

**Gunnison County
Gunnison, Colorado**

**Financial Statements
December 31, 2006**



**Gunnison County, Colorado
Financial Report
December 31, 2006**

Table of Contents

	Page
INDEPENDENT AUDITOR'S REPORT	A1 - A2
Management's Discussion and Analysis	B1 - B7
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	C1
Statement of Activities	C2
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	C3
Reconciliation of Governmental Fund Balance to Statement of Statement of Net Assets	C4
Statement of Revenues, Expenditures and Changes in Fund Balances	C5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C6
Proprietary Funds:	
Statement of Net Assets	C7
Statement of Revenues, Expenses, and Changes in Fund Net Assets	C8
Statement of Cash Flows	C9
Fiduciary Funds:	
Statement of Fiduciary Net Assets	C10
Notes to the Financial Statements	D1 – D29
Required Supplementary Information:	
General Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual	E1
Schedule of Revenues - Budget (GAAP Basis) and Actual	E2
Schedule of Expenditures - Budget (GAAP Basis) and Actual	E3
Major Special Revenue Funds:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual:	
Road and Bridge Fund	E4
Human Services Fund	E5
Sales Tax Capital Improvement Fund	E6
Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Capital Projects Funds -	
Airport Construction Fund	F1
Capital Expenditures Fund	F2
Non-major Governmental Funds:	
Combining Balance Sheet	F3
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	F4

**Gunnison County, Colorado
Financial Report
December 31, 2006**

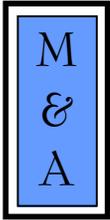
**Table of Contents
(Continued)**

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

**Gunnison County, Colorado
Financial Report
December 31, 2006**

**Table of Contents
(Continued)**

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



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

SUITE 222/AVON CENTER
100 WEST BEAVER CREEK BLVD.
P.O. Box 5850 AVON, CO 81620

WEB SITE: WWW.MCMAHANCFA.COM
TELEPHONE: (970) 845-8800
FACSIMILE: (970) 845-0851
E-MAIL: MCMAHAN@MCMAHANCFA.COM

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners Gunnison County, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Gunnison County, Colorado (the "County"), as of and for the year ended December 31, 2006, 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, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

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

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

Performing services for local governments throughout Colorado

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

Daniel R. Cudahy, C.P.A.
Michael N. Jenkins, C.A., C.P.A.

Members: American Institute of Certified Public Accountants/Colorado Society of Certified Public Accountants
National and Colorado Government Finance Officers Association/Colorado Municipal League

*Board of County Commissioners
Gunnison County, Colorado*

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

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

McMahan and Associates, LLC.

McMahan and Associates, L.L.C.
March 31, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS



Gunnison County, Colorado

Management's Discussion and Analysis

December 31, 2006

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, 2006.

Financial Highlights

- On a short term view, the County's governmental funds increased \$760,016 . This was primarily due to an increase of \$387,506 in the General Fund and an increase of \$191,147 in the Local Marketing District. These increases were both due to higher revenues and lower expenditures than anticipated.
- On a long term view the County's governmental activities increased \$2,169,500. This occurred because a portion of the County's fund expenditures were invested in capital assets that had a useful life of longer than one year.
- On a short term view the County's business type funds increased \$1,144,341 . This is primarily due to an increase in the sewer fund of \$609,777. This is largely due to a timing difference of the capital funding and expenditures for the North Gunnison Service Area.
- On a long-term view the County's business type funds increased \$455,826. This increase is primarily due to increases in the Water, Sewer and Landfill Funds relating to grants and contributions which were used for the purchase and construction of capital assets.

Overview of the Financial Statements

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

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

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

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

Overview of the Financial Statements (continued)

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

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

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

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

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

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

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

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

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

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

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

Overview of the Financial Statements (continued)

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

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

Government-wide Financial Analysis

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Assets:						
Current and other assets	18,585,208	17,245,739	4,474,789	3,796,221	23,059,997	21,041,960
Capital assets, net	17,794,590	16,472,615	43,774,257	44,229,988	61,568,847	60,702,603
Total Assets	36,379,798	33,718,354	48,249,046	48,026,209	84,628,844	81,744,563
Liabilities:						
Other liabilities	8,875,296	8,771,663	203,442	681,691	9,078,738	9,453,354
Long-term liabilities	4,892,019	4,503,707	5,034,766	4,789,505	9,926,785	9,293,212
Total Liabilities	13,767,315	13,275,370	5,238,208	5,471,196	19,005,523	18,746,566
Net Assets:						
Invested in capital assets, net of related debt	14,041,803	11,887,406	-	39,509,679	14,041,803	51,397,085
Restricted	550,000	785,000	1,194,482	1,041,992	1,744,482	1,826,992
Unrestricted	8,020,680	7,770,577	41,816,356	2,003,342	49,837,036	9,773,919
Total Net Assets	22,612,483	20,442,983	43,010,838	42,555,013	65,623,321	62,997,996

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 2006 fiscal year, the County is able to report positive balances in all three categories of net assets, first for the government as a whole, and then as separate governmental and business-type activities.

Government-wide Financial Analysis (continued)

Governmental Activities: Governmental activities increased \$2,169,500 while Business-type activities increased \$455,826. Key elements of this increase were as follows:

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues:						
Program revenues:						
Charges for services	2,053,339	1,939,019	2,616,270	2,250,605	4,669,609	4,189,624
Grants and contributions	10,129,502	7,878,244	1,517,563	3,506,867	11,647,065	11,385,111
General revenues:						
Sales taxes	1,771,736	1,556,912	18,536	25,841	1,790,272	1,582,753
Property taxes	5,488,831	5,087,126	-	-	5,488,831	5,087,126
Other taxes	1,801,768	1,657,818	-	-	1,801,768	1,657,818
Interest and other revenue	509,694	272,493	89,837	46,932	599,531	319,425
Total Revenues	21,754,870	18,391,612	4,242,206	5,830,245	25,997,076	24,221,857
Expenses:						
General government	6,621,623	5,591,665	-	-	6,621,623	5,591,665
Judicial	214,432	202,609	-	-	214,432	202,609
Public safety	2,518,727	4,015,680	-	-	2,518,727	4,015,680
Health and welfare	4,817,560	2,096,836	-	-	4,817,560	2,096,836
Auxiliary services	201,747	193,750	-	-	201,747	193,750
Culture and recreation	1,496,823	1,323,918	-	-	1,496,823	1,323,918
Public works	3,498,675	4,182,196	-	-	3,498,675	4,182,196
Interest on long-term debt	125,960	111,152	-	-	125,960	111,152
Airport operations	-	-	2,390,489	2,251,433	2,390,489	2,251,433
Sewer	-	-	681,798	909,487	681,798	909,487
Water	-	-	130,007	153,972	130,007	153,972
Landfill	-	-	423,291	396,135	423,291	396,135
Housing	-	-	250,618	225,083	250,618	225,083
Total Expenses	19,495,547	17,717,806	3,876,203	3,936,110	23,371,750	21,653,916
Change in Net Assets before Transfers	2,259,323	673,806	366,003	1,894,135	2,625,326	2,567,941
Transfers	(89,823)	(54,413)	89,823	54,413	-	-
Change in Net Assets	2,169,500	619,393	455,826	1,948,548	2,625,326	2,567,941
Net Assets - Beginning	20,442,983	19,823,590	42,555,012	40,606,465	62,997,995	60,430,055
Net Assets - Ending	22,612,483	20,442,983	43,010,838	42,555,013	65,623,321	62,997,996

Significant events impacting 2006 were:

- Net assets as a result of governmental activities increased \$2,169,500 because total governmental revenues exceeded total governmental expenses. This is at least partially due to the significant increase in grants and contributions including public safety (terrorism) grants and transportation (airport construction).
- Business type grants and contributions decreased due to reduced construction activity in the Sewer fund.

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 2006 is charted below:

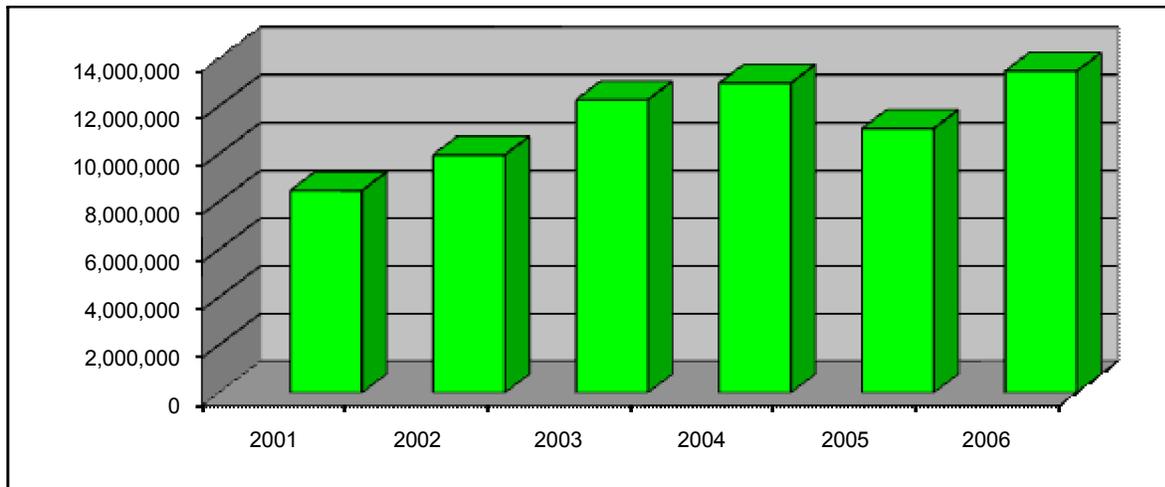
	Beginning Available Resources	Increase (Decrease)	Ending Available Resources	2005 Expenditures	% of EAV to Expenditures
Governmental Major Funds:					
General Fund	2,971,134	387,506	3,358,640	9,024,868	37%
Road & Bridge	684,801	117,441	802,242	4,664,314	17%
Human Services Fund	182,703	77,089	259,793	2,246,232	12%
Sales Tax Fund	1,015,518	(253,838)	761,680	1,834,529	42%
Airport Construction Fund	18,932	214,103	233,034	1,373,641	17%
Capital Expenditures Fund	13,105	9,750	22,855	3,411,717	1%
Non-Major Funds	734,650	207,966	942,616	2,756,767	34%
Business Type Funds:					
Airport Operations Fund	581,705	128,543	710,248	957,481	74%
Sewer Fund	18,114	609,777	627,891	449,986	140%
Water Fund	340,483	80,731	421,214	166,177	253%
Solid Waste Fund	1,272,249	339,267	1,611,516	507,128	318%
Assisted Living Fund	10	-	10	36,488	0%
Mountain View Fund	443,663	(13,977)	429,686	204,820	210%
Internal Service Funds:					
ISF I Fund	1,719,340	194,928	1,914,268	1,967,842	97%
ISF II Fund	179,629	49,980	229,609	576,856	40%
ISF III Fund	891,142	246,848	1,137,990	1,119,274	102%
	11,067,178	2,396,114	13,463,292	31,298,120	43%

Financial Analysis of the County's Funds (continued)

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

As of the end of the current fiscal year, the County's governmental funds increased \$760,016. This was primarily due to an increase of \$387,506 in the General Fund and an increase of \$191,147 in the Local Marketing District.

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



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

The County's proprietary funds increased net assets by \$455,826.

Budget Variances in the General Fund: The County amended the General Fund budget during the year increasing appropriations by \$245,428. Actual Expenditures were \$260,288 less than the amended budget. No significant expenditures variances were noted in the General Fund.

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

Long-term Debt: As of the end of the current fiscal year, the County's long-term liabilities totaled \$9,279,537. The County did not have significant changes in long-term debt other than the issuance of sewer bonds to replace interim financing. Additional information as well as a detailed classification of the County's total long-term liabilities can be found in the Notes to the Financial Statements in section D of this report.

Next Year's Budget and Rates: The County's General Fund balance at the end of fiscal year 2006 totaled \$3,358,640. The 2007 budget anticipates using \$710,755 of this balance.

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, 2006**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Hospital
Assets:				
Current Assets:				
Cash and investments	9,674,195	3,781,444	13,455,639	7,472,589
Due from other governments	390,110	-	390,110	-
Accounts, taxes, and other receivables	7,764,624	318,570	8,083,194	3,935,850
Prepaid expenses	23,610	19,766	43,376	216,145
Inventory	712,470	-	712,470	962,189
Internal balances	20,199	(20,202)	(3)	-
Other Assets:				
Deferred charges	-	375,211	375,211	145,305
Capital Assets:				
Capital assets, cost	35,967,341	66,108,298	102,075,639	22,881,536
Accumulated depreciation, net	(18,172,751)	(22,334,041)	(40,506,792)	(9,272,109)
Total Assets	36,379,798	48,249,046	84,628,844	26,341,505
Liabilities:				
Current Liabilities:				
Accounts payable	1,019,418	94,798	1,114,216	354,662
Accrued expenses	1,098,096	8,644	1,106,740	1,391,061
Unearned revenue	6,304,277	100,000	6,404,277	-
Deposits	453,505	-	453,505	-
Non-current Liabilities:				
Due within one year:				
Leases	325,581	10,314	335,895	116,846
Bonds	125,358	8,147	133,505	300,000
Loans	196,309	-	196,309	-
Accrued Interest	-	31,520	31,520	-
Due longer than one year:				
Accrued Compensated Absences	1,020,378	67,546	1,087,924	-
Leases	1,001,439	27,598	1,029,037	162,983
Bonds	697,086	4,011,877	4,708,963	7,850,000
Landfill Closure	-	877,764	877,764	-
Loans	1,525,868	-	1,525,868	-
Total Liabilities	13,767,315	5,238,208	19,005,523	10,175,552
Net Assets:				
Invested in capital assets, net of related debt	14,041,803	-	14,041,803	6,093,351
Restricted for:				
Emergencies	550,000	-	550,000	-
Other Purposes	-	1,194,482	1,194,482	42,434
Unrestricted	8,020,680	41,816,356	49,837,036	10,030,168
Total Net Assets	22,612,483	43,010,838	65,623,321	16,165,953

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

Gunnison County, Colorado
Statement of Activities
For the Year Ended December 31, 2006

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governments			
					Governmental Activities	Business-type Activities	Total	
Functions/Programs:								
Primary Government:								
Governmental Activities:								
General government	6,621,623	1,602,825	214,149	-	(4,804,649)		(4,804,649)	
Judicial	214,432	1,595	-	-	(212,837)		(212,837)	
Public safety	2,518,727	177,171	123,488	710,727	(1,507,341)		(1,507,341)	
Health and welfare	4,817,560	169,493	1,670,758	1,630,996	(1,346,313)		(1,346,313)	
Auxiliary services	201,747	-	-	-	(201,747)		(201,747)	
Culture and recreation	1,496,823	48,683	160,689	-	(1,287,451)		(1,287,451)	
Public works	3,498,675	53,572	2,773,913	88,101	(583,089)		(583,089)	
Interest on long-term debt	125,960	-	-	-	(125,960)		(125,960)	
Total Governmental Activities	19,495,547	2,053,339	4,942,997	2,429,824	(10,069,387)		(10,069,387)	
Business-type Activities:								
Airport	2,390,489	1,042,902	-	-		(1,347,587)	(1,347,587)	
Sewer	681,798	367,760	3	418,138		104,103	104,103	
Water	130,007	202,200	6,327	1,091,905		1,170,425	1,170,425	
Landfill	423,291	788,397	1,174	-		366,280	366,280	
Housing	250,618	215,011	16	-		(35,591)	(35,591)	
Total Business-type Activities	3,876,203	2,616,270	7,520	1,510,043		257,630	257,630	
Total Primary Government	23,371,750	4,669,609	4,950,517	3,939,867	(10,069,387)	257,630	(9,811,757)	
Component Unit:								
Hospital	19,599,904	19,299,508	-	-	-	-	-	(300,396)
General Revenues and Transfers:								
Taxes:								
Property taxes					5,488,831	-	5,488,831	432,590
Specific ownership taxes					513,360	-	513,360	-
Sales tax					1,771,736	18,536	1,790,272	-
Lodging taxes					1,270,820	-	1,270,820	-
Other taxes					17,588	-	17,588	-
Investment earnings					509,694	89,837	599,531	361,952
Grants and contributions not restricted to specific programs					2,756,681	-	2,756,681	-
Transfers					(89,823)	89,823	-	-
Total General Revenues and Transfers					12,238,887	198,196	12,437,083	794,542
Change in Net Assets					2,169,500	455,826	2,625,326	494,146
Net Assets - Beginning of Year					20,442,983	42,555,012	62,997,995	15,671,808
Net Assets - End of Year					22,612,483	43,010,838	65,623,321	16,165,954

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

FUND FINANCIAL STATEMENTS



**Gunnison County, Colorado
Governmental Funds
Balance Sheet
December 31, 2006**

	General Fund	Road and Bridge Fund	Human Services Fund	Sales Tax Capital Improvement Fund	Airport Construction Fund	Capital Expenditures Fund	Non-major Governmental Funds	Total Governmental Funds
Assets:								
Cash and investments	3,550,952	346,291	261,890	422,107	190,643	840,265	1,227,727	6,839,875
Accounts receivable	5,168,528	295	330,007	24,305	84,613	248,523	770,362	6,626,633
Prepaid expenses	-	-	-	-	-	-	22,044	22,044
Due from other governments	163,372	695,056	313,742	458,116	72	43,549	187,316	1,861,223
Due from other funds	529,047	27,617	-	57,676	-	-	26,828	641,168
Total Assets	9,411,899	1,069,259	905,639	962,204	275,328	1,132,337	2,234,277	15,990,943
Liabilities and Fund Balances:								
Liabilities:								
Accounts payable	224,580	103,613	3,318	200,524	6,641	331,344	55,020	925,040
Accrued liabilities	289,703	-	350,488	-	30,253	71,692	-	742,136
Deposits	290,102	163,403	-	-	-	-	56,611	510,116
Due to other funds	-	-	4,345	-	-	-	585,274	589,619
Deferred revenue	5,248,873	-	287,696	-	5,400	706,446	594,755	6,843,170
Total Liabilities	6,053,258	267,016	645,847	200,524	42,294	1,109,482	1,291,660	9,610,081
Fund Balances:								
Reserved for emergencies	550,000	-	-	-	-	-	-	550,000
Reserved for prepaids	-	-	-	-	-	-	22,044	22,044
Unreserved:								
General	2,808,640	-	-	-	-	-	-	2,808,640
Special revenue	-	802,243	259,793	761,680	-	-	920,574	2,744,290
Capital projects	-	-	-	-	233,034	22,855	-	255,889
Total Fund Balances	3,358,640	802,243	259,793	761,680	233,034	22,855	942,618	6,380,863
Total Liabilities and Fund Balances	9,411,898	1,069,259	905,640	962,204	275,328	1,132,337	2,234,278	15,990,944

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

Gunnison County, Colorado
Reconciliation of Governmental Fund Balance to
Statement of Net Assets
December 31, 2006

Total Governmental Fund Balances \$ 6,380,863

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

Capital assets used in governmental activities (excluding the Motor Pool Fund) are not financial resources and therefore not reported in the funds. However, in the Statement of Net Assets the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense:

Cost of capital assets	35,967,341	
Less accumulated depreciation	<u>(18,172,751)</u>	17,794,590

Interfund receivables and payables between governmental funds are reported on the fund Balance Sheet but eliminated on the government-wide Statement of Net Assets:

Interfund receivables	20,199	
Interfund payables	<u>(20,199)</u>	-

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 fund are included in governmental activities in the Statement of Net Assets. This represents the net equity of the internal service funds less the fixed assets which are included above.

2,970,004

Liabilities, including certificates of participation, compensated absences and interest are not due and payable in the current period and therefore are not reported in the funds but are reported in the government-wide Statement of Net Assets. This is the liabilities of the governmental activities, excluding the internal service funds which are shown above:

Accrued compensated absences	(973,197)	
Leases	(1,015,155)	
Bonds	(822,444)	
Loans	<u>(1,722,177)</u>	<u>(4,532,973)</u>

Net Assets of Governmental Activities \$ 22,612,484

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, 2006

	General Fund	Road and Bridge Fund	Human Services Fund	Sales Tax Capital Improvement Fund	Airport Construction Fund	Capital Expenditure Fund	Non-major Governmental Funds	Total Governmental Funds
Revenues:								
Taxes	5,067,161	171,098	254,538	1,482,080	-	-	2,087,457	9,062,334
Licenses and permits	362,409	-	-	-	-	-	-	362,409
Intergovernmental	803,729	4,272,248	2,063,495	78,425	756,166	2,457,837	297,004	10,728,904
Charges for services	1,436,824	52,678	-	-	161,061	7,500	384,989	2,043,052
Investment income	412,449	22,429	-	15,186	13,422	13,249	32,959	509,694
Contributions	288,050	-	4,372	5,000	-	746,690	48,547	1,092,659
Miscellaneous	223,448	8,892	916	-	-	196,191	28,698	458,145
Total Revenues	8,594,070	4,527,345	2,323,321	1,580,691	930,649	3,421,467	2,879,654	24,257,197
Expenditures:								
General government	4,861,150	-	-	668,570	-	-	1,258,700	6,788,420
Judicial	213,125	-	-	-	-	-	-	213,125
Public safety	2,157,954	-	-	66,286	-	810,011	-	3,034,251
Health and welfare	745,102	-	2,246,232	-	-	-	572,882	3,564,216
Auxiliary services	206,259	-	-	-	-	-	-	206,259
Culture and recreation	564,552	-	-	100,000	-	173,770	756,704	1,595,026
Public works	145,882	4,579,644	-	-	1,278,952	2,408,828	-	8,413,306
Debt service	16,974	-	-	279,117	94,689	-	168,481	559,261
Total Expenditures	8,910,998	4,579,644	2,246,232	1,113,973	1,373,641	3,392,609	2,756,767	24,373,864
Excess (Deficiency) of Revenues Over Expenditures	(316,928)	(52,299)	77,089	466,718	(442,992)	28,858	122,887	(116,667)
Other Financing Sources (Uses):								
Transfers In	818,304	254,410	-	-	100,000	-	235,303	1,408,017
Transfers (out)	(113,870)	(84,670)	-	(720,557)	-	(19,108)	(150,224)	(1,088,429)
Debt proceeds	-	-	-	-	557,095	-	-	557,095
Total Other Financing Sources (Uses)	704,434	169,740	-	(720,557)	657,095	(19,108)	85,079	876,683
Net Change in Fund Balances	387,506	117,441	77,089	(253,839)	214,103	9,750	207,966	760,016
Fund Balances - Beginning of Year	2,971,134	684,801	182,703	1,015,518	18,932	13,105	734,650	5,620,843
Fund Balances - End of Year	3,358,640	802,242	259,792	761,679	233,035	22,855	942,616	6,380,859

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, 2006

Net Changes In Fund Balances - Total Governmental Funds 760,016

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:

	(898,124)	
Depreciation expense		
Capital outlay	1,901,586	1,003,462

Elimination of transfers between governmental funds:

	89,823	
Transfers in		
Transfers out	(89,823)	-

The internal service fund, used by management to charge the the costs of the motor pool to individual funds, is not reported in the government-wide Statement of Activities. Governmental fund expenditures are reduced and the related internal service fund profit is eliminated.

556,618

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.

(557,095)

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

455,558

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.

	(973,197)	
Liability @ December 31, 2006		
Liability @ December 31, 2005	924,134	(49,063)

Change In Net Assets of Governmental Activities

2,169,500

Gunnison County, Colorado
Proprietary Funds
Statement of Net Assets
December 31, 2006

	Business-type Activities - Enterprise Funds						Totals	Governmental Activities - Internal Service Funds
	Airport Operations Fund	Gunnison County Sewer Fund	Gunnison County Water Fund	Landfill Operations Fund	Gunnison County Housing Auth. Assisted Lvg.	Gunnison County Housing Auth. Mtn. View		
Assets:								
Current Assets:								
Cash	670,043	789,161	300,223	367,148	10	54,870	2,181,455	2,834,318
Cash - Restricted	-	-	-	1,194,482	-	405,506	1,599,988	-
Accounts receivable, net of allowance for uncollectible accounts where applicable	98,723	14,895	4,044	95,205	-	7,742	220,609	17,031
Due from other governments	8,873	-	89,088	-	-	-	97,961	337
Prepaid expenses	19,501	-	265	-	-	-	19,766	1,566
Due from other funds	-	-	50,560	-	-	-	50,560	4,300
Inventory, at cost	-	-	-	-	-	-	-	712,470
Total Current Assets	<u>797,140</u>	<u>804,056</u>	<u>444,180</u>	<u>1,656,835</u>	<u>10</u>	<u>468,118</u>	<u>4,170,339</u>	<u>3,570,022</u>
Non-current Assets:								
Deferred financing costs, net	-	-	-	-	-	375,211	375,211	-
Construction-in-progress	-	3,401,473	-	-	-	-	3,401,473	-
Land, property and equipment	49,187,924	2,579,009	7,195,100	115,203	2,037,513	1,592,076	62,706,825	10,358,877
Less accumulated depreciation	(16,235,975)	(1,623,252)	(3,302,532)	(94,637)	(199,829)	(877,817)	(22,334,042)	(6,862,235)
Total Non-current Assets	<u>32,951,949</u>	<u>4,357,230</u>	<u>3,892,568</u>	<u>20,566</u>	<u>1,837,684</u>	<u>1,089,470</u>	<u>44,149,467</u>	<u>3,496,642</u>
Total Assets	<u>33,749,089</u>	<u>5,161,286</u>	<u>4,336,748</u>	<u>1,677,401</u>	<u>1,837,694</u>	<u>1,557,588</u>	<u>48,319,806</u>	<u>7,066,664</u>
Liabilities:								
Current Liabilities:								
Accounts payable	40,194	12,217	12,321	20,265	-	9,801	94,798	94,379
Accrued liabilities	-	11,951	1,489	-	-	26,724	40,164	-
Due to other funds	5,702	51,997	-	7,662	-	5,398	70,759	35,650
Deferred revenue	-	100,000	-	-	-	-	100,000	110,943
Debt obligations, due within one year	10,314	-	-	-	-	8,147	18,461	125,202
Compensated absences	40,996	-	9,157	17,393	-	-	67,546	47,181
Total Current Liabilities	<u>97,206</u>	<u>176,165</u>	<u>22,967</u>	<u>45,320</u>	<u>-</u>	<u>50,070</u>	<u>391,728</u>	<u>413,355</u>
Non-current Liabilities:								
Leases	27,598	-	-	-	-	-	27,598	186,663
Revenues bonds	-	1,982,538	89,088	-	542,281	1,397,970	4,011,877	-
Landfill closure and postclosure costs	-	-	-	877,764	-	-	877,764	-
Total Non-current Liabilities	<u>27,598</u>	<u>1,982,538</u>	<u>89,088</u>	<u>877,764</u>	<u>542,281</u>	<u>1,397,970</u>	<u>4,917,239</u>	<u>186,663</u>
Total Liabilities	<u>124,804</u>	<u>2,158,703</u>	<u>112,055</u>	<u>923,084</u>	<u>542,281</u>	<u>1,448,040</u>	<u>5,308,967</u>	<u>600,018</u>
Net Assets:								
Invested in capital assets, net of related debt	32,914,037	2,374,692	3,803,480	(857,198)	1,295,403	(691,858)	38,838,556	3,184,777
Restricted	-	-	-	1,194,482	-	-	1,194,482	-
Unrestricted	710,247	627,891	421,214	417,033	10	801,406	2,977,801	3,281,869
Total Net Assets	<u>33,624,284</u>	<u>3,002,583</u>	<u>4,224,694</u>	<u>754,317</u>	<u>1,295,413</u>	<u>109,548</u>	<u>43,010,839</u>	<u>6,466,646</u>

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, 2006

	Business-type Activities - Enterprise Funds						Totals	Governmental Activities - Internal Service Funds
	Airport Operations Fund	Gunnison County Sewer Fund	Gunnison County Water Fund	Landfill Operations Fund	Gunnison County Housing Auth. Assisted Lvg.	Gunnison County Housing Auth. Mtn. View		
Operating Revenues:								
Rent, net	674,930	-	-	-	36,488	177,839	889,257	1,505,750
Charges and fees	9,474	2,762	6,327	2,682	-	701	21,946	63,046
Other	344,360	432,231	227,200	786,889	-	-	1,790,680	1,939,349
Total Operating Revenues	1,028,764	434,993	233,527	789,571	36,488	178,540	2,701,883	3,508,145
Operating Expenses:								
Operations and maintenance	495,524	214,280	99,323	390,552	-	125,454	1,325,133	2,846,773
Administration	277,220	4,685	26,117	24,104	-	-	332,126	12,604
Depreciation and amortization	1,615,974	78,669	261,445	8,635	38,063	63,627	2,066,413	607,645
Total Operating Expenses	2,388,718	297,634	386,885	423,291	38,063	189,081	3,723,672	3,467,022
Operating Income (Loss)	(1,359,954)	137,359	(153,358)	366,280	(1,575)	(10,541)	(1,021,789)	41,123
Non-operating Revenues (Expenses):								
Gain (loss) on disposal of capital assets	13,800	-	-	-	-	-	13,800	103,792
Grant revenue	-	300,500	-	-	-	-	300,500	399,261
Sales tax	18,536	-	-	-	-	-	18,536	-
Investment revenue	24,925	2,270	-	56,824	-	8,427	92,446	44,887
Interest expense	(1,770)	(84,656)	(4,568)	-	(23,063)	(38,474)	(152,531)	(12,694)
Total Non-operating Revenues (Expenses)	55,491	218,114	(4,568)	56,824	(23,063)	(30,047)	272,751	535,246
Income (Loss) Before Contributions and Transfers	(1,304,463)	355,473	(157,926)	423,104	(24,638)	(40,588)	(749,038)	576,369
Capital Contributions	1,081,726	24,069	398,908	-	-	-	1,504,703	-
Transfers In	-	-	13,380	-	-	-	13,380	90,950
Transfers (Out)	(161,550)	(49,349)	(22,770)	(79,548)	-	-	(313,217)	(110,701)
Change in Net Assets	(384,287)	330,193	231,592	343,556	(24,638)	(40,588)	455,828	556,618
Total Net Assets - Beginning of Year	34,008,574	2,672,390	3,993,100	410,761	1,320,051	150,136	42,555,012	5,910,027
Total Net Assets - End of Year	33,624,287	3,002,583	4,224,692	754,317	1,295,413	109,548	43,010,840	6,466,645

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, 2006

	Business-type Activities - Enterprise Funds						Totals	Governmental Activities - Internal Service Funds
	Airport Operations Fund	Gunnison County Sewer Fund	Gunnison County Water Fund	Landfill Operations Fund	Gunnison County Housing Auth. Assisted Lvg.	Gunnison County Housing Auth. Mtn. View		
Cash Flows from Operating Activities:								
Cash received from charges for services	729,491	112,033	10,328	(49,315)	36,488	171,807	1,010,832	1,608,614
Cash received from other sources	344,360	432,231	227,200	786,889	-	-	1,790,680	1,939,349
Cash payments to vendors for goods and services	(433,997)	(675,262)	(75,600)	(247,749)	(1)	(94,363)	(1,526,972)	(2,980,801)
Cash payments to employees for services	(339,241)	(22,181)	(42,985)	(150,287)	-	(27,974)	(582,668)	(15,954)
Net Cash Provided by Operating Activities	300,613	(153,179)	118,943	339,538	36,487	49,470	691,872	551,208
Cash Flows from Non-capital Financing Activities:								
Taxes	18,536	-	-	-	-	-	18,536	-
Transfers from (to) other funds, net	(183,430)	(240,808)	(15,410)	(66,673)	-	49	(506,272)	515,532
Net Cash (Used) by Non-capital Financing Activities	(164,894)	(240,808)	(15,410)	(66,673)	-	49	(487,736)	515,532
Cash Flows from Capital and Related Financing Activities:								
Capital grants	-	300,500	-	-	-	-	300,500	399,261
Interest paid on debt	(1,770)	(84,656)	(4,568)	-	(23,063)	(38,474)	(152,531)	(12,694)
Principal paid on loans and leases	(9,924)	293,696	(3,400)	(12,924)	(13,425)	(38,632)	215,391	(128,496)
Purchase of capital assets	(11,491)	(68,710)	(10,000)	2	-	(1,875)	(92,074)	(544,012)
Cash from sale of assets	13,800	-	-	-	-	-	13,800	103,792
Net Cash Provided (Used) by Capital and Related Financing Activities	(9,385)	440,830	(17,968)	(12,922)	(36,488)	(78,981)	285,086	(182,149)
Cash Flows from Investing Activities:								
Cash from investment income	24,925	2,270	-	56,824	-	8,427	92,446	44,887
Net Cash (Used) by Investing Activities	24,925	2,270	-	56,824	-	8,427	92,446	44,887
Net Increase in Cash	151,259	49,113	85,565	316,767	(1)	(21,035)	581,668	929,478
Cash - Beginning of Year	518,788	740,048	214,661	1,244,859	10	481,409	3,199,775	1,904,837
Cash - End of Year	670,047	789,161	300,226	1,561,626	9	460,374	3,781,443	2,834,315
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:								
Operating income	(1,359,954)	137,359	(153,358)	366,280	(1,575)	(10,541)	(1,021,789)	41,123
Adjustments to reconcile operating income to net cash provided by operating activities:								
Depreciation and amortization	1,615,974	78,669	261,445	8,635	38,063	63,627	2,066,413	607,645
Changes in assets and liabilities:								
(Increase) decrease in accounts receivable	45,087	109,271	4,001	(51,997)	-	(6,733)	99,629	31,124
(Increase) decrease in prepaid expenses	(4,227)	89	(95)	232	-	-	(4,001)	478
(Increase) decrease in inventory	-	-	-	-	-	-	-	(47,467)
Increase (decrease) in accounts payable	(15,681)	(395,914)	5,008	14,879	(1)	(1,125)	(392,834)	(74,436)
Increase (decrease) in accrued liabilities	-	(82,653)	(57)	-	-	4,242	(78,468)	-
Increase (decrease) in deferred revenues	-	-	-	-	-	-	-	8,694
Increase (decrease) in compensated absences	19,414	-	1,998	1,509	-	-	22,921	(15,954)
Net Cash Provided by Operating Activities	300,613	(153,179)	118,942	339,538	36,487	49,470	691,871	551,207

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

Gunnison County, Colorado
Agency Funds
Statement of Fiduciary Net Assets
December 31, 2006

	<u>County Treasurer Agency Fund</u>	<u>Public Trustee Agency Fund</u>
Assets:		
Cash	14,783,236	57,490
Less: cash held for County funds	<u>(12,861,110)</u>	<u>-</u>
Total Assets	<u><u>1,922,126</u></u>	<u><u>57,490</u></u>
 Liabilities:		
Due to other governments and agencies	1,922,127	-
Held by Trustee	<u>-</u>	<u>57,490</u>
Total Liabilities	<u><u>1,922,127</u></u>	<u><u>57,490</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, 2006

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, 2004
(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, 2006
(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 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, 2006
(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 County reports the following major proprietary funds:

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, 2006
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

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, 2006
(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, 2006 are recorded as prepaid expenses.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2006
(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, 2006
(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, 2006, 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, 2006
(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.” The result is an increase in net assets of \$6,466,647 in the governmental activities. The difference between the increase noted and \$6,466,647 relates to internal service fund fixed assets.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

II. Reconciliation of Government-wide and Fund Financial Statements

B. Explanation of Certain Differences between the Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes reconciliation between *net change in fund balances of governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains "Internal Service Funds are used by management to charge the cost of equipment, technology, and insurance to the individual funds." The total difference of \$556,619 represents all three internal service funds operated by the County.

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 2005 were collected in 2006 and taxes certified in 2006 will be collected in December 31, 2007. 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 2006 budget, prior to August 25, 2005, 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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

III. Stewardship, Compliance, and Accountability

B. Budgetary Information

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

C. Budget Amendments

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	9,009,548	245,428	9,254,976
Road & Bridge	5,215,525	-	5,215,525
Human Services	2,469,552	-	2,469,552
Conservation Trust	31,150	500	31,650
Sales Tax	1,267,898	825,000	2,092,898
Land Preservation	365,227	-	365,227
Library	651,547	3,000	654,547
Mosquito Control	77,993	-	77,993
Sage Grouse	114,125	23,000	137,125
Risk Management	60,300	50,000	110,300
Airport Construction	5,122,855	-	5,122,855
Capital Expenditures	4,511,709	-	4,511,709
Airport Operations	1,007,352	-	1,007,352
Sewer	982,833	-	982,833
Water	199,459	-	199,459
Solid Waste	827,888	-	827,888
Local Marketing District	1,102,196	-	1,102,196
Housing Authority Administration	489,191	135,500	624,691
Mountain View	220,014	-	220,014
Assisted Living	36,488	-	36,488
ISF-I	3,236,004	-	3,236,004
ISF-II	646,608	38,000	684,608
ISF-III	1,309,865	-	1,309,865
	<u>\$ 38,955,327</u>	<u>\$ 1,320,428</u>	<u>\$ 40,275,755</u>

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

D. TABOR Amendment – Revenue and Spending Limitation Amendment

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

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

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The County has reserved year-end fund balance in the General Fund for emergencies as required under Tabor in the amount of \$550,000.

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

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

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

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

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

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

IV. Detailed Notes on All Funds

A. Deposits and Investments

The County' deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$100,000 of the County's deposits at each financial institution. Deposit balances over \$100,000 are collateralized as required by PDPA. The County had the following investments and maturities:

	Standard & Poors Rating	Carrying Amounts	Less than one year	Less than five years
<i>Deposits:</i>				
Cash on Hand	<i>Not Rated</i>	492,602	492,602	-
Checking	<i>Not Rated</i>	1,700,880	1,700,880	-
Savings	<i>Not Rated</i>	4,870,323	4,870,323	-
CDS	<i>Not Rated</i>	3,795,771	3,795,771	-
<i>Investments:</i>				
Pools	<i>AAAm</i>	2,131,660	2,131,660	-
Agencies	<i>AAA</i>	2,444,020	2,444,020	-
Total		<u>\$ 15,435,256</u>	<u>15,435,256</u>	<u>-</u>

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

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

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

IV. Detailed Notes on All Funds

A. Deposits and 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.

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

1. As of December 31, 2006, the amount of the Gunnison Valley Hospital and Gunnison Health Care Center's carrying amount of deposits was \$3,436,954 and had a bank balance of \$3,436,954. Of the bank balance, \$3,436,954 was covered was collateralized by securities held by the pledging financial institution in other than the entity's name.
2. As of December 31, 2006, the amount of the Gunnison Valley Hospital and Gunnison Health Care Center's carrying amount of investments was \$3,864,344. The investments consisted of mutual funds and money markets.

C. Receivables

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

	<u>General</u>	<u>Road & Bridge</u>	<u>Human Services</u>	<u>Sales Tax Capital Improvement</u>	<u>Airport Construction</u>	<u>Capital Expenditures</u>	<u>Non-major Governmental</u>	<u>Total</u>
Receivables:								
Taxes	5,067,324	-	254,247	-	-	-	585,524	5,907,095
Accounts	101,204	295	75,760	24,305	84,613	248,523	184,839	719,539
Intergovernmental	163,372	695,056	313,742	458,116	72	43,549	187,316	1,861,223
Total receivables	<u>5,331,900</u>	<u>695,351</u>	<u>643,749</u>	<u>482,421</u>	<u>84,685</u>	<u>292,072</u>	<u>957,679</u>	<u>8,487,857</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	98,723	14,895	4,044	95,205	-	7,742	17,031	237,640
Intergovernmental	8,873	-	89,088	-	-	-	337	98,298
Total receivables	<u>107,596</u>	<u>14,895</u>	<u>93,132</u>	<u>95,205</u>	<u>-</u>	<u>7,742</u>	<u>17,368</u>	<u>335,938</u>

Management considers all receivables to be collectible. No allowances for uncollectible accounts are established at December 31, 2006. 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 2006 but not available until December 31, 2007.

IV. Detailed Notes on All Funds (continued)

D. Capital Assets

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

Capital asset activity for the year ended December 31, 2006 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	2,373,350	354,002	(1,266,835)	1,460,517
Construction in progress	429,563	116,750	(118,854)	427,459
Total capital assets, not being depreciated	<u>2,802,913</u>	<u>470,752</u>	<u>(1,385,689)</u>	<u>1,887,976</u>
Capital assets, being depreciated:				
Infrastructure	9,540,541	1,236,421	-	10,776,962
Improvements	365,305	-	-	365,305
Buildings	12,012,123	453,541	-	12,465,664
Equipment	10,166,324	775,831	(470,721)	10,471,434
Total capital assets being depreciated	<u>32,084,293</u>	<u>2,465,793</u>	<u>(470,721)</u>	<u>34,079,365</u>
Less accumulated depreciation for:				
Infrastructure	(6,464,532)	(467,831)	-	(6,932,363)
Improvements	(146,936)	(21,101)	-	(168,037)
Buildings	(3,971,499)	(326,487)	-	(4,297,986)
Equipment	(6,534,146)	(690,347)	450,128	(6,774,365)
Total accumulated depreciation	<u>(17,117,113)</u>	<u>(1,505,766)</u>	<u>450,128</u>	<u>(18,172,751)</u>
Total capital assets being depreciated, net	<u>14,967,180</u>	<u>960,027</u>	<u>(20,593)</u>	<u>15,906,614</u>
Governmental activities capital assets, net	<u><u>17,770,093</u></u>	<u><u>1,430,779</u></u>	<u><u>(1,406,282)</u></u>	<u><u>17,794,590</u></u>
 Business-type activities:				
Capital assets, not being depreciated:				
Land	11,329,880	-	-	11,329,880
Construction in progress	1,984,823	1,416,650	-	3,401,473
Total capital assets not being depreciated	<u>13,314,703</u>	<u>1,416,650</u>	<u>-</u>	<u>14,731,353</u>
Capital assets, being depreciated:				
Improvements	29,096,582	769,780	-	29,866,362
Buildings	6,954,421	2,456,753	(1,250)	9,409,924
Utility treatment transmission systems	8,798,287	755,690	-	9,553,977
Equipment	1,990,807	591,802	(35,927)	2,546,682
Total capital assets being depreciated	<u>46,840,097</u>	<u>4,574,025</u>	<u>(37,177)</u>	<u>51,376,945</u>
Less accumulated depreciation for:				
Improvements	(11,482,109)	(1,862,552)	-	(13,344,661)
Buildings	(1,328,260)	(379,025)	1,250	(1,706,035)
Utility treatment transmission systems	(3,909,078)	(901,208)	-	(4,810,286)
Equipment	(1,344,948)	(1,164,032)	35,921	(2,473,059)
Total accumulated depreciation	<u>(18,064,395)</u>	<u>(4,306,817)</u>	<u>37,171</u>	<u>(22,334,041)</u>
Total capital assets being depreciated, net	<u>28,775,702</u>	<u>267,208</u>	<u>(6)</u>	<u>29,042,904</u>
Business-type activities capital assets, net	<u><u>42,090,405</u></u>	<u><u>1,683,858</u></u>	<u><u>(6)</u></u>	<u><u>43,774,257</u></u>

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

IV. Detailed Notes on All Funds (continued)

D. Capital Assets (continued)

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

Governmental Activities:	
General government	\$ 233,404
Judicial	1,307
Public safety	66,384
Health and welfare	60,889
Auxiliary services	1,265
Culture and recreation	67,044
Public works	<u>467,831</u>
Total Governmental Activities	<u><u>\$ 898,124</u></u>

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

Capital assets consist of the following at December 31, 2006:

	Beginning Balance	Additions	Deletions	Ending Balance
Land and improvements	\$ 521,803	-	-	521,803
Buildings and leasehold improvements	15,597,361	59,786	-	15,657,147
Equipment	6,882,817	546,543	(745,438)	6,683,922
Construction in progress	-	18,664	-	18,664
Total property and equipment	<u>23,001,981</u>	<u>624,993</u>	<u>(745,438)</u>	<u>22,881,536</u>
Less: accumulated depreciation	<u>(8,855,322)</u>	<u>(1,109,016)</u>	<u>692,229</u>	<u>(9,272,109)</u>
Capital assets, net	<u><u>\$ 14,146,659</u></u>	<u><u>(484,023)</u></u>	<u><u>(53,209)</u></u>	<u><u>13,609,427</u></u>

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Interfund Transfers, Receivables, and Payables

Interfund balances at December 31, 2006, 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, 2006. 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	529,047	-	818,304	(113,870)
Road and Bridge Fund	27,617	-	254,410	(84,670)
Human Services Fund	-	4,345	-	-
Capital improvements Fund	57,676	-	-	(720,557)
Airport Construction	-	-	100,000	-
Capital Expenditures	-	-	-	(19,108)
Non-major Governmental Funds	26,828	585,274	235,303	(150,224)
Airport Operations	-	5,702	-	(161,550)
Sewer Fund	-	51,997	-	(49,349)
Water Fund	50,560	-	13,380	(22,770)
Landfill operations	-	7,662	-	(79,548)
Mountain View	-	5,398	-	-
Internal Service Funds	4,300	35,650	90,950	(110,701)
	<u>696,028</u>	<u>696,028</u>	<u>1,512,347</u>	<u>(1,512,347)</u>

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

IV. Detailed Notes on All Funds (continued)

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.

H. Long-term Liabilities – Governmental Activities

1. Compactor Lease

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

2. Motor Grader Lease

In 2004, the County signed a lease with Wells Fargo for three motor grader. The lease term is through November 2009 with a 2.95% interest rate. Annual payments of \$97,482 are required. Payments are made from the Internal Service Fund I Fund.

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. The agreement can be terminated upon payment of all the outstanding balances. 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%. Payments are made from the Sales Tax Fund.

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 include 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. Annual payments of \$31,038 are required. The leases have a stated interest rate of 5.25%.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

IV. Detailed Notes on All Funds (continued)

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

4. Energy Savings Lease (continued)

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%. Payments are made from the General Fund and Library Fund.

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%. Payments are made from the Sales Tax Fund.

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. Payments are made from the Land Preservation Fund.

7. Colorado SIB Loans

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

IV. Detailed Notes on All Funds (continued)

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

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 motorgraders. 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. Payments are made from the Sales Tax Fund.

9. 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 lease carries and interest rate of 4.85% and matures in 2015.

10. 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. Payments are made from the Sales Tax Fund.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

IV. Detailed Notes on All Funds (continued)

I. Long-term Liabilities – Business-type Activities

1. Impact Assistance Loan Funds - Somerset

- (a) The County received a \$25,000 loan from the Colorado Department of Local Affairs for assistance in financing the relocation and reconstruction of a collective septic tank and leach field in the unincorporated community of Somerset. The loan is payable in fifteen (15) annual installments of \$2,409, including interest at the rate of 5%, beginning September, 1992. Payment is made from the Sewer Fund.
- (b) 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. Payment is made from the Water Fund.

The County levies the necessary charges, fees and assessments to raise revenues for repayment of the loans 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. Payments are made from the Sewer Fund.

3. Bond Anticipation Note

The County's Sewer Fund undertook a sewer reconstruction project to the North Gunnison Area. The County has obtained a commitment from the USDA for a grant and loan to provide long-term financing for the project. However, the USDA financing is only available upon completion of the project. To provide interim financing of the project the County issued a Bond Anticipation Note, Series 2003 in the principal amount of \$2,558,450 from Wells Fargo Brokerage Services, LLC. The note matured in 2005 and requires a principal payment of \$2,558,450 with accrued interest at 1.5%.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

IV. Detailed Notes on All Funds (continued)

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

4. Sewer Refunding and Improvement Revenue Bonds

The County issued \$1,519,270 of Gunnison County Sewer Fund, North Gunnison Sewer Project Refunding Bonds, on October 15, 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.

5. 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.

6. 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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

IV. Detailed Notes on All Funds (continued)

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

7. \$600,000 Revenue Note, Series 2001

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

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

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

8. Landfill Closure and Postclosure Liability

In accordance with EPA requirements the County has conducted a study to estimate its liability to close the landfill and monitor it for thirty years thereafter. These costs are reflected as the landfill accepts waste. The County's landfill has one year left on its currently developed cell. Additional cells will be opened as needed. The landfill liability recorded at year end is \$877,764. 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, 2006. 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, 2006, the County had reserved \$1,194,482 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, 2006 has been reflected in the proprietary type fund financial statements and in the governmental activities column of the government-wide financial statements.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

IV. Detailed Notes on All Funds (continued)

K. Long-term Liabilities - Summary

Long-term liability activity for the year ended December 31, 2006 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Internal Service Fund:					
Compactor Lease	77,578	-	(41,716)	35,862	35,862
Motor Grader Lease	362,782	-	(86,780)	276,002	89,340
Compensated Absences	63,143	-	(15,961)	47,182	-
Other Governmental Debt:					
Blackstock Energy					
Improvements Lease	453,470	-	(83,974)	369,496	87,208
Energy Savings Lease	72,461	-	(14,675)	57,786	15,455
Family Services Center Energy					
Improvements Lease	260,837	-	(62,232)	198,605	64,176
Open Space Sales Tax Revenue					
Bonds, Series 2002	943,241	-	(120,797)	822,444	125,358
Colorado SIB Loans - 2003	575,827	-	(71,657)	504,170	74,523
Pitchfork Lease	-	30,665	-	30,665	30,665
Colorado SIB Loans - 2006	-	557,095	-	557,095	46,401
Rock Creek Lease	379,462	-	(44,324)	335,138	46,115
West Gunnison Property Loan	-	351,502	(25,726)	325,776	29,270
Advocacy Center	390,775	-	(32,173)	358,602	33,540
Compensated Absences	924,132	49,063	-	973,195	-
Total Governmental Activities	4,503,708	988,325	(600,015)	4,892,018	677,913
Long-term Liabilities	4,503,708	988,325	(600,015)	4,892,018	677,913
Business-type Activities:					
Impact Assistance Loan Funds - Sewer	2,766	-	(2,766)	-	-
Impact Assistance Loan Funds - Water	92,488	-	(3,400)	89,088	3,570
DOLA Mineral Impact Loan	189,142	-	(9,651)	179,491	10,133
North Gunnison Sewer Revenue Bond - 2005	1,496,934	-	(15,888)	1,481,046	16,216
North Gunnison Sewer Revenue Bond - 2006	-	322,000	-	322,000	3,232
Energy Savings Lease - Airport	47,836	-	(9,924)	37,912	10,314
Accrued Liability for Landfill Closure Costs	890,688	-	(12,924)	877,764	-
Compensated Absences	44,626	22,920	-	67,546	-
Gunnison County Housing Authority:					
Mortgage - Primary Mortgage	512,660	-	(7,673)	504,987	8,147
Mortgage - Surplus Cash	550,595	-	(30,414)	520,181	-
Mortgage - Contingent Payable	378,864	-	-	378,864	-
Energy Savings Lease	2,629	-	(545)	2,084	567
Note Payable - Palisades					
Living Center	555,706	-	(13,425)	542,281	14,623
Total Business-type Activities	4,764,934	344,920	(106,610)	5,003,244	66,802
Long-term Liabilities	4,764,934	344,920	(106,610)	5,003,244	66,802

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

IV. Detailed Notes on All Funds (continued)

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

Debt service requirements at December 31, 2006 were as follows:

Dates	Governmental Funds		Business-Type		Internal Service Funds		Housing Authority		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2007	552,711	149,701	44,689	91,497	125,202	15,988	23,337	50,776	745,939	307,962
2008	544,034	127,264	45,391	89,570	91,975	5,507	24,071	50,042	705,471	272,382
2009	566,675	104,622	47,405	87,558	94,688	2,793	25,290	48,823	734,058	243,796
2010	477,016	81,604	43,661	86,454	-	-	26,186	47,606	546,863	215,663
2011	386,723	61,319	39,667	83,601	-	-	27,124	46,346	453,513	191,266
2012 2016	1,032,618	122,888	227,389	388,950	-	-	156,606	210,745	1,416,613	722,584
2017 2021	-	-	245,514	332,609	-	-	449,997	161,649	695,511	494,258
2022 2026	-	-	211,161	282,407	-	-	108,367	76,544	319,528	358,951
2027 2031	-	-	245,700	234,979	-	-	144,373	40,538	390,073	275,517
2032 2036	-	-	303,197	177,481	-	-	63,981	9,984	367,178	187,465
2037 2041	-	-	374,150	106,528	-	-	899,065	-	1,273,215	106,528
2042 2046	-	-	281,613	31,538	-	-	-	-	281,613	31,538
	<u>3,559,776</u>	<u>647,397</u>	<u>2,109,539</u>	<u>1,993,174</u>	<u>311,865</u>	<u>24,288</u>	<u>1,948,397</u>	<u>743,052</u>	<u>7,929,577</u>	<u>3,407,912</u>

M. Long-term Liabilities – Component Unit

- Hospital Revenue Bonds** - Series 1998, annual maturities of \$215,000 to \$580,000 due July 1, 2023, bearing interest rates ranging from 4.7% 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 Organizations.

- Capital Lease Obligation** - matures between 2005 and 2009 and has imputed interest rate of 4.35%. The lease is collateralized by leased equipment.

The Gunnison Valley Hospital and Health Care Center has the following long-term liability activity for the year ended December 31, 2006:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Hospital revenue bonds	\$ 8,440,000	-	(290,000)	8,150,000	300,000
Capital lease obligations	392,047	-	(112,218)	279,829	116,846
Total Long-term Liabilities	<u>\$ 8,832,047</u>	<u>-</u>	<u>(402,218)</u>	<u>8,429,829</u>	<u>416,846</u>

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

IV. Detailed Notes on All Funds (continued)

M. Long-term Liabilities – Component Unit

Debt service requirements at December 31, 2006 were as follows:

	<u>Bonds</u>		<u>Lease</u>	<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Payments</u>	
2005	\$ 300,000	451,360	127,206	878,566
2006	320,000	435,870	127,206	883,076
2007	340,000	419,230	50,999	810,229
2008	350,000	401,780	-	751,780
2009	375,000	382,870	-	757,870
2010-2014	2,080,000	1,698,834	-	3,778,834
2015-2019	2,725,000	1,049,709	-	3,774,709
2020-2023	<u>2,035,000</u>	<u>233,160</u>	-	<u>2,268,160</u>
Total Long-term Liabilities	<u>\$ 8,525,000</u>	<u>5,072,813</u>	305,411	<u>13,903,224</u>
		Less Interest	<u>(16,106)</u>	<u>(5,088,919)</u>
			<u>289,305</u>	<u>8,814,305</u>

V. Other Information

A. Pension Plans

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

1. Defined Contribution Pension Plan

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

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

During the year, the County's required and actual contributions amounted to \$214,768 which was three percent (3%) of its current year covered payroll of \$6,617,113. The County's total payroll for 2006 was \$7,526,826. The County's employees also contributed \$329,366.

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

V. Other Information

A. Pension Plans

2. Deferred Compensation Plan

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

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the plan participants and their beneficiaries.

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

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

B. Other Employee Benefits

1. Post Employment Health Care Benefits

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

2. Cafeteria Plan

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

V. Other Information (continued)

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

The Organizations participate in the Colorado County Officials and Employees Retirement Association's defined contribution plan (the "Plan"). The Hospital contributes 5% and the Center contributes 3% for the years ended December 31, 2006 and 2005 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, 2006 and 2005 were \$216,326 and \$272,075 for the Hospital, respectively, and \$19,358 and \$36,171 for the Center, respectively. Employee contributions range from 5% to 25%.

D. Risk Management

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

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

1. Colorado Counties Casualty and Property Pool

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

2. Unemployment Insurance

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

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include amounts for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. The County had no liability for anticipated unemployment claims at December 31, 2006.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

V. Other Information (continued)

D. Risk Management

3. Self-Insurance Unemployment Pool

In 2006, the County established a self-insurance plan to fund unemployment claims. The self-insurance plan, covers individual claims up to \$25,000 per individual, subject to an aggregate loss of approximately \$600,000. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include amounts for claims that have been incurred but not reported (IBNRs).

4. Self-Insurance Health Insurance Pool

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

E. Wastewater Treatment Capacity

In exchange for the waste treatment plant and land of the Gunnison County Sewer District - Dos Rios Division, the County received capacity at the City of Gunnison wastewater treatment facility for the treatment of 200,000 gallons per day of wastewater originating from the Dos Rios Sanitation District. The term of the agreement is indefinite and does not include treatment costs. Book value of property and equipment transferred amounted to \$70,318 and is being amortized over a period of twenty-five (25) years.

F. Commitments and Contingencies

1. Lawsuits

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

2. Grants

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

3. County Industrial Revenue Bonds

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2006
(Continued)

V. Other Information (continued)

F. Commitments and Contingencies (continued)

4. Loan Guarantee: The Town of Crested Butte and Gunnison County have determined that it would be in the public interest to purchase property owned by the Crested Butte Academy, a Colorado educational facility located within the Town, in the event the Academy defaults upon their loan. The agreement was to provide security for the Academy loan. The total loan principal was \$1,459,000 at the date of origination, September 10, 2004. The term of the loan is for twenty years.

G. Possible Violations of State Statutes - Budgets

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

	Final Budget	Final	(Over) Budget
Library	654,547	660,482	(5,935)
Sage Grouse	137,125	137,768	(643)

H. Restatement

The County's government wide financial statements were restated to include depreciated infrastructure assets purchased prior to 2003. The result of this change was an increase in government wide net assets of \$1,068,776.

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, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	<u>2006</u>			Final Budget Variance Positive (Negative)	<u>2005</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Taxes	5,009,923	5,009,923	5,067,161	57,238	4,688,724
Licenses and permits	234,100	234,100	362,409	128,309	262,563
Intergovernmental	745,159	745,159	803,729	58,570	908,024
Charges for services	1,300,335	1,300,335	1,436,824	136,489	1,396,948
Investment income	206,500	206,500	412,449	205,949	213,240
Contributions	255,300	500,728	288,050	(212,678)	113,661
Miscellaneous	155,868	155,868	223,448	67,580	187,981
Total Revenues	<u>7,907,185</u>	<u>8,152,613</u>	<u>8,594,070</u>	<u>441,457</u>	<u>7,771,141</u>
Expenditures:					
General government	4,884,422	5,050,697	4,861,150	189,547	4,341,580
Judicial	213,125	213,125	213,125	-	202,486
Public Safety	2,241,700	2,241,700	2,157,954	83,746	2,058,353
Health and welfare	631,296	710,449	745,102	(34,653)	563,337
Auxiliary Services	229,018	229,018	206,259	22,759	196,346
Culture and recreation	561,788	561,788	564,552	(2,764)	470,467
Public works	147,535	147,535	145,882	1,653	142,743
Debt service	16,974	16,974	16,974	-	16,974
Total Expenditures	<u>8,925,858</u>	<u>9,171,286</u>	<u>8,910,998</u>	<u>260,288</u>	<u>7,992,286</u>
(Deficiency) of Revenues Over Expenditures	<u>(1,018,673)</u>	<u>(1,018,673)</u>	<u>(316,928)</u>	<u>701,745</u>	<u>(221,145)</u>
Other Financing Sources (Uses):					
Transfers in	813,622	813,622	818,304	4,682	704,846
Transfers (out)	(83,690)	(83,690)	(113,870)	(30,180)	(85,711)
Sale of capital assets	100	100	-	(100)	350
Total Other Financing Sources (Uses)	<u>730,032</u>	<u>730,032</u>	<u>704,434</u>	<u>(25,598)</u>	<u>619,485</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	<u>(288,641)</u>	<u>(288,641)</u>	<u>387,506</u>	<u>676,147</u>	<u>398,340</u>
Fund Balances - Beginning of Year			<u>2,971,134</u>		<u>2,572,794</u>
Fund Balances - End of Year			<u>3,358,640</u>		<u>2,971,134</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, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	2006			Final Budget Variance Positive (Negative)	2005
	Original Budget	Final Budget	Actual		Actual
Taxes:					
General property taxes	4,683,908	4,683,908	4,707,659	23,751	4,362,075
Specific ownership tax	306,015	306,015	342,262	36,247	309,831
Delinquent tax and interest	20,000	20,000	17,240	(2,760)	16,818
Total Taxes	5,009,923	5,009,923	5,067,161	57,238	4,688,724
Licenses and Permits:					
Liquor licenses	1,600	1,600	1,151	(449)	1,541
Building permits	180,000	180,000	308,453	128,453	201,236
Other licenses and permits	52,500	52,500	52,805	305	59,786
Total Licenses and Permits	234,100	234,100	362,409	128,309	262,563
Intergovernmental:					
Payment in lieu of taxes	70,000	70,000	70,000	-	224,597
Federal Grants	98,023	98,023	83,339	(14,684)	104,937
State Grants	537,936	537,936	614,210	76,274	534,172
Local Grants	39,200	39,200	36,180	(3,020)	44,318
Total Intergovernmental	745,159	745,159	803,729	58,570	908,024
Charges for Services:					
Clerk and recorder	460,000	460,000	457,089	(2,911)	479,852
Sheriff's fees	70,000	70,000	94,526	24,526	88,094
Treasurer's fees	555,500	555,500	582,541	27,041	557,272
Other Fees	51,735	51,735	53,114	1,379	54,868
Assessor's Fees	12,500	12,500	16,199	3,699	15,293
Public Health Fees	57,000	57,000	96,260	39,260	78,928
Land Use Fees	25,000	25,000	44,228	19,228	36,549
Useful Public Service	39,000	39,000	47,540	8,540	48,743
Court Fines & Fees	9,100	9,100	25,328	16,228	17,349
Public Trustee	20,500	20,500	20,000	(500)	20,000
Total Charges for Services	1,300,335	1,300,335	1,436,825	136,490	1,396,948
Other revenue:					
Investment income	206,500	206,500	412,449	205,949	213,240
Contributions	255,300	500,728	288,050	(212,678)	113,661
Miscellaneous	155,868	155,868	223,448	67,580	187,981
Total Revenues	7,907,185	8,152,613	8,594,071	441,458	7,771,141

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, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	2006			Final Budget Variance Positive (Negative)	2005
	Original Budget	Final Budget	Actual		Actual
General Government:					
Board of county commissioners	413,675	413,675	411,034	2,641	343,088
Attorney	402,391	402,391	409,119	(6,728)	377,093
Planning	663,440	663,440	658,841	4,599	604,896
Manager	458,057	458,057	419,824	38,233	366,721
Sage grouse	12,050	12,050	16,321	(4,271)	-
Personnel	89,985	89,985	84,182	5,803	75,827
Compensated absences	44,481	44,481	51,875	(7,394)	23,667
Other administration	324,545	324,545	309,668	14,877	263,806
Clerk operations	386,558	448,091	478,536	(30,445)	503,894
Elections	149,554	254,296	225,847	28,449	68,061
Treasurer	310,251	310,251	271,869	38,382	294,967
Assessor operations	647,594	647,594	637,450	10,144	605,837
Buildings & grounds	636,270	636,270	571,156	65,114	545,427
Finance	345,571	345,571	315,428	30,143	268,296
Total General Government	<u>4,884,422</u>	<u>5,050,697</u>	<u>4,861,150</u>	<u>189,547</u>	<u>4,341,580</u>
Judicial:					
District attorney	213,125	213,125	213,125	-	202,486
Public Safety:					
Wildfire containment	4,161	4,161	205	3,956	-
Search & rescue	14,742	14,742	17,564	(2,822)	17,938
Sheriff's operations	1,204,677	1,204,677	1,171,848	32,829	1,131,456
Detention center	780,605	780,605	747,004	33,601	726,078
Coroner	61,294	61,294	64,049	(2,755)	59,520
Emergency management	119,736	119,736	103,291	16,445	72,412
Hazardous materials	14,142	14,142	9,888	4,254	10,361
Juvenile diversion	42,343	42,343	44,105	(1,762)	40,588
Total Public Safety	<u>2,241,700</u>	<u>2,241,700</u>	<u>2,157,954</u>	<u>83,746</u>	<u>2,058,353</u>
Health and Welfare:					
Health	2,085	2,085	1,999	86	1,867
Substance abuse	-	79,153	47,513	31,640	-
Senior services coordinator	29,505	29,505	32,085	(2,580)	49,909
Public health	350,525	350,525	419,594	(69,069)	295,144
Family planning program	125,789	125,789	127,688	(1,899)	107,364
Victims assistance program	65,373	65,373	61,871	3,502	63,434
Senior citizens	58,019	58,019	54,352	3,667	45,619
Total Health and Welfare	<u>631,296</u>	<u>710,449</u>	<u>745,102</u>	<u>(34,653)</u>	<u>563,337</u>
Auxiliary Services:					
Alternate service services	84,213	84,213	82,736	1,477	80,059
Extension service	139,382	139,382	119,364	20,018	111,977
Veterans office	5,423	5,423	4,158	1,265	4,310
Total Auxiliary Services	<u>229,018</u>	<u>229,018</u>	<u>206,258</u>	<u>22,760</u>	<u>196,346</u>
Culture and Recreation:					
Multi Cultural Center	89,195	89,195	84,465	4,730	63,281
Beautification Committee	10,000	10,000	7,182	2,818	7,652
Historic Preservation	4,288	4,288	2,341	1,947	2,370
County Fairgrounds	214,317	214,317	234,466	(20,149)	255,004
Contribution	243,988	243,988	236,098	7,890	142,160
Total Culture and Recreation	<u>561,788</u>	<u>561,788</u>	<u>564,552</u>	<u>(2,764)</u>	<u>470,467</u>
Public Works:					
Weed program	147,535	147,535	145,882	1,653	142,743
Debt Service:					
Principal	14,073	14,073	14,073	-	13,832
Interest	2,901	2,901	2,901	-	3,142
Total Debt Service	<u>16,974</u>	<u>16,974</u>	<u>16,974</u>	<u>-</u>	<u>16,974</u>
Total Expenditures	<u>8,925,858</u>	<u>9,171,286</u>	<u>8,910,997</u>	<u>260,289</u>	<u>7,992,286</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, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	<u>2006</u>			Final Budget Variance Positive (Negative)	<u>2005</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
Specific ownership tax	152,985	152,985	171,098	18,113	158,761
Total Taxes	<u>152,985</u>	<u>152,985</u>	<u>171,098</u>	<u>18,113</u>	<u>158,761</u>
Intergovernmental:					
Payment in lieu of taxes	240,000	240,000	269,420	29,420	150,000
State grants	1,012,579	1,012,579	832,449	(180,130)	182,689
Highway users trust fund	2,150,759	2,150,759	2,358,638	207,879	2,033,959
Forest service	306,347	306,347	257,597	(48,750)	210,307
Mineral leasing	600,000	600,000	554,144	(45,856)	493,750
Total Intergovernmental	<u>4,309,685</u>	<u>4,309,685</u>	<u>4,272,248</u>	<u>(37,437)</u>	<u>3,070,705</u>
Charges for Services:					
Municipalities	46,888	46,888	42,025	(4,863)	58,008
Permits	7,500	7,500	10,652	3,152	8,809
Other	1,000	1,000	-	(1,000)	-
Total Charges for Services	<u>55,388</u>	<u>55,388</u>	<u>52,677</u>	<u>(2,711)</u>	<u>66,817</u>
Other:					
Investment income	21,434	21,434	22,429	995	19,829
Contributions	40,000	40,000	-	(40,000)	-
Miscellaneous	82,910	82,910	8,892	(74,018)	85,512
Total Revenues	<u>4,662,402</u>	<u>4,662,402</u>	<u>4,527,344</u>	<u>(135,058)</u>	<u>3,401,624</u>
Expenditures:					
Marble bank building	3,600	3,600	1,567	2,033	3,222
Construction	527,748	527,748	296,949	230,799	582,185
Maintenance of condition	3,443,889	3,443,889	3,069,273	374,616	2,519,496
Snow removal	643,533	643,533	731,142	(87,609)	781,388
Administration	356,813	356,813	384,570	(27,757)	357,961
Trails	82,691	82,691	8,729	73,962	14,210
Municipalities	72,581	72,581	87,416	(14,835)	88,275
Total Expenditures	<u>5,130,855</u>	<u>5,130,855</u>	<u>4,579,646</u>	<u>551,209</u>	<u>4,346,737</u>
(Deficiency) of Revenues Over Expenditures	<u>(468,453)</u>	<u>(468,453)</u>	<u>(52,302)</u>	<u>416,151</u>	<u>(945,113)</u>
Other Financing Sources (Uses):					
Transfers in	254,410	254,410	254,410	-	552,450
Transfers (out)	(84,670)	(84,670)	(84,670)	-	(83,550)
Total Other Financing Sources (Uses)	<u>169,740</u>	<u>169,740</u>	<u>169,740</u>	<u>-</u>	<u>468,900</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	<u>(298,713)</u>	<u>(298,713)</u>	<u>117,438</u>	<u>416,151</u>	<u>(476,213)</u>
Fund Balances - Beginning of Year			<u>684,801</u>		<u>1,161,014</u>
Fund Balances - End of Year			<u>802,239</u>		<u>684,801</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, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	2006			Final Budget Variance Positive (Negative)	2005
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
Property tax revenue	253,502	253,502	253,608	106	235,529
Delinquent tax and interest	900	900	930	30	882
Intergovernmental:					
EBT reimbursements	1,212,321	1,212,321	1,079,923	(132,398)	1,155,983
Other	977,070	977,070	983,572	6,502	941,158
Contributions	2,700	2,700	4,372	1,672	3,945
Miscellaneous	100	100	916	816	57
Total Revenues	2,446,593	2,446,593	2,323,321	(123,272)	2,337,554
Expenditures:					
Administration	741,378	741,378	676,889	64,489	627,421
Administration - IVD	5,000	5,000	2,609	2,391	4,158
Employment first	11,287	11,287	6,206	5,081	7,335
General assistance	1,400	1,400	3,630	(2,230)	1,541
Child care	8,508	8,508	9,916	(1,408)	11,456
Colorado works - TANF	39,020	39,020	53,600	(14,580)	43,287
AID to needy disabled	100	100	73	27	-
Medicaid transportation	3,000	3,000	6,930	(3,930)	3,936
Low income energy assistance	18,382	18,382	11,130	7,252	13,204
Child welfare / foster care	150,572	150,572	161,840	(11,268)	142,014
CORE services	88,032	88,032	59,650	28,382	85,503
FEMA grant	9,000	9,000	7,186	1,814	7,544
Community services block grant	27,000	27,000	30,502	(3,502)	25,330
Other	58,715	58,715	40,238	18,477	42,770
EBT transactions	1,301,541	1,301,541	1,167,434	134,107	1,258,740
Old Age Pension	6,617	6,617	8,399	(1,782)	7,059
Total Expenditures	2,469,552	2,469,552	2,246,232	223,320	2,281,298
Net Change in Fund Balances	(22,959)	(22,959)	77,089	100,048	56,256
Fund Balances - Beginning of Year			182,703		126,440
Fund Balances - End of Year			259,792		182,696

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, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	<u>2006</u>			Variance Positive (Negative)	<u>2005</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Taxes:					
Sales tax	1,273,700	1,473,700	1,482,080	8,380	1,286,852
State grants	-	93,000	78,425	(14,575)	64,906
Investment income	8,000	8,000	15,186	7,186	13,473
Contributions	-	-	5,000	5,000	-
Total Revenues	<u>1,281,700</u>	<u>1,574,700</u>	<u>1,580,691</u>	<u>5,991</u>	<u>1,365,231</u>
Expenditures:					
General government:					
General administration	25,650	25,650	25,932	(282)	24,831
Buildings and grounds	140,000	682,145	642,637	39,508	198,602
Public safety:					
Jail renovation	24,000	78,000	66,286	11,714	134,859
Culture and recreation:					
Buildings and grounds	100,000	100,000	100,000	-	105,000
Debt service:					
Principal	-	-	222,703	(222,703)	183,811
Interest	280,336	280,336	56,414	223,922	46,525
Total Expenditures	<u>569,986</u>	<u>1,166,131</u>	<u>1,113,972</u>	<u>52,159</u>	<u>693,628</u>
Excess of Revenues Over Expenditures	<u>711,714</u>	<u>408,569</u>	<u>466,719</u>	<u>58,150</u>	<u>671,603</u>
Other Financing Sources (Uses):					
Transfers (out)	(697,912)	(926,767)	(720,557)	206,210	(1,066,328)
Debt proceeds	-	-	-	-	390,775
Total Other Financing Sources (Uses)	<u>(697,912)</u>	<u>(926,767)</u>	<u>(720,557)</u>	<u>206,210</u>	<u>(675,553)</u>
Net Change in Fund Balances	<u>13,802</u>	<u>(518,198)</u>	<u>(253,838)</u>	<u>264,360</u>	<u>(3,950)</u>
Fund Balances - Beginning of Year			<u>1,015,518</u>		<u>1,019,472</u>
Fund Balances - End of Year			<u>761,680</u>		<u>1,015,522</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, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	<u>2006</u>			<u>2005</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative) Actual</u>
Revenues:				
Intergovernmental				
Federal grants	3,821,608	3,821,608	667,866	(3,153,742)
State grants	500,000	500,000	88,300	(411,700)
Charges for services				
Passenger facility charges	140,000	140,000	161,061	21,061
Investment income	3,476	3,476	13,422	9,946
Total Revenues	<u>4,465,084</u>	<u>4,465,084</u>	<u>930,649</u>	<u>(3,534,435)</u>
Expenditures:				
Public works	5,028,175	5,028,175	1,278,952	3,749,223
Debt Service				
Principal	68,900	68,900	71,656	(2,756)
Interest	25,780	25,780	23,033	2,747
Total Expenditures	<u>5,122,855</u>	<u>5,122,855</u>	<u>1,373,641</u>	<u>3,749,214</u>
(Deficiency) of Revenues Over Expenditures	<u>(657,771)</u>	<u>(657,771)</u>	<u>(442,992)</u>	<u>214,779</u>
Other Financing Sources (Uses):				
Transfers in	-	-	100,000	100,000
Debt proceeds	550,000	550,000	557,095	7,095
Total Other Financing Sources (Uses)	<u>550,000</u>	<u>550,000</u>	<u>657,095</u>	<u>107,095</u>
Net Change in Fund Balances	<u>(107,771)</u>	<u>(107,771)</u>	<u>214,103</u>	<u>321,874</u>
Fund Balances - Beginning of Year			<u>18,932</u>	<u>273,540</u>
Fund Balances - End of Year			<u>233,035</u>	<u>18,931</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, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	<u>2006</u>			Final Budget Variance Positive (Negative)	<u>2005</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Intergovernmental:				-	
Federal grants	1,729,247	1,729,247	2,000,218	270,971	1,905,272
State grants	1,032,462	1,032,462	457,619	(574,843)	156,364
Local grants	35,000	35,000	-	(35,000)	10,000
Charges for services	-	-	7,500	7,500	-
Investment income	1,000	1,000	13,249	12,249	1,228
Contributions	1,714,000	1,714,000	746,690	(967,310)	104,953
Miscellaneous	-	-	196,191	196,191	209,392
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>4,511,709</u>	<u>4,511,709</u>	<u>3,421,467</u>	<u>(1,090,242)</u>	<u>2,387,209</u>
Expenditures:					
Public Safety:					
DOJ Grant passthrough	479,247	479,247	810,011	(330,764)	1,943,658
Culture & Recreation:					
Special projects	532,462	532,462	160,476	371,986	301,316
West Elk byway	500,000	500,000	13,295	486,705	2,536
Public Works:					
Tenderfoot construction	2,000,000	2,000,000	2,009,920	(9,920)	71,763
Rios water system	1,000,000	1,000,000	398,908	601,092	118,855
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>4,511,709</u>	<u>4,511,709</u>	<u>3,392,610</u>	<u>1,119,099</u>	<u>2,438,128</u>
Excess (Deficiency) of Revenues Over Expenditures	-	-	28,857	28,857	(50,919)
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	10,000
Transfers (out)	-	-	(19,108)	(19,108)	(9,588)
	<u>-</u>	<u>-</u>	<u>(19,108)</u>	<u>(19,108)</u>	<u>412</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>(19,108)</u>	<u>(19,108)</u>	<u>412</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>9,749</u>	<u>9,749</u>	<u>(50,507)</u>
Fund Balances - Beginning of Year			<u>13,105</u>		<u>63,612</u>
Fund Balances - End of Year			<u>22,854</u>		<u>13,105</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, 2006

	Special Revenue							Total Non-major Governmental Funds	
	Conservation Trust Fund	Gunnison Public Library Fund	Mosquito Control Fund	Land Preservation Fund	Sage Grouse Fund	Risk Management Fund	Gunnison County Housing Auth. Administration		Local Marketing District
Assets:									
Cash and investments	67,872	207,014	17,381	203,285	189,331	66,843	263,419	212,582	1,227,727
Accounts receivable	-	585,614	-	-	-	-	18,576	166,172	770,362
Prepaid expenses	-	-	-	-	-	22,044	-	-	22,044
Due from other governments	-	-	-	33,501	-	-	153,815	-	187,316
Due from other funds	-	-	-	-	-	26,828	-	-	26,828
Total Assets	67,872	792,628	17,381	236,786	189,331	115,715	435,810	378,754	2,234,277
Liabilities and Fund Balances:									
Liabilities:									
Accounts payable	-	7,878	-	-	-	1,597	15,742	29,803	55,020
Deposits	-	56,611	-	-	-	-	-	-	56,611
Due to other funds	30,774	3,253	-	2,019	19,572	-	329,656	200,000	585,274
Deferred revenue	-	585,524	-	-	2,500	-	6,731	-	594,755
Total Liabilities	30,774	653,266	-	2,019	22,072	1,597	352,129	229,803	1,291,660
Fund Balances:									
Reserved for prepaid expenses	-	-	-	-	-	22,044	-	-	22,044
Unreserved:									
Special Revenue	37,099	139,362	17,381	234,767	167,258	92,074	83,682	148,951	920,574
Total Fund Balances	37,099	139,362	17,381	234,767	167,258	114,118	83,682	148,951	942,618
Total Liabilities and Fund Balances	67,873	792,628	17,381	236,786	189,330	115,715	435,811	378,754	2,234,278

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, 2006

Special Revenue									
	Conservation Trust Fund	Gunnison County Public Library Fund	Mosquito Control Fund	Land Preservation Fund	Sage Grouse Fund	Risk Management Fund	Gunnison County Housing Auth. Administration	Local Marketing District	Total Non-major Governmental Funds
Revenues:									
Taxes	-	526,981	-	289,656	-	-	-	1,270,820	2,087,457
Intergovernmental	66,533	38,429	12,999	-	-	-	179,043	-	297,004
Charges for services	-	35,649	53,344	-	-	-	295,996	-	384,989
Investment income	1,342	11,462	-	2,836	-	4,046	4,576	8,697	32,959
Contributions	-	12,779	-	-	-	31,231	4,537	-	48,547
Miscellaneous	-	24,948	358	-	2,500	-	892	-	28,698
Total Revenues	67,875	650,248	66,701	292,492	2,500	35,277	485,044	1,279,517	2,879,654
Expenditures:									
General government	-	-	-	-	112,768	71,562	-	1,074,370	1,258,700
Health and welfare	-	-	76,484	-	-	-	496,398	-	572,882
Culture and recreation	665	610,445	-	145,594	-	-	-	-	756,704
Debt service	-	727	-	165,227	-	-	2,527	-	168,481
Total Expenditures	665	611,172	76,484	310,821	112,768	71,562	498,925	1,074,370	2,756,767
Excess (Deficiency) of Revenues Over Expenditures	67,210	39,076	(9,783)	(18,329)	(110,268)	(36,285)	(13,881)	205,147	- 122,887
Other Financing Sources (Uses):									
Transfers in	-	15,000	12,999	-	53,497	40,691	113,116	-	235,303
Transfers (out)	(30,774)	(49,310)	(1,390)	-	(25,000)	-	(29,750)	(14,000)	(150,224)
Total Other Financing Sources (Uses)	(30,774)	(34,310)	11,609	-	28,497	40,691	83,366	(14,000)	85,079
Net Change in Fund Balances	36,436	4,766	1,826	(18,329)	(81,771)	4,406	69,485	191,147	207,966
Fund Balances - Beginning of Year	662	134,596	15,555	253,096	249,030	109,712	14,196	(42,197)	734,650
Fund Balances - End of Year	37,098	139,362	17,381	234,767	167,259	114,118	83,681	148,950	942,616

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, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	<u>2006</u>			<u>Variance</u>	<u>2005</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative)</u>	<u>Actual</u>
Revenues:					
Lottery proceeds	42,000	42,000	66,533	24,533	30,452
Earnings on investments	857	1,357	1,342	(15)	1,022
Total Revenues	<u>42,857</u>	<u>43,357</u>	<u>67,875</u>	<u>24,518</u>	<u>31,474</u>
Expenditures:					
Treasurer's fees	450	950	665	285	305
Total Expenditures	<u>450</u>	<u>950</u>	<u>665</u>	<u>285</u>	<u>305</u>
Excess of Revenues Over Expenditures	<u>42,407</u>	<u>42,407</u>	<u>67,210</u>	<u>24,803</u>	<u>31,169</u>
Other Financing Sources (Uses):					
Transfers (out)	(30,700)	(30,700)	(30,774)	(74)	(49,000)
Total Other Financing Sources (Uses)	<u>(30,700)</u>	<u>(30,700)</u>	<u>(30,774)</u>	<u>(74)</u>	<u>(49,000)</u>
Net Change in Fund Balances	<u>11,707</u>	<u>11,707</u>	36,436	<u>24,729</u>	(17,831)
Fund Balances - Beginning of Year			662		18,493
Fund Balances - End of Year			<u>37,098</u>		<u>662</u>

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

Gunnison County, Colorado
Special Revenue Funds
Gunnison County Public Library Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	2006			Final Budget Variance Positive (Negative)	2005
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
General property tax	524,433	524,433	525,310	877	486,916
Interest and penalties	2,000	2,000	1,672	(328)	1,585
Intergovernmental:					
State grants	46,606	46,606	35,929	(10,677)	50,101
Local grants	2,500	2,500	2,500	-	2,500
Charges for services	18,000	18,000	35,649	17,649	10,424
Investment income	5,129	8,129	11,462	3,333	6,306
Contributions	6,000	6,000	12,779	6,779	7,515
Miscellaneous	14,100	14,100	24,948	10,848	13,159
Total Revenues	<u>618,768</u>	<u>621,768</u>	<u>650,249</u>	<u>28,481</u>	<u>578,506</u>
Expenditures:					
Culture and recreations:					
Operating exp	329,998	332,998	328,564	4,434	293,524
Crested Butte branch	174,971	174,971	180,977	(6,006)	162,493
Memorial and endowment expense	8,500	8,500	15,505	(7,005)	9,672
Literacy	88,048	88,048	85,399	2,649	73,738
Debt service:					
Principal	-	-	602	(602)	572
Interest	720	720	125	595	155
Total Expenditures	<u>602,237</u>	<u>605,237</u>	<u>611,172</u>	<u>(5,935)</u>	<u>540,154</u>
Excess of Revenues Over Expenditures	<u>16,531</u>	<u>16,531</u>	<u>39,077</u>	<u>22,546</u>	<u>38,352</u>
Other Financing Sources (Uses):					
Transfers in	15,000	15,000	15,000	-	15,000
Transfers (out)	(49,310)	(49,310)	(49,310)	-	(46,000)
Total Other Financing Sources	<u>(34,310)</u>	<u>(34,310)</u>	<u>(34,310)</u>	<u>-</u>	<u>(31,000)</u>
Net Change in Fund Balances	<u>(17,779)</u>	<u>(17,779)</u>	4,767	<u>22,546</u>	7,352
Fund Balances - Beginning of Year			<u>134,596</u>		<u>127,244</u>
Fund Balances - End of Year			<u>139,363</u>		<u>134,596</u>

The accompanying notes are integral part of these financial statements.

Gunnison County, Colorado
Special Revenue Funds
Mosquito Control Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	<u>2006</u>			Variance Positive (Negative)	<u>2005</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Taxes:					
Charges for services	51,695	51,695	53,344	1,649	51,458
Local grants	12,999	12,999	12,999	-	12,711
Miscellaneous	300	300	358	58	260
Total Revenues	<u>64,994</u>	<u>64,994</u>	<u>66,701</u>	<u>1,707</u>	<u>64,429</u>
Expenditures:					
Operations	76,603	76,603	76,484	119	74,633
Total Expenditures	<u>76,603</u>	<u>76,603</u>	<u>76,484</u>	<u>119</u>	<u>74,633</u>
(Deficiency) of Revenues Over Expenditures	<u>(11,609)</u>	<u>(11,609)</u>	<u>(9,783)</u>	<u>1,826</u>	<u>(10,204)</u>
Other Financing Sources (Uses):					
Transfers in	12,999	12,999	12,999	-	12,711
Transfers (out)	(1,390)	(1,390)	(1,390)	-	(1,150)
Total Other Financing Sources (Uses)	<u>11,609</u>	<u>11,609</u>	<u>11,609</u>	<u>-</u>	<u>11,561</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>1,826</u>	<u>1,826</u>	<u>1,357</u>
Fund Balances - Beginning of Year			<u>15,555</u>		<u>14,198</u>
Fund Balances - End of Year			<u>17,381</u>		<u>15,555</u>

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

Gunnison County, Colorado
Special Revenue Funds
Land Preservation Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	2006			Final Budget Variance Positive (Negative)	2005
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
Sales tax	275,461	275,461	289,656	14,195	270,060
Investment income	1,516	1,516	2,836	1,320	1,623
Total Revenues	<u>276,977</u>	<u>276,977</u>	<u>292,492</u>	<u>15,515</u>	<u>271,683</u>
Expenditures:					
Culture & recreation:					
Land preservation	200,000	200,000	145,594	54,406	154,600
Debt service:					
Principal payments	119,719	119,719	120,798	(1,079)	114,334
Interest payments	45,508	45,508	44,429	1,079	50,893
Total Expenditures	<u>365,227</u>	<u>365,227</u>	<u>310,821</u>	<u>54,406</u>	<u>319,827</u>
Net Change in Fund Balances	<u>(88,250)</u>	<u>(88,250)</u>	(18,329)	<u>69,921</u>	(48,144)
Fund Balances - Beginning of Year			<u>253,096</u>		<u>301,242</u>
Fund Balances - End of Year			<u>234,767</u>		<u>253,098</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, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	<u>2006</u>			Variance Positive (Negative)	<u>2005</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Miscellaneous	-	-	2,500	2,500	-
Total Revenues	-	-	2,500	2,500	-
Expenditures:					
General government	89,125	112,125	112,768	(643)	28,284
Total Expenditures	89,125	112,125	112,768	(643)	28,284
(Deficiency) of Revenues Over Expenditures	<u>(89,125)</u>	<u>(112,125)</u>	<u>(110,268)</u>	1,857	<u>(28,284)</u>
Other Financing Sources (Uses):					
Transfers in	39,303	39,303	53,497	14,194	44,120
Transfers (out)	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	-	-
Total Other Financing Sources (Uses)	<u>14,303</u>	<u>14,303</u>	<u>28,497</u>	<u>14,194</u>	<u>44,120</u>
Net Change in Fund Balances	<u>(74,822)</u>	<u>(97,822)</u>	(81,771)	<u>16,051</u>	15,836
Fund Balances - Beginning of Year			<u>249,030</u>		<u>233,194</u>
Fund Balances - End of Year			<u>167,259</u>		<u>249,030</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, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	2006			Final Budget Variance Positive (Negative)	2005
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Investment income	400	400	4,046	3,646	1,792
Contributions	31,231	31,231	31,231	-	60,673
Miscellaneous	-	-	-	-	14,980
Total Revenues	<u>31,631</u>	<u>31,631</u>	<u>35,277</u>	<u>3,646</u>	<u>77,445</u>
Expenditures:					
General Government:					
CAPP Insurance Claims	30,000	60,000	40,878	19,122	49,183
Other expenses	30,300	50,300	30,684	19,616	4,020
Total Expenditures	<u>60,300</u>	<u>110,300</u>	<u>71,562</u>	<u>38,738</u>	<u>53,203</u>
(Deficiency) of Revenues Over Expenditures	<u>(28,669)</u>	<u>(78,669)</u>	<u>(36,285)</u>	<u>42,384</u>	<u>24,242</u>
Other Financing Sources (Uses):					
Transfers in	40,691	40,691	40,691	-	43,000
Total Other Financing Sources (Uses)	<u>40,691</u>	<u>40,691</u>	<u>40,691</u>	<u>-</u>	<u>43,000</u>
Net Change in Fund Balances	<u>12,022</u>	<u>(37,978)</u>	4,406	<u>42,384</u>	67,242
Fund Balances - Beginning of Year			109,712		42,470
Fund Balances - End of Year			<u>114,118</u>		<u>109,712</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, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	2006			Final Budget Variance Positive (Negative)	2005
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Intergovernmental:					
Federal grants	221,400	221,400	115,794	(105,606)	205,954
State grants	10,250	19,250	13,061	(6,189)	6,964
Local grants	60,000	60,000	50,188	(9,812)	45,000
Charges for services:					
Fees	53,483	53,483	295,996	242,513	44,374
Investment income	1,500	1,500	4,576	3,076	1,211
Contributions	-	4,500	4,537	37	-
Miscellaneous	22,000	22,000	892	(21,108)	(4,448)
Total Revenues	<u>368,633</u>	<u>382,133</u>	<u>485,044</u>	<u>102,911</u>	<u>299,055</u>
Expenditures:					
Health and welfare	429,697	569,697	496,398	73,299	316,790
Debt service:					
Principal	31,587	31,587	-	31,587	31,587
Interest	2,527	2,527	2,527	-	2,527
Total Administration Expenditures	<u>463,811</u>	<u>603,811</u>	<u>498,925</u>	<u>104,886</u>	<u>350,904</u>
(Deficiency) of Revenues Over Expenditures	<u>(95,178)</u>	<u>(221,678)</u>	<u>(13,881)</u>	<u>207,797</u>	<u>(51,849)</u>
Other Financing Sources (Uses):					
Transfers In	60,291	139,146	113,116	(26,030)	15,000
Transfers (out)	(25,380)	(25,380)	(29,750)	(4,370)	(30,600)
Sale of capital assets	72,000	95,000	-	(95,000)	-
Total Other Financing Sources (Uses)	<u>106,911</u>	<u>208,766</u>	<u>83,366</u>	<u>(125,400)</u>	<u>(15,600)</u>
Net Change in Fund Balances	<u>11,733</u>	<u>(12,912)</u>	69,485	<u>82,397</u>	(67,449)
Fund Balances - Beginning of Year			14,196		81,645
Fund Balances - End of Year			<u>83,681</u>		<u>14,196</u>

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

Gunnison County, Colorado
Special Revenue Funds
Local Marketing District
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	2006			Final Budget Variance Positive (Negative)	2005
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Marketing and promotion tax	900,000	900,000	1,020,820	120,820	872,547
Admission tax - Mt. Crested Butte	250,000	250,000	250,000	-	300,000
Earnings on investments	6,756	6,756	8,697	1,941	9,992
Total Revenues	1,156,756	1,156,756	1,279,517	122,761	1,182,539
Expenditures:					
General Government:					
Contracted services	1,050,000	1,050,000	1,050,000	-	1,070,200
Other	38,196	38,196	24,371	13,825	38,929
Debt Service:					
Principal	-	-	-	-	250,000
Interest	-	-	-	-	7,910
Other debt service	-	-	-	-	1,875
Total Expenditures	1,088,196	1,088,196	1,074,371	13,825	1,368,914
Excess (Deficiency) of Revenues Over Expenditures	68,560	68,560	205,146	136,586	(186,375)
Other Financing Sources (Uses):					
Sale of capital assets	(14,000)	(14,000)	(14,000)	-	(14,000)
Lease proceeds	-	-	-	-	250,000
Total Other Financing Sources (Uses)	(14,000)	(14,000)	(14,000)	-	236,000
Net Change in Fund Balances	54,560	54,560	191,146	136,586	49,625
Fund Balances - Beginning of Year			(42,197)		(91,822)
Fund Balances - End of Year			148,949		(42,197)

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, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	<u>2006</u>			<u>Final Budget</u>	<u>2005</u>
	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>	<u>Actual</u>
Revenues:					
Airport fees	252,759	252,759	327,749	74,990	251,624
Terminal & hanger rent	286,533	286,533	306,753	20,220	279,582
Ground transportation	165,000	165,000	202,566	37,566	207,458
Parking fees & fines	50,875	50,875	89,523	38,648	83,801
FBO rent and fees	27,000	27,000	24,918	(2,082)	24,056
Aviation fuel tax	21,017	21,017	31,645	10,628	38,650
Other	30,866	30,866	64,485	33,619	46,336
Total Revenues	<u>834,050</u>	<u>834,050</u>	<u>1,047,639</u>	<u>213,589</u>	<u>931,507</u>
Expenditures:					
Administration	259,401	259,401	276,539	(17,138)	212,637
Terminal operations	199,216	199,216	150,290	48,926	128,635
Runway & grounds maintenance.	203,375	203,375	123,248	80,127	105,247
Snow removal	51,215	51,215	74,118	(22,903)	69,382
Aircraft rescue	126,162	126,162	89,370	36,792	97,577
Security	53,140	53,140	49,002	4,138	35,704
Capital outlay	41,600	41,600	21,671	19,929	46,528
Debt payments	11,693	11,693	9,924	1,769	9,548
Total Expenditures	<u>945,802</u>	<u>945,802</u>	<u>794,162</u>	<u>151,640</u>	<u>705,258</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>(111,752)</u>	<u>(111,752)</u>	<u>253,477</u>	<u>365,229</u>	<u>226,249</u>
Other Financing Sources (Uses):					
Gain (loss) on sale of capital assets	-	-	13,800	13,800	(400)
Transfers (out)	(61,550)	(61,550)	(161,550)	(100,000)	(58,200)
Investment revenue	3,000	3,000	24,586	21,586	12,650
Interest expense	-	-	(1,770)	(1,770)	(2,146)
Total Other Financing Sources (Uses)	<u>(58,550)</u>	<u>(58,550)</u>	<u>(124,934)</u>	<u>(66,384)</u>	<u>(48,096)</u>
(Deficiency) of Revenues and Other					
Financing Sources Over Expenditures					
and Other Financing (Uses)	<u>(170,302)</u>	<u>(170,302)</u>	<u>128,543</u>	<u>298,845</u>	<u>178,153</u>
Available Resources - Beginning of Year			<u>581,705</u>		<u>403,551</u>
Available Resources - End of Year			<u>710,248</u>		<u>581,704</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, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	2006			Final Budget Variance Positive (Negative)	2005
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Dos Rios Division:					
Tap fees	11,000	11,000	22,000	11,000	55,000
User fees	150,770	150,770	153,279	2,509	159,257
Late fees	1,200	1,200	2,270	1,070	1,187
Other revenue	50	50	3	(47)	-
Total Dos Rios Division	<u>163,020</u>	<u>163,020</u>	<u>177,552</u>	<u>14,532</u>	<u>215,444</u>
Somerset Division:					
User fees	7,810	7,810	7,812	2	10,416
Late fees	100	100	125	25	83
Total Somerset Division	<u>7,910</u>	<u>7,910</u>	<u>7,937</u>	<u>27</u>	<u>10,499</u>
Antelope Hills Division:					
Tap fees	-	-	5,500	5,500	19,500
User fees	40,390	40,390	41,494	1,104	39,600
Late fees	400	400	325	(75)	462
Total Antelope Hills Division	<u>40,790</u>	<u>40,790</u>	<u>47,319</u>	<u>6,529</u>	<u>59,562</u>
North Gunnison Division:					
Tap fees	12,000	12,000	42,000	30,000	253,162
User fees	176,740	176,740	160,147	(16,593)	119,964
Late fees	500	500	2,310	1,810	1,083
Other revenue	586,904	586,904	300,500	(286,404)	667,430
Debt proceeds	-	-	322,000	322,000	1,519,270
Total North Gunnison Division	<u>776,144</u>	<u>776,144</u>	<u>826,957</u>	<u>50,813</u>	<u>2,560,909</u>
Total Revenues	<u>987,864</u>	<u>987,864</u>	<u>1,059,765</u>	<u>71,901</u>	<u>2,846,414</u>
Expenditures:					
Dos Rios Division:					
Operations	104,579	104,579	98,741	5,838	101,776
Transfers to other funds	10,598	10,598	13,407	(2,809)	8,504
Capital outlay	18,000	18,000	(23,025)	41,025	5,918
Total Dos Rios Division	<u>133,177</u>	<u>133,177</u>	<u>89,123</u>	<u>44,054</u>	<u>116,198</u>
Somerset Division:					
Operations	4,253	4,253	3,090	1,163	1,544
Transfers to other funds	1,633	1,633	1,735	(102)	1,519
Debt service	-	-	-	-	2,355
Total Somerset Division	<u>5,886</u>	<u>5,886</u>	<u>4,825</u>	<u>1,061</u>	<u>5,418</u>
Antelope Hills Division:					
Operations	24,338	24,338	22,325	2,013	35,805
Transfers to other funds	5,637	5,637	6,142	(505)	2,732
Capital outlay	6,000	6,000	-	6,000	-
Debt service	2,904	2,904	3,035	(131)	2,860
Total Antelope Hills Division	<u>38,879</u>	<u>38,879</u>	<u>31,502</u>	<u>7,377</u>	<u>41,397</u>
North Gunnison Division:					
Operations	179,071	179,071	93,765	85,306	339,258
Transfers to other funds	26,620	26,620	28,066	(1,446)	1,582
Capital outlay	500,754	500,754	92,781	407,973	1,273,767
Debt service	98,446	98,446	109,925	(11,479)	2,664,970
Total North Gunnison Division	<u>804,891</u>	<u>804,891</u>	<u>324,537</u>	<u>480,354</u>	<u>4,279,577</u>
Total Expenditures	<u>982,833</u>	<u>982,833</u>	<u>449,987</u>	<u>532,846</u>	<u>4,442,590</u>
Excess (Deficiency) of Revenues Over Expenditures - (Non-GAAP Basis)	<u>5,031</u>	<u>5,031</u>	<u>609,778</u>	<u>604,747</u>	<u>(1,596,176)</u>
Available Resources - Beginning of Year			<u>18,114</u>		<u>1,614,288</u>
Available Resources - End of Year			<u>627,892</u>		<u>18,112</u>

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

Gunnison County, Colorado
Enterprise Funds
Gunnison County Water Fund
Schedule of Revenues, Expenditures and Available Resources
Budget (Non-GAAP) Basis and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	<u>2006</u>			Final Budget Variance Positive (Negative)	<u>2005</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
User fees	189,590	189,590	196,123	6,533	186,532
Availability fees	6,990	6,990	6,078	(912)	6,821
Contributions	13,024	13,024	30,136	17,112	27,500
Other	400	400	1,191	791	216
Total Revenues	<u>210,004</u>	<u>210,004</u>	<u>233,528</u>	<u>23,524</u>	<u>221,069</u>
Expenditures:					
Dos Rios Division:					
Operating expenses	123,467	123,467	96,676	26,791	116,948
Capital outlay	10,500	10,500	12,646	(2,146)	1,121
Allocations	22,770	22,770	22,770		17,350
Somerset Division:					
Debt service	8,024	8,024	7,968	56	8,373
Utilities Administration:					
Operating expenses	34,698	34,698	26,117	8,581	30,768
Total Expenditures	<u>199,459</u>	<u>199,459</u>	<u>166,177</u>	<u>33,282</u>	<u>174,560</u>
Excess (Deficiency) of Revenues Over Expenditures	10,545	10,545	67,351	56,806	46,509
Other Financing Sources (Uses):					
Transfers in	8,518	8,518	13,380	4,862	8,337
Total Other Financing Sources (Uses)	<u>8,518</u>	<u>8,518</u>	<u>13,380</u>	<u>4,862</u>	<u>8,337</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	<u>19,063</u>	<u>19,063</u>	<u>80,731</u>	<u>61,668</u>	<u>54,846</u>
Available Resources - Beginning of Year			<u>340,483</u>		<u>285,637</u>
Available Resources - End of Year			<u>421,214</u>		<u>340,483</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, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	2006			Variance Positive (Negative)	2005
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Sage Grouse mitigation	43,670	43,670	53,497	9,827	44,120
Construction surcharge	75,994	75,994	93,095	17,101	76,781
Landfill:					
Disposal fees	240,961	240,961	371,519	130,558	300,997
Closure cost surcharge	19,577	19,577	24,079	4,502	19,860
Other	1,400	1,400	2,682	1,282	6,117
Total Landfill Revenues	381,602	381,602	544,872	163,270	447,875
Recycling:					
Recycling surcharge	98,976	98,976	121,344	22,368	100,049
Recycled material sales	79,440	79,440	123,355	43,915	61,947
Total Recycling Revenues	178,416	178,416	244,699	66,283	161,996
Total Revenues	560,018	560,018	789,571	229,553	609,871
Expenditures:					
Closure, post closure, construction reserve	256,590	256,590	2,783	253,807	60,910
Operations	327,231	327,231	273,806	53,425	234,104
Capital outlay	2,500	2,500	-	2,500	-
Total Landfill Expenditures	586,321	586,321	276,589	309,732	295,014
Recycling Expenditures:					
Operations	146,230	146,230	124,416	21,814	130,294
Capital outlay	1,000	1,000	2,472	(1,472)	-
Total Recycling Expenditures	147,230	147,230	126,888	20,342	130,294
Total Expenditures	733,551	733,551	403,477	330,074	425,308
Other Revenues (expenses):					
Transfers (out)	(94,337)	(94,337)	(103,652)	(9,315)	(105,374)
Investment revenue	24,531	24,531	56,824	32,293	29,135
Total Other Revenues (expenses)	(69,806)	(69,806)	(46,828)	22,978	(76,239)
Over Expenditures - (Non-GAAP Basis)	(243,339)	(243,339)	339,266	582,605	108,324
Available Resources - Beginning of Year			1,272,249		1,163,922
Available Resources - End of Year			1,611,515		1,272,246

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, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	<u>2006</u>			Final Budget Variance Positive (Negative)	<u>2005</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Palisade Assisted Living:					
Donations and debt service reimbursements	36,448	36,448	36,488	40	36,488
Total Revenues	<u>36,448</u>	<u>36,448</u>	<u>36,488</u>	<u>40</u>	<u>36,488</u>
Expenditures:					
Principal payments	13,370	13,370	13,425	(55)	13,180
Interest payments	23,118	23,118	23,063	55	23,308
Total Expenditures	<u>36,488</u>	<u>36,488</u>	<u>36,488</u>	<u>-</u>	<u>36,488</u>
(Deficiency) of Revenues Over Expenditures (Non-GAAP Basis)	<u>(40)</u>	<u>(40)</u>	<u>-</u>	<u>40</u>	<u>-</u>
Available Resources:					
Beginning of Year			<u>10</u>		<u>10</u>
Available Resources: End of Year			<u>10</u>		<u>10</u>

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

Gunnison County, Colorado
Enterprise Funds
Gunnison County Housing Authority - Mountain View
Schedule of Revenues, Expenditures and Available Resources
Budget (Non-GAAP Basis) and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	<u>2006</u>			Final Budget Variance Positive (Negative)	<u>2005</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Mountain View Apartments:					
Tenant payments	51,900	51,900	86,583	34,683	79,719
Assistance payment	121,000	121,000	103,319	(17,681)	105,188
Vacancies	(3,260)	(3,260)	(12,063)	(8,803)	(7,666)
Other revenue	950	950	1,378	428	1,070
Total Revenues	<u>170,590</u>	<u>170,590</u>	<u>179,217</u>	<u>8,627</u>	<u>178,311</u>
Expenditures:					
Mountain View Apartments:					
Operations	182,857	182,857	127,713	55,144	105,641
Principal on debt	7,703	7,703	38,633	(30,930)	56,519
Interest on debt	29,454	29,454	38,474	(9,020)	39,108
Total Expenditures	<u>220,014</u>	<u>220,014</u>	<u>204,820</u>	<u>15,194</u>	<u>201,268</u>
Other Revenues (expenses):					
Sale of capital assets	-	-	3,199	3,199	-
Investment revenue	4,470	4,470	8,427	3,957	5,147
Other Revenues (expenses)	<u>4,470</u>	<u>4,470</u>	<u>11,626</u>	<u>7,156</u>	<u>5,147</u>
Excess (Deficiency) of Revenues Over Expenditures (Non-GAAP Basis)	<u>(44,954)</u>	<u>(44,954)</u>	<u>(13,977)</u>	<u>23,821</u>	<u>(17,810)</u>
Available Resources:					
Beginning of Year			<u>443,663</u>		<u>461,473</u>
End of Year			<u>429,686</u>		<u>443,663</u>

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

Gunnison County, Colorado
Internal Service Funds
Combining Statement of Net Assets
For the Year Ended December 31, 2006

	<u>Internal Service Fund I</u>	<u>Internal Service Fund II</u>	<u>Internal Service Fund III</u>	<u>Total</u>
Current Assets:				
Cash	1,340,804	256,685	1,236,829	2,834,318
Accounts receivable, net of allowance for uncollectible accounts where applicable	119	2,772	14,140	17,031
Due from other governments	337	-	-	337
Prepaid expenses	-	1,566	-	1,566
Due from other funds	-	-	4,300	4,300
Inventory, at cost	702,093	10,377	-	712,470
Total Current Assets	<u>2,043,353</u>	<u>271,400</u>	<u>1,255,269</u>	<u>3,570,022</u>
Non-current Assets:				
Land, property and equipment	9,585,100	773,777	-	10,358,877
Less accumulated depreciation	<u>(6,134,301)</u>	<u>(727,934)</u>	<u>-</u>	<u>(6,862,235)</u>
Total Non-current Assets	<u>3,450,799</u>	<u>45,843</u>	<u>-</u>	<u>3,496,642</u>
Total Assets	<u>5,494,152</u>	<u>317,243</u>	<u>1,255,269</u>	<u>7,066,664</u>
Liabilities:				
Current Liabilities:				
Accounts payable	67,595	23,602	3,182	94,379
Due to other funds	32,010	3,640	-	35,650
Deferred revenue	-	-	110,943	110,943
Compensated absences	29,481	14,546	3,154	47,181
Debt obligations, due within one year	125,202	-	-	125,202
Total Current Liabilities	<u>254,288</u>	<u>41,788</u>	<u>117,279</u>	<u>413,355</u>
Non-current Liabilities:				
Leases	186,663	-	-	186,663
Total Non-current Liabilities	<u>186,663</u>	<u>-</u>	<u>-</u>	<u>186,663</u>
Total Liabilities	<u>440,951</u>	<u>41,788</u>	<u>117,279</u>	<u>600,018</u>
Net Assets:				
Invested in capital assets, net of related debt	3,138,934	45,843	-	3,184,777
Unrestricted	1,914,267	229,612	1,137,990	3,281,869
Total Net Assets	<u>5,053,201</u>	<u>275,455</u>	<u>1,137,990</u>	<u>6,466,646</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, 2006

	<u>Internal Service Fund I</u>	<u>Internal Service Fund II</u>	<u>Internal Service Fund III</u>	<u>Total</u>
Operating Revenues:				
Rent, net	1,505,750	-	-	1,505,750
Charges and fees	5,821	2,226	54,999	63,046
Other	90,893	582,220	1,266,236	1,939,349
Total Operating Revenues	<u>1,602,464</u>	<u>584,446</u>	<u>1,321,235</u>	<u>3,508,145</u>
Operating Expenses:				
Operations and maintenance	1,223,195	504,304	1,119,274	2,846,773
Administration	12,604	-	-	12,604
Depreciation and amortization	584,739	22,906	-	607,645
Total Operating Expenses	<u>1,820,538</u>	<u>527,210</u>	<u>1,119,274</u>	<u>3,467,022</u>
Operating Income (Loss)	<u>(218,074)</u>	<u>57,236</u>	<u>201,961</u>	<u>41,123</u>
Non-operating Revenues (Expenses):				
Gain (loss) on disposal of capital assets	103,792	-	-	103,792
Grant revenue	399,261	-	-	399,261
Investment revenue	-	-	44,887	44,887
Interest expense	(12,694)	-	-	(12,694)
Total Non-operating Revenues (Expenses)	<u>490,359</u>	<u>-</u>	<u>44,887</u>	<u>535,246</u>
Income (Loss) Before Contributions and Transfers	<u>272,285</u>	<u>57,236</u>	<u>246,848</u>	<u>576,369</u>
Transfers In	48,560	42,390	-	90,950
Transfers (Out)	<u>(61,511)</u>	<u>(49,190)</u>	<u>-</u>	<u>(110,701)</u>
Change in Net Assets	259,334	50,436	246,848	556,618
Total Net Assets - Beginning of Year	<u>4,793,866</u>	<u>225,019</u>	<u>891,142</u>	<u>5,910,027</u>
Total Net Assets - End of Year	<u>5,053,200</u>	<u>275,455</u>	<u>1,137,990</u>	<u>6,466,645</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, 2006

	<u>Internal Service Fund I</u>	<u>Internal Service Fund II</u>	<u>Internal Service Fund III</u>	<u>Total</u>
Cash Flows from Operating Activities:				
Cash received from charges for services	1,511,599	1,270	95,745	1,608,614
Cash received from other sources	90,893	582,220	1,266,236	1,939,349
Cash payments to vendors for goods and services	(1,332,754)	(530,204)	(1,117,843)	(2,980,801)
Cash payments to employees for services	(14,241)	(2,140)	427	(15,954)
Net Cash Provided by Operating Activities	<u>255,497</u>	<u>51,146</u>	<u>244,565</u>	<u>551,208</u>
Cash Flows from Non-capital Financing Activities:				
Transfers from (to) other funds, net	525,451	(9,543)	(376)	515,532
Net Cash (Used) by Non-capital Financing Activities	<u>525,451</u>	<u>(9,543)</u>	<u>(376)</u>	<u>515,532</u>
Cash Flows from Capital and Related Financing Activities:				
Interest paid on debt	(12,694)	-	-	(12,694)
Principal paid on loans and leases	(128,496)	-	-	(128,496)
Purchase of capital assets	(520,650)	(23,362)	-	(544,012)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(158,787)</u>	<u>(23,362)</u>	<u>-</u>	<u>(182,149)</u>
Cash Flows from Investing Activities:				
Cash from investment income	-	-	44,887	44,887
Net Cash (Used) by Investing Activities	<u>-</u>	<u>-</u>	<u>44,887</u>	<u>44,887</u>
Net Increase in Cash	622,161	18,241	289,076	929,478
Cash - Beginning of Year	718,643	238,440	947,754	1,904,837
Cash - End of Year	<u>1,340,804</u>	<u>256,681</u>	<u>1,236,830</u>	<u>2,834,315</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating income	(218,074)	57,236	201,961	41,123
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	584,739	22,906	-	607,645
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	28	(956)	32,052	31,124
(Increase) decrease in prepaid expenses	193	285	-	478
(Increase) decrease in inventory	(56,050)	8,583	-	(47,467)
Increase (decrease) in accounts payable	(41,099)	(34,768)	1,431	(74,436)
Increase (decrease) in deferred revenues	-	-	8,694	8,694
Increase (decrease) in compensated absences	(14,241)	(2,140)	427	(15,954)
Net Cash Provided by Operating Activities	<u>255,496</u>	<u>51,146</u>	<u>244,565</u>	<u>551,207</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, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	2006			2005	
	Original Budget	Final Budget	Actual	Variance Positive	Actual
Revenues:					
Equipment rent	1,442,916	1,442,916	1,505,750	62,834	1,716,257
Material and gravel sales	494,300	494,300	84,006	(410,294)	174,440
Other revenues	3,100	3,100	12,708	9,608	4,634
Total Revenues	1,940,316	1,940,316	1,602,464	(337,852)	1,895,331
Expenditures:					
Administration	17,334	17,334	15,113	2,221	13,173
County shops	1,296,909	1,296,909	1,126,064	170,845	1,051,537
Materials	491,300	491,300	84,006	407,294	174,439
Pit maintenance	58,846	58,846	-	58,846	-
Property and equipment purchases	1,168,915	1,168,915	539,960	628,955	1,040,019
Equipment lease payments	141,189	141,189	141,190	(1)	146,709
Total Expenditures	3,174,493	3,174,493	1,906,333	1,268,160	2,425,877
	-	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	(1,234,177)	(1,234,177)	(303,869)	930,308	(530,546)
Other Financing Sources (Uses):					
Sale of capital assets	10,000	10,000	112,485	102,485	-
Grant revenue	758,355	758,355	399,261	(359,094)	-
Transfers in	48,560	48,560	48,560	-	102,460
Transfers (out)	(61,511)	(61,511)	(61,511)	-	(59,650)
Total Other Financing Sources (Uses)	755,404	755,404	498,795	(256,609)	42,810
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	(478,773)	(478,773)	194,926	673,699	(487,736)
Available Resources - Beginning of Year			1,719,340		2,207,075
Available Resources - End of Year			1,914,266		1,719,339

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, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	<u>2006</u>			Variance Positive (Negative)	<u>2005</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Data processing	278,628	278,628	278,628	-	313,980
Mapping	170,520	170,520	170,520	-	101,700
Telephone system	57,012	57,012	57,012	-	87,024
Photocopy and postage	79,994	79,994	72,450	(7,544)	73,372
Other	6,400	6,400	5,836	(564)	7,151
Total Revenues	<u>592,554</u>	<u>592,554</u>	<u>584,446</u>	<u>(8,108)</u>	<u>583,227</u>
Expenditures:					
Data Processing:					
Operations	213,495	228,495	210,909	17,586	264,133
Acquisition of property and equipment	104,074	104,074	39,478	64,596	11,687
Mapping:					
Operations	158,071	158,071	119,807	38,264	88,988
Acquisition of property and equipment	-	-	307	(307)	56
Telephone System:					
Operations	40,683	63,683	58,064	5,619	59,579
Acquisition of property and equipment	450	450	26,698	(26,248)	40,192
Photocopy and Postage:					
Operations	80,645	80,645	72,403	8,242	81,752
Acquisition of property and equipment	1,476	1,476	1,476	-	1,455
Total Expenditures	<u>598,894</u>	<u>636,894</u>	<u>529,142</u>	<u>107,752</u>	<u>547,842</u>
Excess of Revenues Over Expenditures	(6,340)	(44,340)	55,304	99,644	35,385
Other Financing Sources (Uses):					
Transfers in	42,390	42,390	42,390	-	9,709
Transfers (out)	(47,714)	(47,714)	(47,714)	-	(47,045)
Total Other Financing Sources (Uses)	<u>(5,324)</u>	<u>(5,324)</u>	<u>(5,324)</u>	<u>-</u>	<u>(37,336)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	<u>(11,664)</u>	<u>(49,664)</u>	49,980	<u>99,644</u>	<u>(1,951)</u>
Available Resources - Beginning of Year			<u>179,629</u>		<u>181,580</u>
Available Resources - End of Year			<u>229,609</u>		<u>179,629</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 (GAAP Basis) and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	2006			Variance Positive (Negative)	2005
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Premium contributions	1,251,092	1,251,092	1,266,236	15,144	1,259,819
Miscellaneous	30,000	30,000	54,999	24,999	60,636
Total Revenues	<u>1,281,092</u>	<u>1,281,092</u>	<u>1,321,235</u>	<u>40,143</u>	<u>1,320,455</u>
Expenditures:					
Operations	1,309,865	1,309,865	1,119,274	190,591	1,149,907
Total Expenditures	<u>1,309,865</u>	<u>1,309,865</u>	<u>1,119,274</u>	<u>190,591</u>	<u>1,149,907</u>
Excess of Revenues Over Expenditures	<u>(28,773)</u>	<u>(28,773)</u>	<u>201,961</u>	<u>230,734</u>	<u>170,548</u>
Other Financing Sources (Uses):					
Investment Revenue	18,461	18,461	44,887	26,426	22,071
Total Other Financing Sources (Uses)	<u>18,461</u>	<u>18,461</u>	<u>44,887</u>	<u>26,426</u>	<u>22,071</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	<u>(10,312)</u>	<u>(10,312)</u>	246,848	<u>257,160</u>	192,619
Available Resources - Beginning of Year			<u>891,142</u>		<u>698,523</u>
Available Resources - End of Year			<u>1,137,990</u>		<u>891,142</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, 2006

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Assets:				
Cash	12,795,660			14,783,237
Less: cash held for County funds	(11,488,442)	84,300,641	(82,313,064)	(12,861,110)
	<u>1,307,218</u>	<u>84,300,641</u>	<u>(82,313,064)</u>	<u>1,922,127</u>
Total Assets	<u>1,307,218</u>	<u>84,300,641</u>	<u>(82,313,064)</u>	<u>1,922,127</u>
Liabilities:				
Due to other governments and agencies	<u>1,307,218</u>	<u>84,300,641</u>	<u>(82,313,064)</u>	<u>1,922,127</u>
Total Liabilities	<u>1,307,218</u>	<u>84,300,641</u>	<u>(82,313,064)</u>	<u>1,922,127</u>

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

Gunnison County, Colorado
Agency Funds
Public Trustee Agency Fund
Schedule of Changes in Assets and Liabilities
For the Year Ended December 31, 2006

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Assets:				
Cash	65,956	275,265	(283,731)	57,490
Total Assets	<u>65,956</u>	<u>275,265</u>	<u>(283,731)</u>	<u>57,490</u>
Liabilities:				
Held by Trustee	65,956	275,265	(283,731)	57,490
Total Liabilities	<u>65,956</u>	<u>275,265</u>	<u>(283,731)</u>	<u>57,490</u>

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

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



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

LOCAL HIGHWAY FINANCE REPORT		City or County: Gunnison
		YEAR ENDING : December 2006
This Information From The Records Of (example - City of _ or County of County of Gunnison)	Prepared By: Phone:	Ben Cowan, Senior Accountant (970) 641-2203

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	304,625
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	3,137,455
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	724,581
3. Other local imposts (from page 2)	363,123	c. Other	
4. Miscellaneous local receipts (from page 2)	151,310	d. Total (a. through c.)	724,581
5. Transfers from toll facilities		4. General administration & miscellaneous	469,754
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	4,636,415
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	514,433	b. Redemption	
B. Private Contributions	5,075	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	3,191,086	2. Notes:	
D. Receipts from Federal Government (from page 2)	1,081,161	a. Interest	
E. Total receipts (A.7 + B + C + D)	4,791,756	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	4,636,415

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	684,800	4,791,756	4,636,415	840,141	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2006

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	0	a. Interest on investments	22,429
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	150,000	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	12,672
5. Specific Ownership &/or Other	213,123	g. Other Misc. Receipts	115,261
6. Total (1. through 5.)	363,123	h. Other	948
c. Total (a. + b.)	363,123	i. Total (a. through h.)	151,310
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	2,358,638	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	257,597
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	44,028	d. Federal Transit Admin	0
d. Other (DOLA Mineral Impact)	787,521	e. U.S. Corps of Engineers	0
e. Other (CO Dept of Health)	900	f. Other Federal	823,564
f. Total (a. through e.)	832,449	g. Total (a. through f.)	1,081,161
4. Total (1. + 2. + 3.f)	3,191,086	3. Total (1. + 2.g)	
			(Carry forward to page 1)

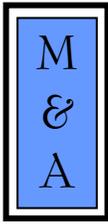
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs		0	0
b. Engineering Costs		0	0
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		0	0
(3). System Preservation		295,899	295,899
(4). System Enhancement & Operation		8,725	8,725
(5). Total Construction (1) + (2) + (3) + (4)	0	304,625	304,625
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	304,625	304,625
			(Carry forward to page 1)

Notes and Comments:

SINGLE AUDIT REPORTS AND SCHEDULES





McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

SUITE 222/AVON CENTER
100 WEST BEAVER CREEK BLVD.
P.O. Box 5850 AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM
TELEPHONE: (970) 845-8800
FACSIMILE: (970) 845-0851
E-MAIL: MCMAHAN@MCMAHANCPA.COM

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

Board of County Commissioners Gunnison County, Colorado

We have audited the financial statements of Gunnison County, Colorado (the "County"), as of and for the year ended December 31, 2006, and have issued our report thereon dated March 31, 2006. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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 grants, non-compliance 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 non-compliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

McMahan and Associates, LLC.

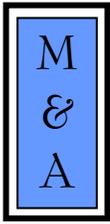
**McMahan and Associates, L.L.C.
March 31, 2006**

Performing services for local governments throughout Colorado

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

*Daniel R. Cudahy, C.P.A.
Michael N. Jenkins, C.A., C.P.A.*

Members: American Institute of Certified Public Accountants/Colorado Society of Certified Public Accountants
National and Colorado Government Finance Officers Association/Colorado Municipal League



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

SUITE 222/AVON CENTER
100 WEST BEAVER CREEK BLVD.
P.O. Box 5850 AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM
TELEPHONE: (970) 845-8800
FACSIMILE: (970) 845-0851
E-MAIL: MCMAHAN@MCMAHANCPA.COM

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

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

Compliance

We have audited the compliance of Gunnison County, Colorado (the "County") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2006. The County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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 on the County's compliance with those requirements.

In our opinion, the 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, 2006.

Internal Control Over Compliance

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

Performing services for local governments throughout Colorado

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

*Daniel R. Cudahy, C.P.A.
Michael N. Jenkins, C.A., C.P.A.*

Members: American Institute of Certified Public Accountants/Colorado Society of Certified Public Accountants
National and Colorado Government Finance Officers Association/Colorado Municipal League

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

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

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

McMahan and Associates, LLC.

**McMahan and Associates, L.L.C.
March 31, 2005**

Gunnison County, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2006

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
Non-compliance material to financial statements noted	None noted

Federal Awards

Internal control over major programs:	
Material weakness identified	None noted
Reportable condition 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 program – USDA Rural development grant	CFDA #10.771
Food Assistance	CFDA #10.551
Administration	CFDA #10.561
Airport Improvement Projects	CFDA #20.106
Law enforcement terrorism prevention	CFDA #97.067
Insured Loan Programs	CFDA #14.135
Dollar threshold used to identify Type A from Type B programs	\$300,000
Identified as low-risk auditee	No

Part II: Findings Related to Financial Statements

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

Part III: Findings Related to Federal Awards

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

Gunnison County, Colorado

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2006**

There were no findings or questioned costs in the prior audit year ended December 31, 2005.

Gunnison County, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2006

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Major Program</u>	<u>Expenditures</u>
Department of Agriculture:			
USDA Rural Development Grant	10.771	No	83,419
Passed through Colorado Department of Public Health and Environment:			
WIC	10.557	No	42,767
WIC - Non-cash vouchers	10.557	No	79,792
Passed through Colorado Department of Human Services:			
Temporary Emergency Food Assistance Program (TEFAP) Administration	10.568	No	1,547
Food Distribution	10.569	No	3,532
Food Assistance	10.551	No	408,302
Administration	10.561	No	56,903
Total Department of Agriculture			<u>676,262</u>
Department of Health and Human Services:			
Passed through Colorado Department of Human Services:			
CSBG grant	93.667	No	30,502
TANF CO Works	93.558	No	159,467
Title IV-D - Administration	93.563	No	80,561
Low-income Home Energy Assistance	93.568	No	131,730
CCDF Discretionary	93.596	No	63,687
CCDF	93.575	No	41,715
Child Welfare Services IVB	93.645	No	1,870
Foster Care-Title IV-E	93.658	No	121,486
Adoption	93.659	No	43,996
Social Services Block Grant	93.667	No	59,982
Medicaid Assistance Program	93.778	No	82,128
Adjustments to Costs	93.000	No	(2,795)
Passed through Colorado Department of Public Health and Environment:			
Maternal and Child Health	93.110	No	918
Family Planning	93.217	No	51,626
Vaccines	93.268	No	86,580
Bio Terrorism	93.283	No	49,706
Sexual Transmitted Diseases	93.977	No	4,845
Public Health Nurse - Maternal and Child Health Service	93.994	No	3,435
Special Program For the Aging	93.044	No	27,134
Medicaid Assistance Program	93.778	No	15,104
Total Department of Health and Human Services			<u>1,053,677</u>
Department of Transportation:			
Federal Aviation Administration:			
Airport Improvement Projects	20.106	Yes	667,866
Total Department of Transportation			<u>667,866</u>
Department of Homeland Security:			
First Responder Domestic Preparedness Support	97.006	No	258,732
Law Enforcement Terrorism Prevention Program	97.067	No	82,580
Federal Emergency Management:			
Passed through Colorado Department of Local Affairs:			
FEMA	83.552	No	28,478
Total Department of Homeland Security			<u>369,790</u>

(continued)

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

Gunnison County, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2006
(Continued)

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Major Program</u>	<u>Expenditures</u>
Department of Justice:			
Violence Against Women	16.588	No	14,747
Victim Assistance	16.575	No	19,640
Juvenile Accountability	16.523	No	300
Total Department of Justice			<u>34,687</u>
Election Assistance Commission			
Help America Vote Act	90.401	No	<u>82,816</u>
Department of Housing and Urban Development:			
Passed through Colorado Department of Local Affairs - Division of Housing:			
CDBG Grant	14.228	Yes	410,000
Section 8 Housing Assistance Payment Program	14.195	No	221,102
Passed through Colorado Housing and Finance Authority:			
Insured Loan Program	14.135	Yes	899,045
Lower Income Housing Assistance Program	14.857	No	103,319
Total Department of Housing and Urban Development			<u>1,633,466</u>
Department of Education			
Passed through Colorado Department of Education through Montrose School District RE-1J			
Adult Education	84.002	No	<u>43,714</u>
Department of Energy			
Environmental Cleanup and Acceleration	81.104	Yes	<u>398,907</u>
Total Federal Financial Assistance			<u>4,961,185</u>

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2006

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, 2006

Gunnison County, Colorado
Schedule of Passenger Facility Charges Collected and Expended
For the Year Ended December 31, 2006

<u>Program Title</u>	<u>Amounts for Current Year</u>	<u>Unliquidated Balance</u>
Unliquidated PFC revenues, beginning of year		\$ -
Revenues:		
Revenues collected from air carriers	161,061	
Interest Earned	-	
Total PFC Revenues	<u>161,061</u>	161,061
Project Expenditures:		
Construction	<u>(114,336)</u>	
Total PFC project expenditures	<u>(114,336)</u>	<u>(114,336)</u>
Unliquidated PFC revenues, end of year		<u>\$ 46,725</u>

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