u>	<u>85,237</u>
Total Revenues	<u>5,942,668</u>	<u>5,942,668</u>	<u>6,211,077</u>	<u>268,409</u>	<u>5,188,343</u>
Expenditures:					
Marble bank building	3,250	3,250	2,685	565	134
Construction	1,893,094	1,893,094	815,608	1,077,486	946,226
Maintenance of condition	2,726,380	2,726,380	2,431,456	294,924	2,370,286
Snow removal	857,723	857,723	739,208	118,515	707,381
Administration	401,285	401,285	419,185	(17,900)	399,985
Trails	951,691	951,691	441,727	509,964	63,906
Municipalities	92,995	92,995	86,380	6,615	70,696
Total Expenditures	<u>6,926,418</u>	<u>6,926,418</u>	<u>4,936,249</u>	<u>1,990,169</u>	<u>4,558,614</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(983,750)</u>	<u>(983,750)</u>	<u>1,274,828</u>	<u>2,258,578</u>	<u>629,729</u>
Other Financing Sources (Uses):					
Transfers in	139,972	139,972	129,972	(10,000)	162,955
Transfers (out)	(439,748)	(439,748)	(439,748)	-	(272,285)
Total Other Financing Sources (Uses)	<u>(299,776)</u>	<u>(299,776)</u>	<u>(309,776)</u>	<u>(10,000)</u>	<u>(109,330)</u>
Net Change in Fund Balances	<u>(1,283,526)</u>	<u>(1,283,526)</u>	<u>965,052</u>	<u>2,248,578</u>	<u>520,399</u>
Fund Balances - Beginning of Year			<u>3,355,189</u>		<u>2,834,790</u>
Prior Period Adjustment - See Note V.I.			<u>(184,371)</u>		
Fund Balances - Beginning of Year (Restated)			<u>3,170,818</u>		
Fund Balances - End of Year			<u>4,135,870</u>		<u>3,355,189</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, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	2010			Final Budget Variance Positive (Negative)	2009
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
Property tax revenue	293,000	293,000	291,187	(1,813)	274,160
Delinquent tax and interest	200	200	1,849	1,649	1,511
EBT reimbursements	1,669,200	1,669,200	1,866,593	197,393	1,723,981
Other	1,345,556	1,345,556	1,255,808	(89,748)	1,387,990
Other:					
Contributions	1,000	1,000	3,067	2,067	1,054
Miscellaneous	10,400	10,400	12,514	2,114	14,351
Total Revenues	3,319,356	3,319,356	3,431,018	111,662	3,403,047
Expenditures:					
Administration	316,623	316,623	269,680	46,943	357,708
Administration - IVD	-	-	(765)	765	(400)
Employment first	42,445	42,445	27,371	15,074	10,493
General assistance	1,500	1,500	284	1,216	1,451
Child care	31,584	31,584	24,297	7,287	43,853
Colorado works - TANF	151,276	151,276	86,700	64,576	131,806
AID to needy disabled	-	-	(1,157)	1,157	-
Medicaid transportation	30,000	30,000	24,258	5,742	16,070
Low income energy assistance	8,905	8,905	9,098	(193)	13,558
Child welfare / foster care	694,662	694,662	690,674	3,988	739,059
CORE services	83,931	83,931	104,131	(20,200)	93,246
FEMA grant	8,497	8,497	7,094	1,403	7,664
Community services block grant	24,300	24,300	24,465	(165)	32,277
Other	88,131	88,131	83,151	4,980	66,342
EBT transactions	1,891,800	1,891,800	1,972,059	(80,259)	1,852,471
Old Age Pension	10,000	10,000	9,191	809	12,987
Total Expenditures	3,383,654	3,383,654	3,330,531	53,123	3,378,585
Excess (Deficiency) of Revenues Over Expenditures	(64,298)	(64,298)	100,487	164,785	24,462
Net Change in Fund Balances	(64,298)	(64,298)	100,487	164,785	24,462
Fund Balances - Beginning of Year			279,696		255,234
Fund Balances - End of Year			380,183		279,696

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

SUPPLEMENTARY INFORMATION



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, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	2010			Final Budget Variance Positive (Negative)	2009
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
Sales tax	1,327,571	1,458,652	1,490,212	31,560	1,350,056
State grants	151,905	151,905	32,776	(119,129)	283,833
Investment Income	7,951	7,951	11,238	3,287	13,989
Miscellaneous	-	-	950	950	-
Total Revenues	<u>1,487,427</u>	<u>1,618,508</u>	<u>1,535,176</u>	<u>(83,332)</u>	<u>1,647,878</u>
Expenditures:					
General Government:					
General administration	41,348	41,348	32,695	8,653	25,263
Buildings and grounds	173,138	1,374,368	38,062	1,336,306	304,278
Public Safety:					
Jail renovation	20,000	20,000	1,035,934	(1,015,934)	20,000
Debt Service:					
Principal	69,839	69,839	135,672	(65,833)	198,751
Interest	150,214	150,214	14,542	135,672	21,302
Total Expenditures	<u>454,539</u>	<u>1,655,769</u>	<u>1,256,905</u>	<u>398,864</u>	<u>569,594</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,032,888</u>	<u>(37,261)</u>	<u>278,271</u>	<u>315,532</u>	<u>1,078,284</u>
Other Financing Sources (Uses):					
Transfers (out)	(1,234,007)	(1,332,777)	(1,213,910)	118,867	(1,003,275)
Debt proceeds	-	1,168,919	1,168,919	-	-
Total Other Financing Sources (Uses)	<u>(1,234,007)</u>	<u>(163,858)</u>	<u>(44,991)</u>	<u>118,867</u>	<u>(1,003,275)</u>
Net Change in Fund Balances	<u>(201,119)</u>	<u>(201,119)</u>	<u>233,280</u>	<u>434,399</u>	<u>75,009</u>
Fund Balances - Beginning of Year			<u>1,028,748</u>		<u>953,739</u>
Fund Balances - End of Year			<u>1,262,028</u>		<u>1,028,748</u>

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

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, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	2010			Final Budget Variance Positive (Negative)	2009
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Intergovernmental:					
Federal grants	1,000,000	1,000,000	157,817	(842,183)	1,095,229
State grants	26,316	26,316	4,194	(22,122)	260,251
Charges for Services:					
Passenger facility charges	100,000	100,000	141,622	41,622	146,822
Investment Income	980	980	1,699	719	3,361
Total Revenues	<u>1,127,296</u>	<u>1,127,296</u>	<u>305,332</u>	<u>(821,964)</u>	<u>1,505,663</u>
Expenditures:					
Public Works	1,127,632	1,127,632	440,073	687,559	1,001,454
Debt Service:					
Principal	67,387	67,387	67,387	-	543,041
Interest	17,236	17,236	17,237	(1)	33,457
Total Expenditures	<u>1,212,255</u>	<u>1,212,255</u>	<u>524,697</u>	<u>687,558</u>	<u>1,577,952</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(84,959)</u>	<u>(84,959)</u>	<u>(219,365)</u>	<u>(134,406)</u>	<u>(72,289)</u>
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	50,000
Debt proceeds	-	-	-	-	185,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>235,000</u>
Net Change in Fund Balances	<u>(84,959)</u>	<u>(84,959)</u>	<u>(219,365)</u>	<u>(134,406)</u>	162,711
Fund Balances - Beginning of Year			<u>329,002</u>		<u>166,291</u>
Fund Balances - End of Year			<u>109,637</u>		<u>329,002</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, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	<u>2010</u>			Final Budget Variance Positive (Negative)	<u>2009</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Intergovernmental:					
Federal grants	195,173	195,173	12,759	(182,414)	1,009,903
State grants	525,138	525,138	457,337	(67,801)	5,039
Investment Income	1,007	1,007	15,588	14,581	2,398
Contributions	10,000	10,000	3,230	(6,770)	-
Miscellaneous	-	-	16,836	16,836	-
Total Revenues	<u>731,318</u>	<u>731,318</u>	<u>505,750</u>	<u>(225,568)</u>	<u>1,017,340</u>
Expenditures:					
Public Safety:					
DOJ grant pass-through	-	-	444,005	(444,005)	925,071
Jail facility construction	-	2,275,000	2,334,786	(59,786)	155,121
Culture and Recreation:					
Special projects	-	-	14,836	(14,836)	-
West Elk byway	492,047	2,167,047	1,750,580	416,467	-
Rodeo grounds	180,000	180,000	4,970	175,030	805
Public Works:					
Rios water system	216,859	216,859	3,066	213,793	120,640
Total Expenditures	<u>888,906</u>	<u>4,838,906</u>	<u>4,552,243</u>	<u>286,663</u>	<u>1,201,637</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(157,588)</u>	<u>(4,107,588)</u>	<u>(4,046,493)</u>	<u>61,095</u>	<u>(184,297)</u>
Other Financing Sources (Uses):					
Transfers in	415,686	415,686	1,047,345	631,659	392,920
Transfers (out)	-	-	-	-	(7,030)
Debt proceeds	-	3,950,000	18,011,972	14,061,972	-
Total Other Financing Sources (Uses)	<u>415,686</u>	<u>4,365,686</u>	<u>19,059,317</u>	<u>14,693,631</u>	<u>385,890</u>
Net Change in Fund Balances	<u>258,098</u>	<u>258,098</u>	<u>15,012,824</u>	<u>14,754,726</u>	<u>201,593</u>
Fund Balances - Beginning of Year			<u>240,629</u>		<u>39,036</u>
Fund Balances - End of Year			<u>15,253,453</u>		<u>240,629</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, 2010

	Special Revenue							Total	
	Conservation Trust Fund	Public Health Fund	Mosquito Control Fund	Land Preservation Fund	Sage Grouse Fund	Risk Management Fund	Gunnison County Housing Auth. Administration	Local Marketing District	Non-major Governmental Funds
Assets:									
Cash and investments	108,644	303	20,054	599,290	244,238	387,918	5,974	352,003	1,718,424
Accounts receivable	-	2,183	-	-	-	2,811	-	-	4,994
Prepaid expenses	-	-	-	-	-	10,508	-	-	10,508
Due from other governments	-	33,820	-	-	-	-	20,880	148,184	202,884
Due from other funds	-	48,066	-	33,464	-	-	9,726	-	91,256
Total Assets	108,644	84,372	20,054	632,754	244,238	401,237	36,580	500,187	2,028,066
Liabilities and Fund Balances:									
Liabilities:									
Accounts payable	-	16,137	-	-	-	4,923	21,623	5,800	48,483
Accrued liabilities	-	-	-	-	-	-	750	-	750
Due to other funds	28,136	-	-	-	-	1,225	-	32	29,393
Deferred revenue	-	42,994	-	-	2,500	-	3,850	-	49,344
Total Liabilities	28,136	59,131	-	-	2,500	6,148	26,223	5,832	127,970
Fund Balances:									
Reserved for prepaid expenses	-	-	-	-	-	10,508	-	-	10,508
Unreserved:									
Special revenue funds	80,508	25,241	20,054	632,754	241,738	384,581	10,357	494,355	1,889,588
Total Fund Balances	80,508	25,241	20,054	632,754	241,738	395,089	10,357	494,355	1,900,096
Total Liabilities and Fund Balances	108,644	84,372	20,054	632,754	244,238	401,237	36,580	500,187	2,028,066

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, 2010

	Special Revenue								
	Conservation Trust Fund	Public Health Fund	Mosquito Control Fund	Land Preservation Fund	Sage Grouse Fund	Risk Management Fund	Gunnison County Housing Auth. Administration	Local Marketing District	Total Non-major Governmental Funds
Revenues:									
Taxes	-	6,341	-	308,268	-	-	-	983,054	1,297,663
Intergovernmental	46,852	357,239	13,599	-	-	-	170,234	-	587,924
Charges for services	-	54,088	53,984	-	-	-	46,604	-	154,676
Investment income	1,038	-	-	4,769	-	5,285	304	5,419	16,815
Contributions	-	-	-	-	-	121,552	-	-	121,552
Miscellaneous	-	68,548	302	-	-	2,856	1,867	-	73,573
Total Revenues	47,890	486,216	67,885	313,037	-	129,693	219,009	988,473	2,252,203
Expenditures:									
General government	-	-	-	-	11,058	31,105	-	991,833	1,033,996
Health and welfare	-	631,191	80,133	-	-	-	382,823	-	1,094,147
Culture and recreation	315	-	-	1,863	-	-	-	-	2,178
Debt service	-	-	-	165,227	-	-	2,316	-	167,543
Total Expenditures	315	631,191	80,133	167,090	11,058	31,105	385,139	991,833	2,297,864
Excess (Deficiency) of Revenues Over Expenditures	47,575	(144,975)	(12,248)	145,947	(11,058)	98,588	(166,130)	(3,360)	(45,661)
Other Financing Sources (Uses):									
Transfers in	-	155,369	13,599	-	62,533	55,460	233,896	-	520,857
Transfers (out)	(30,000)	-	(1,044)	-	(75,000)	-	(67,656)	(21,600)	(195,300)
Total Other Financing Sources (Uses)	(30,000)	155,369	12,555	-	(12,467)	55,460	166,240	(21,600)	325,557
Net Change in Fund Balances	17,575	10,394	307	145,947	(23,525)	154,048	110	(24,960)	279,896
Fund Balances - Beginning of Year	62,933	14,847	19,747	486,807	265,263	241,041	10,247	519,315	1,620,200
Fund Balances - End of Year	80,508	25,241	20,054	632,754	241,738	395,089	10,357	494,355	1,900,096

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, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	2010			Final Budget Variance Positive (Negative)	2009
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Lottery proceeds	40,000	40,000	46,852	6,852	49,532
Earnings on investments	879	879	1,038	159	1,483
Total Revenues	<u>40,879</u>	<u>40,879</u>	<u>47,890</u>	<u>7,011</u>	<u>51,015</u>
Expenditures:					
Treasurer's fees	400	400	315	85	324
Total Expenditures	<u>400</u>	<u>400</u>	<u>315</u>	<u>85</u>	<u>324</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>40,479</u>	<u>40,479</u>	<u>47,575</u>	<u>7,096</u>	<u>50,691</u>
Other Financing Sources (Uses):					
Transfers (out)	(94,000)	(94,000)	(30,000)	64,000	(32,900)
Total Other Financing Sources (Uses)	<u>(94,000)</u>	<u>(94,000)</u>	<u>(30,000)</u>	<u>64,000</u>	<u>(32,900)</u>
Net Change in Fund Balances	<u>(53,521)</u>	<u>(53,521)</u>	17,575	<u>71,096</u>	17,791
Fund Balances - Beginning of Year			62,933		45,142
Fund Balances - End of Year			<u>80,508</u>		<u>62,933</u>

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

Gunnison County, Colorado
Special Revenue Funds
Public Health Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	<u>2010</u>			Final Budget Variance Positive (Negative)	<u>2009</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
Other taxes	4,000	4,000	6,341	2,341	3,466
Intergovernmental:					
State grants	334,101	334,101	357,239	23,138	172,161
Charges for Services	45,534	45,534	54,088	8,554	22,987
Miscellaneous	75,000	75,000	68,548	(6,452)	36,459
Total Revenues	<u>458,635</u>	<u>458,635</u>	<u>486,216</u>	<u>27,581</u>	<u>235,073</u>
Expenditures:					
Health and welfare:					
Operating expenditures	614,004	614,004	631,191	(17,187)	296,957
Total Expenditures	<u>614,004</u>	<u>614,004</u>	<u>631,191</u>	<u>(17,187)</u>	<u>296,957</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(155,369)</u>	<u>(155,369)</u>	<u>(144,975)</u>	<u>10,394</u>	<u>(61,884)</u>
Other Financing Sources (Uses):					
Transfers in	155,369	155,369	155,369	-	76,731
Total Other Financing Sources (Uses)	<u>155,369</u>	<u>155,369</u>	<u>155,369</u>	<u>-</u>	<u>76,731</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>10,394</u>	<u>10,394</u>	<u>14,847</u>
Fund Balances - Beginning of Year			<u>14,847</u>		<u>-</u>
Fund Balances - End of Year			<u>25,241</u>		<u>14,847</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, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	<u>2010</u>			<u>Final Budget Variance Positive (Negative)</u>	<u>2009</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Charges for Services	54,117	54,117	53,984	(133)	48,543
Intergovernmental:					
Local grants	13,599	13,599	13,599	-	12,715
Miscellaneous	280	280	302	22	257
Total Revenues	<u>67,996</u>	<u>67,996</u>	<u>67,885</u>	<u>(111)</u>	<u>61,515</u>
Expenditures:					
Operations	80,551	80,551	80,133	418	74,862
Total Expenditures	<u>80,551</u>	<u>80,551</u>	<u>80,133</u>	<u>418</u>	<u>74,862</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(12,555)</u>	<u>(12,555)</u>	<u>(12,248)</u>	<u>307</u>	<u>(13,347)</u>
Other Financing Sources (Uses):					
Transfers in	13,599	13,599	13,599	-	12,715
Transfers (out)	(1,044)	(1,044)	(1,044)	-	(950)
Total Other Financing Sources (Uses)	<u>12,555</u>	<u>12,555</u>	<u>12,555</u>	<u>-</u>	<u>11,765</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>307</u>	<u>307</u>	<u>(1,582)</u>
Fund Balances - Beginning of Year			<u>19,747</u>		<u>21,329</u>
Fund Balances - End of Year			<u>20,054</u>		<u>19,747</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, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	<u>2010</u>			Final Budget Variance Positive (Negative)	<u>2009</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
Sales tax	312,288	312,288	308,268	(4,020)	322,020
Investment Income	<u>2,725</u>	<u>2,725</u>	<u>4,769</u>	<u>2,044</u>	<u>5,012</u>
Total Revenues	<u>315,013</u>	<u>315,013</u>	<u>313,037</u>	<u>(1,976)</u>	<u>327,032</u>
Expenditures:					
Culture and Recreation:					
Land preservation	300,000	300,000	1,863	298,137	-
Debt Service:					
Principal payments	143,918	143,918	144,787	(869)	137,445
Interest payments	<u>21,309</u>	<u>21,309</u>	<u>20,440</u>	<u>869</u>	<u>27,782</u>
Total Expenditures	<u>465,227</u>	<u>465,227</u>	<u>167,090</u>	<u>298,137</u>	<u>165,227</u>
Excess (Deficiency) of Revenues Over Expenditures	(150,214)	(150,214)	145,947	296,161	161,805
Other Financing Sources (Uses):					
Transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,000)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,000)</u>
Net Change in Fund Balances	<u>(150,214)</u>	<u>(150,214)</u>	145,947	<u>296,161</u>	131,805
Fund Balances - Beginning of Year			<u>486,807</u>		<u>355,002</u>
Fund Balances - End of Year			<u>632,754</u>		<u>486,807</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, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	2010			Final Budget Variance Positive (Negative)	2009
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Total Revenues	-	-	-	-	-
Expenditures:					
General government	-	12,000	11,058	942	14
Total Expenditures	-	12,000	11,058	942	14
Excess (Deficiency) of Revenues Over Expenditures	-	(12,000)	(11,058)	942	(14)
Other Financing Sources (Uses):					
Transfers in	45,927	57,927	62,533	4,606	56,354
Transfers (out)	(75,000)	(75,000)	(75,000)	-	(25,000)
Total Other Financing Sources (Uses)	(29,073)	(17,073)	(12,467)	4,606	31,354
Net Change in Fund Balances	(29,073)	(29,073)	(23,525)	5,548	31,340
Fund Balances - Beginning of Year			265,263		233,923
Fund Balances - End of Year			241,738		265,263

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, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	<u>2010</u>			Final Budget Variance Positive (Negative)	<u>2009</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Investment Income	2,119	2,119	5,285	3,166	3,526
Contributions	121,551	121,551	121,552	1	113,256
Miscellaneous	-	-	2,856	2,856	-
Total Revenues	<u>123,670</u>	<u>123,670</u>	<u>129,693</u>	<u>6,023</u>	<u>116,782</u>
Expenditures:					
General Government:					
CAPP Insurance Claims	49,970	49,970	9,897	40,073	15,928
Other expenses	66,600	66,600	21,208	45,392	48,753
Total Expenditures	<u>116,570</u>	<u>116,570</u>	<u>31,105</u>	<u>85,465</u>	<u>64,681</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>7,100</u>	<u>7,100</u>	<u>98,588</u>	<u>91,488</u>	<u>52,101</u>
Other Financing Sources (Uses):					
Transfers in	55,460	55,460	55,460	-	55,502
Total Other Financing Sources (Uses)	<u>55,460</u>	<u>55,460</u>	<u>55,460</u>	<u>-</u>	<u>55,502</u>
Net Change in Fund Balances	<u>62,560</u>	<u>62,560</u>	154,048	<u>91,488</u>	107,603
Fund Balances - Beginning of Year			<u>241,041</u>		<u>133,438</u>
Fund Balances - End of Year			<u>395,089</u>		<u>241,041</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, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	2010			Final Budget Variance Positive (Negative)	2009
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Intergovernmental:					
Federal grants	75,374	75,374	87,840	12,466	67,160
State grants	2,209	2,209	3,434	1,225	2,730
Local grants	73,500	73,500	78,960	5,460	73,500
Charges for Services:					
Fees	45,369	45,369	46,604	1,235	274,385
Investment Income	5	5	304	299	7,552
Miscellaneous	350,500	350,500	1,867	(348,633)	2,778
Total Revenues	<u>546,957</u>	<u>546,957</u>	<u>219,009</u>	<u>(327,948)</u>	<u>428,105</u>
Expenditures:					
Health and Welfare	903,655	903,655	382,823	520,832	405,948
Debt Service:					
Principal	-	-	1,371	(1,371)	1,954
Interest	2,565	2,565	945	1,620	573
Total Expenditures	<u>906,220</u>	<u>906,220</u>	<u>385,139</u>	<u>521,081</u>	<u>408,475</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(359,263)</u>	<u>(359,263)</u>	<u>(166,130)</u>	<u>193,133</u>	<u>19,630</u>
Other Financing Sources (Uses):					
Transfers in	427,354	427,354	233,896	(193,458)	310,291
Transfers (out)	(72,606)	(72,606)	(67,656)	4,950	(450,123)
Total Other Financing Sources (Uses)	<u>354,748</u>	<u>354,748</u>	<u>166,240</u>	<u>(188,508)</u>	<u>(139,832)</u>
Net Change in Fund Balances	<u>(4,515)</u>	<u>(4,515)</u>	110	<u>4,625</u>	(120,202)
Fund Balances - Beginning of Year			10,247		130,449
Fund Balances - End of Year			<u>10,357</u>		<u>10,247</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, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	<u>2010</u>			Final Budget Variance Positive Negative	<u>2009</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Marketing and promotion tax	973,601	973,601	983,054	9,453	1,076,295
Admission tax - Mt. Crested Butte	-	-	-	-	200,000
Earnings on investments	4,301	4,301	5,419	1,118	7,480
Total Revenues	<u>977,902</u>	<u>977,902</u>	<u>988,473</u>	<u>10,571</u>	<u>1,283,775</u>
Expenditures:					
General Government:					
Contracted services	1,080,000	1,080,000	964,500	115,500	1,086,544
Other	24,978	24,978	27,333	(2,355)	32,224
Total Expenditures	<u>1,104,978</u>	<u>1,104,978</u>	<u>991,833</u>	<u>113,145</u>	<u>1,118,768</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(127,076)</u>	<u>(127,076)</u>	<u>(3,360)</u>	<u>123,716</u>	<u>165,007</u>
Other Financing Sources (Uses):					
Transfers (out)	(21,600)	(21,600)	(21,600)	-	(16,700)
Total Other Financing Sources (Uses)	<u>(21,600)</u>	<u>(21,600)</u>	<u>(21,600)</u>	<u>-</u>	<u>(16,700)</u>
Net Change in Fund Balances	<u>(148,676)</u>	<u>(148,676)</u>	<u>(24,960)</u>	<u>123,716</u>	<u>148,307</u>
Fund Balances - Beginning of Year			<u>519,315</u>		<u>371,008</u>
Fund Balances - End of Year			<u>494,355</u>		<u>519,315</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, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	2010			Final Budget	2009
	Original	Final	Actual	Variance	Actual
	Budget	Budget		Positive	
				(Negative)	
Operating Revenues:					
Airport fees	281,353	329,853	329,521	(332)	416,118
Terminal & hanger rent	365,311	365,311	440,037	74,726	426,222
Ground transportation	200,000	200,000	195,509	(4,491)	241,221
Parking fees & fines	68,000	68,000	77,193	9,193	79,662
FBO rent and fees	27,300	27,300	27,123	(177)	27,116
Aviation fuel tax	16,230	16,230	39,325	23,095	30,056
Grants	-	-	3,049	3,049	-
Other	48,752	48,752	67,110	18,358	61,597
Total Operating Revenues	1,006,946	1,055,446	1,178,867	123,421	1,281,992
Operating Expenditures:					
Administration	363,578	363,578	365,252	(1,674)	352,523
Terminal operations	196,018	196,018	159,949	36,069	207,412
Runway & grounds maintenance.	223,512	272,012	238,221	33,791	151,591
Snow removal	101,732	101,732	114,251	(12,519)	61,624
Aircraft rescue	118,309	118,309	105,256	13,053	97,001
Security	76,790	76,790	61,136	15,654	50,987
Capital outlay	35,000	35,000	33,629	1,371	7,571
Debt payments	12,000	12,000	5,735	6,265	11,144
Total Operating Expenditures	1,126,939	1,175,439	1,083,429	92,010	939,853
Operating Income (Loss)	(119,993)	(119,993)	95,438	215,431	342,139
Non-operating Revenues (Expenditures):					
Proceeds from sale of assets	-	-	(971)	(971)	-
Transfers (out)	(101,676)	(101,676)	(101,676)	-	(182,615)
Investment revenue	10,526	10,526	12,880	2,354	17,078
Interest expense	(700)	(700)	(112)	588	(551)
Total Non-operating Revenues (Expenditures)	(91,850)	(91,850)	(89,879)	1,971	(166,088)
Change in Net Assets - Budget Basis	(211,843)	(211,843)	5,559	217,402	176,051
Available Resources - Beginning of Year			881,436		705,385
Available Resources - End of Year			886,995		881,436
Available resources at year-end is computed as follows:					
Current assets			1,007,590		980,252
Current liabilities			(55,946)		(46,775)
Current portion of long-term obligations			-		5,735
Accrued compensated absences			(64,649)		(57,776)
			886,995		881,436

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, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	2010			Final Budget Variance Positive (Negative)	2009
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Dos Rios Division:					
Tap fees	-	-	5,500	5,500	-
User fees	155,770	155,770	156,626	856	154,834
Late fees	1,200	1,200	2,415	1,215	2,099
Total Dos Rios Division	<u>156,970</u>	<u>156,970</u>	<u>164,541</u>	<u>7,571</u>	<u>156,933</u>
Somerset Division:					
User fees	8,140	8,140	8,139	(1)	7,941
Late fees	100	100	171	71	178
Total Somerset Division	<u>8,240</u>	<u>8,240</u>	<u>8,310</u>	<u>70</u>	<u>8,119</u>
Antelope Hills Division:					
User fees	43,150	43,150	43,569	419	42,806
Late fees	400	400	566	166	443
Total Antelope Hills Division	<u>43,550</u>	<u>43,550</u>	<u>44,135</u>	<u>585</u>	<u>43,249</u>
North Gunnison Division:					
Tap fees	182,000	182,000	176,000	(6,000)	16,500
User fees	221,890	221,890	208,158	(13,732)	195,823
Late fees	300	300	2,914	2,614	1,503
Other revenue	449,185	449,185	647,706	198,521	132,767
Total North Gunnison Division	<u>853,375</u>	<u>853,375</u>	<u>1,034,778</u>	<u>181,403</u>	<u>346,593</u>
North Valley Division:					
Other revenue	-	-	-	-	850
Total North Valley Division	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>850</u>
Total Revenues	<u>1,062,135</u>	<u>1,062,135</u>	<u>1,251,764</u>	<u>189,629</u>	<u>555,744</u>
Expenditures:					
Dos Rios Division:					
Operations	126,234	126,234	106,916	19,318	110,953
Transfers to other funds	27,830	27,830	31,362	(3,532)	24,936
Capital outlay	-	-	39,000	(39,000)	354,440
Total Dos Rios Division	<u>154,064</u>	<u>154,064</u>	<u>177,278</u>	<u>(23,214)</u>	<u>490,329</u>
Somerset Division:					
Operations	5,247	5,247	4,025	1,222	5,845
Transfers to other funds	1,001	1,001	1,116	(115)	914
Total Somerset Division	<u>6,248</u>	<u>6,248</u>	<u>5,141</u>	<u>1,107</u>	<u>6,759</u>
Antelope Hills Division:					
Operations	29,826	29,826	20,334	9,492	23,645
Transfers to other funds	6,259	6,259	6,905	(646)	5,380
Total Antelope Hills Division	<u>36,085</u>	<u>36,085</u>	<u>27,239</u>	<u>8,846</u>	<u>29,025</u>
North Gunnison Division:					
Operations	176,242	176,242	177,914	(1,672)	63,918
Transfers to other funds	14,277	14,277	16,130	(1,853)	13,713
Debt service	115,243	115,243	114,519	724	114,551
Total North Gunnison Division	<u>305,762</u>	<u>305,762</u>	<u>308,563</u>	<u>(2,801)</u>	<u>192,182</u>
North Valley Division:					
Transfers to other funds	274,191	274,191	33,307	240,884	-
Debt service	176,000	176,000	352,383	(176,383)	-
Total North Valley Division	<u>450,191</u>	<u>450,191</u>	<u>385,690</u>	<u>64,501</u>	<u>-</u>
Total Expenditures	<u>952,350</u>	<u>952,350</u>	<u>903,911</u>	<u>48,439</u>	<u>718,295</u>
Change in Net Assets - Budget Basis	<u>109,785</u>	<u>109,785</u>	<u>347,853</u>	<u>238,068</u>	<u>(162,551)</u>
Available Resources - Beginning of Year			<u>383,977</u>		<u>546,528</u>
Available Resources - End of Year			<u>731,830</u>		<u>383,977</u>
Available resources at year-end is computed as follows:					
Current assets			813,270		763,407
Current liabilities			(116,768)		(413,223)
Current portion of long-term obligations			35,328		33,793
Accrued compensated absences			-		-
			<u>731,830</u>		<u>383,977</u>

Gunnison County, Colorado
Enterprise Funds
Water Fund
Schedule of Revenues, Expenditures and Available Resources
Budget (Non-GAAP) Basis and Actual
For the Year Ended December 31, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	<u>2010</u>			Final Budget Variance Positive (Negative)	<u>2009</u>
	Original Budget	Final Budget	Actual		Actual
Operating Revenues:					
User fees	186,480	186,480	197,755	11,275	175,413
Availability fees	4,500	4,500	7,558	3,058	4,301
Contributions	8,024	8,024	8,892	868	9,088
Grants	2,050,130	2,050,130	4,161	(2,045,969)	-
Other	400	400	829	429	-
Total Operating Revenues	<u>2,249,534</u>	<u>2,249,534</u>	<u>219,195</u>	<u>(2,030,339)</u>	<u>188,802</u>
Operating Expenditures:					
Dos Rios Division:					
Operating expenses	2,125,412	2,125,412	136,360	1,989,052	171,197
Allocations	14,508	14,508	14,508		14,830
Debt service	8,024	8,024	7,957	67	7,960
Utilities Administration:					
Operating expenses	143,028	143,028	60,720	82,308	95,601
Total Operating Expenditures	<u>2,290,972</u>	<u>2,290,972</u>	<u>219,545</u>	<u>2,071,427</u>	<u>289,588</u>
Operating Income (Loss)	<u>(41,438)</u>	<u>(41,438)</u>	<u>(350)</u>	<u>41,088</u>	<u>(100,786)</u>
Non-operating Revenues (Expenditures):					
Transfers in	19,607	19,607	25,753	6,146	11,978
Total Non-operating Revenues (Expenditures)	<u>19,607</u>	<u>19,607</u>	<u>25,753</u>	<u>6,146</u>	<u>11,978</u>
Change in Net Assets - Budget Basis	<u>(21,831)</u>	<u>(21,831)</u>	25,403	<u>47,234</u>	(88,808)
Available Resources - Beginning of Year			<u>339,172</u>		<u>427,980</u>
Available Resources - End of Year			<u>364,575</u>		<u>339,172</u>
Available resources at year-end is computed as follows:					
Current assets			388,989		408,036
Current liabilities			(13,823)		(57,691)
Current portion of long-term obligations			4,339		4,133
Accrued compensated absences			(14,930)		(15,306)
			<u>364,575</u>		<u>339,172</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, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	2010			Final Budget Variance Positive (Negative)	2009
	Original Budget	Final Budget	Actual		Actual
Operating Revenues:					
Sage Grouse mitigation	45,927	45,927	62,533	16,606	56,354
Construction surcharge	79,487	79,487	109,765	30,278	98,066
Landfill:					
Disposal fees	350,712	350,712	427,068	76,356	415,000
Closure cost surcharge	20,536	20,536	28,390	7,854	25,364
Other fees	12,600	12,600	16,472	3,872	15,127
Other	3,400	3,400	20,417	17,017	21,514
Total Landfill Revenues	<u>512,662</u>	<u>512,662</u>	<u>664,645</u>	<u>151,983</u>	<u>631,425</u>
Recycling:					
Recycling surcharge	82,740	82,740	142,701	59,961	127,830
Recycled material sales	49,060	49,060	148,804	99,744	84,667
Total Recycling Revenues	<u>131,800</u>	<u>131,800</u>	<u>291,505</u>	<u>159,705</u>	<u>212,497</u>
Total Operating Revenues	<u>644,462</u>	<u>644,462</u>	<u>956,150</u>	<u>311,688</u>	<u>843,922</u>
Operating Expenditures:					
Closure, post closure, construction reserve	33,735	33,735	1,728	32,007	2,726
Operations	427,590	427,590	380,576	47,014	436,281
Capital outlay	27,000	27,000	-	27,000	-
Total Landfill Expenditures	<u>488,325</u>	<u>488,325</u>	<u>382,304</u>	<u>106,021</u>	<u>439,007</u>
Recycling Expenditures:					
Operations	217,514	217,514	201,043	16,471	198,379
Capital outlay	-	-	27,226	(27,226)	30,713
Total Recycling Expenditures	<u>217,514</u>	<u>217,514</u>	<u>228,269</u>	<u>(10,755)</u>	<u>229,092</u>
Total Operating Expenditures	<u>705,839</u>	<u>705,839</u>	<u>610,573</u>	<u>95,266</u>	<u>668,099</u>
Operating Income (Loss)	<u>(61,377)</u>	<u>(61,377)</u>	<u>345,577</u>	<u>406,954</u>	<u>175,823</u>
Non-operating Revenues (Expenditures):					
Transfers (out)	(147,665)	(147,665)	(121,621)	26,044	(154,476)
Investment revenue	29,330	29,330	33,424	4,094	48,383
Total Non-operating Revenues (Expenditures)	<u>(118,335)</u>	<u>(118,335)</u>	<u>(88,197)</u>	<u>30,138</u>	<u>(106,093)</u>
Change in Net Assets - Budget Basis	<u>(179,712)</u>	<u>(179,712)</u>	<u>257,380</u>	<u>437,092</u>	<u>69,730</u>
Available Resources - Beginning of Year			<u>2,364,166</u>		<u>2,294,436</u>
Available Resources - End of Year			<u>2,621,546</u>		<u>2,364,166</u>
Available resources at year-end is computed as follows:					
Current assets			2,663,791		2,423,657
Current liabilities			(24,735)		(31,250)
Current portion of long-term obligations			-		-
Accrued compensated absences			(17,510)		(28,241)
			<u>2,621,546</u>		<u>2,364,166</u>

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, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	2010			Final Budget Variance Positive (Negative)	2009
	Original Budget	Final Budget	Actual		Actual
Operating Revenues:					
Palisade Assisted Living:					
Donations and debt service reimbursements	36,488	36,488	36,813	325	39,852
Total Operating Revenues	<u>36,488</u>	<u>36,488</u>	<u>36,813</u>	<u>325</u>	<u>39,852</u>
Operating Expenditures:					
Principal payments	19,959	19,959	16,194	3,765	15,540
Interest payments	16,529	16,529	20,619	(4,090)	21,272
Total Operating Expenditures	<u>36,488</u>	<u>36,488</u>	<u>36,813</u>	<u>(325)</u>	<u>36,812</u>
Change in Net Assets - Budget Basis	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,040</u>
Available Resources - Beginning of Year			<u>3,051</u>		<u>11</u>
Available Resources - End of Year			<u><u>3,051</u></u>		<u><u>3,051</u></u>
Available resources at year-end is computed as follows:					
Current assets			3,051		3,051
Current liabilities			(16,876)		(16,194)
Current portion of long-term obligations			16,876		16,194
Accrued compensated absences			-		-
			<u><u>3,051</u></u>		<u><u>3,051</u></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, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	<u>2010</u>			Final Budget Variance Positive (Negative)	<u>2009</u>
	Original Budget	Final Budget	Actual		Actual
Operating Revenues:					
Mountain View Apartments:					
Tenant payments	100,482	100,482	88,184	(12,298)	86,934
Assistance payment	122,626	122,626	124,479	1,853	118,787
Vacancies	(11,155)	(11,155)	(2,769)	8,386	(5,197)
Other revenue	8,400	8,400	6,936	(1,464)	6,297
Total Operating Revenues	<u>220,353</u>	<u>220,353</u>	<u>216,830</u>	<u>(3,523)</u>	<u>206,821</u>
Operating Expenditures:					
Mountain View Apartments:					
Operations	164,699	164,699	163,209	1,490	289,075
Capital outlay	25,000	25,000	-	25,000	27
Principal on debt	9,690	9,690	10,013	(323)	10,201
Interest on debt	38,551	38,551	40,643	(2,092)	31,783
Total Operating Expenditures	<u>237,940</u>	<u>237,940</u>	<u>213,865</u>	<u>24,075</u>	<u>331,086</u>
Operating Income (Loss)	<u>(17,587)</u>	<u>(17,587)</u>	<u>2,965</u>	<u>20,552</u>	<u>(124,265)</u>
Non-operating Revenues (Expenditures):					
Sale of capital assets	-	-	803	803	(5,361)
Investment revenue	520	520	464	(56)	1,211
Total Non-operating Revenues (Expenditures)	<u>520</u>	<u>520</u>	<u>1,267</u>	<u>747</u>	<u>(4,150)</u>
Change in Net Assets - Budget Basis	<u>(17,067)</u>	<u>(17,067)</u>	<u>4,232</u>	<u>21,299</u>	<u>(128,415)</u>
Available Resources - Beginning of Year			<u>216,289</u>		<u>344,704</u>
Available Resources - End of Year			<u>220,521</u>		<u>216,289</u>
Available resources at year-end is computed as follows:					
Current assets			274,420		271,670
Current liabilities			(64,147)		(65,058)
Current portion of long-term obligations			10,248		9,677
Accrued compensated absences			-		-
			<u>220,521</u>		<u>216,289</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, 2010

	<u>Internal Service Fund I</u>	<u>Internal Service Fund II</u>	<u>Internal Service Fund III</u>	<u>Total</u>
Current Assets:				
Cash	255,821	553,194	1,226,684	2,035,699
Accounts receivable, net of allowance for uncollectible accounts, where applicable	441	6,231	107,327	113,999
Due from other governments	-	-	5,721	5,721
Prepaid expenses	-	13,490	-	13,490
Due from other funds	141,248	-	15,951	157,199
Inventory, at cost	834,413	17,428	-	851,841
Total Current Assets	<u>1,231,923</u>	<u>590,343</u>	<u>1,355,683</u>	<u>3,177,949</u>
Non-current Assets:				
Land, property and equipment	10,972,314	1,458,009	-	12,430,323
Less: Accumulated depreciation	(7,603,306)	(704,371)	-	(8,307,677)
Total Non-current Assets	<u>5,163,383</u>	<u>753,638</u>	<u>-</u>	<u>5,917,021</u>
Total Assets	<u>6,395,306</u>	<u>1,343,981</u>	<u>1,355,683</u>	<u>9,094,970</u>
Liabilities:				
Current Liabilities:				
Accounts payable	90,048	27,442	6,422	123,912
Accrued liabilities	5,037	-	-	5,037
Due to other funds	-	77,089	-	77,089
Deferred revenue	-	-	127,069	127,069
Leases, due within one year	152,737	-	-	152,737
Total Current Liabilities	<u>247,822</u>	<u>104,531</u>	<u>133,491</u>	<u>485,844</u>
Non-current Liabilities:				
Accrued compensated absences	48,740	19,240	4,944	72,924
Leases, due in more than one year	158,082	-	-	158,082
Total Non-current Liabilities	<u>206,822</u>	<u>19,240</u>	<u>4,944</u>	<u>231,006</u>
Total Liabilities	<u>454,644</u>	<u>123,771</u>	<u>138,435</u>	<u>716,850</u>
Net Assets:				
Invested in capital assets, net of related debt	4,852,564	753,638	-	5,606,202
Unrestricted	1,088,098	466,572	1,217,248	2,771,918
Total Net Assets	<u>5,940,662</u>	<u>1,220,210</u>	<u>1,217,248</u>	<u>8,378,120</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, 2010

	<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	1,673,257	-	-	1,673,257
Charges and fees	1,794,400	64,500	416,623	2,275,523
Other	205,391	749,385	1,526,716	2,481,492
Total Operating Revenues	<u>3,673,048</u>	<u>813,885</u>	<u>1,943,339</u>	<u>6,430,272</u>
Operating Expenses:				
Operations and maintenance	1,500,318	547,402	1,936,211	3,983,931
Administration	16,916	-	-	16,916
Depreciation and amortization	615,920	179,896	-	795,816
Total Operating Expenses	<u>2,133,154</u>	<u>727,298</u>	<u>1,936,211</u>	<u>4,796,663</u>
Operating Income (Loss)	<u>1,539,894</u>	<u>86,587</u>	<u>7,128</u>	<u>1,633,609</u>
Non-operating Revenues (Expenses):				
Gain (loss) on disposal of capital assets	1,000	(5,163)	-	(4,163)
Investment revenue	-	-	19,016	19,016
Interest expense	(13,652)	-	-	(13,652)
Total Non-operating Revenues (Expenses)	<u>(12,652)</u>	<u>(5,163)</u>	<u>19,016</u>	<u>1,201</u>
Income (Loss) Before Transfers	<u>1,527,242</u>	<u>81,424</u>	<u>26,144</u>	<u>1,634,810</u>
Transfers In	105,817	380,652	-	486,469
Transfers (Out)	<u>(58,824)</u>	<u>(70,164)</u>	<u>(33,960)</u>	<u>(162,948)</u>
Change in Net Assets	1,574,235	391,912	(7,816)	1,958,331
Total Net Assets - Beginning of Year	<u>4,366,427</u>	<u>828,298</u>	<u>1,225,064</u>	<u>6,419,789</u>
Total Net Assets - End of Year	<u>5,940,662</u>	<u>1,220,210</u>	<u>1,217,248</u>	<u>8,378,120</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, 2010

	Internal Service Fund I	Internal Service Fund II	Internal Service Fund III	Total
Cash Flows from Operating Activities:				
Cash received from charges for services	1,881,397	749,002	1,456,932	4,087,331
Cash received from other sources	1,794,400	64,500	416,623	2,275,523
Cash payments to vendors for goods and services	(1,268,254)	(363,548)	(1,910,926)	(3,542,728)
Cash payments to employees for services	(501,678)	(189,108)	(452)	(691,238)
Net Cash Provided (Used) by Operating Activities	1,905,865	260,846	(37,823)	2,128,888
Cash Flows from Non-capital Financing Activities:				
Transfers from (to) other funds, net	(8,305)	387,461	(43,395)	335,761
Net Cash Provided (Used) by Non-capital Financing Activities	(8,305)	387,461	(43,395)	335,761
Cash Flows from Capital and Related Financing Activities:				
Interest paid on debt	(13,652)	-	-	(13,652)
Principal paid on loans and leases	(147,572)	-	-	(147,572)
Purchase of capital assets	(2,056,651)	(474,461)	-	(2,531,112)
Cash from sale of assets	1,000	(5,163)	-	(4,163)
Net Cash Provided (Used) by Capital and Related Financing Activities	(2,216,875)	(479,624)	-	(2,696,499)
Cash Flows from Investing Activities:				
Cash from investment income	-	-	19,016	19,016
Net Cash Provided (Used) by Investing Activities	-	-	19,016	19,016
Net Increase (Decrease) in Cash	(319,315)	168,683	(62,202)	(212,834)
Cash - Beginning of Year	575,136	384,511	1,288,886	2,248,533
Cash - End of Year	255,821	553,194	1,226,684	2,035,699
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	1,539,894	86,587	7,128	1,633,608
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation and amortization	615,920	179,896	-	795,818
Changes in Assets and Liabilities:				
(Increase) decrease in accounts receivable	2,749	(382)	(72,943)	(70,576)
(Increase) decrease in prepaid expenses	116	(5,426)	25,563	20,253
(Increase) decrease in inventory	(25,769)	(7,753)	-	(33,522)
Increase (decrease) in accounts payable	(227,850)	(758)	(279)	(228,887)
Increase (decrease) in accrued liabilities	(2,391)	-	-	(2,391)
Increase (decrease) in deferred revenues	-	-	3,159	3,159
Increase (decrease) in compensated absences	3,196	8,682	(452)	11,426
Net Cash Provided (Used) by Operating Activities	1,905,865	260,846	(37,824)	2,128,888

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, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	2010			Final Budget Variance Positive (Negative)	2009
	Original Budget	Final Budget	Actual		Actual
Operating Revenues:					
Equipment rent	1,662,003	1,662,003	1,673,257	11,254	1,463,424
Material and gravel sales	475,147	475,147	176,494	(298,653)	247,461
Other revenues	4,300	4,300	28,922	24,622	4,745
Total Operating Revenues	<u>2,141,450</u>	<u>2,141,450</u>	<u>1,878,673</u>	<u>(262,777)</u>	<u>1,715,630</u>
Operating Expenditures:					
Administration	22,655	22,655	16,916	5,739	14,978
County shops	1,435,586	1,435,586	1,308,338	127,248	1,303,591
Materials	464,500	464,500	176,494	288,006	246,548
Pit maintenance	67,309	67,309	-	67,309	-
Property and equipment purchases	295,817	295,817	277,761	18,056	713,109
Equipment lease payments	163,616	163,616	161,224	2,392	353,146
Total Operating Expenditures	<u>2,449,483</u>	<u>2,449,483</u>	<u>1,940,733</u>	<u>508,750</u>	<u>2,631,372</u>
Operating Income (Loss)	<u>(308,033)</u>	<u>(308,033)</u>	<u>(62,060)</u>	<u>245,973</u>	<u>(915,742)</u>
Non-operating Revenues (Expenditures):					
Sale of capital assets	-	-	1,000	1,000	1,949
Lease proceeds	-	-	-	-	94,688
Grant revenue	31,797	31,797	-	(31,797)	-
Investment income	-	-	-	-	40
Transfers in	105,817	105,817	105,817	-	-
Transfers (out)	(58,824)	(58,824)	(58,824)	-	(54,030)
Total Non-operating Revenues (Expenditures)	<u>78,790</u>	<u>78,790</u>	<u>47,993</u>	<u>(30,797)</u>	<u>42,647</u>
Change in Net Assets - Budget Basis	<u>(229,243)</u>	<u>(229,243)</u>	<u>(14,067)</u>	<u>215,176</u>	<u>(873,095)</u>
Available Resources - Beginning of Year			<u>1,102,163</u>		<u>1,975,258</u>
Available Resources - End of Year			<u>1,088,096</u>		<u>1,102,163</u>
Available resources at year-end is computed as follows:					
Current assets			1,231,923		1,473,033
Current liabilities			(247,822)		(472,898)
Current portion of long-term obligations			152,737		147,572
Accrued compensated absences			(48,740)		(45,544)
			<u>1,088,098</u>		<u>1,102,163</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, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	<u>2010</u>			<u>Final Budget</u>	<u>2009</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Operating Revenues:					
Data processing	388,095	388,095	385,592	(2,503)	372,785
Mapping	206,422	206,422	206,098	(324)	189,186
Telephone system	73,632	73,632	73,467	(165)	61,788
Photocopy and postage	85,696	85,696	82,733	(2,963)	80,338
Other	69,768	69,768	65,996	(3,772)	79,466
Total Operating Revenues	<u>823,613</u>	<u>823,613</u>	<u>813,886</u>	<u>(9,727)</u>	<u>783,563</u>
Operating Expenditures:					
Data Processing:					
Operations	754,519	754,519	537,998	216,521	239,517
Acquisition of property and equipment	80,350	80,350	58,879	21,471	72,053
Mapping:					
Operations	194,119	194,119	163,376	30,743	149,460
Acquisition of property and equipment	-	-	5,613	(5,613)	-
Telephone System:					
Operations	56,269	56,269	23,276	32,993	40,349
Acquisition of property and equipment	62,260	62,260	163,696	(101,436)	171,907
Photocopy and Postage:					
Operations	77,652	77,652	74,386	3,266	67,587
Total Operating Expenditures	<u>1,225,169</u>	<u>1,225,169</u>	<u>1,027,224</u>	<u>197,945</u>	<u>740,873</u>
Operating Income (Loss)	<u>(401,556)</u>	<u>(401,556)</u>	<u>(213,338)</u>	<u>188,218</u>	<u>42,690</u>
Non-operating Revenues (Expenditures):					
Sale of capital assets	-	-	200	200	-
Transfers in	369,063	369,063	380,652	11,589	188,315
Transfers (out)	(70,164)	(70,164)	(70,164)	-	(53,720)
Total Non-operating Revenues (Expenditures)	<u>298,899</u>	<u>298,899</u>	<u>310,688</u>	<u>11,789</u>	<u>134,595</u>
Change in Net Assets - Budget Basis	<u>(102,657)</u>	<u>(102,657)</u>	<u>97,350</u>	<u>200,007</u>	<u>177,285</u>
Available Resources - Beginning of Year			<u>369,225</u>		<u>191,940</u>
Available Resources - End of Year			<u>466,575</u>		<u>369,225</u>
Available resources at year-end is computed as follows:					
Current assets			590,343		408,099
Current liabilities			(104,531)		(28,316)
Current portion of long-term obligations			-		-
Accrued compensated absences			(19,240)		(10,558)
			<u>466,572</u>		<u>369,225</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, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	<u>2010</u>			Final Budget Variance Positive (Negative)	<u>2009</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Operating Revenues:					
Premium contributions	1,688,780	1,688,780	1,526,716	(162,064)	1,534,738
Miscellaneous	15,000	215,000	416,623	201,623	78,807
Total Operating Revenues	<u>1,703,780</u>	<u>1,903,780</u>	<u>1,943,339</u>	<u>39,559</u>	<u>1,613,545</u>
Operating Expenditures:					
Operations	<u>1,772,820</u>	<u>1,972,820</u>	<u>1,970,170</u>	<u>2,650</u>	<u>1,613,684</u>
Total Operating Expenditures	<u>1,772,820</u>	<u>1,972,820</u>	<u>1,970,170</u>	<u>2,650</u>	<u>1,613,684</u>
Operating Income (Loss)	<u>(69,040)</u>	<u>(69,040)</u>	<u>(26,831)</u>	<u>42,209</u>	<u>(139)</u>
Non-operating Revenues (Expenditures):					
Investment revenue	<u>16,856</u>	<u>16,856</u>	<u>19,016</u>	<u>2,160</u>	<u>27,777</u>
Total Non-operating Revenues (Expenditures)	<u>16,856</u>	<u>16,856</u>	<u>19,016</u>	<u>2,160</u>	<u>27,777</u>
Change in Net Assets - Budget Basis	<u>(52,184)</u>	<u>(52,184)</u>	<u>(7,815)</u>	<u>44,369</u>	<u>27,638</u>
Available Resources - Beginning of Year			<u>1,225,064</u>		<u>1,197,426</u>
Available Resources - End of Year			<u>1,217,249</u>		<u>1,225,064</u>
Available resources at year-end is computed as follows:					
Current assets			1,355,683		1,361,071
Current liabilities			(133,491)		(130,611)
Current portion of long-term obligations			-		-
Accrued compensated absences			(4,944)		(5,396)
			<u>1,217,248</u>		<u>1,225,064</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, 2010**

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Assets:				
Cash	19,293,669			21,620,356.00
Less: Cash held for County funds	(18,274,855)	102,338,814	(102,164,566)	(20,427,294)
Total Assets	<u>1,018,814</u>	<u>102,338,814</u>	<u>(102,164,566)</u>	<u>1,193,062</u>
Liabilities:				
Due to other governments and agencies	<u>1,018,814</u>	<u>102,338,814</u>	<u>(102,164,566)</u>	<u>1,193,062</u>
Total Liabilities	<u>1,018,814</u>	<u>102,338,814</u>	<u>(102,164,566)</u>	<u>1,193,062</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, 2010

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Assets:				
Cash	<u>80,043</u>	<u>112,290</u>	<u>(86,478)</u>	<u>105,855</u>
Total Assets	<u><u>80,043</u></u>	<u><u>112,290</u></u>	<u><u>(86,478)</u></u>	<u><u>105,855</u></u>
Liabilities:				
Held by Trustee	<u>80,043</u>	<u>112,290</u>	<u>(86,478)</u>	<u>105,855</u>
Total Liabilities	<u><u>80,043</u></u>	<u><u>112,290</u></u>	<u><u>(86,478)</u></u>	<u><u>105,855</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: County
	YEAR ENDING : December 2010
This Information From The Records Of (example - City of _ or County of _) COUNTY OF GUNNISON	Prepared By: Linda Nienhueser Phone: (970) 641-7622

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES		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)	1,257,335
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	2,529,983
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	739,172
3. Other local imposts (from page 2)	167,576	c. Other	
4. Miscellaneous local receipts (from page 2)	213,967	d. Total (a. through c.)	739,172
5. Transfers from toll facilities		4. General administration & miscellaneous	861,610
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	5,388,100
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)	381,543	b. Redemption	
B. Private Contributions	2,600	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	3,351,565	2. Notes:	
D. Receipts from Federal Government (from page 2)	1,589,369	a. Interest	
E. Total receipts (A.7 + B + C + D)	5,325,077	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	5,388,100

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
	3,355,189	5,325,077	5,388,100		3,292,166

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2010

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	51,749
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	47,731
5. Specific Ownership &/or Other	167,576	g. Other Misc. Receipts	114,487
6. Total (1. through 5.)	167,576	h. Other	
c. Total (a. + b.)	167,576	i. Total (a. through h.)	213,967
	(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	2,247,454	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	22,656
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	46,867	d. Federal Transit Admin	
d. Other - DOLA Mineral Impact	648,905	e. U.S. Corps of Engineers	
e. Other - CO Dept of Transportation	408,339	f. Other Federal	1,566,713
f. Total (a. through e.)	1,104,112	g. Total (a. through f.)	1,589,369
4. Total (1. + 2. + 3.f)	3,351,565	3. Total (1. + 2.g)	
			(Carry forward to page 1)

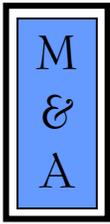
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs		56,790	56,790
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		758,818	758,818
(4). System Enhancement & Operation		441,727	441,727
(5). Total Construction (1) + (2) + (3) + (4)	0	1,200,545	1,200,545
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,257,335	1,257,335
			(Carry forward to page 1)

Notes and Comments:

SINGLE AUDIT REPORTS AND SCHEDULES





MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

245 CHAPEL SQUARE, BLDG C
245 CHAPEL PLACE, SUITE 300
P.O. Box 5850, AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM
MAIN OFFICE: (970) 845-8800
FACSIMILE: (970) 845-8108
E-MAIL: MCMAHAN@MCMAHANCPA.COM

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 County Commissioners Gunnison County, Colorado

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Gunnison County (the "County") as of and for the year ended December 31, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 28, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County'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 entity'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 entity's financial statements that is more than inconsequential will not be prevented or detected by the entity'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 entity's internal control.

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.

Compliance and Other Matters

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

Member: American Institute of Certified Public Accountants

D. JERRY MCMAHAN, C.P.A.
PAUL J. BACKES, C.P.A.

DANIEL R. CUDAHY, C.P.A.
MICHAEL N. JENKINS, C.A., C.P.A.

AVON
(970) 845-8800

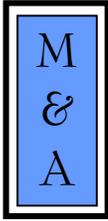
ASPEN
(970) 544-3996

FRISCO
(970) 668-3481

*Board of County Commissioners
Gunnison County, Colorado*

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, L.L.C.
September 28, 2011**



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

245 CHAPEL SQUARE, BLDG C
245 CHAPEL PLACE, SUITE 300
P.O. Box 5850, AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM
MAIN OFFICE: (970) 845-8800
FACSIMILE: (970) 845-8108
E-MAIL: MCMAHAN@MCMAHANCPA.COM

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

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

Compliance

We have audited the compliance of Gunnison County with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2010. Gunnison County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Gunnison County's management. Our responsibility is to express an opinion on Gunnison County'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 Gunnison County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Gunnison County's compliance with those requirements.

In our opinion, Gunnison County 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, 2010.

Internal Control Over Compliance

Management of Gunnison County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Gunnison County's internal control over compliance with the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Gunnison County's internal control over compliance.

Member: American Institute of Certified Public Accountants

D. JERRY MCMAHAN, C.P.A.
PAUL J. BACKES, C.P.A.

DANIEL R. CUDAHY, C.P.A.
MICHAEL N. JENKINS, C.A., C.P.A.

AVON
(970) 845-8800

ASPEN
(970) 544-3996

FRISCO
(970) 668-3481

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

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

This report is intended solely for the information and use of management, the Board of County Commissioners, 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, L.L.C.
September 28, 2011**

Gunnison County, Colorado
SCHEDULE AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2010

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
Reportable conditions identified that is not considered to be material weaknesses	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:	
Highway Planning and Constructions (ARRA)	CFDA# 20.205
Insured Loan Program	CFDA# 14.135
Lower Income Housing Assistance Program	CFDA# 14.857
Clean Water Revolving Fund (ARRA)	CFDA# 66.458
Dollar threshold used to identify Type A from Type B programs	\$300,000
Identified as low-risk auditee	Yes

Part II: Findings Related to Financial Statements

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

Part III: Findings Related to Federal Awards

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

Gunnison County, Colorado
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2010
(Continued)

Note: There were no findings for the fiscal year ended December 31, 2009.

Gunnison County, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2010

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Major Program</u>	<u>Expenditures</u>
Department of Agriculture:			
Passed through Colorado Department of Public Health and Environment:			
Women, Infant, Children	10.557	No	78,780
Women, Infant, Children (non-cash vouchers)	10.557	No	124,576
Passed through Colorado Department of Human Services:			
Food Assistance-Administration	10.561	No	<u>75,916</u>
Total Department of Agriculture:			<u><u>279,272</u></u>
Department of Health and Human Services:			
Drug-Free Communities Support Program	93.276	No	129,291
Passed through Colorado Department of Human Services:			
Substance abuse	93.243	No	27,961
TANF CO Works	93.558	No	115,699
Title IV-D - Administration	93.563	No	136,317
Low-income Home Energy Assistance	93.568	No	194,797
CCDF Discretionary	93.596	No	29,768
CCDF	93.575	No	57,666
Child Welfare Services IVB	93.645	No	6,872
Foster Care-Title IV-E	93.658	No	149,845
Adoption	93.659	No	39,313
Social Services Block Grant	93.667	No	67,473
Promoting Safe and Stable Families (PSSF)	93.556	No	11,140
Medicaid Assistance Program	93.778	No	56,528
Adjustments to Costs	93.000	No	(651)
Passed through Colorado Department of Education:			
CCDF ARRA ECC	93.713	No	12,539
Passed through Colorado Department of Public Health and Environment:			
CORE (BT)	93.069	No	25,761
EPR ILL Surveillance	93.069	No	6,420
EPR H1N1 Phase II & III	93.069	No	95,929
Family Planning	93.217	No	32,145
Family Planning - non-cash materials inc. manuals/IUDs	93.217	No	3,638
Immunizations	93.268	No	10,814
CWCCI/WWC	93.283	No	8,693
Nurturing parent	93.590	No	20,491
Sexually Transmitted Diseases	93.977	No	463
Public Health Nurse - Maternal and Child Health Service	93.994	No	4,751
Health Assmt & Plan (OPP)	93.991	No	6,000
Passed through Colorado Department of Public Health and Environment through Region 10 Area for Aging:			
Special Program for the Aging	93.044	No	9,137
Passed through Colorado Department of Local Affairs through Delta County:			
Medicaid Assistance Program	93.778	No	<u>42,062</u>
Total Department of Health and Human Services:			<u><u>1,300,862</u></u>
Department of Transportation:			
Federal Aviation Administration:			
Airport Improvement Projects (total)	20.106	No	157,817
Federal Transit Administration:			
Formula Grants for Other Than Urbanized Areas	20.509	No	429
Passed through Colorado Department of Transportation:			
Highway Planning and Construction (ARRA)	20.205	Yes	<u>408,339</u>
			<u><u>566,585</u></u>

Gunnison County, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2010
(continued)

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Major Program</u>	<u>Expenditures</u>
Department of Homeland Security:			
Passed through Colorado Department of Local Affairs			
Emergency Management Performance Grant	97.042	No	54,000
State Homeland Security Grant Program	97.067	No	10,000
Total Department of Homeland Security:			<u>64,000</u>
Department of Justice:			
Victims of Crime Act, Crime Victim Assistance Program	16.575	No	46,342
Juvenile Accountability	16.523	No	20,416
Total Department of Justice:			<u>66,758</u>
Department of Housing and Urban Development:			
Passed through Colorado Department of Local Affairs - Division of Housing:			
Section 8 Housing Assistance Payment Program	14.195	No	202,957
Passed through Colorado Department Housing and Finance Authority:			
Insured Loan Program	14.135	Yes	857,585
Lower Income Housing Assistance Program	14.857	Yes	124,479
Total Department of Housing and Urban Development:			<u>1,185,021</u>
Department of Energy:			
Environmental Cleanup and Acceleration	81.104	No	2,759
Total Department of Energy:			<u>2,759</u>
Environmental Protection Agency:			
Passed through Colorado Water Resources and Power Development Authority			
Construction for Clean Water Revolving Fund (ARRA)	66.458	Yes	341,252
Total Department of Energy:			<u>341,252</u>
Total Federal Assistance:			<u>3,806,509</u>

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2010

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, 2010.

Gunnison County, Colorado
Schedule of Passenger Facility Charges Collected and Expended
For the Year Ended December 31, 2010

<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	141,622	
Interest Earned	-	
Total PFC Revenues	<u>141,622</u>	141,622
Project Expenditures:		
Construction	(141,622)	
Total PFC project expenditures	<u>(141,622)</u>	<u>(141,622)</u>
Unliquidated PFC revenues, end of year		<u>\$ -</u>

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