

**Gunnison County**

**Financial Report**

**December 31, 2009**



**Gunnison County, Colorado  
Financial Report  
December 31, 2009**

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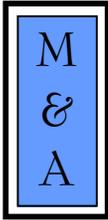
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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Gunnison County, Colorado (the "County"), as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Gunnison Valley Hospital and Health Care Center, the discretely presented component unit of Gunnison County. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Gunnison County, is based on the report of the other auditors.

We conducted our audit in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Gunnison County as of December 31, 2009, 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 July 30, 2010, on our consideration of Gunnison County's internal control over financial reporting and on our tests of its compliance with provisions of laws, regulations, contracts, and grants. That report is an integral part of and audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

*Member: American Institute of Certified Public Accountants*

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*Board of County Commissioners  
Gunnison County, Colorado*

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

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

**McMahan and Associates, L.L.C.**  
July 30, 2010

**MANAGEMENT'S DISCUSSION AND ANALYSIS**



# Gunnison County, Colorado

## Management's Discussion and Analysis

December 31, 2009

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, 2009.

### Financial Highlights

- On a short term view, the County's governmental funds increased \$ 2,793,943 . This was primarily due to increases in the General Fund and Road and Bridge Fund. These increases were both due to higher revenues and lower expenditures than anticipated.
- On a long term view the County's governmental activities increased \$ 3,696,907 . This occurred because a portion of the County's fund expenditures were invested in capital assets that had a useful life of longer than one year.
- On a short term view the County's business type funds available resources decreased \$ (130,951). This is primarily due to a decrease in the sewer fund.
- On a long-term view the County's business type activities decreased \$ (834,625). This increase 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.

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

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

The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

## Overview of the Financial Statements (continued)

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

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

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

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

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

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

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

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

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

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

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

## Overview of the Financial Statements (continued)

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

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

### Government-wide Financial Analysis

Traditionally, the largest portion of any County's investments is in its capital assets. Land, buildings, equipment, machinery, and specialized tools are necessary in order to deliver and/or provide services to the County's residents and visitors. The County added all infrastructure (roads, bridges, etc.), to its accounting records retroactively in 2006.

At the end of the 2009 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 Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
<b>Assets:</b>						
Current and other assets	24,979,492	22,952,437 ▼	5,140,379 ▼	5,053,582	30,119,871	28,006,019
Capital assets, net	18,791,664	18,168,787	46,344,086	47,078,281	65,135,750	65,247,068
<b>Total Assets</b>	<b>43,771,156</b>	<b>41,121,224</b>	<b>51,484,465</b>	<b>52,131,863</b>	<b>95,255,621</b>	<b>93,253,087</b>
<b>Liabilities:</b>						
Other liabilities	10,465,052	10,748,480 ▼	479,099	251,237 ▼	10,944,151	10,999,717
Long-term liabilities	2,316,328	3,079,875 ▼	4,913,626	4,954,261	7,229,954	8,034,136
<b>Total Liabilities</b>	<b>12,781,380</b>	<b>13,828,355</b>	<b>5,392,725</b>	<b>5,205,498</b>	<b>18,174,105</b>	<b>19,033,853</b>
<b>Net Assets:</b>						
Invested in capital assets, net of related debt	16,634,409	14,982,136 ▼	-	-	16,634,409	14,982,136
Restricted	754,498	671,067 ▼	1,765,398 ▼	1,584,368	2,519,896	2,255,435
Unrestricted	13,600,869	11,639,666 ▼	44,326,342 ▼	45,341,997	57,927,211	56,981,663
<b>Total Net Assets</b>	<b>30,989,776</b>	<b>27,292,869</b>	<b>46,091,740</b>	<b>46,926,365</b>	<b>77,081,516</b>	<b>74,219,234</b>

## Government-wide Financial Analysis (continued)

**Governmental Activities:** Governmental activities increased \$ 3,696,907 while Business-type activities decreased \$ (834,625). Key elements of this increase were as follows:

Significant events impacting 2009 were:

- Net assets as a result of governmental activities increased \$ 3,696,907 because total governmental revenues exceeded total governmental expenses.
- Net assets as a result of business type activities decreased \$ (834,625) because total business type expenditures exceeded total business type revenues.

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
<b>Revenues:</b>						
Program revenues:						
Charges for services	2,159,537	2,057,119	2,916,919	2,948,366	5,076,456	5,005,485
Grants and contributions	10,679,702	9,654,015	1,764,921	1,783,954	12,444,623	11,437,969
General revenues:						
Sales taxes	1,672,076	1,762,357	19,155	28,446	1,691,231	1,790,803
Property taxes	6,903,396	6,400,457	-	-	6,903,396	6,400,457
Other taxes	1,701,523	1,746,886	-	-	1,701,523	1,746,886
Interest and other revenue	299,191	496,426	72,585	106,509	371,776	602,935
<b>Total Revenues</b>	<b>23,415,425</b>	<b>22,117,260</b>	<b>4,773,580</b>	<b>4,867,275</b>	<b>28,189,005</b>	<b>26,984,535</b>
<b>Expenses:</b>						
General government	7,322,287	7,026,128	-	-	7,322,287	7,026,128
Judicial	254,979	233,120	-	-	254,979	233,120
Public safety	3,507,818	3,430,493	-	-	3,507,818	3,430,493
Health and welfare	3,444,893	3,350,482	-	-	3,444,893	3,350,482
Auxiliary services	275,816	252,552	-	-	275,816	252,552
Culture and recreation	965,026	1,198,620	-	-	965,026	1,198,620
Public works	4,597,396	4,469,139	-	-	4,597,396	4,469,139
Interest on long-term debt	109,236	127,824	-	-	109,236	127,824
Airport operations	-	-	2,719,592	2,711,658	2,719,592	2,711,658
Sewer	-	-	510,026	327,756	510,026	327,756
Water	-	-	541,153	454,588	541,153	454,588
Landfill	-	-	724,473	702,220	724,473	702,220
Housing	-	-	302,099	332,503	302,099	332,503
<b>Total Expenses</b>	<b>20,477,451</b>	<b>20,088,358</b>	<b>4,797,343</b>	<b>4,528,725</b>	<b>25,274,794</b>	<b>24,617,083</b>
<b>Change in Net Assets before Transfers</b>						
	2,937,974	2,028,902	(23,763)	338,550	2,914,211	2,367,452
Transfers	810,864	167,596	(810,862)	(167,597)	2	(1)
Loss on disposals	(51,931)	(66,067)	-	-	(51,931)	(66,067)
Extraordinary items	-	(471,032)	-	-	-	(471,032)
	<b>758,933</b>	<b>(369,503)</b>	<b>(810,862)</b>	<b>(167,597)</b>	<b>(51,929)</b>	<b>(537,100)</b>
<b>Change in Net Assets</b>	<b>3,696,907</b>	<b>1,659,399</b>	<b>(834,625)</b>	<b>170,953</b>	<b>2,862,282</b>	<b>1,830,352</b>
<b>Net Assets - Beginning</b>	<b>27,292,869</b>	<b>25,633,470</b>	<b>46,926,365</b>	<b>46,755,412</b>	<b>74,219,234</b>	<b>72,388,882</b>
<b>Net Assets - Ending</b>	<b>30,989,776</b>	<b>27,292,869</b>	<b>46,091,740</b>	<b>46,926,365</b>	<b>77,081,516</b>	<b>74,219,234</b>

## 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 2009 is charted below:

	<u>Beginning Available Resources</u>	<u>Increase (Decrease)</u>	<u>Ending Available Resources</u>	<u>2009 Expenditures</u>	<u>% of EAV to Expenditures</u>
<b>Governmental Major Funds:</b>					
General Fund	4,511,954	1,479,862	5,991,816	11,686,816	51%
Road & Bridge	2,834,790	520,398	3,355,189	4,830,899	69%
Human Services Fund	255,234	24,462	279,696	3,378,585	8%
Sales Tax Fund	953,739	75,008	1,028,747	1,572,869	65%
Airport Construction Fund	166,291	162,711	329,002	1,577,952	21%
Capital Expenditures Fund	39,036	201,593	240,629	815,747	29%
Non-Major Funds	1,290,291	329,909	1,620,200	2,129,307	76%
<b>Business Type Funds:</b>					
Airport Operations Fund	705,385	176,051	881,436	1,123,019	78%
Sewer Fund	546,528	(162,550)	383,978	718,292	53%
Water Fund	427,980	(88,808)	339,172	289,589	117%
Solid Waste Fund	2,294,437	69,730	2,364,167	822,573	287%
Assisted Living Fund	11	3,040	3,051	36,813	8%
Mountain View Fund	344,704	(128,414)	216,290	331,085	65%
<b>Internal Service Funds:</b>					
ISF I Fund	1,975,259	(873,095)	1,102,164	2,685,402	41%
ISF II Fund	191,940	177,284	369,224	794,594	46%
ISF III Fund	1,197,425	27,638	1,225,063	1,613,684	76%
	<u>17,735,005</u>	<u>1,994,819</u>	<u>19,729,824</u>	<u>34,407,225</u>	57%

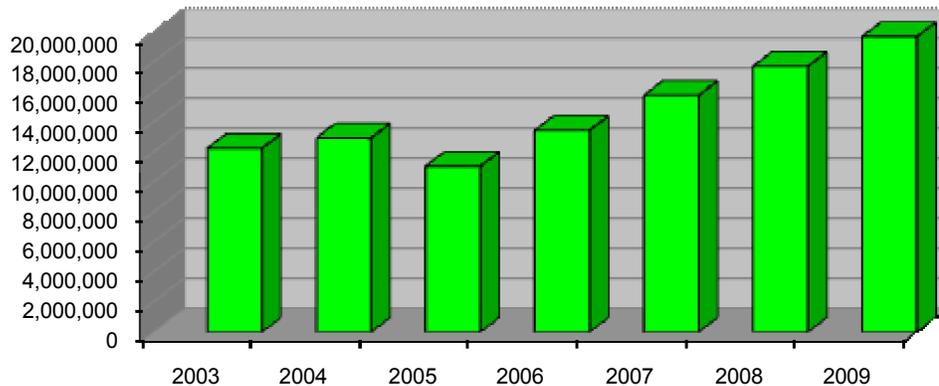
**Governmental Funds:** The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balances may serve as a useful 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 \$ 2,793,943 . This was primarily due to an increase in the General Fund and an increase in the Road and Bridge Fund.

## Government-wide Financial Analysis (continued)

### Financial Analysis of the County's Funds

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



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

The County's proprietary funds decreased net assets by \$ (130,951).

**Budget Variances in the General Fund:** The General Fund budget was amended during the year by \$ 332,075 . Actual Expenditures were \$ 788,385 less than the amended budget, largely due to general government expenditure, which were \$ 360,248 less than budgeted.

**Capital Assets:** The County's capitalization policy pertains to assets with a purchase value of \$5,000 or greater. Assets of lesser value are treated as operational expenditures. Additional information as well as a detailed classification of the County's net capital assets can be found in the Notes to the Financial Statement on page D16 of this report.

**Long-term Debt:** As of the end of the current fiscal year, the County's long-term liabilities totaled \$8,280,405 . The County did not have significant changes in long-term debt. 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 2009 totaled \$ 5,991,815 . The 2010 budget anticipates decreasing this balance by \$150,211.

### 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, 2009**

	<b>Primary Government</b>			<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Hospital</b>
<b>Assets:</b>				
Cash and investments	14,241,658	4,381,263	18,622,921	9,311,018
Due from other governments	2,893,992	6,064	2,900,056	-
Accounts, taxes, and other receivables	6,919,298	435,739	7,355,037	4,056,785
Prepaid expenses	68,498	21,519	90,017	224,879
Inventory	818,320	-	818,320	1,418,508
Internal balances	37,726	(37,726)	-	-
Other Assets:				
Deferred charges	-	333,520	333,520	118,853
Capital Assets:				
Capital assets, not depreciated	2,713,251	11,720,042	14,433,293	-
Capital assets, net	16,078,413	34,624,044	50,702,457	13,303,646
<b>Total Assets</b>	<b>43,771,156</b>	<b>51,484,465</b>	<b>95,255,621</b>	<b>28,433,689</b>
<b>Liabilities:</b>				
Accounts payable	827,589	364,899	1,192,488	300,030
Accrued expenses	306,682	14,200	320,882	1,012,497
Unearned revenue	7,349,288	100,000	7,449,288	-
Deposits	892,699	-	892,699	-
Accrued interest	-	38,343	38,343	-
Non-current Liabilities:				
Due within one year:				
Accrued compensated absences	499,147	40,529	539,676	-
Leases	292,155	6,050	298,205	-
Bonds	143,919	22,062	165,981	350,000
Loans	153,573	41,735	195,308	647,572
Due in more than one year:				
Accrued compensated absences	748,720	60,794	809,514	-
Leases	552,983	-	552,983	-
Bonds	284,460	1,717,065	2,001,525	6,840,000
Landfill closure and postclosure costs	-	968,099	968,099	-
Loans	730,165	2,018,949	2,749,114	-
<b>Total Liabilities</b>	<b>12,781,380</b>	<b>5,392,725</b>	<b>18,174,105</b>	<b>9,150,099</b>
<b>Net Assets:</b>				
Invested in capital assets, net of related debt	16,634,409	42,538,225	59,172,634	6,319,652
Restricted for:				
Emergencies	686,000	-	686,000	-
Other purposes	68,498	1,765,398	1,833,896	50,328
Unrestricted	13,600,869	1,788,117	15,388,986	12,913,610
<b>Total Net Assets</b>	<b>30,989,776</b>	<b>46,091,740</b>	<b>77,081,516</b>	<b>19,283,590</b>

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

**Gunnison County, Colorado**  
**Statement of Activities**  
**For the Year Ended December 31, 2009**

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governments			
					Governmental Activities	Business-type Activities	Total	Hospital
<b>Functions/Programs:</b>								
<b>Primary Government:</b>								
<b>Governmental Activities:</b>								
General government	7,322,288	1,730,248	215,753	-	(5,376,287)		(5,376,287)	
Judicial	254,979	907	-	-	(254,072)		(254,072)	
Public safety	3,507,818	176,679	199,446	815,619	(2,316,074)		(2,316,074)	
Health and welfare	3,444,893	169,241	2,541,167	516,854	(217,631)		(217,631)	
Auxiliary services	275,816	-	-	-	(275,816)		(275,816)	
Culture and recreation	965,026	22,821	92,494	-	(849,711)		(849,711)	
Public works	4,597,396	59,641	3,385,018	112,943	(1,039,794)		(1,039,794)	
Interest on long-term debt	109,233	-	-	-	(109,233)		(109,233)	
<b>Total Governmental Activities</b>	<b>20,477,449</b>	<b>2,159,537</b>	<b>6,433,878</b>	<b>1,445,416</b>	<b>(10,438,618)</b>		<b>(10,438,618)</b>	
<b>Business-type Activities:</b>								
Airport	2,719,592	1,265,645	-	1,502,302		48,355	48,355	
Sewer	510,026	402,655	-	232,108		124,737	124,737	
Water	541,153	179,714	4,088	5,000		(352,351)	(352,351)	
Landfill	724,473	822,880	21,041	-		119,448	119,448	
Housing	302,099	246,025	382	-		(55,692)	(55,692)	
<b>Total Business-type Activities</b>	<b>4,797,343</b>	<b>2,916,919</b>	<b>25,511</b>	<b>1,739,410</b>		<b>(115,503)</b>	<b>(115,503)</b>	
<b>Total Primary Government</b>	<b>25,274,792</b>	<b>5,076,456</b>	<b>6,459,389</b>	<b>3,184,826</b>	<b>(10,438,618)</b>	<b>(115,503)</b>	<b>(10,554,121)</b>	
<b>Component Unit:</b>								
Hospital	25,532,648	25,807,191	-	-				274,543
<b>General Revenues and Transfers:</b>								
Taxes:								
Property taxes					6,903,396	-	6,903,396	544,508
Specific ownership taxes					387,156	-	387,156	-
Sales taxes					1,672,076	19,155	1,691,231	-
Lodging taxes					1,276,295	-	1,276,295	-
Other taxes					38,072	-	38,072	-
Investment earnings					299,191	72,585	371,776	115,046
Grants and contributions not restricted to specific programs					2,800,408	-	2,800,408	1,048,391
Transfers					810,862	(810,862)	-	-
Loss on asset disposals					(51,931)	-	(51,931)	-
<b>Total General Revenues and Transfers</b>					<b>14,135,525</b>	<b>(719,122)</b>	<b>13,416,403</b>	<b>1,707,945</b>
<b>Change in Net Assets</b>					<b>3,696,907</b>	<b>(834,625)</b>	<b>2,862,282</b>	<b>1,982,488</b>
<b>Net Assets - Beginning of Year</b>					<b>27,292,869</b>	<b>46,926,365</b>	<b>74,219,234</b>	<b>17,301,102</b>
<b>Net Assets - End of Year</b>					<b>30,989,776</b>	<b>46,091,740</b>	<b>77,081,516</b>	<b>19,283,590</b>

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

FUND FINANCIAL STATEMENTS



**Gunnison County, Colorado  
Governmental Funds  
Balance Sheet  
December 31, 2009**

	<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>
<b>Assets:</b>								
Cash and investments	6,337,250	2,657,259	440,623	679,108	190,255	252,830	1,435,800	11,993,125
Accounts receivable	6,496,736	969	390,346	-	22,392	1	3,260	6,913,704
Prepaid expenses	-	-	-	-	-	-	34,755	34,755
Due from other governments	262,098	1,371,422	34,370	667,987	180,063	64,648	269,850	2,850,438
Due from other funds	117,538	-	-	-	-	51,446	78,760	247,744
<b>Total Assets</b>	<u>13,213,622</u>	<u>4,029,650</u>	<u>865,339</u>	<u>1,347,095</u>	<u>392,710</u>	<u>368,925</u>	<u>1,822,425</u>	<u>22,039,766</u>
<b>Liabilities and Fund Balances:</b>								
<b>Liabilities:</b>								
Accounts payable	171,243	26,548	20,163	201,860	10,556	4,962	39,456	474,788
Accrued liabilities	248,300	-	205	-	50,749	-	-	299,254
Deposits	295,553	597,146	-	-	-	-	-	892,699
Due to other funds	-	50,767	29,164	116,487	2,403	-	103,547	302,368
Deferred revenue	6,506,711	-	536,111	-	-	123,334	59,222	7,225,378
<b>Total Liabilities</b>	<u>7,221,807</u>	<u>674,461</u>	<u>585,643</u>	<u>318,347</u>	<u>63,708</u>	<u>128,296</u>	<u>202,225</u>	<u>9,194,487</u>
<b>Fund Balances:</b>								
Reserved for emergencies	686,000	-	-	-	-	-	-	686,000
Reserved for prepaids	-	-	-	-	-	-	34,755	34,755
Unreserved:								
General Fund	5,305,815	-	-	-	-	-	-	5,305,815
Special revenue funds	-	3,355,189	279,696	1,028,748	-	-	1,585,445	6,249,078
Capital projects funds	-	-	-	-	329,002	240,629	-	569,631
<b>Total Fund Balances</b>	<u>5,991,815</u>	<u>3,355,189</u>	<u>279,696</u>	<u>1,028,748</u>	<u>329,002</u>	<u>240,629</u>	<u>1,620,200</u>	<u>12,845,279</u>
<b>Total Liabilities and Fund Balances</b>	<u>13,213,622</u>	<u>4,029,650</u>	<u>865,339</u>	<u>1,347,095</u>	<u>392,710</u>	<u>368,925</u>	<u>1,822,425</u>	<u>22,039,766</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, 2009**

**Total Governmental Fund Balances** 12,845,279

**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	40,898,395	
Less accumulated depreciation	<u>(22,106,731)</u>	18,791,664

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. 2,757,955

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	(1,247,867)	
Leases	(845,138)	
Bonds	(428,379)	
Loans	<u>(883,738)</u>	<u>(3,405,122)</u>

**Net Assets of Governmental Activities** 30,989,776

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, 2009**

	<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>
<b>Revenues:</b>								
Taxes	6,920,451	129,039	275,671	1,350,056	-	-	1,601,781	10,276,998
Licenses and permits	189,020	-	-	-	-	-	-	189,020
Intergovernmental	2,139,532	4,848,004	3,111,971	283,833	1,355,480	1,014,941	377,798	13,131,559
Charges for services	1,521,065	126,061	-	-	146,822	-	345,915	2,139,863
Investment income	196,537	63,813	-	13,989	3,361	2,398	25,053	305,151
Contributions	399,466	-	1,054	-	-	-	113,256	513,776
Miscellaneous	258,617	21,424	14,351	-	-	-	39,494	333,886
<b>Total Revenues</b>	<u>11,624,688</u>	<u>5,188,341</u>	<u>3,403,047</u>	<u>1,647,878</u>	<u>1,505,663</u>	<u>1,017,339</u>	<u>2,503,297</u>	<u>26,890,253</u>
<b>Expenditures:</b>								
General government	5,607,439	-	-	329,541	-	-	1,183,462	7,120,442
Judicial	253,672	-	-	-	-	-	-	253,672
Public safety	2,670,645	-	-	20,000	-	1,080,191	-	3,770,836
Health and welfare	1,245,372	-	3,378,585	-	-	-	777,767	5,401,724
Auxiliary services	274,550	-	-	-	-	-	-	274,550
Culture and recreation	922,139	-	-	-	-	805	324	923,268
Public works	130,229	4,558,613	-	-	1,001,454	120,640	-	5,810,936
Debt service	17,701	-	-	220,053	576,498	-	167,754	982,006
<b>Total Expenditures</b>	<u>11,121,747</u>	<u>4,558,613</u>	<u>3,378,585</u>	<u>569,594</u>	<u>1,577,952</u>	<u>1,201,636</u>	<u>2,129,307</u>	<u>24,537,434</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>502,941</u>	<u>629,728</u>	<u>24,462</u>	<u>1,078,284</u>	<u>(72,289)</u>	<u>(184,297)</u>	<u>373,990</u>	<u>2,352,819</u>
<b>Other Financing Sources (Uses):</b>								
Transfers in	1,541,974	162,955	-	-	50,000	392,920	511,592	2,659,441
Transfers (out)	(565,069)	(272,285)	-	(1,003,275)	-	(7,030)	(555,673)	(2,403,332)
Sale of capital assets	15	-	-	-	-	-	-	15
Debt proceeds	-	-	-	-	185,000	-	-	185,000
<b>Total Other Financing Sources (Uses)</b>	<u>976,920</u>	<u>(109,330)</u>	<u>-</u>	<u>(1,003,275)</u>	<u>235,000</u>	<u>385,890</u>	<u>(44,081)</u>	<u>441,124</u>
<b>Net Change in Fund Balances</b>	1,479,861	520,398	24,462	75,009	162,711	201,593	329,909	2,793,943
<b>Fund Balances - Beginning of Year</b>	4,511,954	2,834,791	255,234	953,739	166,291	39,036	1,290,291	10,051,336
<b>Fund Balances - End of Year</b>	<u>5,991,815</u>	<u>3,355,189</u>	<u>279,696</u>	<u>1,028,748</u>	<u>329,002</u>	<u>240,629</u>	<u>1,620,200</u>	<u>12,845,279</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, 2009**

**Net Changes In Fund Balances - Total Governmental Funds** 2,793,943

**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	(1,066,364)	
(Gain) Loss on disposals, net	(51,931)	
Capital outlay contributions to other entities	-	
Capital outlay	1,519,632	401,337

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. (209,360)

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. (188,238)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 980,364

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, 2009	(1,186,369)	
Liability @ December 31, 2008	1,105,230	(81,139)

**Change in Net Assets of Governmental Activities** 3,696,907

**Gunnison County, Colorado**  
**Proprietary Funds**  
**Statement of Net Assets**  
**December 31, 2009**

	<b>Business-type Activities - Enterprise Funds</b>						<b>Totals</b>	<b>Governmental Activities - Internal Service Funds</b>
	<b>Airport Operations Fund</b>	<b>Gunnison County Sewer Fund</b>	<b>Gunnison County Water Fund</b>	<b>Landfill Operations Fund</b>	<b>Gunnison County Housing Auth. Assisted Lvg.</b>	<b>Gunnison County Housing Auth. Mtn. View</b>		
<b>Assets:</b>								
<b>Current Assets:</b>								
Cash - Unrestricted	778,349	777,024	278,883	528,449	3,051	70,643	2,436,399	2,248,533
Cash - Restricted	-	-	-	1,743,879	-	200,985	1,944,864	-
Accounts receivable, net of allowance for uncollectible accounts where applicable	110,587	(19,104)	51,319	144,685	-	42	287,529	5,594
Due from other governments	70,377	-	77,834	6,063	-	-	154,274	43,550
Prepaid expenses	20,939	-	-	581	-	-	21,520	33,743
Due from other funds	-	5,487	-	-	-	-	5,487	92,466
Inventory, at cost	-	-	-	-	-	-	-	818,319
<b>Total Current Assets</b>	<b>980,252</b>	<b>763,407</b>	<b>408,036</b>	<b>2,423,657</b>	<b>3,051</b>	<b>271,670</b>	<b>4,850,073</b>	<b>3,242,205</b>
<b>Non-current Assets:</b>								
Deferred financing costs, net	-	-	-	-	-	333,520	333,520	-
Construction-in-progress	-	390,162	-	-	-	-	390,162	171,907
Land, property and equipment	56,155,765	6,198,347	8,620,516	204,905	2,037,513	1,741,387	74,958,433	11,840,857
Less accumulated depreciation	(21,294,073)	(2,008,095)	(4,248,299)	(120,631)	(314,018)	(1,019,391)	(29,004,507)	(7,831,039)
<b>Total Non-current Assets</b>	<b>34,861,692</b>	<b>4,580,414</b>	<b>4,372,217</b>	<b>84,274</b>	<b>1,723,495</b>	<b>1,055,516</b>	<b>46,677,608</b>	<b>4,181,725</b>
<b>Total Assets</b>	<b>35,841,944</b>	<b>5,343,821</b>	<b>4,780,253</b>	<b>2,507,931</b>	<b>1,726,546</b>	<b>1,327,186</b>	<b>51,527,681</b>	<b>7,423,930</b>
<b>Liabilities:</b>								
<b>Current Liabilities:</b>								
Accounts payable	38,456	266,486	36,367	12,717	-	10,877	364,903	352,798
Accrued liabilities	-	12,944	1,290	-	-	38,309	52,543	7,428
Due to other funds	2,584	-	15,901	18,533	-	6,195	43,213	116
Deferred revenue	-	100,000	-	-	-	-	100,000	123,910
Debt obligations, due within one year	5,735	33,793	4,133	-	16,194	9,677	69,532	147,572
<b>Total Current Liabilities</b>	<b>46,775</b>	<b>413,223</b>	<b>57,691</b>	<b>31,250</b>	<b>16,194</b>	<b>65,058</b>	<b>630,191</b>	<b>631,824</b>
<b>Non-current Liabilities:</b>								
Accrued compensated absences	57,776	-	15,306	28,241	-	-	101,323	61,498
Loans	-	135,815	73,701	-	482,346	1,327,087	2,018,949	-
Leases	-	-	-	-	-	315	315	310,819
Revenues bonds	-	1,717,065	-	-	-	-	1,717,065	-
Landfill closure and postclosure costs	-	-	-	968,099	-	-	968,099	-
<b>Total Non-current Liabilities</b>	<b>57,776</b>	<b>1,852,880</b>	<b>89,007</b>	<b>996,340</b>	<b>482,346</b>	<b>1,327,402</b>	<b>4,805,751</b>	<b>372,317</b>
<b>Total Liabilities</b>	<b>104,551</b>	<b>2,266,103</b>	<b>146,698</b>	<b>1,027,590</b>	<b>498,540</b>	<b>1,392,460</b>	<b>5,435,942</b>	<b>1,004,141</b>
<b>Net Assets:</b>								
Invested in capital assets, net of related debt	34,855,957	2,693,741	4,294,383	84,274	1,224,955	(615,083)	42,538,227	3,723,334
Restricted	20,939	-	-	1,744,460	-	-	1,765,399	33,743
Unrestricted	860,497	383,977	339,172	(348,393)	3,051	549,809	1,788,113	2,662,712
<b>Total Net Assets</b>	<b>35,737,393</b>	<b>3,077,718</b>	<b>4,633,555</b>	<b>1,480,341</b>	<b>1,228,006</b>	<b>(65,274)</b>	<b>46,091,739</b>	<b>6,419,789</b>

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, 2009**

	<b>Business-type Activities - Enterprise Funds</b>						<b>Totals</b>	<b>Governmental Activities - Internal Service Funds</b>
	<b>Airport Operations Fund</b>	<b>Gunnison County Sewer Fund</b>	<b>Gunnison County Water Fund</b>	<b>Landfill Operations Fund</b>	<b>Gunnison County Housing Auth. Assisted Lvg.</b>	<b>Gunnison County Housing Auth. Mtn. View</b>		
<b>Operating Revenues:</b>								
Rent, net	829,041	-	-	-	39,528	200,608	1,069,177	1,463,424
Other	4,005	850	4,088	13,437	-	6,297	28,677	155,652
Charges and fees	432,598	534,571	184,714	830,484	-	-	1,982,367	2,493,663
<b>Total Operating Revenues</b>	<u>1,265,644</u>	<u>535,421</u>	<u>188,802</u>	<u>843,921</u>	<u>39,528</u>	<u>206,905</u>	<u>3,080,221</u>	<u>4,112,739</u>
<b>Operating Expenses:</b>								
Operations and maintenance	576,186	198,715	177,378	667,461	-	146,256	1,765,996	3,690,642
Administration	352,523	5,643	26,493	48,212	-	-	432,871	14,978
Depreciation and amortization	1,790,332	223,443	333,258	8,800	38,063	64,751	2,458,647	705,288
<b>Total Operating Expenses</b>	<u>2,719,041</u>	<u>427,801</u>	<u>537,129</u>	<u>724,473</u>	<u>38,063</u>	<u>211,007</u>	<u>4,657,514</u>	<u>4,410,908</u>
<b>Operating Income (Loss)</b>	<u>(1,453,397)</u>	<u>107,620</u>	<u>(348,327)</u>	<u>119,448</u>	<u>1,465</u>	<u>(4,102)</u>	<u>(1,577,293)</u>	<u>(298,169)</u>
<b>Non-operating Revenues (Expenses):</b>								
Gain (loss) on disposal of capital assets	-	-	-	-	-	-	-	1,615
Sales tax	19,155	-	-	-	-	-	19,155	-
Investment revenue	18,769	4,222	-	48,383	-	1,211	72,585	27,817
Interest expense	(551)	(82,225)	(4,023)	-	(21,273)	(31,783)	(139,855)	(21,188)
<b>Total Non-operating Revenues (Expenses)</b>	<u>37,373</u>	<u>(78,003)</u>	<u>(4,023)</u>	<u>48,383</u>	<u>(21,273)</u>	<u>(30,572)</u>	<u>(48,115)</u>	<u>8,244</u>
<b>Income (Loss) Before Contributions and Transfers</b>	<u>(1,416,024)</u>	<u>29,617</u>	<u>(352,350)</u>	<u>167,831</u>	<u>(19,808)</u>	<u>(34,674)</u>	<u>(1,625,408)</u>	<u>(289,925)</u>
<b>Capital Contributions</b>	990,315	16,500	120,640	-	-	-	1,127,455	-
<b>Transfers In</b>	-	-	11,978	-	-	-	11,978	188,315
<b>Transfers (Out)</b>	<u>(182,615)</u>	<u>(44,943)</u>	<u>(14,830)</u>	<u>(106,264)</u>	<u>-</u>	<u>-</u>	<u>(348,652)</u>	<u>(107,750)</u>
<b>Change in Net Assets</b>	(608,324)	1,174	(234,562)	61,567	(19,808)	(34,674)	(834,627)	(209,360)
<b>Total Net Assets - Beginning of Year</b>	<u>36,345,717</u>	<u>3,076,544</u>	<u>4,868,117</u>	<u>1,418,774</u>	<u>1,247,814</u>	<u>(30,600)</u>	<u>46,926,366</u>	<u>6,629,149</u>
<b>Total Net Assets - End of Year</b>	<u>35,737,393</u>	<u>3,077,718</u>	<u>4,633,555</u>	<u>1,480,341</u>	<u>1,228,006</u>	<u>(65,274)</u>	<u>46,091,739</u>	<u>6,419,789</u>

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

**Gunnison County, Colorado**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2009**

	<b>Business-type Activities - Enterprise Funds</b>						<b>Totals</b>	<b>Governmental Activities - Internal Service Funds</b>
	<b>Airport Operations Fund</b>	<b>Gunnison County Sewer Fund</b>	<b>Gunnison County Water Fund</b>	<b>Landfill Operations Fund</b>	<b>Gunnison County Housing Auth. Assisted Lvg.</b>	<b>Gunnison County Housing Auth. Mtn. View</b>		
<b>Cash Flows from Operating Activities:</b>								
Cash received from charges for services	1,213,747	520,569	191,400	776,263	42,569	200,566	2,945,114	3,975,959
Cash received from other sources	4,005	850	4,088	13,437	-	6,297	28,677	155,652
Cash payments to vendors for goods and services	(489,236)	43,690	(151,143)	(467,235)	-	(110,337)	(1,174,261)	(2,864,863)
Cash payments to employees for services	(446,729)	(24,105)	(54,034)	(214,175)	-	(26,296)	(765,339)	(661,105)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>281,787</b>	<b>541,004</b>	<b>(9,689)</b>	<b>108,290</b>	<b>42,569</b>	<b>70,230</b>	<b>1,034,191</b>	<b>605,643</b>
<b>Cash Flows from Non-capital Financing Activities:</b>								
Taxes	19,155	-	-	-	-	-	19,155	-
Transfers from (to) other funds, net	(188,141)	(39,450)	5,686	(98,012)	(3,041)	488	(322,470)	99,871
<b>Net Cash Provided (Used) by Non-capital Financing Activities</b>	<b>(168,986)</b>	<b>(39,450)</b>	<b>5,686</b>	<b>(98,012)</b>	<b>(3,041)</b>	<b>488</b>	<b>(303,315)</b>	<b>99,871</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>								
Capital contributions	-	16,500	-	-	-	-	16,500	-
Interest paid on debt	(551)	(82,225)	(4,024)	-	(21,273)	(31,783)	(139,856)	(21,188)
Principal paid on loans and leases	(11,143)	(32,724)	(3,936)	-	(15,214)	(10,814)	(73,831)	(237,269)
Purchase of capital assets	(4,499)	(354,441)	(62,928)	(30,057)	-	(147,679)	(599,604)	(926,827)
Cash from sale of assets	-	-	-	-	-	-	-	1,615
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(16,193)</b>	<b>(452,890)</b>	<b>(70,888)</b>	<b>(30,057)</b>	<b>(36,487)</b>	<b>(190,276)</b>	<b>(796,791)</b>	<b>(1,183,669)</b>
<b>Cash Flows from Investing Activities:</b>								
Cash from investment income	18,770	4,223	-	48,381	-	1,215	72,589	27,823
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>18,770</b>	<b>4,223</b>	<b>-</b>	<b>48,381</b>	<b>-</b>	<b>1,215</b>	<b>72,589</b>	<b>27,823</b>
<b>Net Increase (Decrease) in Cash</b>	<b>115,378</b>	<b>52,887</b>	<b>(74,891)</b>	<b>28,602</b>	<b>3,041</b>	<b>(118,343)</b>	<b>6,674</b>	<b>(450,332)</b>
<b>Cash - Beginning of Year</b>	<b>662,971</b>	<b>724,137</b>	<b>353,774</b>	<b>2,243,726</b>	<b>10</b>	<b>389,971</b>	<b>4,374,589</b>	<b>2,698,865</b>
<b>Cash - End of Year</b>	<b>778,349</b>	<b>777,024</b>	<b>278,883</b>	<b>2,272,328</b>	<b>3,051</b>	<b>271,628</b>	<b>4,381,263</b>	<b>2,248,533</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:</b>								
Operating income (loss)	(1,453,397)	107,620	(348,327)	119,448	1,465	(4,102)	(1,577,293)	(298,169)
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>								
Depreciation and amortization	1,790,333	223,440	333,256	8,806	38,063	64,751	2,458,649	705,287
<b>Changes in assets and liabilities:</b>								
(Increase) decrease in accounts receivable	(47,892)	(14,002)	6,686	(54,221)	3,041	(42)	(106,430)	21,135
(Increase) decrease in prepaid expenses	(2,722)	-	731	17	-	180	(1,794)	(30,460)
(Increase) decrease in inventory	-	-	-	-	-	-	-	205,016
Increase (decrease) in accounts payable	(9,514)	224,258	(727)	3,351	-	6,687	224,055	5,360
Increase (decrease) in accrued liabilities	-	(312)	(65)	29,420	-	2,756	31,799	(2,640)
Increase (decrease) in deferred revenues	-	-	-	-	-	-	-	(2,266)
Increase (decrease) in compensated absences	4,979	-	(1,243)	1,469	-	-	5,205	2,380
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>281,787</b>	<b>541,004</b>	<b>(9,689)</b>	<b>108,290</b>	<b>42,569</b>	<b>70,230</b>	<b>1,034,191</b>	<b>605,643</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>								
Contribution of fixed assets	990,315	-	120,640	-	-	-	1,110,955	-

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

**Gunnison County, Colorado**  
**Agency Funds**  
**Statement of Fiduciary Net Assets**  
**December 31, 2009**

	<u>County Treasurer Agency Fund</u>	<u>Public Trustee Agency Fund</u>
<b>Assets:</b>		
Cash	19,293,668	80,043
Less: cash held for County funds	<u>(18,274,855)</u>	<u>-</u>
<b>Total Assets</b>	<u><u>1,018,813</u></u>	<u><u>80,043</u></u>
 <b>Liabilities:</b>		
Due to other governments and agencies	1,018,813	-
Held by Trustee	<u>-</u>	<u>80,043</u>
<b>Total Liabilities</b>	<u><u>1,018,813</u></u>	<u><u>80,043</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, 2009**

**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, 2009**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**A. Reporting Entity (continued)**

**2. Discretely Presented Component Unit**

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

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

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

**3. Intergovernmental Agreements**

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

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

**B. Government-wide and Fund Financial Statements**

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

**1. Government-wide Financial Statements**

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

**Gunnison County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2009**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

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

**1. Government-wide Financial Statements (continued)**

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

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

**2. Fund Financial Statements**

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

The County reports the following major governmental funds:

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

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

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

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

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

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

**Gunnison County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2009**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

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

**2. Fund Financial Statements (continued)**

The County reports the following major proprietary funds:

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

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

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

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

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

Additionally, the County reports the following fund types:

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

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

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

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

**Gunnison County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2009**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

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

**1. Long-term Economic Focus and Accrual Basis**

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

**2. Current Financial Focus and Modified Accrual Basis**

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

**3. Financial Statement Presentation**

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

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

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

**Gunnison County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2009**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts**

**1. Cash and Cash Equivalents**

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

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

**2. Investments**

Investments are stated at fair value.

**3. Receivables**

Receivables are reported net of an allowance for uncollectible accounts.

**4. Property Taxes**

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

**5. Interfund Receivables and Payables**

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

**6. Inventories**

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

**7. Prepaid Expenses**

Payments made to vendors for services that will benefit periods beyond December 31, 2009 are recorded as prepaid expenses.

**Gunnison County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2009**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**8. Capital Assets**

Capital assets, which include land, buildings, building improvements, equipment, and vehicles, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years for all assets other than equipment. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

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

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

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

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

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

**9. Deferred Property Taxes**

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

**Gunnison County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2009**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**10. Compensated Absences**

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

**11. Recognition of Grant Revenue**

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

**12. Fund Equity**

Governments report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. At December 31, 2009, the County reported net assets invested in capital assets, restricted for landfill closure and emergencies as required by Colorado law.

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

**13. Interfund Transactions**

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

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

**Gunnison County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2009**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**E. Significant Accounting Policies**

**1. Use of Estimates**

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

**2. Proprietary Funds**

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

**3. Legal Provisions and Authorization of Deposits**

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

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

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

**II. Reconciliation of Government-wide and Fund Financial Statements**

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

The governmental fund Balance Sheet includes reconciliation between *fund balance – total governmental funds* and *net assets of governmental activities* as reported in the government-wide Statement of Net Assets. One element of that reconciliation explains that “Internal Service Funds are used by management to charge the costs of the motor pool, equipment costs and health insurance to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Assets. This represents the net equity of the internal service funds less the fixed assets.” This \$ 2,757,955 increase comprised of the \$ 6,419,789 net equity of the fund less \$ 3,661,834 of non-current assets.

**Gunnison County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2009**  
**(Continued)**

**III. Stewardship, Compliance, and Accountability**

**A. Legal Compliance - Budgets**

Property taxes become a lien on the property as of January 1 of the year assessed. Taxes levied in one year are collected in the succeeding year. Thus taxes certified in 2008 were collected in 2009 and taxes certified in 2009 will be collected in 2010. 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 2009 budget, prior to August 25, 2008, the County Assessor sent to the County Finance Director a certified assessed valuation of all taxable property within the County.
- (2) Based on this assessed valuation, the County Finance Director computed a rate of levy which when levied would raise the amounts, along with other revenues, necessary to fund the County operating requirements. The levy rate and proposed budget was submitted to the County Commissioners before December 22.
- (3) Notice was published within ten (10) days which contained: availability of proposed budget for public inspection, date and time of budget adoption meeting, and that any County taxpayer may file objection prior to adoption of the budget.
- (4) The final budget and appropriating resolution was adopted prior to December 31.
- (5) After adoption of the budget resolution, the County may make by resolution the following changes: (i) supplemental appropriations to the extent of revenues in excess of the estimated in the budget; (ii) emergency appropriations; and (iii) reduction of appropriations for which originally estimated revenues are insufficient. At any time during the year, the County may, by resolution, transfer part of all of any unexpended funds from one department or fund to another.

**Gunnison County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2009**  
**(Continued)**

**III. Stewardship, Compliance, and Accountability**

**C. Budget Amendments**

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

	<u>Original Budget</u>	<u>Budget Amendments</u>	<u>Final Budget</u>
General Fund	\$ 11,891,064	332,075	12,223,139
Human Services	\$ 2,669,835	821,830	3,491,665
Risk Management	100,400	18,500	118,900
Airport Construction	1,235,749	475,223	1,710,972
ISF-I	2,968,178	50,000	3,018,178
	<u>\$ 38,351,469</u>	<u>1,697,628</u>	<u>40,049,097</u>

**D. TABOR Amendment – Revenue and Spending Limitation Amendment**

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

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

**Gunnison County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2009**  
**(Continued)**

**III. Stewardship, Compliance, and Accountability (continued)**

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

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The County has reserved year-end fund balance in the General Fund for emergencies as required under Tabor in the amount of \$686,000.

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, 2009 of \$65,274.

**Gunnison County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2009**  
**(Continued)**

**IV. Detailed Notes on All Funds**

**A. Deposits and Investments**

The County' deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$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:

	<b>Standard &amp; Poors Rating</b>	<b>Carrying Amounts</b>	<b>Less than one year</b>	<b>Less than five years</b>
<i>Deposits:</i>				
Cash on hand	<i>Not Rated</i>	230,389	230,389	-
Checking	<i>Not Rated</i>	1,065,010	1,065,010	-
Savings	<i>Not Rated</i>	1,366,375	1,366,375	-
CDS	<i>Not Rated</i>	10,287,657	4,167,764	6,119,893
<i>Investments:</i>				
Pools	<i>AAAm</i>	5,440,268	5,440,268	-
Agencies - FHLB	<i>AAA</i>	1,332,078	-	1,332,078
Total		<u>\$ 19,721,777</u>	<u>12,269,806</u>	<u>7,451,971</u>
<i>Reconciliation to Statement of Net Assets:</i>				
Cash and cash equivalents		18,622,921		
Fiduciary Funds		1,098,856		
Total		<u>\$ 19,721,777</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 6.8% of the County's total investments.

**Gunnison County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2009**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

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

1. As of December 31, 2009, \$2,301,155 of the Gunnison Valley Hospital and Gunnison Health Care Center's bank balances of \$3,850,700 was exposed to custodial risk and was collateralized by securities held by the pledging financial institution in other than the entity's name. The carrying value of these deposits was \$3,409,044 at December 31, 2009.
2. As of December 31, 2009, the amount of the Gunnison Valley Hospital and Gunnison Health Care Center's carrying amount of investments was \$5,895,084. 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 &amp; 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	6,367,520	-	293,076	-	-	-	-	6,660,596
Accounts	129,216	969	97,271	-	22,392	-	3,260	253,108
Intergovernmental	262,098	1,371,422	34,370	667,987	180,063	64,648	269,850	2,850,438
<b>Total receivables</b>	<u>6,758,834</u>	<u>1,372,391</u>	<u>424,717</u>	<u>667,987</u>	<u>202,455</u>	<u>64,648</u>	<u>273,110</u>	<u>9,764,142</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	110,587	(19,104)	51,319	190,145	-	42	5,594	338,583
Intergovernmental	70,377	-	77,834	6,063	-	-	43,550	197,824
Allowance for doubtful accts	-	-	-	(45,460)	-	-	-	(45,460)
<b>Total receivables</b>	<u>180,964</u>	<u>(19,104)</u>	<u>129,153</u>	<u>150,748</u>	<u>-</u>	<u>42</u>	<u>49,144</u>	<u>490,947</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 2009 but not available until 2010. 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, 2009**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**D. Capital Assets**

Capital asset activity for the year ended December 31, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,458,016	164,608	-	1,622,624
Construction in progress	<u>1,184,305</u>	<u>(93,678)</u>	-	<u>1,090,627</u>
Total capital assets, not being depreciated	<u>2,642,321</u>	<u>70,930</u>	-	<u>2,713,251</u>
Capital assets, being depreciated:				
Infrastructure	10,924,499	1,397,346	-	12,321,845
Improvements	411,522	5,235	-	416,757
Buildings	12,863,997	133,831	-	12,997,828
Equipment	<u>12,201,688</u>	<u>863,295</u>	<u>(616,269)</u>	<u>12,448,714</u>
Total capital assets being depreciated	<u>36,401,706</u>	<u>2,399,707</u>	<u>(616,269)</u>	<u>38,185,144</u>
Less accumulated depreciation for:				
Infrastructure	(8,054,547)	(507,234)	-	(8,561,781)
Improvements	(192,778)	(24,509)	-	(217,287)
Buildings	(4,849,754)	(340,135)	-	(5,189,889)
Equipment	<u>(7,779,163)</u>	<u>(898,774)</u>	<u>540,163</u>	<u>(8,137,774)</u>
Total accumulated depreciation	<u>(20,876,242)</u>	<u>(1,770,652)</u>	<u>540,163</u>	<u>(22,106,731)</u>
Total capital assets being depreciated, net	<u>15,525,464</u>	<u>629,055</u>	<u>(76,106)</u>	<u>16,078,413</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 18,167,785</u>	<u>699,985</u>	<u>(76,106)</u>	<u>18,791,664</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 11,329,880	-	-	11,329,880
Construction in progress	<u>35,722</u>	<u>354,440</u>	-	<u>390,162</u>
Total capital assets not being depreciated	<u>11,365,602</u>	<u>354,440</u>	-	<u>11,720,042</u>
Capital assets, being depreciated:				
Improvements	35,651,846	844,619	-	36,496,465
Buildings	9,457,325	197,873	(5,662)	9,649,536
Utility treatment transmission systems	14,303,795	120,640	-	14,424,435
Equipment	<u>2,864,831</u>	<u>193,286</u>	-	<u>3,058,117</u>
Total capital assets being depreciated	<u>62,277,797</u>	<u>1,356,418</u>	<u>(5,662)</u>	<u>63,628,553</u>
Less accumulated depreciation for:				
Improvements	(15,997,378)	(1,464,928)	-	(17,462,306)
Buildings	(2,103,413)	(266,702)	5,361	(2,364,754)
Utility treatment transmission systems	(5,555,309)	(515,790)	-	(6,071,099)
Equipment	<u>(2,923,084)</u>	<u>(183,266)</u>	-	<u>(3,106,350)</u>
Total accumulated depreciation	<u>(26,579,184)</u>	<u>(2,430,686)</u>	<u>5,361</u>	<u>(29,004,509)</u>
Total capital assets being depreciated, net	<u>35,698,613</u>	<u>(1,074,268)</u>	<u>(301)</u>	<u>34,624,044</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 47,064,215</u>	<u>(719,828)</u>	<u>(301)</u>	<u>46,344,086</u>

**Gunnison County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2009**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**D. Capital Assets (continued)**

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

<b>Governmental Activities:</b>	
General government	\$ 374,985
Judicial	1,307
Public safety	177,757
Health and welfare	74,420
Auxiliary services	1,131
Culture and recreation	75,188
Public works	995,392
<b>Total Governmental Activities</b>	<b>\$ 1,700,180</b>
<b>Business-type Activities:</b>	
Airport	\$ 1,790,333
Sewer	223,443
Water	333,258
Landfill	8,800
Housing	88,916
<b>Total Business-type Activities</b>	<b>\$ 2,444,750</b>

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

Capital assets consist of the following at December 31, 2009:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
Land and improvements	\$ 521,803	-	-	521,803
Building leasehold improvements	16,835,981	121,721	-	16,957,702
Equipment	7,604,168	640,348	(96,520)	8,147,996
Construction in progress	31,766	(5,948)	-	25,818
Total property and equipment	24,993,718	756,121	(96,520)	25,653,319
Less: accumulated depreciation	(11,281,039)	(1,165,154)	96,520	(12,349,673)
<b>Capital assets, net</b>	<b>\$ 13,712,679</b>	<b>(409,033)</b>	<b>-</b>	<b>13,303,646</b>

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, 2009**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

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

Interfund balances at December 31, 2009, 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, 2009. 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	117,538	-	1,541,974	(565,069)
Road and Bridge Fund	-	50,767	162,955	(272,285)
Human Services Fund	-	29,164	-	-
Capital improvements Fund	-	116,487	-	(1,003,275)
Airport Construction	-	2,403	50,000	-
Capital Expenditures	51,445	-	392,920	(7,030)
Non-major Governmental Funds	78,761	103,547	511,592	(555,673)
Airport Operations	-	2,584	-	(182,615)
Sewer Fund	5,487	-	-	(44,943)
Water Fund	-	15,901	11,978	(14,830)
Landfill operations	-	18,533	-	(106,264)
Mountain View	-	6,195	-	-
Internal Service Funds	92,466	116	188,315	(107,750)
	<u>345,697</u>	<u>345,697</u>	<u>2,859,734</u>	<u>(2,859,734)</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, 2009**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**H. Long-term Liabilities – Governmental Activities**

**1. Motor Grader Lease**

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

**3. 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.

**3. Blackstock Energy Improvements Lease**

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

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

**4. Energy Savings Lease**

The County entered into lease purchase agreements for the purchase and construction of various building improvements throughout the County. The purchased assets included heating, lighting, and air-conditioning controls at a cost of \$243,807. The lease agreements provide for a reduction of payments if certain budgeted energy savings are not realized. A portion of the debt has been recorded on the Airport Operations Fund and the Housing Authority Fund with the remaining amount included in the Government-wide Statement of Net Assets – Governmental Activities column. Annual payments of \$31,038 are required. The leases have a stated interest rate of 5.25%.

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

**Gunnison County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2009**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

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

**5. Family Services Energy Improvements Lease**

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

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

**6. Open Space Sales Tax Revenue Bonds**

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

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

**7. Colorado SIB Loans**

In 2004, the County signed two promissory notes totaling \$572,064 with the Colorado State Investment Bank for use in transportation projects. Principal and interest for the first note in the amount of \$60,995 is due annually through January 12, 2014, while principal and interest for the second note which totals \$33,694 was payable on July 23, annually through 2009. Both notes have a stated interest rate of 4%. In 2006, the County signed an additional loan for \$557,095 with similar terms. The 2006 loan was repaid during 2009.

**8. Rock Creek Lease**

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

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

**Gunnison County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2009**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

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

**8. West Gunnison Property Loan**

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

**9. Advocacy Center Lease**

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

**10. 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 was November 30, 2009.

**11. 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 an interest rate of 4.60% and matures on July 15, 2019.

**I. Long-term Liabilities – Business-type Activities**

**1. Impact Assistance Loan Funds - Somerset**

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

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

**2. Mineral Impact Loan**

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

**Gunnison County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2009**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

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

**3. Sewer Refunding and Improvement Revenue Bonds**

The County issued \$1,519,270 of Gunnison County Sewer Fund, North Gunnison Sewer Project Refunding Bonds, on October 15, 1992, bearing interest at 4.25%. Payments of \$39,669 are required semi-annually each June 1 and December 1. The bonds are subject to optional redemption without any additional premium. The bonds mature in 2044.

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

**4. Mortgage Payable**

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

During the year ended December 31, 2003, the Housing Authority received \$378,864 from the Secretary of Housing and Urban Development, Washington D.C. evidenced by a Note Payable and secured by the Mountain View Apartments. The maturity date of the Note is November 1, 2033 with an interest rate of 1.0% per annum, to accrue on the original principal balance until maturity. The Authority is required to establish a reserve fund to accumulate funds at a rate of \$425 per month towards the amortization of the principal.

**5. Mortgage Restructuring Loan – Contingent Loan**

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

**6. \$600,000 Revenue Note, Series 2001**

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

**Gunnison County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2009**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

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

**6. \$600,000 Revenue Note, Series 2001 (continued)**

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, 2009 was \$587,552.

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.

**7. Landfill Closure and Postclosure Liability**

In accordance with EPA requirements the County has conducted a study to estimate its liability to close the landfill and monitor it for thirty years thereafter. These costs are reflected as the landfill accepts waste. The County's landfill has used 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 \$968,099. The estimated total current cost of closure and post-closure care remaining to recognized is \$408,123. 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, 2009. 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, 2009, the County had reserved \$1,743,879 for these purposes. The remaining portion of anticipated future inflation costs and additional costs that might arise from changes in post-closure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both.

**J. Long-term Liabilities - Compensated Absences**

The County has a policy of allowing the accumulation of paid vacation and sick leave, subject to certain maximum limits. In accordance with GAAP, the County's approximate liability for vacation pay earned by employees at December 31, 2009 has been reflected in the proprietary type fund financial statements and in the governmental activities column of the government-wide financial statements. Compensated absences for governmental activities are generally liquidated by the General Fund.

**Gunnison County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2009**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**K. Long-term Liabilities – Summary**

Long-term liability activity for the year ended December 31, 2009 was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>					
Internal Service Fund:					
Motor Grader Lease	94,687	-	(94,687)	-	-
Heavy Equipment Lease	600,972	-	(142,581)	458,391	147,572
Compensated Absences	59,117	2,381	-	61,498	24,599
Other Governmental Debt:					
Blackstock Energy					
Improvements Lease	191,723	-	(94,052)	97,671	97,672
Energy Savings Lease	26,054	-	(17,143)	8,911	8,911
Family Services Center Energy					
Improvements Lease	68,248	-	(68,248)	-	-
Open Space Sales Tax Revenue					
Bonds, Series 2002	565,823	-	(137,445)	428,378	143,919
Colorado SIB Loans - 2003	352,144	-	(80,604)	271,540	50,134
Colorado SIB Loans - 2006	462,437	-	(462,437)	-	-
Rock Creek Lease	241,045	-	(49,916)	191,129	51,933
West Gunnison Property Loan	265,461	-	(32,629)	232,832	34,253
Advocacy Center	290,098	-	(36,451)	253,647	38,001
Pitchfork Loan	27,958	-	(1,439)	26,519	-
Airport Construction	-	188,237	-	188,237	17,252
Compensated Absences	1,105,230	81,139	-	1,186,369	474,548
<b>Total Governmental Activities</b>					
<b>Long-term Liabilities</b>	<b>4,350,997</b>	<b>271,757</b>	<b>(1,217,632)</b>	<b>3,405,122</b>	<b>1,088,794</b>
<b>Business-type Activities:</b>					
Impact Assistance Loan Funds - Water					
	81,770	-	(3,936)	77,834	4,133
DOLA Mineral Impact Loan					
	158,718	-	(11,172)	147,546	11,731
North Gunnison Sewer Revenue Bond - 2005					
	1,447,195	-	(16,565)	1,430,630	18,396
North Gunnison Sewer Revenue Bond - 2006					
	313,484	-	(4,987)	308,497	3,666
Energy Savings Lease - Airport					
	16,877	-	(11,143)	5,734	5,734
Accrued Liability for Landfill Closure Costs					
	938,679	29,421	-	968,100	-
Compensated Absences					
	96,118	5,204	-	101,322	40,529
Gunnison County Housing Authority:					
Mortgage - Primary Mortgage					
	488,046	-	(9,180)	478,866	9,677
Mortgage - Surplus Cash					
	480,054	-	(1,020)	479,034	-
Mortgage - Contingent Payable					
	378,864	-	-	378,864	-
Energy Savings Lease					
	929	-	(613)	316	316
Note Payable - Palisades					
Living Center					
	513,755	-	(15,215)	498,540	16,194
<b>Total Business-type Activities</b>					
<b>Long-term Liabilities</b>	<b>4,914,489</b>	<b>34,625</b>	<b>(73,831)</b>	<b>4,875,283</b>	<b>110,376</b>

**Gunnison County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2009**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

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

Debt service requirements at December 31, 2009 were as follows:

Dates	Governmental Funds		Business-Type		Internal Service Funds		Housing Authority		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	443,573	89,006	43,661	86,454	147,572	16,044	26,186	47,606	660,992	239,110
2011	349,870	70,043	39,667	83,601	152,737	10,879	27,124	46,346	569,398	210,869
2012	341,243	75,490	41,487	81,781	158,082	5,533	28,385	45,085	569,197	207,889
2013	186,956	33,770	43,393	79,875	-	-	29,818	43,652	260,167	157,297
2014	164,921	23,922	248,767	367,572	-	-	172,298	195,053	585,986	586,547
2015 2019	203,784	28,881	225,969	310,780	-	-	415,761	12,209	845,514	351,870
2020 2024	8,517	645	216,577	264,102	-	-	121,541	63,370	346,635	328,117
2025 2029	-	-	267,260	213,419	-	-	1,014,507	29,390	1,281,767	242,809
2030 2034	-	-	329,802	150,876	-	-	-	-	329,802	150,876
2035 2039	-	-	406,981	73,698	-	-	-	-	406,981	73,698
2040 2046	-	-	106,677	12,392	-	-	-	-	-	-
	<u>1,698,864</u>	<u>321,757</u>	<u>1,970,241</u>	<u>1,724,550</u>	<u>458,391</u>	<u>32,456</u>	<u>1,835,620</u>	<u>482,711</u>	<u>5,856,439</u>	<u>2,549,082</u>

**M. Long-term Liabilities – Component Unit**

- Hospital Revenue Bonds** - Series 1998, remaining annual maturities of \$320,000 to \$715,000, through July 1, 2023, bearing interest at rates ranging from 5.150% to 5.625%, payable semiannually.

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

- 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 is secured by a certificate of deposit held by the lender.
- Capital Lease Obligations** - matured between 2005 and 2009 and had imputed interest rate of 4.35%. The leases were collateralized by leased equipment.

**Gunnison County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2009**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**M. Long-term Liabilities – Component Unit**

The Gunnison Valley Hospital and Health Care Center have the following long-term liability activity for the year ended December 31, 2009:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Hospital revenue bonds	\$ 7,530,000	-	(340,000)	7,190,000	350,000
Note payable	647,572	-	-	647,572	647,572
Capital lease obligations	40,086	-	(40,086)	-	-
<b>Total Long-term Liabilities</b>	<b>\$ 8,217,658</b>	<b>-</b>	<b>(380,086)</b>	<b>7,837,572</b>	<b>997,572</b>

Debt service requirements at December 31, 2009 were as follows:

	<u>Bonds</u>		<u>Note Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 350,000	401,780	114,266	14,857
2011	375,000	382,870	127,943	12,919
2012	395,000	362,768	131,467	9,395
2013	415,000	341,438	135,088	5,774
2014-2018	2,435,000	1,331,518	138,808	2,054
2019-2023	3,220,000	563,111	-	-
<b>Total Long-term Liabilities</b>	<b>\$ 7,190,000</b>	<b>3,383,485</b>	<b>647,572</b>	<b>44,999</b>

**V. Other Information**

**A. Pension Plans**

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

**1. Defined Contribution Pension Plan**

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

**Gunnison County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2009**  
**(Continued)**

**V. Other Information**

**A. Pension Plans**

**1. Defined Contribution Pension Plan**

Participation is mandatory for all employees after one year of employment. Eligible employees contribute three percent (3%) of their base pay which is matched by the County. The plan has a five (5) year vesting period and is distributed upon the employee's termination or retirement. Two (2) additional voluntary plans are also offered. One plan provides for contributions up to ten percent (10%) of an employee's base pay while the other plan provides for deferred compensation in which the employee may tax shelter up to nineteen percent (19%) of their base pay.

During the year, the County's required and actual contributions amounted to \$276,632 which was three percent (3%) of its current year covered payroll of \$9,221,055. The County's total payroll for 2009 was \$9,924,708. The County's employees contributed \$276,632.

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, available to all County employees, permits them to defer a portion of their salary until future years. 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. The County matches up to the first 2% of employee contributions.

For 2009, the County contributed \$143,282 to the Deferred Compensation Plan on behalf of participating employees, which represents the required 2% contribution based on 2009 covered payroll of \$7,344,417.

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

**B. Other Employee Benefits**

**1. Post Employment Health Care Benefits**

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

**Gunnison County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2009**  
**(Continued)**

**V. Other Information (continued)**

**B. Other Employee Benefits**

**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, 2009 and 2008 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, 2009 and 2008 were \$411,720 and \$376,168 for the Hospital, respectively, and \$44,030 and \$39,474 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, 2009**  
**(Continued)**

**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, 2009.

**3. Self-Insurance Unemployment Pool**

The County has established a self-insurance plan to fund unemployment claims. The self-insurance plan covers individual claims up to \$25,000 per individual, subject to an aggregate loss of approximately \$600,000. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include amounts for claims that have been incurred but not reported (IBNRs).

**4. Self-Insurance Health Insurance Pool**

The County has established a self insurance internal service fund to account for employee health insurance costs. The County accumulates resources to pay health insurance costs but carries a stop loss policy for individuals of \$40,000 and an aggregate stop loss minimum exposure of \$1,205,477 with BPI combined insurance company.

**E. Wastewater Treatment Capacity**

In exchange for the waste treatment plant and land of the Gunnison County Sewer District - Dos Rios Division, the County received capacity at the City of Gunnison wastewater treatment facility for the treatment of 200,000 gallons per day of wastewater originating from the Dos Rios Sanitation District. The term of the agreement is indefinite and does not include treatment costs. Book value of property and equipment transferred amounted to \$28,128 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, 2009**  
**(Continued)**

**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:

	<b>Final Budget</b>	<b>Actual</b>	<b>(Over) Budget</b>
Assisted Living	36,488	36,813	(325)

**H. Subsequent Events**

In 2010, the County began construction on a new jail and public works facility. The County plans to issue approximately \$18 million of certificates of participations (COP's) in order to finance the project.

Management has evaluated all other subsequent events through July 30, 2010, the date these financial statements were available to be issued, and determined that no others required disclosure.

REQUIRED SUPPLEMENTARY INFORMATION



**Gunnison County, Colorado**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2009**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2008)**

	<u>2009</u>			<u>2008</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>				
Taxes	6,868,844	6,920,451	51,607	5,827,487
Licenses and permits	212,300	189,020	(23,280)	225,770
Intergovernmental	1,067,507	2,139,532	1,072,025	1,056,321
Charges for services	1,483,031	1,521,065	38,034	1,504,598
Investment income	247,408	196,537	(50,871)	354,310
Contributions	457,722	399,466	(58,256)	401,898
Miscellaneous	147,874	258,617	110,743	213,973
<b>Total Revenues</b>	<u>10,484,686</u>	<u>11,624,688</u>	<u>1,140,002</u>	<u>9,584,357</u>
<b>Expenditures:</b>				
General government	5,967,687	5,607,439	360,248	5,293,005
Judicial	252,072	253,672	(1,600)	231,813
Public Safety	2,731,337	2,670,645	60,692	2,456,410
Health and welfare	1,540,568	1,245,372	295,196	1,448,842
Auxiliary services	278,442	274,550	3,892	255,634
Culture and recreation	956,236	922,139	34,097	244,599
Public works	166,816	130,229	36,587	158,299
Debt service	16,974	17,701	(727)	16,974
<b>Total Expenditures</b>	<u>11,910,132</u>	<u>11,121,747</u>	<u>788,385</u>	<u>10,105,576</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(1,425,446)</u>	<u>502,941</u>	<u>1,928,387</u>	<u>(521,219)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	1,164,427	1,541,974	377,547	1,105,250
Transfers (out)	(313,007)	(565,069)	(252,062)	(135,952)
Sale of capital assets	100	15	(85)	1,000
<b>Total Other Financing Sources (Uses)</b>	<u>851,520</u>	<u>976,920</u>	<u>125,400</u>	<u>970,298</u>
<b>Net Change in Fund Balances</b>	<u>(573,926)</u>	<u>1,479,861</u>	<u>2,053,787</u>	<u>449,079</u>
<b>Fund Balances - Beginning of Year</b>		<u>4,511,954</u>		<u>4,062,875</u>
<b>Fund Balances - End of Year</b>		<u>5,991,815</u>		<u>4,511,954</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, 2009**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2008)**

	2009		Final Budget Variance Positive (Negative)	2008
	Original and Final Budget	Actual		Actual
<b>Taxes:</b>				
General property taxes	6,583,527	6,633,647	50,120	5,509,834
Specific ownership tax	268,317	258,117	(10,200)	295,951
Delinquent tax and interest	17,000	28,687	11,687	21,702
<b>Total Taxes</b>	6,868,844	6,920,451	51,607	5,827,487
<b>Licenses and Permits:</b>				
Liquor licenses	1,300	1,309	9	1,466
Building permits	180,000	159,092	(20,908)	194,288
Other licenses and permits	31,000	28,619	(2,381)	30,016
<b>Total Licenses and Permits</b>	212,300	189,020	(23,280)	225,770
<b>Intergovernmental:</b>				
Federal Grants	109,429	1,222,207	1,112,778	102,737
State Grants	805,478	749,672	(55,806)	870,791
Local Grants	102,600	117,653	15,053	82,793
Library district	50,000	50,000	-	-
<b>Total Intergovernmental</b>	1,017,507	2,089,532	1,072,025	1,056,321
<b>Charges for Services:</b>				
Clerk and recorder	355,500	395,288	39,788	318,378
Sheriff's fees	25,000	31,414	6,414	59,805
Treasurer's fees	680,000	754,117	74,117	727,980
Other Fees	146,581	122,165	(24,416)	97,564
Assessor's Fees	14,000	10,760	(3,240)	13,513
Public Health Fees	153,550	82,140	(71,410)	162,191
Land Use Fees	22,000	15,143	(6,857)	14,650
Useful Public Service	54,000	46,384	(7,616)	53,309
Court Fines & Fees	20,400	23,654	3,254	22,206
Public Trustee	12,000	40,000	28,000	35,000
<b>Total Charges for Services</b>	1,483,031	1,521,065	38,034	1,504,596
<b>Other Revenue:</b>				
Investment income	247,408	196,537	(50,871)	354,310
Contributions	457,722	399,466	(58,256)	401,898
Miscellaneous	147,874	258,617	110,743	213,973
<b>Total Other Revenue</b>	853,004	854,620	1,616	970,181
<b>Total Revenues</b>	10,484,686	11,624,688	1,140,002	9,584,355

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, 2009**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2008)**

	<u>2009</u>		<u>2008</u>	
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>	<u>Actual</u>
<b>General Government:</b>				
Board of county commissioners	533,791	444,462	89,329	419,459
Attorney	556,863	571,950	(15,087)	490,371
Planning	901,842	784,709	117,133	748,102
Manager	583,171	565,421	17,750	473,916
Sage grouse	22,560	19,830	2,730	18,274
Personnel	137,369	137,691	(322)	113,245
Compensated absences	44,948	3,455	41,493	55,986
Other administration	361,836	385,956	(24,120)	337,788
Clerk operations	400,503	391,596	8,907	422,313
Elections	152,400	170,664	(18,264)	215,422
Treasurer	291,048	305,019	(13,971)	291,716
Assessor operations	833,496	762,829	70,667	743,666
Buildings & grounds	659,346	589,702	69,644	541,527
Finance	451,264	426,821	24,443	395,628
Contributions	37,250	35,587	1,663	25,591
Industrial park	-	11,747	(11,747)	-
<b>Total General Government</b>	<u>5,967,687</u>	<u>5,607,439</u>	<u>360,248</u>	<u>5,293,004</u>
<b>Judicial:</b>				
District attorney	252,072	253,672	(1,600)	231,813
<b>Public Safety:</b>				
Wildfire containment	5,531	465	5,066	45
Search & rescue	12,768	12,739	29	14,620
Sheriff's operations	1,561,226	1,559,338	1,888	1,382,816
Detention center	884,886	804,119	80,767	795,620
Coroner	83,241	74,507	8,734	80,127
Emergency management	117,941	108,018	9,923	100,512
Hazardous materials	10,281	8,643	1,638	8,212
Juvenile diversion	55,463	102,817	(47,354)	74,458
<b>Total Public Safety</b>	<u>2,731,337</u>	<u>2,670,646</u>	<u>60,691</u>	<u>2,456,410</u>
<b>Health and Welfare:</b>				
Health	1,649	1,609	40	1,620
Substance abuse	120,013	149,081	(29,068)	152,228
Early childhood	200,852	188,204	12,648	171,015
Senior services coordinator	127,875	145,225	(17,350)	139,099
Multi-cultural center	111,658	94,786	16,872	94,463
Public health	535,178	243,007	292,171	504,467
Family planning program	208,214	197,078	11,136	156,215
Victims assistance program	73,678	72,382	1,296	78,264
Senior citizens	68,951	64,000	4,951	60,220
Contributions	92,500	90,000	2,500	91,250
<b>Total Health and Welfare</b>	<u>1,540,568</u>	<u>1,245,372</u>	<u>295,196</u>	<u>1,448,841</u>
<b>Auxiliary Services:</b>				
Alternate service services	106,572	102,768	3,804	97,158
Extension service	166,475	167,493	(1,018)	154,168
Veterans office	5,395	4,289	1,106	4,308
<b>Total Auxiliary Services</b>	<u>278,442</u>	<u>274,550</u>	<u>3,892</u>	<u>255,634</u>
<b>Culture and Recreation:</b>				
Beautification Committee	10,000	5,375	4,625	8,056
Historic Preservation	6,525	4,575	1,950	2,518
County Fairgrounds	244,539	217,642	26,897	196,820
Contribution	29,300	27,263	2,037	37,206
	<u>665,872</u>	<u>667,283</u>	<u>(1,411)</u>	<u>0</u>
<b>Total Culture and Recreation</b>	<u>290,364</u>	<u>254,855</u>	<u>35,509</u>	<u>244,600</u>
<b>Public Works:</b>				
Weed program	166,816	130,229	36,587	158,299
<b>Debt Service:</b>				
Principal	-	17,144	(17,144)	15,868
Interest	16,974	557	16,417	1,106
<b>Total Debt Service</b>	<u>16,974</u>	<u>17,701</u>	<u>(727)</u>	<u>16,974</u>
<b>Total Expenditures</b>	<u>11,910,132</u>	<u>11,121,747</u>	<u>788,385</u>	<u>10,105,575</u>

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, 2009**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2008)**

	<u>2009</u>		<u>Final Budget</u>	<u>2008</u>
	<u>Original and</u>		<u>Variance</u>	
	<u>Final</u>	<u>Actual</u>	<u>Positive</u>	<u>Actual</u>
	<u>Budget</u>		<u>(Negative)</u>	
<b>Revenues:</b>				
<b>Taxes:</b>				
Specific ownership tax	144,478	129,042	(15,436)	147,954
<b>Total Taxes</b>	<u>144,478</u>	<u>129,042</u>	<u>(15,436)</u>	<u>147,954</u>
<b>Intergovernmental:</b>				
Payment in lieu of taxes	525,437	574,135	48,698	525,175
State grants	1,506,276	248,781	(1,257,495)	751,897
Highway users trust fund	2,131,873	2,337,928	206,055	2,203,813
Forest service	1,228,034	865,004	(363,030)	1,240,769
Mineral leasing	500,000	822,155	322,155	561,921
<b>Total Intergovernmental</b>	<u>5,891,620</u>	<u>4,848,003</u>	<u>(1,043,617)</u>	<u>5,283,575</u>
<b>Charges for Services:</b>				
Municipalities	71,476	53,611	(17,865)	99,120
Permits	6,200	5,533	(667)	13,660
Other	-	66,917	66,917	33,661
<b>Total Charges for Services</b>	<u>77,676</u>	<u>126,061</u>	<u>48,385</u>	<u>146,441</u>
<b>Other:</b>				
Fines and forfeitures	-	-	-	264
Investment income	27,690	63,813	36,123	54,408
Contributions	50	-	(50)	402
Miscellaneous	9,950	21,424	11,474	8,668
<b>Total Other Revenue</b>	<u>37,690</u>	<u>85,237</u>	<u>47,547</u>	<u>63,742</u>
<b>Total Revenues</b>	<u>6,151,464</u>	<u>5,188,343</u>	<u>(963,121)</u>	<u>5,641,712</u>
<b>Expenditures:</b>				
Marble bank building	5,250	134	5,116	7,077
Construction	2,341,332	946,226	1,395,106	725,466
Maintenance of condition	2,214,401	2,370,286	(155,885)	1,849,578
Snow removal	864,185	707,381	156,804	1,084,864
Administration	433,528	399,985	33,543	384,665
Trails	277,510	63,906	213,604	43,837
Municipalities	114,440	70,696	43,744	111,148
<b>Total Expenditures</b>	<u>6,250,646</u>	<u>4,558,614</u>	<u>1,692,032</u>	<u>4,206,635</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	<u>(99,182)</u>	<u>629,729</u>	<u>728,911</u>	<u>1,435,077</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	321,924	162,955	(158,969)	138,560
Transfers (out)	(272,285)	(272,285)	-	(42,940)
<b>Total Other Financing</b>				
<b>Sources (Uses)</b>	<u>49,639</u>	<u>(109,330)</u>	<u>(158,969)</u>	<u>95,620</u>
<b>Net Change in Fund Balances</b>	<u>(49,543)</u>	<u>520,399</u>	<u>569,942</u>	<u>1,530,697</u>
<b>Fund Balances - Beginning of Year</b>		<u>2,834,790</u>		<u>1,304,093</u>
<b>Fund Balances - End of Year</b>		<u>3,355,189</u>		<u>2,834,790</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, 2009  
(With Comparative Actual Amounts for the Year Ended December 31, 2008)

	2009			Final Budget Variance Positive (Negative)	2008
	Original Budget	Final Budget	Actual		Actual
<b>Revenues:</b>					
<b>Taxes:</b>					
Property tax revenue	269,984	269,984	274,159	4,175	254,332
Delinquent tax and interest	350	350	1,511	1,161	1,008
<b>Intergovernmental:</b>					
EBT reimbursements	1,047,313	1,047,313	1,723,981	676,668	1,196,388
Other	1,343,184	1,343,184	1,387,990	44,806	1,324,401
<b>Other:</b>					
Contributions	1,300	1,300	1,054	(246)	482
Miscellaneous	8,000	8,000	14,351	6,351	5,635
<b>Total Revenues</b>	<u>2,670,131</u>	<u>2,670,131</u>	<u>3,403,046</u>	<u>732,915</u>	<u>2,782,246</u>
<b>Expenditures:</b>					
Administration	328,187	358,187	357,707	480	296,532
Administration - IVD	-	-	(400)	400	(377)
Employment first	22,134	22,134	10,493	11,641	36,520
General assistance	3,000	3,000	1,451	1,549	3,245
Child care	32,212	32,212	43,853	(11,641)	46,752
Colorado works - TANF	188,044	188,044	131,806	56,238	147,257
Medicaid transportation	20,000	20,000	16,070	3,930	25,436
Low income energy assistance	11,695	11,695	13,558	(1,863)	16,204
Child welfare / foster care	658,084	720,199	739,059	(18,860)	680,086
CORE services	104,647	104,647	93,246	11,401	133,197
FEMA grant	-	-	7,664	(7,664)	-
Community services block grant	25,107	50,752	32,277	18,475	25,661
Other	83,804	96,804	66,342	30,462	64,067
EBT transactions	1,185,121	1,876,191	1,852,471	23,720	1,286,706
Old Age Pension	7,800	7,800	12,987	(5,187)	10,371
<b>Total Expenditures</b>	<u>2,669,835</u>	<u>3,491,665</u>	<u>3,378,584</u>	<u>113,081</u>	<u>2,771,657</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>296</u>	<u>(821,534)</u>	<u>24,462</u>	<u>845,996</u>	<u>10,589</u>
<b>Net Change in Fund Balances</b>	<u>296</u>	<u>(821,534)</u>	<u>24,462</u>	<u>845,996</u>	<u>10,589</u>
<b>Fund Balances - Beginning of Year</b>			<u>255,234</u>		<u>244,645</u>
<b>Fund Balances - End of Year</b>			<u>279,696</u>		<u>255,234</u>

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

**Gunnison County, Colorado**  
**Special Revenue Funds**  
**Sales Tax Capital Improvement Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2009**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2008)**

	<u>2009</u>		Final Budget Variance Positive (Negative)	<u>2008</u>
	Final Budget	Actual		Actual
<b>Revenues:</b>				
<b>Taxes:</b>				
Sales tax	1,366,032	1,350,056	(15,976)	1,432,993
<b>Intergovernmental:</b>				
Federal grants	-	-	-	124,088
State grants	404,524	283,833	(120,691)	(23,788)
<b>Investment Income</b>	13,880	13,989	109	24,884
<b>Contributions</b>	-	-	-	20,387
<b>Total Revenues</b>	<u>1,784,436</u>	<u>1,647,878</u>	<u>(136,558)</u>	<u>1,578,564</u>
<b>Expenditures:</b>				
<b>General Government:</b>				
General administration	24,385	25,262	(877)	25,961
Buildings and grounds	478,388	304,278	174,110	401,196
<b>Public Safety:</b>				
Jail renovation	20,000	20,000	-	57,637
<b>Debt Service:</b>				
Principal	-	198,751	(198,751)	191,711
Interest	220,053	21,302	198,751	28,342
<b>Total Expenditures</b>	<u>742,826</u>	<u>569,593</u>	<u>173,233</u>	<u>704,847</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>1,041,610</u>	<u>1,078,285</u>	<u>36,675</u>	<u>873,717</u>
<b>Other Financing Sources (Uses):</b>				
Transfers (out)	(1,322,149)	(1,003,275)	318,874	(877,063)
<b>Total Other Financing Sources (Uses)</b>	<u>(1,322,149)</u>	<u>(1,003,275)</u>	<u>318,874</u>	<u>(877,063)</u>
<b>Net Change in Fund Balances</b>	<u>(280,539)</u>	75,010	<u>355,549</u>	(3,346)
<b>Fund Balances - Beginning of Year</b>		<u>953,738</u>		<u>957,084</u>
<b>Fund Balances - End of Year</b>		<u>1,028,748</u>		<u>953,738</u>

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

**SUPPLEMENTARY INFORMATION**



**Gunnison County, Colorado**  
**Capital Project Funds**  
**Airport Construction Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2009**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2008)**

	<u>2009</u>			<b>Final Budget Variance Positive (Negative)</b>	<u>2008</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>					
<b>Intergovernmental:</b>					
Federal grants	913,395	913,395	1,095,229	181,834	880,626
State grants	104,000	104,000	260,251	156,251	338,679
<b>Charges for Services:</b>					
Passenger facility charges	110,500	110,500	146,822	36,322	133,845
<b>Investment Income</b>	4,929	4,929	3,361	(1,568)	4,730
<b>Total Revenues</b>	<u>1,132,824</u>	<u>1,132,824</u>	<u>1,505,663</u>	<u>372,839</u>	<u>1,357,880</u>
<b>Expenditures:</b>					
<b>Public Works</b>	669,373	1,144,596	1,001,454	143,142	1,312,916
<b>Debt Service:</b>					
Principal	543,041	543,041	543,041	-	125,761
Interest	23,335	23,335	33,457	(10,122)	37,614
<b>Total Expenditures</b>	<u>1,235,749</u>	<u>1,710,972</u>	<u>1,577,952</u>	<u>133,020</u>	<u>1,476,291</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(102,925)</u>	<u>(578,148)</u>	<u>(72,289)</u>	<u>505,859</u>	<u>(118,411)</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	50,000	50,000	50,000	-	-
Debt proceeds	-	-	185,000	185,000	-
<b>Total Other Financing Sources (Uses)</b>	<u>50,000</u>	<u>50,000</u>	<u>235,000</u>	<u>185,000</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>(52,925)</u>	<u>(528,148)</u>	162,711	<u>690,859</u>	(118,411)
<b>Fund Balances - Beginning of Year</b>			166,291		284,702
<b>Fund Balances - End of Year</b>			<u>329,002</u>		<u>166,291</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, 2009**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2008)**

	<u>2009</u>			<u>Final Budget</u>	<u>2008</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>	
<b>Revenues:</b>					
<b>Intergovernmental:</b>					
Federal grants	736,888	736,888	1,009,903	273,015	1,127,720
State grants	207,110	207,110	5,039	(202,071)	44,802
<b>Investment Income</b>	3,443	3,443	2,398	(1,045)	3,234
<b>Contributions</b>	10,000	10,000	-	(10,000)	-
<b>Miscellaneous</b>	-	-	-	-	36,266
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Revenues</b>	<u>957,441</u>	<u>957,441</u>	<u>1,017,340</u>	<u>59,899</u>	<u>1,212,022</u>
<b>Expenditures:</b>					
<b>Public Safety:</b>					
DOJ grant pass-through	669,132	669,132	925,070	(255,938)	767,741
Community Emergency Response Team	-	-	-	-	26,946
Jail facility construction	-	-	155,121	(155,121)	-
<b>Culture and Recreation:</b>					
West Elk byway	300,000	300,000	-	300,000	91,077
Rodeo grounds	180,000	180,000	805	179,195	-
<b>Public Works:</b>					
Rios water system	75,285	75,285	120,640	(45,355)	360,738
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Expenditures</b>	<u>1,224,417</u>	<u>1,224,417</u>	<u>1,201,636</u>	<u>22,781</u>	<u>1,246,502</u>
<b>Excess (Deficiency) of Revenues</b>					
<b>Over Expenditures</b>	<u>(266,976)</u>	<u>(266,976)</u>	<u>(184,296)</u>	<u>82,680</u>	<u>(34,480)</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	270,419	270,419	392,920	122,501	46,680
Transfers (out)	-	-	(7,030)	(7,030)	(10,853)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Other Financing Sources (Uses)</b>	<u>270,419</u>	<u>270,419</u>	<u>385,890</u>	<u>115,471</u>	<u>35,827</u>
<b>Net Change in Fund Balances</b>	<u>3,443</u>	<u>3,443</u>	<u>201,594</u>	<u>198,151</u>	<u>1,347</u>
<b>Fund Balances - Beginning of Year</b>			<u>39,035</u>		<u>37,688</u>
<b>Fund Balances - End of Year</b>			<u>240,629</u>		<u>39,035</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, 2009**

	<b>Special Revenue</b>							<b>Total</b>	
	<b>Conservation Trust Fund</b>	<b>Public Health Fund</b>	<b>Mosquito Control Fund</b>	<b>Land Preservation Fund</b>	<b>Sage Grouse Fund</b>	<b>Risk Management Fund</b>	<b>Gunnison County Housing Auth. Administration</b>	<b>Local Marketing District</b>	<b>Non-major Governmental Funds</b>
<b>Assets:</b>									
Cash and investments	45,817	98,805	19,747	416,817	267,764	210,651	6,415	369,784	1,435,800
Accounts receivable	-	2,467	-	-	-	-	-	793	3,260
Prepaid expenses	-	-	-	-	-	34,755	-	-	34,755
Due from other governments	-	84,182	-	17,499	-	-	19,413	148,756	269,850
Due from other funds	17,116	-	-	52,491	-	-	9,153	-	78,760
<b>Total Assets</b>	<b>62,933</b>	<b>185,454</b>	<b>19,747</b>	<b>486,807</b>	<b>267,764</b>	<b>245,406</b>	<b>34,981</b>	<b>519,333</b>	<b>1,822,425</b>
<b>Liabilities and Fund Balances:</b>									
<b>Liabilities:</b>									
Accounts payable	-	17,614	-	-	1	948	20,884	9	39,456
Due to other funds	-	100,121	-	-	-	3,417	-	9	103,547
Deferred revenue	-	52,872	-	-	2,500	-	3,850	-	59,222
<b>Total Liabilities</b>	<b>-</b>	<b>170,607</b>	<b>-</b>	<b>-</b>	<b>2,501</b>	<b>4,365</b>	<b>24,734</b>	<b>18</b>	<b>202,225</b>
<b>Fund Balances:</b>									
Reserved for prepaid expenses	-	-	-	-	-	34,755	-	-	34,755
Unreserved:									
Special revenue funds	62,933	14,847	19,747	486,807	265,263	206,286	10,247	519,315	1,585,445
<b>Total Fund Balances</b>	<b>62,933</b>	<b>14,847</b>	<b>19,747</b>	<b>486,807</b>	<b>265,263</b>	<b>241,041</b>	<b>10,247</b>	<b>519,315</b>	<b>1,620,200</b>
<b>Total Liabilities and Fund Balances</b>	<b>62,933</b>	<b>185,454</b>	<b>19,747</b>	<b>486,807</b>	<b>267,764</b>	<b>245,406</b>	<b>34,981</b>	<b>519,333</b>	<b>1,822,425</b>

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, 2009**

	<b>Special Revenue</b>								
	<b>Conservation Trust Fund</b>	<b>Public Health Fund</b>	<b>Mosquito Control Fund</b>	<b>Land Preservation Fund</b>	<b>Sage Grouse Fund</b>	<b>Risk Management Fund</b>	<b>Gunnison County Housing Auth. Administration</b>	<b>Local Marketing District</b>	<b>Total Non-major Governmental Funds</b>
<b>Revenues:</b>									
Taxes	-	3,466	-	322,020	-	-	-	1,276,295	1,601,781
Intergovernmental	49,532	172,161	12,715	-	-	-	143,390	-	377,798
Charges for services	-	22,987	48,543	-	-	-	274,385	-	345,915
Investment income	1,483	-	-	5,012	-	3,526	7,552	7,480	25,053
Contributions	-	-	-	-	-	113,256	-	-	113,256
Miscellaneous	-	36,459	257	-	-	-	2,778	-	39,494
<b>Total Revenues</b>	<b>51,015</b>	<b>235,073</b>	<b>61,515</b>	<b>327,032</b>	<b>-</b>	<b>116,782</b>	<b>428,105</b>	<b>1,283,775</b>	<b>2,503,297</b>
<b>Expenditures:</b>									
General government	-	-	-	-	14	64,681	-	1,118,768	1,183,463
Health and welfare	-	296,957	74,862	-	-	-	405,948	-	777,767
Culture and recreation	324	-	-	-	-	-	-	-	324
Debt service	-	-	-	165,227	-	-	2,527	-	167,754
<b>Total Expenditures</b>	<b>324</b>	<b>296,957</b>	<b>74,862</b>	<b>165,227</b>	<b>14</b>	<b>64,681</b>	<b>408,475</b>	<b>1,118,768</b>	<b>2,129,308</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>50,691</b>	<b>(61,884)</b>	<b>(13,347)</b>	<b>161,805</b>	<b>(14)</b>	<b>52,101</b>	<b>19,630</b>	<b>165,007</b>	<b>373,989</b>
<b>Other Financing Sources (Uses):</b>									
Transfers in	-	76,731	12,715	-	56,354	55,502	310,291	-	511,593
Transfers (out)	(32,900)	-	(950)	(30,000)	(25,000)	-	(450,123)	(16,700)	(555,673)
<b>Total Other Financing Sources (Uses)</b>	<b>(32,900)</b>	<b>76,731</b>	<b>11,765</b>	<b>(30,000)</b>	<b>31,354</b>	<b>55,502</b>	<b>(139,832)</b>	<b>(16,700)</b>	<b>(44,080)</b>
<b>Net Change in Fund Balances</b>	<b>17,791</b>	<b>14,847</b>	<b>(1,582)</b>	<b>131,805</b>	<b>31,340</b>	<b>107,603</b>	<b>(120,202)</b>	<b>148,307</b>	<b>329,909</b>
<b>Fund Balances - Beginning of Year</b>	<b>45,142</b>	<b>-</b>	<b>21,329</b>	<b>355,002</b>	<b>233,923</b>	<b>133,438</b>	<b>130,449</b>	<b>371,008</b>	<b>1,290,291</b>
<b>Fund Balances - End of Year</b>	<b>62,933</b>	<b>14,847</b>	<b>19,747</b>	<b>486,807</b>	<b>265,263</b>	<b>241,041</b>	<b>10,247</b>	<b>519,315</b>	<b>1,620,200</b>

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, 2009**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2008)**

	2009		Final Budget Variance Positive (Negative)	2008
	Original and Final Budget	Actual		Actual
<b>Revenues:</b>				
Lottery proceeds	40,000	49,532	9,532	50,980
Earnings on investments	1,354	1,483	129	2,535
<b>Total Revenues</b>	41,354	51,015	9,661	53,515
<b>Expenditures:</b>				
Treasurer's fees	400	324	76	277
<b>Total Expenditures</b>	400	324	76	277
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	40,954	50,691	9,737	53,238
<b>Other Financing Sources (Uses):</b>				
Transfers (out)	(76,900)	(32,900)	44,000	(59,801)
<b>Total Other Financing Sources (Uses)</b>	(76,900)	(32,900)	44,000	(59,801)
<b>Net Change in Fund Balances</b>	(35,946)	17,791	53,737	(6,563)
<b>Fund Balances - Beginning of Year</b>		45,142		51,705
<b>Fund Balances - End of Year</b>		62,933		45,142

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, 2009**

	2009			Final Budget Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
<b>Taxes:</b>				
Other taxes	-	-	3,466	3,466
<b>Intergovernmental:</b>				
State grants	-	-	172,161	172,161
<b>Charges for Services</b>	-	-	22,987	22,987
<b>Miscellaneous</b>	-	-	36,459	36,459
<b>Total Revenues</b>	-	-	235,073	235,073
<b>Expenditures:</b>				
<b>Health and welfare:</b>				
Operating expenditures	-	321,439	296,957	24,482
<b>Total Expenditures</b>	-	321,439	296,957	24,482
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	-	(321,439)	(61,884)	259,555
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	76,731	76,731
<b>Total Other Financing Sources (Uses)</b>	-	-	76,731	76,731
<b>Net Change in Fund Balances</b>	-	(321,439)	14,847	336,286
<b>Fund Balances - Beginning of Year</b>			-	
<b>Fund Balances - End of Year</b>			14,847	

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, 2009**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2008)**

	2009		Final Budget Variance Positive (Negative)	2008
	Original and Final Budget	Actual		Actual
<b>Revenues:</b>				
<b>Taxes:</b>				
<b>Charges for Services</b>	50,561	48,543	(2,018)	52,887
<b>Intergovernmental:</b>			-	
Local grants	12,715	12,715	-	13,049
<b>Miscellaneous</b>	300	257	(43)	298
<b>Total Revenues</b>	63,576	61,515	(2,061)	66,234
<b>Expenditures:</b>				
Operations	75,090	74,862	228	74,916
<b>Total Expenditures</b>	75,090	74,862	228	74,916
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(11,514)	(13,347)	(1,833)	(8,682)
<b>Other Financing Sources (Uses):</b>				
Transfers in	12,715	12,715	-	13,049
Transfers (out)	(950)	(950)	-	(1,120)
<b>Total Other Financing     Sources (Uses)</b>	11,765	11,765	-	11,929
<b>Net Change in Fund Balances</b>	251	(1,582)	(1,833)	3,247
<b>Fund Balances - Beginning of Year</b>		21,329		18,082
<b>Fund Balances - End of Year</b>		19,747		21,329

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, 2009**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2008)**

	<u>2009</u>		<b>Final Budget Variance Positive (Negative)</b>	<u>2008</u>
	<b>Original and Final Budget</b>	<b>Actual</b>		<b>Actual</b>
<b>Revenues:</b>				
<b>Taxes:</b>				
Sales tax	323,472	322,020	(1,452)	329,364
<b>Intergovernmental:</b>				
Investment Income	2,473	5,012	2,539	4,705
<b>Total Revenues</b>	<u>325,945</u>	<u>327,032</u>	<u>1,087</u>	<u>334,069</u>
<b>Expenditures:</b>				
<b>Culture and Recreation:</b>				
Land preservation	200,000	-	200,000	99,359
<b>Debt Service:</b>				
Principal payments	137,445	137,445	-	131,262
Interest payments	27,782	27,782	-	33,965
<b>Total Expenditures</b>	<u>365,227</u>	<u>165,227</u>	<u>200,000</u>	<u>264,586</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(39,282)	161,805	201,087	69,483
<b>Other Financing Sources (Uses):</b>				
Transfers (out)	-	(30,000)	(30,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>(39,282)</u>	131,805	<u>171,087</u>	69,483
<b>Fund Balances - Beginning of Year</b>		<u>355,002</u>		<u>285,519</u>
<b>Fund Balances - End of Year</b>		<u>486,807</u>		<u>355,002</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, 2009**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2008)**

	2009		Final Budget Variance Positive (Negative)	2008
	Original and Final Budget	Actual		Actual
<b>Revenues:</b>				
<b>Total Revenues</b>	-	-	-	-
<b>Expenditures:</b>				
General government	57,000	13	56,987	778
<b>Total Expenditures</b>	57,000	13	56,987	778
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(57,000)	(13)	56,987	(778)
<b>Other Financing Sources (Uses):</b>				
Transfers in	48,884	56,354	7,470	61,338
Transfers (out)	(25,000)	(25,000)	-	(25,000)
<b>Total Other Financing Sources (Uses)</b>	23,884	31,354	7,470	36,338
<b>Net Change in Fund Balances</b>	<u>(33,116)</u>	31,341	<u>64,457</u>	35,560
<b>Fund Balances - Beginning of Year</b>		<u>233,922</u>		<u>198,362</u>
<b>Fund Balances - End of Year</b>		<u>265,263</u>		<u>233,922</u>

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

**Gunnison County, Colorado**  
**Special Revenue Funds**  
**Risk Management Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2009**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2008)**

	<u>2009</u>			<b>Final Budget Variance Positive (Negative)</b>	<u>2008</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>					
Investment Income	2,516	2,516	3,526	1,010	4,560
Contributions	107,386	107,386	113,256	5,870	113,771
Miscellaneous	-	-	-	-	1,591
<b>Total Revenues</b>	<u>109,902</u>	<u>109,902</u>	<u>116,782</u>	<u>6,880</u>	<u>119,922</u>
<b>Expenditures:</b>					
<b>General Government:</b>					
CAPP Insurance Claims	50,000	50,000	15,929	34,071	45,823
Other expenses	50,400	68,900	48,752	20,148	64,254
<b>Total Expenditures</b>	<u>100,400</u>	<u>118,900</u>	<u>64,681</u>	<u>54,219</u>	<u>110,077</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>9,502</u>	<u>(8,998)</u>	<u>52,101</u>	<u>61,099</u>	<u>9,845</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	37,002	37,002	55,502	18,500	36,527
<b>Total Other Financing Sources (Uses)</b>	<u>37,002</u>	<u>37,002</u>	<u>55,502</u>	<u>18,500</u>	<u>36,527</u>
<b>Net Change in Fund Balances</b>	<u>46,504</u>	<u>28,004</u>	107,603	<u>79,599</u>	46,372
<b>Fund Balances - Beginning of Year</b>			<u>133,438</u>		<u>87,066</u>
<b>Fund Balances - End of Year</b>			<u>241,041</u>		<u>133,438</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, 2009**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2008)**

	2009		Final Budget Variance Positive (Negative)	2008
	Original and Final Budget	Actual		Actual
<b>Revenues:</b>				
<b>Intergovernmental:</b>				
Federal grants	46,941	67,160	20,219	1,710
State grants	11,450	2,730	(8,720)	12,913
Local grants	75,000	73,500	(1,500)	45,000
<b>Charges for Services:</b>				
Fees	242,813	274,385	31,572	273,563
<b>Investment Income</b>	10,000	7,552	(2,448)	12,607
<b>Miscellaneous</b>	369,500	2,778	(366,722)	12,916
<b>Total Revenues</b>	755,704	428,105	(327,599)	358,709
<b>Expenditures:</b>				
<b>Health and Welfare</b>	901,520	405,949	495,571	428,390
<b>Debt Service:</b>				
Principal	-	1,954	(1,954)	1,383
Interest	2,527	573	1,954	1,144
<b>Total Expenditures</b>	904,047	408,476	495,571	430,917
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(148,343)	19,629	167,972	(72,208)
<b>Other Financing Sources (Uses):</b>				
Transfers in	70,291	310,291	240,000	116,202
Transfers (out)	(64,210)	(450,123)	(385,913)	(62,040)
Sale of capital assets	165,000	-	(165,000)	-
<b>Total Other Financing Sources (Uses)</b>	171,081	(139,832)	(310,913)	54,162
<b>Net Change in Fund Balances</b>	22,738	(120,203)	(142,941)	(18,046)
<b>Fund Balances - Beginning of Year</b>		130,450		148,496
<b>Fund Balances - End of Year</b>		10,247		130,450

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, 2009**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2008)**

	<u>2009</u>			<u>2008</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>					
Marketing and promotion tax	968,496	968,496	1,076,294	107,798	1,030,504
Admission tax - Mt. Crested Butte	250,000	250,000	200,000	(50,000)	250,000
Earnings on investments	8,092	8,092	7,480	(612)	14,705
<b>Total Revenues</b>	<u>1,226,588</u>	<u>1,226,588</u>	<u>1,283,774</u>	<u>57,186</u>	<u>1,295,209</u>
<b>Expenditures:</b>					
<b>General Government:</b>					
Contracted services	1,232,300	1,232,300	1,086,542	145,758	1,271,756
Other	32,157	32,157	32,224	(67)	35,569
<b>Total Expenditures</b>	<u>1,264,457</u>	<u>1,264,457</u>	<u>1,118,766</u>	<u>145,691</u>	<u>1,307,325</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(37,869)</u>	<u>(37,869)</u>	<u>165,008</u>	<u>202,877</u>	<u>(12,116)</u>
<b>Other Financing Sources (Uses):</b>					
Transfers (out)	(16,700)	(16,700)	(16,700)	-	(18,190)
<b>Total Other Financing Sources (Uses)</b>	<u>(16,700)</u>	<u>(16,700)</u>	<u>(16,700)</u>	<u>-</u>	<u>(18,190)</u>
<b>Net Change in Fund Balances</b>	<u>(54,569)</u>	<u>(54,569)</u>	<u>148,308</u>	<u>202,877</u>	<u>(30,306)</u>
<b>Fund Balances - Beginning of Year</b>			<u>371,007</u>		<u>401,313</u>
<b>Fund Balances - End of Year</b>			<u>519,315</u>		<u>371,007</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, 2009**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2008)**

	<u>2009</u>			<u>Final Budget</u>	<u>2008</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>	
<b>Operating Revenues:</b>					
Airport fees	309,759	309,759	416,118	106,359	332,430
Terminal & hanger rent	410,159	410,159	426,222	16,063	344,169
Ground transportation	220,000	220,000	241,221	21,221	237,016
Parking fees & fines	73,000	73,000	79,662	6,662	80,712
FBO rent and fees	27,300	27,300	27,116	(184)	26,770
Aviation fuel tax	20,937	20,937	30,056	9,119	41,116
Other	46,595	46,595	61,597	15,002	82,820
<b>Total Operating Revenues</b>	<u>1,107,750</u>	<u>1,107,750</u>	<u>1,281,992</u>	<u>174,242</u>	<u>1,145,033</u>
<b>Operating Expenditures:</b>					
Administration	375,122	375,122	352,523	22,599	317,630
Terminal operations	192,372	192,372	207,412	(15,040)	212,988
Runway & grounds maintenance.	204,824	204,824	151,591	53,233	192,457
Snow removal	85,425	85,425	61,624	23,801	106,319
Aircraft rescue	106,448	106,448	97,001	9,447	115,425
Security	86,426	86,426	50,987	35,439	48,543
Capital outlay	1,750	1,750	7,571	(5,821)	71,094
Debt payments	11,143	11,143	11,144	(1)	10,721
<b>Total Operating Expenditures</b>	<u>1,063,510</u>	<u>1,063,510</u>	<u>939,853</u>	<u>123,657</u>	<u>1,075,177</u>
<b>Operating Income (Loss)</b>	<u>44,240</u>	<u>44,240</u>	<u>342,139</u>	<u>297,899</u>	<u>69,856</u>
<b>Non-operating Revenues (Expenditures):</b>					
Transfers (out)	(182,615)	(182,615)	(182,615)	-	(82,970)
Investment revenue	14,868	14,868	17,078	2,210	23,650
Interest expense	(550)	(550)	(551)	(1)	(973)
<b>Total Non-operating Revenues (Expenditures)</b>	<u>(168,297)</u>	<u>(168,297)</u>	<u>(166,088)</u>	<u>2,209</u>	<u>(60,293)</u>
<b>Change in Net Assets - Budget Basis</b>	<u>(124,057)</u>	<u>(124,057)</u>	<u>176,051</u>	<u>300,108</u>	<u>9,563</u>
<b>Available Resources - Beginning of Year</b>			<u>705,385</u>		<u>695,822</u>
<b>Available Resources - End of Year</b>			<u>881,436</u>		<u>705,385</u>

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

**Gunnison County, Colorado**  
**Enterprise Funds**  
**Gunnison County Sewer Fund**  
**Schedule of Revenues, Expenditures and Available Resources**  
**Budget (Non-GAAP) Basis and Actual**  
**For the Year Ended December 31, 2009**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2008)**

	<u>2009</u>		<u>Final Budget</u>	<u>2008</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>				
<b>Dos Rios Division:</b>				
Tap fees	5,500	-	(5,500)	-
User fees	155,690	154,834	(856)	154,968
Late fees	1,200	2,099	899	1,724
<b>Total Dos Rios Division</b>	<u>162,390</u>	<u>156,933</u>	<u>(5,457)</u>	<u>156,692</u>
<b>Somerset Division:</b>				
Tap fees	-	-	-	-
User fees	7,810	7,941	131	7,941
Late fees	100	178	78	136
<b>Total Somerset Division</b>	<u>7,910</u>	<u>8,119</u>	<u>209</u>	<u>8,077</u>
<b>Antelope Hills Division:</b>				
User fees	42,960	42,806	(154)	42,962
Late fees	400	443	43	489
<b>Total Antelope Hills Division</b>	<u>43,360</u>	<u>43,249</u>	<u>(111)</u>	<u>43,451</u>
<b>North Gunnison Division:</b>				
Tap fees	6,000	16,500	10,500	2,344
User fees	198,590	195,823	(2,767)	197,509
Late fees	300	1,503	1,203	1,124
Other revenue	110,500	132,767	22,267	-
<b>Total North Gunnison Division</b>	<u>315,390</u>	<u>346,593</u>	<u>31,203</u>	<u>200,977</u>
<b>North Valley Division:</b>				
Tap fees	135,000	-	(135,000)	-
User fees	7,884	-	(7,884)	-
Other revenue	255,357	850	(254,507)	-
Debt proceeds	531,243	-	(531,243)	-
<b>Total North Valley Division</b>	<u>929,484</u>	<u>850</u>	<u>(928,634)</u>	<u>-</u>
<b>Total Revenues</b>	<u>1,458,534</u>	<u>555,744</u>	<u>(902,790)</u>	<u>409,197</u>
<b>Expenditures:</b>				
<b>Dos Rios Division:</b>				
Operations	123,073	110,953	12,120	83,508
Transfers to other funds	28,038	24,936	3,102	26,350
Capital outlay	15,000	354,440	(339,440)	30,400
<b>Total Dos Rios Division</b>	<u>166,111</u>	<u>490,329</u>	<u>(324,218)</u>	<u>140,258</u>
<b>Somerset Division:</b>				
Operations	4,880	5,845	(965)	1,787
Transfers to other funds	1,016	914	102	910
<b>Total Somerset Division</b>	<u>5,896</u>	<u>6,759</u>	<u>(863)</u>	<u>2,697</u>
<b>Antelope Hills Division:</b>				
Operations	30,290	23,645	6,645	20,878
Transfers to other funds	5,970	5,380	590	5,616
<b>Total Antelope Hills Division</b>	<u>36,260</u>	<u>29,025</u>	<u>7,235</u>	<u>26,494</u>
<b>North Gunnison Division:</b>				
Operations	68,958	63,918	5,040	97,020
Transfers to other funds	14,769	13,713	1,056	13,757
Capital outlay	110,500	-	110,500	905
Debt service	115,244	114,551	693	114,964
<b>Total North Gunnison Division</b>	<u>309,471</u>	<u>192,182</u>	<u>117,289</u>	<u>226,646</u>
<b>North Valley Division:</b>				
Transfers to other funds	225,451	-	225,451	-
Capital outlay	10,000	-	10,000	-
Debt service	686,149	-	686,149	-
<b>Total North Valley Division</b>	<u>921,600</u>	<u>-</u>	<u>921,600</u>	<u>-</u>
<b>Total Expenditures</b>	<u>1,439,338</u>	<u>718,295</u>	<u>721,043</u>	<u>396,095</u>
<b>Change in Net Assets - Budget Basis</b>	<u>19,196</u>	<u>(162,551)</u>	<u>(181,747)</u>	<u>13,102</u>
<b>Available Resources - Beginning of Year</b>		<u>546,528</u>		<u>533,426</u>
<b>Available Resources - End of Year</b>		<u>383,977</u>		<u>546,528</u>

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

**Gunnison County, Colorado**  
**Enterprise Funds**  
**Water Fund**  
**Schedule of Revenues, Expenditures and Available Resources**  
**Budget (Non-GAAP) Basis and Actual**  
**For the Year Ended December 31, 2009**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2008)**

	<u>2009</u>		<b>Final Budget Variance Positive (Negative)</b>	<u>2008</u>
	<b>Original and Final Budget</b>	<b>Actual</b>		<b>Actual</b>
<b>Operating Revenues:</b>				
User fees	185,560	175,413	(10,147)	184,187
Availability fees	4,450	4,301	(149)	4,416
Contributions	8,024	9,088	1,064	4,276
Grants	50,130	-	(50,130)	-
Other	400	-	(400)	493
<b>Total Operating Revenues</b>	<u>248,564</u>	<u>188,802</u>	<u>(59,762)</u>	<u>193,372</u>
<b>Operating Expenditures:</b>				
<b>Dos Rios Division:</b>				
Operating expenses	119,370	171,197	(51,827)	110,248
Capital outlay	35,200	-	35,200	-
Allocations	14,830	14,830		14,940
Debt service	8,024	7,960	64	7,950
<b>Utilities Administration:</b>				
Operating expenses	135,122	95,601	39,521	71,943
<b>Total Operating Expenditures</b>	<u>312,546</u>	<u>289,588</u>	<u>22,958</u>	<u>205,081</u>
<b>Operating Income (Loss)</b>	<u>(63,982)</u>	<u>(100,786)</u>	<u>(36,804)</u>	<u>(11,709)</u>
<b>Non-operating Revenues (Expenditures):</b>				
Transfers in	16,828	11,978	(4,850)	14,195
<b>Total Non-operating Revenues (Expenditures)</b>	<u>16,828</u>	<u>11,978</u>	<u>(4,850)</u>	<u>14,195</u>
<b>Change in Net Assets - Budget Basis</b>	<u>(47,154)</u>	<u>(88,808)</u>	<u>(41,654)</u>	2,486
<b>Available Resources - Beginning of Year</b>		<u>427,980</u>		<u>425,494</u>
<b>Available Resources - End of Year</b>		<u>339,172</u>		<u>427,980</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, 2009**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2008)**

	2009		Final Budget Variance Positive (Negative)	2008
	Original and Final Budget	Actual		Actual
<b>Operating Revenues:</b>				
Sage Grouse mitigation	48,884	56,354	7,470	63,070
Construction surcharge	85,077	98,066	12,989	106,748
<b>Landfill:</b>				
Disposal fees	474,554	415,000	(59,554)	521,194
Closure cost surcharge	21,983	25,364	3,381	27,610
Other fees	13,390	15,127	1,737	17,307
Other	1,400	21,514	20,114	4,698
<b>Total Landfill Revenues</b>	645,288	631,425	(13,863)	740,627
<b>Recycling:</b>				
Recycling surcharge	110,761	127,830	17,069	139,058
Recycled material sales	90,000	84,667	(5,333)	151,900
<b>Total Recycling Revenues</b>	200,761	212,497	11,736	290,958
<b>Total Operating Revenues</b>	846,049	843,922	(2,127)	1,031,585
<b>Operating Expenditures:</b>				
Closure, post closure, construction reserve	-	2,726	(2,726)	20,134
Operations	442,665	436,281	6,384	397,042
Capital outlay	40,000	-	40,000	2
<b>Total Landfill Expenditures</b>	482,665	439,007	43,658	417,178
<b>Recycling Expenditures:</b>				
Operations	206,058	198,379	7,679	184,257
Capital outlay	10,000	30,713	(20,713)	42,141
<b>Total Recycling Expenditures</b>	216,058	229,092	(13,034)	226,398
<b>Total Operating Expenditures</b>	698,723	668,099	30,624	643,576
<b>Operating Income (Loss)</b>	147,326	175,823	28,497	388,009
<b>Non-operating Revenues (Expenditures):</b>				
Transfers (out)	(136,334)	(154,476)	(18,142)	(142,864)
Investment revenue	41,214	48,383	7,169	73,292
Interest expense	-	-	-	-
<b>Total Non-operating Revenues (Expenditures)</b>	(95,120)	(106,093)	(10,973)	(69,572)
<b>Change in Net Assets - Budget Basis</b>	52,206	69,730	17,524	318,437
<b>Available Resources - Beginning of Year</b>		2,294,436		1,975,999
<b>Available Resources - End of Year</b>		2,364,166		2,294,436

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, 2009**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2008)**

	2009			2008
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
<b>Operating Revenues:</b>				
<b>Palisade Assisted Living:</b>				
Donations and debt service reimbursements	36,488	39,852	3,364	36,488
<b>Total Operating Revenues</b>	<b>36,488</b>	<b>39,852</b>	<b>3,364</b>	<b>36,488</b>
<b>Operating Expenditures:</b>				
Principal payments	15,540	15,540	-	14,531
Interest payments	20,948	21,272	(324)	21,956
<b>Total Operating Expenditures</b>	<b>36,488</b>	<b>36,812</b>	<b>(324)</b>	<b>36,487</b>
<b>Change in Net Assets - Budget Basis</b>	<b>-</b>	<b>3,040</b>	<b>3,040</b>	<b>1</b>
<b>Available Resources - Beginning of Year</b>		<b>11</b>		<b>10</b>
<b>Available Resources - End of Year</b>		<b>3,051</b>		<b>11</b>

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, 2009**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2008)**

	2009		Final Budget Variance Positive (Negative)	2008
	Original and Final Budget	Actual		Actual
<b>Operating Revenues:</b>				
<b>Mountain View Apartments:</b>				
Tenant payments	104,242	86,934	(17,308)	95,388
Assistance payment	120,000	118,787	(1,213)	107,192
Vacancies	(17,000)	(5,197)	11,803	(14,412)
Other revenue	4,300	6,297	1,997	2,057
<b>Total Operating Revenues</b>	211,542	206,821	(4,721)	190,225
<b>Operating Expenditures:</b>				
<b>Mountain View Apartments:</b>				
Operations	165,720	289,075	(123,355)	186,825
Capital outlay	-	27	(27)	-
Principal on debt	9,150	10,201	(1,051)	32,597
Interest on debt	37,065	31,783	5,282	36,996
<b>Total Operating Expenditures</b>	211,935	331,086	(119,151)	256,418
<b>Operating Income (Loss)</b>	(393)	(124,265)	(123,872)	(66,193)
<b>Non-operating Revenues (Expenditures):</b>				
Sale of capital assets	-	(5,361)	(5,361)	5,391
Investment revenue	5,000	1,211	(3,789)	5,341
<b>Total Non-operating Revenues (Expenditures)</b>	5,000	(4,150)	(9,150)	10,732
<b>Change in Net Assets - Budget Basis</b>	4,607	(128,415)	(133,022)	(55,461)
<b>Available Resources - Beginning of Year</b>		344,704		400,165
<b>Available Resources - End of Year</b>		216,289		344,704

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, 2009**

	<u>Internal Service Fund I</u>	<u>Internal Service Fund II</u>	<u>Internal Service Fund III</u>	<u>Total</u>
<b>Current Assets:</b>				
Cash	575,136	384,511	1,288,886	2,248,533
Accounts receivable, net of allowance for uncollectible accounts, where applicable	3,190	2,404	-	5,594
Due from other governments	-	3,445	40,105	43,550
Prepaid expenses	116	8,064	25,564	33,744
Due from other funds	85,950	-	6,516	92,466
Inventory, at cost	808,644	9,675	-	818,319
<b>Total Current Assets</b>	<u>1,473,036</u>	<u>408,099</u>	<u>1,361,071</u>	<u>3,242,206</u>
<b>Non-current Assets:</b>				
Land, property and equipment	10,740,980	1,271,784	-	12,012,764
Less: Accumulated depreciation	<u>(7,018,328)</u>	<u>(812,711)</u>	<u>-</u>	<u>(7,831,039)</u>
<b>Total Non-current Assets</b>	<u>3,722,652</u>	<u>459,073</u>	<u>-</u>	<u>4,181,725</u>
<b>Total Assets</b>	<u>5,195,688</u>	<u>867,172</u>	<u>1,361,071</u>	<u>7,423,931</u>
<b>Liabilities:</b>				
<b>Current Liabilities:</b>				
Accounts payable	317,898	28,200	6,701	352,799
Accrued liabilities	7,428	-	-	7,428
Due to other funds	-	116	-	116
Deferred revenue	-	-	123,910	123,910
Leases, due within one year	147,572	-	-	147,572
<b>Total Current Liabilities</b>	<u>472,898</u>	<u>28,316</u>	<u>130,611</u>	<u>631,825</u>
<b>Non-current Liabilities:</b>				
Accrued compensated absences	45,544	10,558	5,396	61,498
Leases, due in more than one year	310,819	-	-	310,819
<b>Total Non-current Liabilities</b>	<u>356,363</u>	<u>10,558</u>	<u>5,396</u>	<u>372,317</u>
<b>Total Liabilities</b>	<u>829,261</u>	<u>38,874</u>	<u>136,007</u>	<u>1,004,142</u>
<b>Net Assets:</b>				
Invested in capital assets, net of related debt	3,264,261	459,073	-	3,723,334
Unrestricted	<u>1,102,166</u>	<u>369,225</u>	<u>1,225,064</u>	<u>2,696,455</u>
<b>Total Net Assets</b>	<u>4,366,427</u>	<u>828,298</u>	<u>1,225,064</u>	<u>6,419,789</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, 2009**

	<b>Internal Service Fund I</b>	<b>Internal Service Fund II</b>	<b>Internal Service Fund III</b>	<b>Total</b>
<b>Operating Revenues:</b>				
Rent, net	1,463,424	-	-	1,463,424
Charges and fees	47	76,798	78,807	155,652
Other	252,160	706,765	1,534,738	2,493,663
<b>Total Operating Revenues</b>	<u>1,715,631</u>	<u>783,563</u>	<u>1,613,545</u>	<u>4,112,739</u>
<b>Operating Expenses:</b>				
Operations and maintenance	1,556,694	520,264	1,613,684	3,690,642
Administration	14,978	-	-	14,978
Depreciation and amortization	606,039	99,249	-	705,288
<b>Total Operating Expenses</b>	<u>2,177,711</u>	<u>619,513</u>	<u>1,613,684</u>	<u>4,410,908</u>
<b>Operating Income (Loss)</b>	<u>(462,080)</u>	<u>164,050</u>	<u>(139)</u>	<u>(298,169)</u>
<b>Non-operating Revenues (Expenses):</b>				
Gain (loss) on disposal of capital assets	1,949	(334)	-	1,615
Investment revenue	40	-	27,777	27,817
Interest expense	(21,188)	-	-	(21,188)
<b>Total Non-operating Revenues (Expenses)</b>	<u>(19,199)</u>	<u>(334)</u>	<u>27,777</u>	<u>8,244</u>
<b>Income (Loss) Before Transfers</b>	<u>(481,279)</u>	<u>163,716</u>	<u>27,638</u>	<u>(289,925)</u>
<b>Transfers In</b>	-	188,315	-	188,315
<b>Transfers (Out)</b>	<u>(54,030)</u>	<u>(53,720)</u>	<u>-</u>	<u>(107,750)</u>
<b>Change in Net Assets</b>	<u>(535,309)</u>	<u>298,311</u>	<u>27,638</u>	<u>(209,360)</u>
<b>Total Net Assets - Beginning of Year</b>	<u>4,901,736</u>	<u>529,987</u>	<u>1,197,426</u>	<u>6,629,149</u>
<b>Total Net Assets - End of Year</b>	<u><u>4,366,427</u></u>	<u><u>828,298</u></u>	<u><u>1,225,064</u></u>	<u><u>6,419,789</u></u>

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

**Gunnison County, Colorado**  
**Internal Service Funds**  
**Combing Statement of Cash Flows**  
**For the Year Ended December 31, 2009**

	Internal Service Fund I	Internal Service Fund II	Internal Service Fund III	Total
<b>Cash Flows from Operating Activities:</b>				
Cash received from charges for services	1,717,977	704,720	1,553,262	3,975,959
Cash received from other sources	47	76,798	78,807	155,652
Cash payments to vendors for goods and services	(901,926)	(342,803)	(1,620,134)	(2,864,863)
Cash payments to employees for services	(438,663)	(210,337)	(12,105)	(661,105)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>377,435</u>	<u>228,378</u>	<u>(170)</u>	<u>605,643</u>
<b>Cash Flows from Non-capital Financing Activities:</b>				
Transfers from (to) other funds, net	(29,697)	136,377	(6,809)	99,871
<b>Net Cash Provided (Used) by Non-capital Financing Activities</b>	<u>(29,697)</u>	<u>136,377</u>	<u>(6,809)</u>	<u>99,871</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Interest paid on debt	(21,188)	-	-	(21,188)
Principal paid on loans and leases	(237,269)	-	-	(237,269)
Purchase of capital assets	(706,553)	(220,274)	-	(926,827)
Cash from sale of assets	1,949	(334)	-	1,615
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<u>(963,061)</u>	<u>(220,608)</u>	<u>-</u>	<u>(1,183,669)</u>
<b>Cash Flows from Investing Activities:</b>				
Cash from investment income	43	-	27,780	27,823
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>43</u>	<u>-</u>	<u>27,780</u>	<u>27,823</u>
<b>Net Increase (Decrease) in Cash</b>	(615,280)	144,147	20,801	(450,332)
<b>Cash - Beginning of Year</b>	1,190,416	240,364	1,268,085	2,698,865
<b>Cash - End of Year</b>	<u>575,136</u>	<u>384,511</u>	<u>1,288,886</u>	<u>2,248,533</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	(462,080)	164,050	(139)	(298,169)
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Depreciation and amortization	606,038	99,249	-	705,287
<b>Changes in Assets and Liabilities:</b>				
(Increase) decrease in accounts receivable	2,393	(2,045)	20,787	21,135
(Increase) decrease in prepaid expenses	51	(4,948)	(25,563)	(30,460)
(Increase) decrease in inventory	190,942	14,074	-	205,016
Increase (decrease) in accounts payable	41,475	(42,410)	6,295	5,360
Increase (decrease) in accrued liabilities	(2,640)	-	-	(2,640)
Increase (decrease) in deferred revenues	-	-	(2,266)	(2,266)
Increase (decrease) in compensated absences	1,256	408	716	2,380
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>377,435</u>	<u>228,378</u>	<u>(170)</u>	<u>605,643</u>

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, 2009**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2008)**

	<u>2009</u>			<u>Final Budget</u>	<u>2008</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>	
<b>Operating Revenues:</b>					
Equipment rent	2,024,294	2,024,294	1,463,424	(560,870)	1,555,220
Material and gravel sales	390,941	390,941	247,461	(143,480)	111,791
Other revenues	4,400	4,400	4,745	345	5,308
<b>Total Operating Revenues</b>	<u>2,419,635</u>	<u>2,419,635</u>	<u>1,715,630</u>	<u>(704,005)</u>	<u>1,672,319</u>
<b>Operating Expenditures:</b>					
Administration	23,940	23,940	14,978	8,962	22,708
County shops	1,462,907	1,462,907	1,303,591	159,316	1,335,068
Materials	328,500	378,500	246,548	131,952	110,873
Pit maintenance	44,904	44,904	-	44,904	-
Property and equipment purchases	792,800	792,800	713,109	79,691	990,034
Equipment lease payments	261,097	261,097	353,146	(92,049)	172,550
<b>Total Operating Expenditures</b>	<u>2,914,148</u>	<u>2,964,148</u>	<u>2,631,372</u>	<u>332,776</u>	<u>2,631,233</u>
<b>Operating Income (Loss)</b>	<u>(494,513)</u>	<u>(544,513)</u>	<u>(915,742)</u>	<u>(371,229)</u>	<u>(958,914)</u>
<b>Non-operating Revenues (Expenditures):</b>					
Sale of capital assets	-	-	1,949	1,949	-
Lease proceeds	-	-	94,688	94,688	659,750
Grant revenue	-	-	-	-	262,072
Investment income	-	-	40	40	4,562
Transfers in	-	-	-	-	65,500
Transfers (out)	(54,030)	(54,030)	(54,030)	-	(66,240)
<b>Total Non-operating Revenues (Expenditures)</b>	<u>(54,030)</u>	<u>(54,030)</u>	<u>42,647</u>	<u>96,677</u>	<u>925,644</u>
<b>Change in Net Assets - Budget Basis</b>	<u>(548,543)</u>	<u>(598,543)</u>	<u>(873,095)</u>	<u>(274,552)</u>	<u>(33,270)</u>
<b>Available Resources - Beginning of Year</b>			<u>1,975,258</u>		<u>2,008,528</u>
<b>Available Resources - End of Year</b>			<u>1,102,163</u>		<u>1,975,258</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, 2009**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2008)**

	2009		Final Budget Variance Positive (Negative)	2008
	Original and Final Budget	Actual		Actual
<b>Operating Revenues:</b>				
Data processing	383,054	372,785	(10,269)	329,778
Mapping	193,293	189,186	(4,107)	192,714
Telephone system	61,788	61,788	-	51,764
Photocopy and postage	82,096	80,338	(1,758)	90,433
Other	2,500	79,466	76,966	2,632
<b>Total Operating Revenues</b>	<u>722,731</u>	<u>783,563</u>	<u>60,832</u>	<u>667,321</u>
<b>Operating Expenditures:</b>				
<b>Data Processing:</b>				
Operations	628,786	239,517	389,269	212,529
Acquisition of property and equipment	49,890	72,053	(22,163)	238,564
<b>Mapping:</b>				
Operations	178,477	149,460	29,017	146,863
Acquisition of property and equipment	-	-	-	5,010
<b>Telephone System:</b>				
Operations	27,037	40,349	(13,312)	32,109
Acquisition of property and equipment	60,000	171,907	(111,907)	14,096
<b>Photocopy and Postage:</b>				
Operations	73,777	67,587	6,190	82,333
<b>Total Operating Expenditures</b>	<u>1,017,967</u>	<u>740,873</u>	<u>277,094</u>	<u>731,504</u>
<b>Operating Income (Loss)</b>	<u>(295,236)</u>	<u>42,690</u>	<u>337,926</u>	<u>(64,183)</u>
<b>Non-operating Revenues (Expenditures):</b>				
Transfers in	329,600	188,315	(141,285)	69,165
Transfers (out)	(53,720)	(53,720)	-	(50,310)
<b>Total Non-operating Revenues (Expenditures)</b>	<u>275,880</u>	<u>134,595</u>	<u>(141,285)</u>	<u>18,855</u>
<b>Change in Net Assets - Budget Basis</b>	<u>(19,356)</u>	<u>177,285</u>	<u>196,641</u>	<u>(45,328)</u>
<b>Available Resources - Beginning of Year</b>		<u>191,940</u>		<u>237,268</u>
<b>Available Resources - End of Year</b>		<u>369,225</u>		<u>191,940</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, 2009**  
**(With Comparative Actual Amounts for the Year Ended December 31, 2008)**

	<u>2009</u>			<u>Final Budget</u>	<u>2008</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>	
<b>Operating Revenues:</b>					
Premium contributions	1,625,909	1,625,909	1,534,738	(91,171)	1,471,554
Miscellaneous	72,350	72,350	78,807	6,457	877,384
<b>Total Operating Revenues</b>	<u>1,698,259</u>	<u>1,698,259</u>	<u>1,613,545</u>	<u>(84,714)</u>	<u>2,348,938</u>
<b>Operating Expenditures:</b>					
Operations	1,932,748	1,932,748	1,613,684	319,064	2,478,099
<b>Total Operating Expenditures</b>	<u>1,932,748</u>	<u>1,932,748</u>	<u>1,613,684</u>	<u>319,064</u>	<u>2,478,099</u>
<b>Operating Income (Loss)</b>	<u>(234,489)</u>	<u>(234,489)</u>	<u>(139)</u>	<u>234,350</u>	<u>(129,161)</u>
<b>Non-operating Revenues (Expenditures):</b>					
Investment revenue	31,240	31,240	27,777	(3,463)	42,879
<b>Total Non-operating Revenues (Expenditures)</b>	<u>31,240</u>	<u>31,240</u>	<u>27,777</u>	<u>(3,463)</u>	<u>42,879</u>
<b>Change in Net Assets - Budget Basis</b>	<u>(203,249)</u>	<u>(203,249)</u>	27,638	<u>230,887</u>	(86,282)
<b>Available Resources - Beginning of Year</b>			<u>1,197,426</u>		<u>1,283,708</u>
<b>Available Resources - End of Year</b>			<u>1,225,064</u>		<u>1,197,426</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, 2009**

	<b>Balance Beginning of Year</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance End of Year</b>
<b>Assets:</b>				
Cash	17,138,245			19,293,668
Less: Cash held for County funds	(16,035,512)	101,431,668	(101,515,588)	(18,274,855)
<b>Total Assets</b>	<b>1,102,733</b>	<b>101,431,668</b>	<b>(101,515,588)</b>	<b>1,018,813</b>
<b>Liabilities:</b>				
Due to other governments and agencies	1,102,733	101,431,668	(101,515,588)	1,018,813
<b>Total Liabilities</b>	<b>1,102,733</b>	<b>101,431,668</b>	<b>(101,515,588)</b>	<b>1,018,813</b>

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, 2009**

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
<b>Assets:</b>				
Cash	<u>57,877</u>	<u>78,081</u>	<u>(55,915)</u>	<u>80,043</u>
<b>Total Assets</b>	<u><u>57,877</u></u>	<u><u>78,081</u></u>	<u><u>(55,915)</u></u>	<u><u>80,043</u></u>
<b>Liabilities:</b>				
Held by Trustee	<u>57,877</u>	<u>78,081</u>	<u>(55,915)</u>	<u>80,043</u>
<b>Total Liabilities</b>	<u><u>57,877</u></u>	<u><u>78,081</u></u>	<u><u>(55,915)</u></u>	<u><u>80,043</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.

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County:
	YEAR ENDING : December 2009
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
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	1,010,132
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	2,440,982
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	707,381
3. Other local imposts (from page 2)	182,650	c. Other	
4. Miscellaneous local receipts (from page 2)	252,225	d. Total (a. through c.)	707,381
5. Transfers from toll facilities		4. General administration & miscellaneous	672,405
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	4,830,899
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	434,876	b. Redemption	
<b>B. Private Contributions</b>	3,000	c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	2,585,209	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	2,328,212	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	5,351,297	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	4,830,899

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

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

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	2,834,791	5,351,297	4,830,899	3,355,189	0

Notes and Comments:

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2009

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments		a. Interest on investments	63,813
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	39,585
5. Specific Ownership &/or Other	182,650	g. Other Misc. Receipts	148,827
6. Total (1. through 5.)	182,650	h. Other	
c. Total (a. + b.)	182,650	i. Total (a. through h.)	252,225
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	2,337,928	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	931,922
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	50,757	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant	196,525	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	1,396,290
f. Total (a. through e.)	247,281	g. Total (a. through f.)	2,328,212
4. Total (1. + 2. + 3.f)	2,585,209	3. Total (1. + 2.g)	
			(Carry forward to page 1)

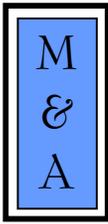
**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL**

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs		38,707	38,707
b. Engineering Costs		38,135	38,135
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		869,384	869,384
(4). System Enhancement & Operation		63,906	63,906
(5). Total Construction (1) + (2) + (3) + (4)	0	933,290	933,290
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,010,132	1,010,132
			(Carry forward to page 1)

Notes and Comments:

**SINGLE AUDIT REPORTS AND SCHEDULES**





# MCMAHAN AND ASSOCIATES, L.L.C.

*Certified Public Accountants and Consultants*

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

### Board of 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, 2009, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 30, 2010. 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*

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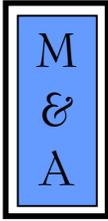
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*Board of County Commissioners  
Gunnison County, Colorado*

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.**  
July 30, 2010



# MCMAHAN AND ASSOCIATES, L.L.C.

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

**Board of 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, 2009. 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, 2009.

### 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*

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*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.**  
July 30, 2010

**Gunnison County, Colorado**  
**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended December 31, 2009**

**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:	
Federal Aviation Administration	CFDA# 20.106
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, 2009**  
**(Continued)**

**Note:** There were no findings for the fiscal year ended December 31, 2008.

**Gunnison County, Colorado**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2009**

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Major Program</u>	<u>Expenditures</u>
<b>Department of Agriculture:</b>			
<b>Passed through Colorado Department of Public Health and Environment:</b>			
Women, Infant, Children	10.557	No	66,606
Women, Infant, Children (non-cash vouchers)	10.557	No	127,534
<b>Passed through Colorado Department of Human Services:</b>			
Food Assistance-EBT	10.551	No	909,103
Food Assistance-Administration	10.561	No	84,977
<b>Total Department of Agriculture:</b>			<u>1,188,220</u>
<b>Department of Health and Human Services:</b>			
<b>Passed through Colorado Department of Human Services:</b>			
Substance abuse	93.243	No	122,099
TANF CO Works	93.558	No	175,159
Title IV-D - Administration	93.563	No	111,866
Low-income Home Energy Assistance	93.568	No	220,797
CCDF Discretionary	93.596	No	(238)
CCDF	93.575	No	94,782
Child Welfare Services IVB	93.645	No	7,194
Foster Care-Title IV-E	93.658	No	174,222
Adoption	93.659	No	46,305
Social Services Block Grant	93.667	No	89,899
Independent Living	93.674	No	170
Medicaid Assistance Program	93.778	No	73,190
Adjustments to Costs	93.000	No	(1,021)
<b>Passed through Colorado Department of Education:</b>			
CCDF ARRA ECC	93.713	No	25,645
<b>Passed through Colorado Department of Public Health and Environment:</b>			
CORE (BT)	93.069	No	15,846
Family Planning	93.217	No	36,761
Family Planning - non-cash materials inc. manuals/IUDs	93.217	No	336
Immunizations	93.268	No	1,981
CWCCI/WWC	93.283	No	6,809
Nurturing parent	93.590	No	10,541
Sexually Transmitted Diseases	93.977	No	4,354
Public Health Nurse - Maternal and Child Health Service	93.994	No	3,109
Immunizations - non-cash vaccinations	94.268	No	123,294
<b>Passed through Colorado Department of Public Health and Environment through Region 10 Area for Aging:</b>			
Special Program for the Aging	93.044	No	8,648
<b>Passed through Colorado Department of Local Affairs through Delta County:</b>			
Medicaid Assistance Program	93.778	No	44,127
<b>Total Department of Health and Human Services:</b>			<u>1,395,875</u>
<b>Department of Transportation:</b>			
<b>Federal Aviation Administration:</b>			
Airport Improvement Projects (total)	20.106	Yes	1,095,229
<b>Department of Transportation:</b>			<u>1,095,229</u>

**Gunnison County, Colorado**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2009**  
**(continued)**

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Major Program</u>	<u>Expenditures</u>
<b>Department of Homeland Security:</b>			
<b>Passed through Colorado Department of Local Affairs</b>			
State Homeland Security Grant Program	97.067	No	932,100
<b>Total Department of Homeland Security:</b>			<u>932,100</u>
<b>Department of Justice:</b>			
Violence Against Women	16.588	No	22,589
Victims of Crime Act, Crime Victim Assistance Program	16.575	No	23,014
Juvenile Accountability	16.523	No	19,417
Edward Byrne Memorial Justice Assistance Grant Program	16.738	No	3,121
<b>Total Department of Justice:</b>			<u>68,141</u>
<b>Department of Housing and Urban Development:</b>			
<b>Passed through Colorado Department of Local Affairs - Division of Housing:</b>			
Emergency Shelter Grants	14.231	No	721
Section 8 Housing Assistance Payment Program	14.195	No	16,065
<b>Passed through Colorado Department Housing and Finance Authority:</b>			
Insured Loan Program	14.135	Yes	858,213
Lower Income Housing Assistance Program	14.857	Yes	118,787
<b>Total Department of Housing and Urban Development:</b>			<u>993,786</u>
<b>Department of Energy:</b>			
Environmental Cleanup and Acceleration	81.104	No	82,841
<b>Total Department of Energy:</b>			<u>82,841</u>
<b>Environmental Protection Agency:</b>			
<b>Passed through Colorado Water Resources and Power Development Authority</b>			
Construction for Clean Water Revolving Fund (ARRA)	66.458	Yes	132,767
<b>Total Department of Energy:</b>			<u>132,767</u>
<b>Total Federal Assistance:</b>			<u>5,888,959</u>

**Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2009**

**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, 2009.

**Gunnison County, Colorado**  
**Schedule of Passenger Facility Charges Collected and Expended**  
**For the Year Ended December 31, 2009**

<u>Program Title</u>	<u>Amounts for Current Year</u>	<u>Unliquidated Balance</u>
Unliquidated PFC revenues, beginning of year		\$ -
<b>Revenues:</b>		
Revenues collected from air carriers	146,822	
Interest Earned	-	
Total PFC Revenues	<u>146,822</u>	146,822
<b>Project Expenditures:</b>		
Construction	<u>(146,822)</u>	
Total PFC project expenditures	<u>(146,822)</u>	<u>(146,822)</u>
Unliquidated PFC revenues, end of year		<u>\$ -</u>

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