

Gunnison County

Financial Report

December 31, 2014



**Gunnison County, Colorado
Financial Report
December 31, 2014**

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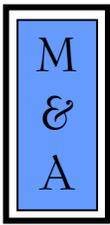
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Gunnison County, Colorado (the "County"), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Gunnison County, Colorado as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements taken as a whole. The combining fund financial statements, individual fund budgetary information, and the Local Highway Finance Report listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the County's financial statements. The combining fund financial statements, the individual fund budgetary information, and the Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Matters (continued)

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2015 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

**McMahan and Associates, L.L.C.
September 29, 2015**

MANAGEMENT'S DISCUSSION AND ANALYSIS



Gunnison County, Colorado

Management's Discussion and Analysis

December 31, 2014

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, 2014.

Financial Highlights

- On a short term view, the County's governmental funds decreased \$9,895,462. This was primarily due to building the new courthouse.
- On a long term view the County's governmental activities decreased net position by \$62,820.
- On a short term view the County's business type funds available resources increased \$243,157. This is mainly due to increases in the following fund: Airport Operations, Sewer, Water, and Solid Waste.
- On a long-term view the County's business type activities decreased net position by \$2,226,578. This is primarily due to decreases in the Airport Operations Fund and Gunnison County Water Fund.

Overview of the Financial Statements

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

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

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

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

Overview of the Financial Statements (continued)

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

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

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

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

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

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

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

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

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

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

Overview of the Financial Statements (continued)

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

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

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

Government-wide Financial Analysis

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

At the end of the 2014 fiscal year, the County is able to report positive balances in all three categories of net position, first for the government as a whole, and then as separate governmental and business-type activities.

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets:						
Current and other assets	\$31,888,117	41,155,777	5,322,872	5,076,258	37,210,989	46,232,035
Capital assets, net	52,969,267	44,558,097	41,459,619	43,963,395	94,428,886	88,521,492
Total Assets	84,857,384	85,713,874	46,782,491	49,039,653	131,639,875	134,753,527
Liabilities:						
Other liabilities	6,394,709	6,256,518	194,286	198,112	6,588,995	6,454,630
Long-term liabilities	27,110,767	28,471,260	5,807,279	5,834,037	32,918,046	34,305,297
Total Liabilities	33,505,476	34,727,778	6,001,565	6,032,149	39,507,041	40,759,927
Deferred Inflow of Resources:						
Deferred Inflow of Resources	6,990,545	6,561,913	-	-	6,990,545	6,561,913
Total Inflow of Resources	6,990,545	6,561,913	-	-	6,990,545	6,561,913
Net Position:						
Net investment in capital assets	26,495,403	25,794,288	37,027,853	39,372,550	63,523,256	65,166,838
Restricted	7,147,176	4,555,409	1,292,668	1,159,429	8,439,844	5,714,838
Unrestricted	10,718,784	14,074,486	2,460,405	2,475,525	13,179,189	16,550,011
Total Net Position	\$44,361,363	44,424,183	40,780,926	43,007,504	85,142,289	87,431,687

Government-wide Financial Analysis (continued)

Governmental Activities: Governmental activities decreased \$62,820 while Business-type activities decreased \$2,226,578. Key elements of this increase were as follows:

Significant events impacting 2014 were:

- Net position as a result of governmental activities decreased \$62,820 because total governmental expenses exceeded total governmental revenues.
- Net position as a result of business type activities decreased \$2,315,822 because total business type expenses exceeded total business type revenues. The most significant decrease of \$1,693,994 resulted in Airport Operations.

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 2,256,520	2,427,891	3,190,278	3,006,437	5,446,798	5,434,328
Grants and contributions	11,991,876	17,032,353	3,359	6,861	11,995,235	17,039,214
General revenues:						
Sales taxes	1,966,721	1,835,454	28,732	24,117	1,995,453	1,859,571
Property taxes	7,650,021	7,163,124	-	-	7,650,021	7,163,124
Other taxes	1,890,304	1,579,750	-	-	1,890,304	1,579,750
Interest and other revenue	42,485	92,511	18,893	18,826	61,378	111,337
Total Revenues	25,797,927	30,131,083	3,241,262	3,056,241	29,039,189	33,187,324
Expenses:						
General government	8,654,191	7,094,484	-	-	8,654,191	7,094,484
Judicial	280,846	870,412	-	-	280,846	870,412
Public safety	3,240,368	3,204,744	-	-	3,240,368	3,204,744
Health and welfare	5,070,202	5,101,838	-	-	5,070,202	5,101,838
Auxiliary services	264,873	264,163	-	-	264,873	264,163
Culture and recreation	591,386	1,068,592	-	-	591,386	1,068,592
Public works	6,219,634	5,460,692	-	-	6,219,634	5,460,692
Interest on long-term debt	1,344,241	970,655	-	-	1,344,241	970,655
Airport operations	-	-	2,738,264	2,743,201	2,738,264	2,743,201
Sewer	-	-	589,475	573,226	589,475	573,226
Water	-	-	616,363	562,498	616,363	562,498
Landfill	-	-	870,648	1,125,047	870,648	1,125,047
Housing	-	-	282,343	268,945	282,343	268,945
Total Expenses	25,665,741	24,035,580	5,097,093	5,272,917	30,762,834	29,308,497
Change in Net Position before Transfers	132,186	6,095,503	(1,855,831)	(2,216,676)	(1,723,645)	3,878,827
Transfers	368,532	99,389	(368,532)	(99,389)	-	-
Loss on disposals	(563,538)	4,500	(2,215)	200	(565,753)	4,700
	(195,006)	103,889	(370,747)	(99,189)	(565,753)	4,700
Change in Net Position	(62,820)	6,199,392	(2,226,578)	(2,315,865)	(2,289,398)	3,883,527
Net Position - Beginning	44,424,183	38,224,791	43,007,504	45,323,369	87,431,687	83,548,160
Net Position - Ending	\$44,361,363	44,424,183	40,780,926	43,007,504	85,142,289	87,431,687

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. The decrease in the Capital Expenditures Fund relates to the construction of the new courthouse building.

The County's available resources for 2014 is charted below:

	<u>Beginning Available Resources</u>	<u>Increase (Decrease)</u>	<u>Ending Available Resources</u>	<u>2014 Expenditures</u>	<u>% of EAR to Expenditures</u>
Governmental Major Funds:					
General Fund	\$ 6,902,076	364,910	7,266,986	13,301,191	55%
Road & Bridge	2,265,463	(159,047)	2,106,416	4,919,720	43%
Human Services Fund	519,528	43,508	563,036	3,913,911	14%
Sales Tax Fund	1,556,954	(259,908)	1,297,046	1,964,672	66%
Airport Construction Fund	97,060	57,010	154,070	271,916	57%
Capital Expenditures Fund	11,588,629	(9,496,284)	2,092,345	10,263,165	20%
Non-Major Funds	2,667,009	(445,650)	2,221,359	4,061,256	55%
Business Type Funds:					
Airport Operations Fund	711,116	88,902	800,018	1,457,850	55%
Sewer Fund	852,598	57,671	910,269	465,426	196%
Water Fund	474,170	82,468	556,638	278,671	200%
Solid Waste Fund	2,484,917	50,094	2,535,011	826,885	307%
Assisted Living Fund	3,051	-	3,051	36,487	8%
Mountain View Fund	199,950	(35,978)	163,972	266,040	62%
Internal Service Funds:					
ISF I Fund	2,283,649	42,530	2,326,179	2,011,421	116%
ISF II Fund	601,147	79,083	680,230	714,498	95%
ISF III Fund	1,374,044	(17,888)	1,356,156	2,718,998	50%
	<u>\$34,581,361</u>	<u>(9,548,579)</u>	<u>25,032,782</u>	<u>47,472,107</u>	53%

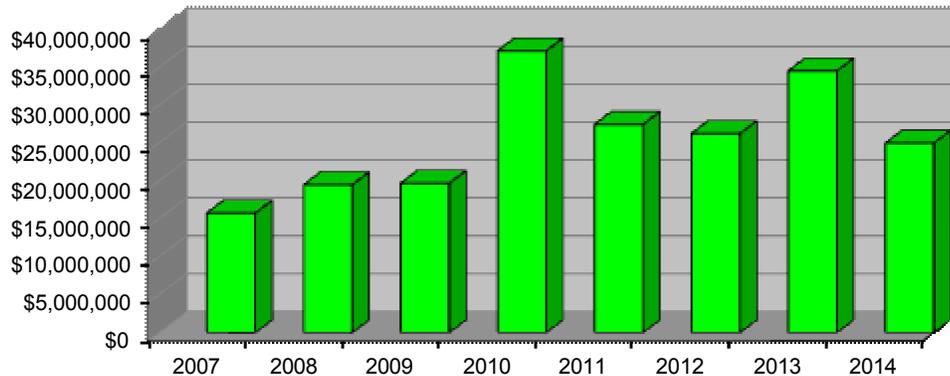
Governmental Funds: The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balances may serve as a useful measure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

As of the end of the current fiscal year, the County's governmental funds decreased \$9,895,462. This was primarily due to building the new courthouse.

Government-wide Financial Analysis (continued)

Financial Analysis of the County's Funds

The following chart represents the County's available resources for the past several years.



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

The County's proprietary funds decreased net position by \$2,226,578.

Budget Variances in the General Fund: The General Fund budget was amended during the year by \$313,308. Actual expenditures were \$3,298,538 less than the amended budget.

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

Long-term Debt: As of the end of the current fiscal year, the County's long-term liabilities totaled \$34,439,594. 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 2014 totaled \$7,266,986. The 2015 budget anticipates decreasing this balance by \$4,834,737.

Request for Information

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS



Gunnison County
Statement of Net Position
December 31, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Hospital
Assets:				
Cash and investments - Unrestricted	14,824,366	2,487,177	17,311,543	7,103,694
Cash and investments - Restricted	6,478,527	2,537,354	9,015,881	17,809,802
Due from other governments	22,943	-	22,943	-
Accounts, taxes, and other receivables	9,900,019	314,837	10,214,856	4,309,198
Prepaid expenses	105,745	16,416	122,161	300,077
Inventory	523,605	-	523,605	914,851
Internal balances	32,912	(32,912)	-	-
Goodwill, net	-	-	-	999,534
Capital Assets:				
Capital assets, not depreciated	13,688,554	11,455,665	25,144,219	-
Capital assets, net	39,280,713	30,003,954	69,284,667	17,778,158
Total Assets	84,857,384	46,782,491	131,639,875	49,215,314
Deferred Outflows of Resources:				
Deferred outflow from interest rate swap	-	-	-	332,731
Total Deferred Outflows of Resources	-	-	-	332,731
Liabilities:				
Accounts payable	2,475,225	178,409	2,653,634	718,101
Accrued expenses	1,320,475	15,877	1,336,352	3,322,990
Deposits	347,309	-	347,309	-
Accrued interest	-	59,378	59,378	-
Unearned grant revenue	670,774	-	670,774	-
Interest rate swap	-	-	-	332,731
Non-current Liabilities:				
Due within one year:				
Accrued compensated absences	548,059	40,100	588,159	-
Leases	162,660	-	162,660	479,996
Bonds	-	46,250	46,250	810,000
Certificates of participation	670,000	-	670,000	-
Loans	200,207	53,036	253,243	-
Due in more than one year:				
Accrued compensated absences	822,090	60,150	882,240	-
Leases	655,875	-	655,875	183,903
Bonds	-	2,701,475	2,701,475	10,405,054
Certificates of participation	25,471,281	-	25,471,281	-
Landfill closure and postclosure costs	-	1,215,885	1,215,885	-
Loans	161,521	1,631,005	1,792,526	-
Total Liabilities	33,505,476	6,001,565	39,507,041	16,252,775
Deferred Inflows of Resources:				
Unavailable property tax revenue	6,990,545	-	6,990,545	-
Total Deferred Inflows of Resources	6,990,545	-	6,990,545	-
Net Position:				
Net investment in capital assets	26,495,403	37,027,853	63,523,256	8,130,294
Restricted for:				
Emergencies	941,000	-	941,000	-
Debt service	375,004	-	375,004	-
Other purposes	5,831,172	1,292,668	7,123,840	1,561,685
Unrestricted	10,718,784	2,460,405	13,179,189	23,603,291
Total Net Position	44,361,363	40,780,926	85,142,289	33,295,270

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

Gunnison County, Colorado
Statement of Activities
For the Year Ended December 31, 2014

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governments			
					Governmental Activities	Business-type Activities	Total	
Functions/Programs:								
Primary Government:								
Governmental Activities:								
General government	8,654,191	1,589,356	1,015,364	33,130	(6,016,341)		(6,016,341)	
Judicial	280,846	-	-	-	(280,846)		(280,846)	
Public safety	3,240,368	179,007	151,713	-	(2,909,648)		(2,909,648)	
Health and welfare	5,070,202	140,298	4,659,883	-	(270,021)		(270,021)	
Auxiliary services	264,873	32,445	-	-	(232,428)		(232,428)	
Culture and recreation	591,386	23,139	54,328	-	(513,919)		(513,919)	
Public works	6,219,634	292,275	3,800,273	731,439	(1,395,647)		(1,395,647)	
Interest on long-term debt	1,344,241	-	-	-	(1,344,241)		(1,344,241)	
Total Governmental Activities	25,665,741	2,256,520	9,681,561	764,569	(12,963,091)		(12,963,091)	
Business-type Activities:								
Airport	2,738,264	1,225,052	-	-		(1,513,212)	(1,513,212)	
Sewer	589,475	518,305	-	-		(71,170)	(71,170)	
Water	616,363	313,423	-	2,892		(300,048)	(300,048)	
Landfill	870,648	867,288	367	-		(2,993)	(2,993)	
Housing	282,343	266,210	100	-		(16,033)	(16,033)	
Total Business-type Activities	5,097,093	3,190,278	467	2,892		(1,903,456)	(1,903,456)	
Total Primary Government	30,762,834	5,446,798	9,682,028	767,461	(12,963,091)		(14,866,547)	
Component Unit:								
Hospital	30,510,109	37,067,418	-	141,373				6,698,682
General Revenues and Transfers:								
Taxes:								
Property taxes					7,650,021	-	7,650,021	596,157
Specific ownership taxes					482,148	-	482,148	-
Sales taxes					1,966,721	28,732	1,995,453	-
Marketing and promotion taxes					1,376,213	-	1,376,213	-
Other taxes					31,943	-	31,943	-
Investment earnings					42,485	18,893	61,378	129,652
Grants and contributions not restricted to specific programs					1,545,746	-	1,545,746	271,642
Transfers					368,532	(368,532)	-	-
Gain (loss) on asset disposals					(563,538)	(2,215)	(565,753)	(16,902)
Total General Revenues and Transfers					12,900,271	(323,122)	12,577,149	980,549
Change in Net Position					(62,820)	(2,226,578)	(2,289,398)	7,679,231
Net Position - Beginning of Year					44,424,183	43,007,504	87,431,687	25,616,039
Net Position - End of Year					44,361,363	40,780,926	85,142,289	33,295,270

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

FUND FINANCIAL STATEMENTS



**Gunnison County, Colorado
Governmental Funds
Balance Sheet
December 31, 2014**

	General Fund	Road and Bridge Fund	Human Services Fund	Sales Tax Capital Improvement Fund	Airport Construction Fund	Capital Expenditures Fund	Non-major Governmental Funds	Total Governmental Funds
Assets:								
Cash and investments - Unrestricted	4,395,472	2,283,376	658,388	1,047,023	142,497	681,781	1,788,290	10,996,827
Cash and investments - Restricted	4,286,706	-	-	-	-	2,191,817	4	6,478,527
Accounts receivable	7,272,858	671,886	435,255	412,784	70,371	334,584	538,748	9,736,486
Prepaid expenses	-	-	-	-	-	-	24,282	24,282
Due from other governments	22,943	-	-	-	-	-	-	22,943
Due from other funds	-	-	-	-	-	749,845	-	749,845
Total Assets	15,977,979	2,955,262	1,093,643	1,459,807	212,868	3,958,027	2,351,324	28,008,910
Liabilities, Deferred Inflow of Resources, and Fund Balances:								
Liabilities:								
Accounts payable	529,848	408,731	10	162,761	58,798	1,049,026	38,848	2,248,022
Accrued liabilities	324,808	-	-	-	-	816,656	-	1,141,464
Deposits	65,932	281,377	-	-	-	-	-	347,309
Unearned grant revenue	103,720	-	509,343	-	-	-	64,679	677,742
Due to other funds	696,140	158,738	21,254	-	-	-	26,438	902,570
Total Liabilities	1,720,448	848,846	530,607	162,761	58,798	1,865,682	129,965	5,317,107
Deferred Inflow of Resources:								
Unavailable property tax revenue	6,990,545	-	-	-	-	-	-	6,990,545
Total Deferred Inflow of Resources	6,990,545	-	-	-	-	-	-	6,990,545
Fund Balances:								
Non-spendable	-	-	-	-	-	-	24,282	24,282
Spendable:								
Restricted	1,316,000	2,106,416	-	1,297,046	-	1,375,161	1,052,553	7,147,176
Committed	3,911,706	-	-	-	-	-	507,793	4,419,499
Assigned	-	-	563,036	-	154,070	717,184	659,470	2,093,760
Unassigned	2,039,280	-	-	-	-	-	(22,739)	2,016,541
Total Fund Balances	7,266,986	2,106,416	563,036	1,297,046	154,070	2,092,345	2,221,359	15,701,258
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	15,977,979	2,955,262	1,093,643	1,459,807	212,868	3,958,027	2,351,324	28,008,910

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

**Gunnison County, Colorado
Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Position
December 31, 2014**

Total Governmental Fund Balances 15,701,258

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

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

Cost of capital assets	82,185,855	
Less accumulated depreciation	<u>(29,216,588)</u>	52,969,267

Internal service funds are used by management to charge the costs of the motor pool, equipment costs and health insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position. This represents the net equity of the internal service funds less the fixed assets and long-term liabilities which are included in this reconciliation. 4,449,197

Long-term payables represent amounts payable which have been incurred but not yet payable. This represents amounts due to the Gunnison Valley Animal Shelter as part of a three year agreement. (66,666)

Long-term liabilities, including leases payable, bonds payable, compensated absences, and interest payable are not due and payable in the current period and, therefore, are not reported in the funds. The following liabilities are reported in the government-wide Statement of Net Position.

Accrued compensated absences	(1,370,149)	
COPS	(26,141,281)	
Leases	(818,535)	
Loans	<u>(361,728)</u>	<u>(28,691,693)</u>

Net Position of Governmental Activities 44,361,363

Gunnison County, Colorado
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
December 31, 2014

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Human Services Fund</u>	<u>Sales Tax Capital Improvement Fund</u>	<u>Airport Construction Fund</u>	<u>Capital Expenditure Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:								
Taxes	7,637,631	173,174	284,089	1,628,369	-	-	1,783,537	11,506,800
Licenses and permits	311,132	-	-	-	-	-	-	311,132
Intergovernmental	2,195,456	4,256,054	3,664,936	-	211,442	764,569	603,778	11,696,235
Charges for services	1,264,061	83,613	-	-	117,265	-	92,969	1,557,908
Fines and forfeitures	-	-	-	4,692	-	-	9,115	13,807
Investment income	11,948	9,838	-	3,768	219	2,311	9,721	37,805
Contributions	112,943	-	3,690	-	-	-	85,624	202,257
Miscellaneous	241,619	83,788	4,704	-	-	-	143,956	474,067
Total Revenues	<u>11,774,790</u>	<u>4,606,467</u>	<u>3,957,419</u>	<u>1,636,829</u>	<u>328,926</u>	<u>766,880</u>	<u>2,728,700</u>	<u>25,800,011</u>
Expenditures:								
General government	7,105,620	-	-	57,208	-	151,271	1,270,077	8,584,176
Judicial	280,550	-	-	-	-	11,078,029	-	11,358,579
Public safety	2,923,506	-	-	-	-	-	-	2,923,506
Health and welfare	778,565	-	3,775,094	-	-	-	597,997	5,151,656
Auxiliary services	267,790	-	-	-	-	-	-	267,790
Culture and recreation	340,660	-	-	-	-	-	185,960	526,620
Public works	154,662	4,645,390	-	-	248,653	-	-	5,048,705
Debt service	35,583	-	-	162,167	419,579	-	2,007,222	2,624,551
Total Expenditures	<u>11,886,936</u>	<u>4,645,390</u>	<u>3,775,094</u>	<u>219,375</u>	<u>668,232</u>	<u>11,229,300</u>	<u>4,061,256</u>	<u>36,485,583</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(112,146)</u>	<u>(38,923)</u>	<u>182,325</u>	<u>1,417,454</u>	<u>(339,306)</u>	<u>(10,462,420)</u>	<u>(1,332,556)</u>	<u>(10,685,572)</u>
Other Financing Sources (Uses):								
Transfers in	1,891,302	151,523	-	67,936	-	966,862	1,223,673	4,301,296
Transfers (out)	(1,414,257)	(274,330)	(138,817)	(1,745,298)	396,316	(726)	(336,767)	(3,513,879)
Sale of capital assets	10	2,683	-	-	-	-	-	2,693
Total Other Financing Sources (Uses)	<u>477,055</u>	<u>(120,124)</u>	<u>(138,817)</u>	<u>(1,677,362)</u>	<u>396,316</u>	<u>966,136</u>	<u>886,906</u>	<u>790,110</u>
Net Change in Fund Balances	364,909	(159,047)	43,508	(259,908)	57,010	(9,496,284)	(445,650)	(9,895,462)
Fund Balances - Beginning of Year	<u>6,902,077</u>	<u>2,265,463</u>	<u>519,528</u>	<u>1,556,954</u>	<u>97,060</u>	<u>11,588,629</u>	<u>2,667,009</u>	<u>25,596,720</u>
Fund Balances - End of Year	<u><u>7,266,986</u></u>	<u><u>2,106,416</u></u>	<u><u>563,036</u></u>	<u><u>1,297,046</u></u>	<u><u>154,070</u></u>	<u><u>2,092,345</u></u>	<u><u>2,221,359</u></u>	<u><u>15,701,258</u></u>

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

Gunnison County
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2014

Net Changes In Fund Balances - Total Governmental Funds (9,895,462)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period for all governmental activities excluding internal service funds which is shown separately below:

Depreciation expense	(1,910,430)	
Gain (Loss) on disposals, net	(563,538)	
Capital outlay contributions to other entities	-	
Capital outlay	<u>11,498,204</u>	9,024,236

The internal service funds are used by management to charge the costs of the motor pool, equipment costs and health insurance to individuals funds. The net revenue of these funds is reported with governmental activities in the Statement of Activities. (509,342)

Capitalization of bond premiums is recognized as a liability in Statement of Net Position but is recognized over time in the Statement of Activities:
Amortization expense 18,638

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 1,254,602

Long-term payables represent amounts payable which have been incurred but not yet payable. This represents the change in amounts due to the Gunnison Valley Animal Shelter. 33,333

Compensated absences reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This represents the change in compensated balances during the past year for governmental funds.

Liability at December 31, 2014	1,283,516	
Liability at December 31, 2013	<u>1,294,691</u>	<u>11,175</u>

Change in Net Position of Governmental Activities (62,820)

Gunnison County, Colorado
Proprietary Funds
Statement of Net Position
December 31, 2014

	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 and investments - Unrestricted	816,007	923,938	409,362	287,011	3,051	47,808	2,487,177	3,827,539
Cash and investments - Restricted	-	94,478	14,272	2,254,166	-	174,438	2,537,354	-
Accounts receivable, net of allowance for uncollectible accounts where applicable	129,084	(38,349)	149,290	51,635	-	23,177	314,837	163,533
Due from other governments	-	-	-	-	-	-	-	-
Prepaid expenses	15,144	263	343	666	-	-	16,416	81,463
Due from other funds	-	1,559	-	-	-	-	1,559	185,693
Inventory, at cost	-	-	-	-	-	-	-	523,605
Total Current Assets	<u>960,235</u>	<u>981,889</u>	<u>573,267</u>	<u>2,593,478</u>	<u>3,051</u>	<u>245,423</u>	<u>5,357,343</u>	<u>4,781,833</u>
Non-current Assets:								
Construction-in-progress	151,816	-	-	-	-	-	151,816	-
Land, property and equipment	49,472,751	7,282,757	10,057,152	338,870	2,037,513	1,748,538	70,937,581	19,702,512
Less accumulated depreciation	(18,461,736)	(3,193,536)	(6,039,182)	(197,066)	(504,332)	(1,233,923)	(29,629,775)	(10,715,659)
Total Non-current Assets	<u>31,162,831</u>	<u>4,089,221</u>	<u>4,017,970</u>	<u>141,804</u>	<u>1,533,181</u>	<u>514,615</u>	<u>41,459,622</u>	<u>8,986,853</u>
Total Assets	<u>32,123,066</u>	<u>5,071,110</u>	<u>4,591,237</u>	<u>2,735,282</u>	<u>1,536,232</u>	<u>760,038</u>	<u>46,816,965</u>	<u>13,768,686</u>
Liabilities:								
Current Liabilities:								
Accounts payable	83,777	60,472	4,327	11,742	-	18,090	178,408	160,537
Accrued liabilities	-	11,148	1,781	-	-	62,326	75,255	172,043
Due to other funds	11,852	-	2,239	19,345	-	1,035	34,471	56
Debt obligations, due within one year	-	42,197	24,299	-	19,899	12,891	99,286	-
Total Current Liabilities	<u>95,629</u>	<u>113,817</u>	<u>32,646</u>	<u>31,087</u>	<u>19,899</u>	<u>94,342</u>	<u>387,420</u>	<u>332,636</u>
Non-current Liabilities:								
Accrued compensated absences	64,588	-	8,282	27,380	-	-	100,250	86,633
Loans	-	67,755	49,676	-	392,274	1,121,300	1,631,005	-
Revenues bonds	-	1,589,432	1,112,043	-	-	-	2,701,475	-
Landfill closure and postclosure costs	-	-	-	1,215,885	-	-	1,215,885	-
Total Non-current Liabilities	<u>64,588</u>	<u>1,657,187</u>	<u>1,170,001</u>	<u>1,243,265</u>	<u>392,274</u>	<u>1,121,300</u>	<u>5,648,615</u>	<u>86,633</u>
Total Liabilities	<u>160,217</u>	<u>1,771,004</u>	<u>1,202,647</u>	<u>1,274,352</u>	<u>412,173</u>	<u>1,215,642</u>	<u>6,036,035</u>	<u>419,269</u>
Net Position:								
Net investment in capital assets	31,162,831	2,389,837	2,831,952	141,804	1,121,008	(619,576)	37,027,856	8,986,853
Restricted	-	94,478	14,272	1,009,480	-	174,438	1,292,668	-
Unrestricted	800,018	815,791	542,366	309,646	3,051	(10,466)	2,460,406	4,362,564
Total Net Position	<u>31,962,849</u>	<u>3,300,106</u>	<u>3,388,590</u>	<u>1,460,930</u>	<u>1,124,059</u>	<u>(455,604)</u>	<u>40,780,930</u>	<u>13,349,417</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 Position
For the Year Ended December 31, 2014

	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	879,087	-	-	-	36,489	225,613	1,141,189	1,902,382
Other	20,592	3,757	3,194	11,524	-	4,209	43,276	364,958
Charges and fees	321,052	514,549	310,229	856,131	-	-	2,001,961	3,195,185
Total Operating Revenues	<u>1,220,731</u>	<u>518,306</u>	<u>313,423</u>	<u>867,655</u>	<u>36,489</u>	<u>229,822</u>	<u>3,186,426</u>	<u>5,462,525</u>
Operating Expenses:								
Operations and maintenance	744,588	272,007	132,520	848,522	-	141,411	2,139,048	4,679,121
Administration	230,976	-	59,203	-	-	-	290,179	303,223
Depreciation and amortization	1,762,700	243,440	397,454	22,126	38,063	53,108	2,516,891	867,186
Total Operating Expenses	<u>2,738,264</u>	<u>515,447</u>	<u>589,177</u>	<u>870,648</u>	<u>38,063</u>	<u>194,519</u>	<u>4,946,118</u>	<u>5,849,530</u>
Operating Income (Loss)	<u>(1,517,533)</u>	<u>2,859</u>	<u>(275,754)</u>	<u>(2,993)</u>	<u>(1,574)</u>	<u>35,303</u>	<u>(1,759,692)</u>	<u>(387,005)</u>
Non-operating Revenues (Expenses):								
Gain (loss) on disposal of capital assets	(2,215)	-	2,892	-	-	-	677	36,844
Grant revenue	4,321	-	-	-	-	-	4,321	-
Sales tax	28,732	-	-	-	-	-	28,732	-
Investment revenue	2,953	4,790	1,594	9,316	-	240	18,893	13,956
Interest expense	-	(74,027)	(27,185)	-	(17,725)	(32,036)	(150,973)	-
Total Non-operating Revenues (Expenses)	<u>33,791</u>	<u>(69,237)</u>	<u>(22,699)</u>	<u>9,316</u>	<u>(17,725)</u>	<u>(31,796)</u>	<u>(98,350)</u>	<u>50,800</u>
Income (Loss) Before Contributions and Transfers	<u>(1,483,742)</u>	<u>(66,378)</u>	<u>(298,453)</u>	<u>6,323</u>	<u>(19,299)</u>	<u>3,507</u>	<u>(1,858,042)</u>	<u>(336,205)</u>
Capital Contributions	245,748	-	-	-	-	-	245,748	-
Transfers In	-	-	43,229	-	-	-	43,229	33,060
Transfers (Out)	<u>(456,000)</u>	<u>(67,816)</u>	<u>(36,081)</u>	<u>(97,612)</u>	<u>-</u>	<u>-</u>	<u>(657,509)</u>	<u>(206,197)</u>
Change in Net Position	(1,693,994)	(134,194)	(291,305)	(91,289)	(19,299)	3,507	(2,226,574)	(509,342)
Total Net Position - Beginning of Year	<u>33,656,843</u>	<u>3,434,300</u>	<u>3,679,895</u>	<u>1,552,219</u>	<u>1,143,358</u>	<u>(459,111)</u>	<u>43,007,504</u>	<u>13,858,759</u>
Total Net Position - End of Year	<u>31,962,849</u>	<u>3,300,106</u>	<u>3,388,590</u>	<u>1,460,930</u>	<u>1,124,059</u>	<u>(455,604)</u>	<u>40,780,930</u>	<u>13,349,417</u>

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

Gunnison County, Colorado
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2014

	Business-type Activities - Enterprise Funds						Totals	Governmental Activities - Internal Service Funds
	Airport Operations Fund	Gunnison County Sewer Fund	Gunnison County Water Fund	Landfill Operations Fund	Gunnison County Housing Auth. Assisted Lvg.	Gunnison County Housing Auth. Mtn. View		
Cash Flows from Operating Activities:								
Cash received from charges for services	1,169,403	523,489	314,712	868,546	36,489	177,237	3,089,876	5,960,910
Cash received from other sources	20,592	3,757	3,194	11,524	-	4,209	43,276	364,958
Cash payments to vendors for goods and services	(474,085)	(238,298)	(120,296)	(720,082)	-	(132,605)	(1,685,366)	(5,058,416)
Cash payments to employees for services	(500,188)	(37,402)	(81,999)	8,447	-	(1,442)	(612,584)	(709,911)
Net Cash Provided (Used) by Operating Activities	215,722	251,546	115,611	168,435	36,489	47,399	835,202	557,541
Cash Flows from Non-capital Financing Activities:								
Taxes	28,732	-	-	-	-	-	28,732	-
Transfers from (to) other funds, net	(423,307)	(88,100)	2,465	(96,353)	-	12,088	(593,207)	(188,888)
Net Cash Provided (Used) by Non-capital Financing Activities	(394,575)	(88,100)	2,465	(96,353)	-	12,088	(564,475)	(188,888)
Cash Flows from Capital and Related Financing Activities:								
Capital grants	4,321	-	-	-	-	-	4,321	-
Interest paid on debt	-	(74,027)	(27,185)	-	(17,725)	(32,036)	(150,973)	-
Principal paid on loans and leases	-	(40,855)	(23,681)	-	(18,764)	(75,779)	(159,079)	-
Proceeds from debt	-	-	-	-	-	-	-	-
Purchase of capital assets	(26,272)	(10,721)	-	(5,780)	-	(16,812)	(59,585)	(256,375)
Cash from sale of assets	290,001	-	2,892	-	-	-	292,893	39,101
Net Cash Provided (Used) by Capital and Related Financing Activities	268,050	(125,603)	(47,974)	(5,780)	(36,489)	(124,627)	(72,423)	(217,274)
Cash Flows from Investing Activities:								
Cash from investment income	2,953	4,790	1,594	9,316	-	240	18,893	13,956
Net Cash Provided (Used) by Investing Activities	2,953	4,790	1,594	9,316	-	240	18,893	13,956
Net Increase (Decrease) in Cash	92,150	42,633	71,696	75,618	-	(64,900)	217,197	165,335
Cash - Beginning of Year	723,857	975,783	351,938	2,465,559	3,051	287,146	4,807,334	3,662,204
Cash - End of Year	816,007	1,018,416	423,634	2,541,177	3,051	222,246	5,024,531	3,827,539
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:								
Operating income (loss)	(1,517,533)	2,859	(275,754)	(2,993)	(1,574)	35,303	(1,759,692)	(387,005)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation and amortization	1,762,700	243,440	397,454	22,126	38,063	53,108	2,516,891	867,186
Changes in assets and liabilities:								
(Increase) decrease in accounts receivable	(30,736)	8,940	4,483	12,415	-	(48,377)	(53,275)	863,343
(Increase) decrease in prepaid expenses	1,725	-	(81)	871	-	270	2,785	(20,452)
(Increase) decrease in inventory	-	-	-	-	-	-	-	25,592
Increase (decrease) in accounts payable	2,827	(3,300)	(9,701)	2,531	-	4,876	(2,767)	(787,903)
Increase (decrease) in accrued liabilities	-	(393)	(98)	125,038	-	2,219	126,766	5,200
Increase (decrease) in compensated absences	(3,261)	-	(692)	8,447	-	-	4,494	(8,420)
Net Cash Provided (Used) by Operating Activities	215,722	251,546	115,611	168,435	36,489	47,399	835,202	557,541
Non-Cash Investing, Capital, and Financing Activities:								
Contribution of fixed assets	245,748	-	-	-	-	-	245,748	-

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

**Gunnison County, Colorado
Fiduciary Funds
Statement of Assets and Liabilities
December 31, 2014**

	<u>County Treasurer Agency Fund</u>	<u>Public Trustee Agency Fund</u>
Assets:		
Cash	25,694,222	41,031
Less: cash held for County funds	<u>(23,937,009)</u>	<u>-</u>
Total Assets	<u><u>1,757,213</u></u>	<u><u>41,031</u></u>
 Liabilities:		
Due to other governments and agencies	1,757,213	-
Due to (from) governmental funds	-	(16)
Held by Trustee	<u>-</u>	<u>41,047</u>
Total Liabilities	<u><u>1,757,213</u></u>	<u><u>41,031</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, 2014

I. Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

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

1. Blended Component Units

The Gunnison County Housing Authority (the "Housing Authority") - Gunnison SeniorHousing 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 (the "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, 2014
(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 Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The County's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2014
(continued)

I. Summary of Significant Accounting Policies (continued)

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

1. Government-wide Financial Statements (continued)

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

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

2. Fund Financial Statements

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

The County reports the following major governmental funds:

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

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

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

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

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

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2014
(continued)

I. Summary of Significant Accounting Policies (continued)

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

2. Fund Financial Statements (continued)

The County reports the following major proprietary funds:

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

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

The *Gunnison County Water Fund* is used to account for the operations of water system facilities 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, 2014
(continued)

I. Summary of Significant Accounting Policies (continued)

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

1. Long-term Economic Focus and Accrual Basis

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

2. Current Financial Focus and Modified Accrual Basis

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

3. Financial Statement Presentation

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

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

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2014
(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, whenever applicable.

4. Property Taxes

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

5. Interfund Receivables and Payables

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

6. Inventories

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

7. Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond December 31, 2014 are recorded as prepaid expenses.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2014
(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 \$4,000 or more and an estimated useful life in excess of two years for all assets other than equipment. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

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

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

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

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

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

9. Unavailable Property Taxes

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2014
(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. Bond Premiums, Discounts and Issuance Costs

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

13. Fund Equity

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

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2014
(continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

13. Fund Equity (continued)

Net Position - Net position represent the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net position amount also is adjusted by any bond issuance deferred amounts. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

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

14. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The County has no items that qualify for reporting in this category.

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

15. Interfund Transactions

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

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2014
(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. Legal Provisions and Authorization of Deposits

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

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

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

II. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund Balance Sheet includes a reconciliation (Page C4) between *fund balance – total governmental funds* and *net position of governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that “Internal Service Funds are used by management to charge the costs of the motor pool, equipment costs and health insurance to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position. This represents the net equity of the internal service funds less the fixed assets.”

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

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance includes a reconciliation (Page C6) between *Net Changes in Fund Balances* and *Changes in Net Position* as reported in the government-wide Statement of Activities. 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 revenues and expenditures of the internal service funds are included in the governmental activities in the Statement of Activities. This represents the net revenues and expenditures of the internal service funds less the depreciation on fixed assets.”

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2014
(continued)

III. Stewardship, Compliance, and Accountability

A. Legal Compliance - Budgets

Property taxes become a lien on the property as of January 1 of the year assessed. Taxes levied in one year are collected in the succeeding year. Thus taxes certified in 2013 were collected in 2014 and taxes certified in 2014 will be collected in 2015. 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 2014 budget, prior to August 25, 2013, the County Assessor sent to the County Finance Director a certified assessed valuation of all taxable property within the County.
- (2) Based on this assessed valuation, the County Finance Director computed a rate of levy which when levied would raise the amounts, along with other revenues, necessary to fund the County operating requirements. The levy rate and proposed budget was submitted to the County Commissioners before December 22.
- (3) Notice was published within ten (10) days which contained: availability of proposed budget for public inspection, date and time of budget adoption meeting, and that any County taxpayer may file objection prior to adoption of the budget.
- (4) The final budget and appropriating resolution was adopted prior to December 31.
- (5) After adoption of the budget resolution, the County may make by resolution the following changes: (i) supplemental appropriations to the extent of revenues in excess of the estimated in the budget; (ii) emergency appropriations; and (iii) reduction of appropriations for which originally estimated revenues are insufficient. At any time during the year, the County may, by resolution, transfer part of all of any unexpended funds from one department or fund to another.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2014
(continued)

III. Stewardship, Compliance, and Accountability (continued)

B. Budgetary Information (continued)

Supplemental appropriations for the County during 2014 resulted in the budget amendments as follows:

	<u>Original Budget</u>	<u>Budget Amendments</u>	<u>Final Budget</u>
General Fund	\$ 16,286,421	313,308	16,599,729
Human Services	3,981,302	106,770	4,088,072
Sales Tax	1,625,982	357,740	1,983,722
Capital Expenditures	13,146,713	184,834	13,331,547
Conservation Trust	24,040	2,000	26,040
Public Health	587,575	5,593	593,168
Mosquito Control	89,014	9,600	98,614
Land Preservation	317,691	42,900	360,591
Sage Grouse	87,911	6,000	93,911
Housing Authority Administration	72,159	125,336	197,495
Gunnison Valley Local Marketing District	1,230,279	48,682	1,278,961
Sewer	431,118	81,900	513,018
Water	292,042	15,270	307,312
Mountain View	239,404	51,620	291,024
ISF-I	3,888,030	494,023	4,382,053
ISF-III	2,661,751	503,000	3,164,751
	<u>\$ 59,200,825</u>	<u>2,348,576</u>	<u>61,549,401</u>

C. Possible Violations of State Statutes - Budgets

The following fund(s) had expenditures over budget; this may be a violation of Colorado state statutes:

	<u>Final Budget</u>	<u>Actual</u>	<u>(Over) Budget</u>
Airport Operations	\$ 1,231,358	1,457,850	(226,492)

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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2014
(continued)

III. Stewardship, Compliance, and Accountability (continued)

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

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 \$941,000.

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

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

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

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

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

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

E. Deficit Net Position

The Gunnison County Housing Authority Mountain View Fund had a deficit of net position at December 31, 2013 of \$455,604.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2014
(continued)

IV. Detailed Notes on All Funds

A. Deposits and Investments

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

	Standard & Poors Rating	Carrying Amounts	Less than one year	Less than five years
<i>Deposits:</i>				
Cash on hand	<i>Not Rated</i>	\$ 188,012	188,012	-
Checking	<i>Not Rated</i>	3,714,822	3,714,822	-
Savings	<i>Not Rated</i>	1,925,374	1,925,374	-
CDS	<i>Not Rated</i>	8,064,468	3,486,928	4,577,540
<i>Investments:</i>				
Pools	<i>AAAm</i>	8,379,562	8,379,562	-
Agencies - FHLB	<i>AA+</i>	1,214,015		1,214,015
Agencies - FFCB	<i>AA+</i>	1,298,941		1,298,941
Agencies - FHLMC	<i>AA+</i>	1,148,651		1,148,651
Deposits held by Trustee	<i>Not Rated</i>	2,191,823	2,191,823	-
Total		<u>\$ 28,125,668</u>	<u>19,886,521</u>	<u>8,239,147</u>
<i>Reconciliation to Statement of Net Position:</i>				
Cash and cash equivalents - Unrestricted		\$ 17,311,543		
Cash and cash equivalents - Restricted		9,015,881		
Fiduciary Funds		1,798,244		
Total		<u>\$ 28,125,668</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, 2014
(continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

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.

Restricted Cash and Investments. At December 31, 2014, the County had restricted the following cash and investments:

<u>Purpose</u>	<u>Total</u>	<u>Fund</u>
Water Resource Protection	\$ 87,006	General
Workforce Impact Fees	412,865	General
Courthouse Renovation	3,411,835	General
Gunnison Valley Hospital Guarantee	375,000	General
2010 Certificates of Participation - Interest Subsidy	4	Debt Service
2010 Certificates of Participation - Bond Reserve Fund	1,344,137	Capital Expend.
2013 Certificates of Participation - Unspent Bond Proceeds	847,680	Capital Expend.
2005 & 2006 N. Gunnison Revenue Bonds - Bond Reserve Funds	94,478	Sewer
2013 Antelope Hills - Bond Reserve Fund	14,272	Water
Landfill Closure and Post-closure	2,254,166	Solid Waste
Replacement Reserve	174,438	Mountain View
	<u>\$ 9,015,881</u>	

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

1. All of the underlying securities for Gunnison Valley Hospital and Gunnison Health Care Center's investments in repurchase agreements at December 31, 2014 are held by the counterparties in other than Gunnison Valley Hospital and Gunnison Health Care Center.
2. As of December 31, 2014, the amount of the Gunnison Valley Hospital and Gunnison Health Care Center's carrying amount of investments was \$24,913,496. The investments consisted of mutual funds, money markets, and real estate.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2014
(continued)

IV. Detailed Notes on All Funds (continued)

C. Receivables

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

	General	Road & Bridge	Human Services	Sales Tax Capital Improvement
Receivables:				
Accounts	\$ 7,272,858	671,886	435,255	412,784
Intergovernmental	22,943	-	-	-
Total receivables	\$ 7,295,801	671,886	435,255	412,784

	Airport Construction	Capital Expenditures	Non-major Governmental	Total
Receivables:				
Accounts	\$ 70,371	334,584	538,748	9,736,486
Intergovernmental	-	-	-	22,943
Total receivables	\$ 70,371	334,584	538,748	9,759,429

	Airport Operations	Sewer	Water	Landfill Operations
Receivables:				
Accounts	\$ 129,084	(40,288)	86,267	51,635
Other	-	1,939	63,023	-
Total receivables	\$ 129,084	(38,349)	149,290	51,635

	Assisted Living	Mountain View	Internal Service Funds	Total
Receivables:				
Accounts	\$ -	23,177	163,533	413,408
Other	-	-	-	64,962
Total receivables	\$ -	23,177	163,533	478,370

Governmental funds report *unavailable property tax revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Deferred inflows of resources include property taxes levied in 2014 but not available until 2015. Governments also defer revenue recognition in connection with funds that have been received, but not yet earned.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2014
(continued)

IV. Detailed Notes on All Funds (continued)

D. Capital Assets

Capital asset activity for the year ended December 31, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,333,832	-	-	1,333,832
Construction in progress	9,516,199	11,396,494	(8,557,971)	12,354,722
Total capital assets, not being depreciated	<u>10,850,031</u>	<u>11,396,494</u>	<u>(8,557,971)</u>	<u>13,688,554</u>
Capital assets, being depreciated:				
Infrastructure	14,795,075	8,537,347	-	23,332,422
Improvements	1,178,844	16,955	(38,249)	1,157,550
Buildings	32,958,204	21,438	(3,096,722)	29,882,920
Equipment	14,202,283	322,406	(400,280)	14,124,409
Total capital assets being depreciated	<u>63,134,406</u>	<u>8,898,146</u>	<u>(3,535,251)</u>	<u>68,497,301</u>
Less accumulated depreciation for:				
Infrastructure	(10,922,210)	(1,097,729)	-	(12,019,939)
Improvements	(484,419)	(72,500)	29,012	(527,907)
Buildings	(7,292,639)	(768,513)	2,561,753	(5,499,399)
Equipment	(10,727,070)	(840,297)	398,024	(11,169,343)
Total accumulated depreciation	<u>(29,426,338)</u>	<u>(2,779,039)</u>	<u>2,988,789</u>	<u>(29,216,588)</u>
Total capital assets being depreciated, net	<u>33,708,068</u>	<u>6,119,107</u>	<u>(546,462)</u>	<u>39,280,713</u>
Governmental activities capital assets, net	<u>\$ 44,558,099</u>	<u>17,515,601</u>	<u>(9,104,433)</u>	<u>52,969,267</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 11,303,849	-	-	11,303,849
Construction in progress	-	151,816	-	151,816
Total capital assets not being depreciated	<u>11,303,849</u>	<u>151,816</u>	<u>-</u>	<u>11,455,665</u>
Capital assets, being depreciated:				
Improvements	28,690,662	5,098	-	28,695,760
Buildings	10,444,923	37,986	-	10,482,909
Utility treatment transmission systems	16,670,007	10,721	-	16,680,728
Equipment	4,028,820	99,711	(354,200)	3,774,331
Total capital assets being depreciated	<u>59,834,412</u>	<u>153,516</u>	<u>(354,200)</u>	<u>59,633,728</u>
Less accumulated depreciation for:				
Improvements	(11,731,197)	(1,389,618)	-	(13,120,815)
Buildings	(4,436,785)	(299,965)	-	(4,736,750)
Utility treatment transmission systems	(8,289,985)	(610,137)	-	(8,900,122)
Equipment	(2,716,899)	(217,171)	61,983	(2,872,087)
Total accumulated depreciation	<u>(27,174,866)</u>	<u>(2,516,891)</u>	<u>61,983</u>	<u>(29,629,774)</u>
Total capital assets being depreciated, net	<u>32,659,546</u>	<u>(2,363,375)</u>	<u>(292,217)</u>	<u>30,003,954</u>
Business-type activities capital assets, net	<u>\$ 43,963,395</u>	<u>(2,211,559)</u>	<u>(292,217)</u>	<u>41,459,619</u>

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2014
(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	\$ 467,088
Judicial	296
Public safety	386,120
Health and welfare	81,820
Culture and recreation	70,366
Public works	1,773,349
Total Governmental Activities	\$ 2,779,039
Business-type Activities:	
Airport	\$ 1,762,700
Sewer	243,440
Water	397,454
Landfill	22,126
Housing	91,171
Total Business-type Activities	\$ 2,516,891

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

Capital assets consist of the following at December 31, 2014:

	Beginning Balance	Additions	Deletions	Ending Balance
Land and improvements	\$ 911,194	-	-	911,194
Building leasehold improvements	23,371,826	41,143	-	23,412,969
Equipment	12,447,745	632,789	(1,128,349)	11,952,185
Construction in progress	22,130	1,217	(22,130)	1,217
Total property and equipment	36,752,895	675,149	(1,150,479)	36,277,565
Less: accumulated depreciation	(18,065,026)	(1,560,868)	1,126,487	(18,499,407)
Capital assets, net	\$ 18,687,869	(885,719)	(23,992)	17,778,158

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, 2014
(continued)

IV. Detailed Notes on All Funds (continued)

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

Interfund balances at December 31, 2014, 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, 2014. 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	\$ -	696,140	1,891,302	(1,414,257)
Road and Bridge Fund	-	158,738	151,523	(274,330)
Human Services Fund	-	21,254	-	(138,817)
Capital improvements Fund	-	-	67,936	(1,745,298)
Airport Construction	-	-	-	396,316
Capital Expenditures	749,845	-	966,862	(726)
Non-major Governmental Funds	-	26,438	1,223,673	(336,767)
Airport Operations	-	11,852	-	(456,000)
Sewer Fund	1,559	-	-	(67,816)
Water Fund	-	2,239	43,229	(36,081)
Landfill operations	-	19,345	-	(97,612)
Mountain View	-	1,035	-	-
Internal Service Funds	185,693	56	33,060	(206,197)
	<u>\$ 937,097</u>	<u>937,097</u>	<u>4,377,585</u>	<u>(4,377,585)</u>

G. Operating Leases

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2014
(continued)

IV. Detailed Notes on All Funds (continued)

H. Long-term Liabilities – Governmental Activities

1. Colorado SIB Loans - 2004

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

2. 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.

3. Pitchfork Property Loan

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

4. Airport Construction Loan

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

5. 2010 Taxable Certificates of Participation (Series B)

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

These certificates are Qualified Build America Bonds, which indicates the certificates are not tax-exempt. Under the Build America Program, the County may apply for interest cost subsidies from the federal government. Such subsidies will be used by the County to pay debt service on these certificates. During the fiscal year ended December 31, 2014, the County recognized revenue of \$301,363 related to this subsidy.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2014
(continued)

IV. Detailed Notes on All Funds (continued)

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

5. 2010 Taxable Certificates of Participation (Series B) (continued)

These certificates are secured by a Reserve Fund. In accordance with certificates indentures, the County has restricted cash and net position, less retainage payable, equal to \$1,344,137 at December 31, 2014

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

6. 2010 Energy Improvement Lease

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

7. 1416 Rock Creek Loan

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

8. 1420 Rock Creek Loan

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

9. Stallion Park Loan

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

10. Rapid Response Vehicle

In March 2013, the County entered into loan agreement with the Colorado State Infrastructure Bank (SIB) for \$354,200 to fund the purchase of a rapid response emergency vehicle. The loan totaled \$354,200 and requires quarterly payments of \$9,793. The loan carried an interest rate of 2.00% and matures on March 8, 2023. During 2014, the rapid response emergency vehicle was sold and the loan was paid off.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2014
(continued)

IV. Detailed Notes on All Funds (continued)

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

11. 2013 Certificates of Participation

On December 30, 2013 the County issued \$9,710,000 in Certificates of Participation with interest ranging from 2.00% to 5.25%. The net proceeds of \$9,999,100 (which include an original issue premium of \$289,100 and after payment of \$168,125 in underwriting fees and other issuance costs) were deposited with a Trustee to be used to construct, renovate and equip a new, state-of-the art County courthouse and administrative office building, and landscaping and parking development. The Certificates of Participation are paid through a lease purchase agreement with the County. The lease is subject to annual appropriation. The issue requires semi-annual payment on June 1st and December 1st from \$255,000 to \$635,000 until December 1, 2038.

The certificates maturing on and after December 1, 2014, are subject to optional redemption prior to maturity at the option of the County, on December 1, 2013, at par plus accrued interest without a redemption premium.

The certificates maturing on December 1, 2038 are subject to mandatory sinking fund redemption at par, plus accrued interest to redemption date.

I. Long-term Liabilities – Business-type Activities

1. Impact Assistance Loan Funds - Somerset

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

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

2. Antelope Hills Water Line Extension Loan

In 2012, the County received interim financing to cover the costs of the Antelope Hills water line extension project. Funds received during the year totaled \$808,147 and are due in full when the County receives additional funding for the project from the USDA. The loan carries an interest rate of 2.5% and has no set maturity. During 2013, the County drew down additional funds totaling \$283,654 before the interim loan was repaid in full from the proceeds of the permanent financing – the Antelope Hills Water Taxable Revenue Bonds (2013).

3. 2013 Antelope Hills Water Taxable Revenue Bonds (U.S.D.A)

The County issued \$1,154,230 of Taxable Revenue Bonds, on September 13, 2013, bearing interest at 2.125%. The bonds require quarterly payments of \$10,735 each March 18th, June 18th, September 18th, and December 18th. The bonds are subject to optional redemption. The bonds mature in 2053.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2014
(continued)

IV. Detailed Notes on All Funds (continued)

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

3. 2013 Antelope Hills Water Taxable Revenue Bonds (U.S.D.A) (continued)

As special, limited obligations of the County, principal and interest on the bonds are payable solely from Net Pledge Revenues; as defined in the bond documents. Such net revenue includes income from operation and use of the system and other legally available revenue after the payment of operation and maintenance expense of the system.

The County is also required to establish a debt reserve account (with the County Treasurer) by depositing \$567 each month for the life of bond. The reserve account totaled \$14,272 at December 31, 2014.

The bond documents include a Rate Maintenance Covenant, which requires the County to establish service rates at a level sufficient to cover operating and maintenance expense, as well as 100% of each fiscal year's debt service requirements.

4. 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 through 2019 with a 5% interest rate.

5. 2005 & 2006 Sewer Refunding and Improvement Revenue Bonds (U.S.D.A)

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

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

These bonds are secured by a Reserve Fund. In accordance with bond agreement, the County has restricted cash of \$94,478 at December 31, 2014.

The bond documents include a Rate Maintenance Covenant, which requires the County to establish service rates at a level sufficient to cover operating and maintenance expense, as well as 100% of each fiscal year's debt service requirements.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2014
(continued)

IV. Detailed Notes on All Funds (continued)

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

6. Gunnison County Housing Authority

Primary Mortgage. In 2003 the Housing Authority, a blended component unit of the County, agreed to a mortgage, which is subject to a first deed of trust including a lien on, and pledge of, the gross revenues derived and to be derived from operation of the Mountain View housing project, payable to the Colorado Housing Finance Authority in the amount of \$528,100. The loan requires \$3,082 per month, including interest at 5.75%, with payment on October 1, 2033. The County had an outstanding balance of \$424,289 at December 31, 2014.

Surplus Cash. During the year ended December 31, 2003, the Housing Authority received \$378,864 from the Secretary of Housing and Urban Development, Washington D.C. evidenced by a Note Payable and secured by the Mountain View Apartments. The maturity date of the Note is November 1, 2033 with an interest rate of 1.0% per annum, to accrue on the original principal balance until maturity. The County had an outstanding balance of \$378,864 at December 31, 2014. The Authority is required to establish a reserve fund to accumulate funds at a rate of \$425 per month for the replacement and major maintenance costs.

Contingent Payable. During the year ended December 31, 2003, the Housing Authority received \$624,011 from the Secretary of Housing and Urban Development, Washington D.C., evidenced by a Note Payable and secured by the Mountain View Apartments. The maturity date of the Note is November 1, 2033 with an interest rate of 1.0% per annum, annually, on the unpaid principal balance until paid. The County had an outstanding balance of \$331,038 at December 31, 2014.

7. Landfill Closure and Post-closure Liability

In accordance with EPA requirements the County has conducted a study to estimate its liability to close the landfill and monitor it for thirty years thereafter. These costs are reflected as the landfill accepts waste. The County's landfill has used 91% to date of the currently developed cell's capacity and has 1 year left on its currently developed cell. Additional cells will be opened as needed. The landfill liability recorded at year end is \$1,215,885. The estimated total current cost of closure and post-closure care remaining to be recognized is \$125,078. 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, 2014. 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, 2014, the County had reserved \$1,009,480 for these purposes. The remaining portion of anticipated future inflation costs and additional costs that might arise from changes in post-closure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2014
(continued)

IV. Detailed Notes on All Funds (continued)

J. Long-term Liabilities - Compensated Absences

The County has a policy of allowing the accumulation of paid vacation and sick leave, subject to certain maximum limits. In accordance with GAAP, the County's approximate liability for vacation pay earned by employees at December 31, 2014 has been reflected in the proprietary type fund financial statements and in the governmental activities column of the government-wide financial statements. Compensated absences for governmental activities are generally liquidated by the General Fund.

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

Long-term liability activity for the year ended December 31, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
<u>Internal Service Fund:</u>					
Compensated Absences	\$ 95,053	-	(8,420)	86,633	34,653
<u>Other Governmental Debt:</u>					
Colorado SIB Loan - 2004	58,647	-	(58,647)	-	-
Advocacy Center	91,676	-	(44,885)	46,791	46,792
Pitchfork Loan	20,156	-	(1,756)	18,400	1,823
Airport Construction	121,474	-	(18,042)	103,432	18,869
Certificates of Participation - 2010	16,865,000	-	(410,000)	16,455,000	415,000
Energy Improvement Lease - 2010	863,176	-	(109,831)	753,345	114,045
Rock Creek Loan 1416	96,884	-	(2,496)	94,388	94,388
Rock Creek Loan 1420	80,657	-	(1,775)	78,882	1,885
Stallion Park Loan	87,156	-	(2,131)	85,025	85,065
Rapid Response Vehicle - 2013	330,039	-	(330,039)	-	-
Certificates of Participation - 2013	9,710,000	-	(275,000)	9,435,000	255,000
Unamortized bond premiums	269,919	-	(18,638)	251,281	-
Compensated Absences	1,294,691	-	(11,175)	1,283,516	513,406
Total Governmental Activities					
Long-term Liabilities	<u>\$ 29,984,528</u>	<u>-</u>	<u>(1,292,835)</u>	<u>28,691,693</u>	<u>1,580,926</u>
Business-type Activities:					
Impact Assistance Loan Funds - Water	\$ 60,022	-	(5,072)	54,950	5,274
DOLA Mineral Impact Loan	96,986	-	(14,260)	82,726	14,972
North Gunnison Sewer Revenue Bond - 2005	1,350,045	-	(26,595)	1,323,450	22,701
North Gunnison Sewer Revenue Bond - 2006	293,208	-	-	293,208	4,524
Antelope Hills Water Revenue Bonds - 2013	1,149,677	-	(18,609)	1,131,068	19,025
<u>Gunnison County Housing Authority:</u>					
Mortgage - Primary Mortgage	436,491	-	(12,202)	424,289	12,891
Mortgage - Surplus Cash	394,617	-	(63,579)	331,038	-
Mortgage - Contingent Payable	378,864	-	-	378,864	-
Note Payable - Palisades					
Living Center	430,935	-	(18,762)	412,173	19,899
Accrued Liability for Landfill Closure Costs	1,090,847	-	125,038	1,215,885	-
Compensated Absences	113,539	-	(13,289)	100,250	40,100
Total Business-type Activities					
Long-term Liabilities	<u>\$ 5,795,231</u>	<u>-</u>	<u>(47,330)</u>	<u>5,747,901</u>	<u>139,386</u>

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2014
(continued)

IV. Detailed Notes on All Funds (continued)

K. Long-term Liabilities – Activity and Debt Service Schedules (continued)

Debt service requirements at December 31, 2014 were as follows:

Dates	Governmental Funds		Business-Type	
	Principal	Interest	Principal	Interest
2015	\$ 1,032,867	1,378,366	66,496	99,680
2016	902,051	1,346,993	69,085	97,091
2017	840,582	1,321,958	71,784	94,392
2018	861,329	1,296,291	74,597	91,578
2019	887,304	1,265,716	77,529	88,646
2020 - 2024	4,146,130	5,819,064	319,289	404,870
2025 - 2029	4,800,000	4,746,907	348,609	346,611
2030 - 2034	5,930,000	3,298,089	415,188	280,032
2035 - 2039	6,695,000	1,433,294	495,671	199,550
2040 - 2044	975,000	59,719	585,695	109,526
2045 - 2049	-	-	211,254	28,032
2050 - 2053	-	-	150,205	6,637
	<u>\$ 27,070,263</u>	<u>21,966,397</u>	<u>2,885,402</u>	<u>1,846,645</u>

Dates	Housing Authority		Total	
	Principal	Interest	Principal	Interest
2015	32,790	40,680	1,132,153	1,518,726
2016	34,344	39,126	1,005,480	1,483,210
2017	36,066	37,404	948,432	1,453,754
2018	37,829	35,641	973,755	1,423,510
2019	39,681	33,789	1,004,514	1,388,151
2020 - 2024	397,682	104,500	4,863,101	6,328,434
2025 - 2029	128,726	56,185	5,277,335	5,149,703
2030 - 2034	839,246	21,194	7,184,434	3,599,315
2035 - 2039	-	-	7,190,671	1,632,844
2040 - 2044	-	-	1,560,695	169,245
2045 - 2049	-	-	211,254	28,032
2050 - 2053	-	-	150,205	6,637
	<u>1,546,364</u>	<u>368,519</u>	<u>31,140,570</u>	<u>24,146,892</u>

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2014
(continued)

IV. Detailed Notes on All Funds (continued)

L. Long-term Liabilities – Component Unit

1. Hospital Revenue Bonds -

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

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

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

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

The indenture agreements for the Series 2010 and 2012 Revenue Bonds require that certain funds be established with the trustee. Accordingly, these funds are included as assets held by trustee for debt service in the combined statements of net position. The indenture agreement also requires the Organizations to comply with certain restrictive covenants including minimum insurance coverage, maintaining a debt-service coverage ratio of at least 1.25, have 90 days of cash on hand, and restrictions on incurrence of additional debt. Management believes the Organizations were in compliance with the restrictive covenants at December 31, 2014.

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

- 2. Interest Rate Swap Agreement** – In connection with the Series 2010 Revenue Bonds, the Hospital entered into a interest rate swap agreement with the intention of effectively changing the Hospital's variable interest rate to a synthetic fixed rate of 4.025%. The agreement was entered into on August 27, 2010, and is scheduled to end on September 1, 2023. As of December 31, 2014 and 2013, the agreement had a fair value of \$332,731. The value is calculated using the par-value method.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2014
(continued)

IV. Detailed Notes on All Funds (continued)

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

- 3. Capital Lease Obligations** – The Hospital is obligated under a lease for equipment that is accounted for as a capital lease. The assets under capital leases at December 31, 2012 and 2011, totaled \$2,345,081, net of accumulated depreciation of \$1,224,805 and \$755,787, respectively. There are two separate capital leases entered into that require monthly payments of \$4,672 and \$37,064, at interest rates of 2.90% and 2.59%, respectively. The lease terms are through October 2015 and May 2016, respectively.
- 4. Activity and Debt Service Schedules** – The Gunnison Valley Hospital and Health Care Center have the following long-term liability activity for the year ended December 31, 2014:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Hospital revenue bonds	\$ 12,040,054	-	(825,000)	11,215,054	810,000
Capital lease obligations	1,140,587	-	(476,688)	663,899	479,996
Total Long-term Liabilities	<u>14,434,996</u>	<u>-</u>	<u>(1,301,688)</u>	<u>11,878,953</u>	<u>1,289,996</u>
Total Long-term Liabilities	<u>\$ 14,333,433</u>	<u>-</u>	<u>(1,301,688)</u>	<u>11,878,953</u>	<u>1,289,996</u>

Debt service requirements at December 31, 2014 were as follows:

<u>Dates</u>	<u>Bonds</u>		<u>Capital Lease</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 810,000	387,334	479,996	11,494	1,289,996	398,828
2016	850,000	382,230	183,903	1,417	1,033,903	383,647
2017	890,000	352,519	-	-	890,000	352,519
2018	935,000	320,377	-	-	935,000	320,377
2019	955,000	287,572	-	-	955,000	287,572
2018 - 2023	6,775,054	748,897	-	-	6,775,054	748,897
	<u>\$ 11,215,054</u>	<u>2,478,929</u>	<u>663,899</u>	<u>12,911</u>	<u>11,878,953</u>	<u>2,491,840</u>

M. Fund Balance Disclosures

The County classifies governmental fund balances as follows:

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

Spendable Fund Balance:

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2014
(continued)

IV. Detailed Notes on All Funds (continued)

M. Fund Balance Disclosures (continued)

Spendable Fund Balance (continued):

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

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

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

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

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2014
(continued)

IV. Detailed Notes on All Funds (continued)

M. Fund Balance Disclosures (continued)

As of December 31, 2014, fund balances are composed of the following:

	<u>General Fund</u>	<u>Other Government al Funds</u>	<u>Total Government al Funds</u>	<u>Description</u>
Non-spendable:				
Prepaid expenses	\$ -	24,282	24,282	
Restricted:				
Emergency reserve	941,000	-	941,000	Legislative Restriction
Hospital guarantee	375,000	-	375,000	Debt Restriction
Road and Bridge	-	2,106,416	2,106,416	Legislative Restriction
Sales Tax Capital Improvement	-	1,297,046	1,297,046	Ballot Restriction
Capital Expenditure	-	1,375,161	1,375,161	Debt Restriction
Conservation Trust	-	83,202	83,202	Legislative Restriction
Land Preservation	-	327,007	327,007	Ballot Restriction
Local Marketing District	-	642,340	642,340	Ballot Restriction
Debt Service	-	4	4	Debt Restriction
Committed:				
Water Resource Protection	87,006	-	87,006	BOCC Resolution
Workforce Impact Fees	412,865	-	412,865	BOCC Resolution
Courthouse Renovation	3,411,835	-	3,411,835	BOCC Resolution
Public Health	-	-	-	BOCC Resolution
Mosquito Control	-	10,448	10,448	BOCC Resolution
Sage Grouse	-	67,636	67,636	BOCC Resolution
Debt Service	-	429,709	429,709	BOCC Resolution
Assigned:				
Human Services	-	563,036	563,036	Legislative Restriction
Airport Construction	-	154,070	154,070	General Designation
Capital Expenditure	-	717,184	717,184	General Designation
Risk Management	-	592,643	592,643	General Designation
Housing Authority Administrator	-	66,827	66,827	General Designation
Unassigned				
Unassigned	2,039,280	-	2,039,280	
Total Fund Balances	<u>\$ 7,266,986</u>	<u>8,457,011</u>	<u>15,723,997</u>	

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2014
(continued)

V. Other Information

A. Pension Plans

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

1. Defined Contribution Pension Plan

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

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

During the year, the County's required and actual contributions amounted to \$284,857 which was three percent (3%) of its current year covered payroll of \$9,497,776. The County's total payroll for 2014 was \$8,602,178. The County's employees contributed \$284,857.

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

2. Deferred Compensation Plan

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

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2014
(continued)

V. Other Information (continued)

A. Pension Plans (continued)

2. Deferred Compensation Plan (continued)

For 2014, the County contributed \$150,961 to the Deferred Compensation Plan on behalf of participating employees, which represents the required 2% contribution based on 2014 covered payroll of \$7,527,666.

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

B. Other Employee Benefits

1. Post Employment Health Care Benefits

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

2. Cafeteria Plan

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

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

The Organizations participate in the Colorado County Officials and Employees Retirement Association's defined contribution plan (the "Plan"). The Hospital contributes 5% and the Center contributes 3% for the years ended December 31, 2014 and 2013 on behalf of the employees who participate in the Plan. Employees become eligible for the Plan after working the lesser of one year or 1,040 hours and are vested in the contributions to the Plan over a five-year period. In May 2012, the Hospital discontinued the employer match. Effective January 1, 2014 the Hospital reinstated the employer match to the retirement plan. Employer plan contributions for the years ended December 31, 2014 were \$369,142 for the Hospital and \$116,471 for the Center.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2014
(continued)

V. Other Information (continued)

D. Risk Management

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

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

1. Colorado Counties Casualty and Property Pool

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

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

2. Unemployment Insurance

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

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include amounts for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. The County had no liability for anticipated unemployment claims at December 31, 2014.

3. Self-Insurance Unemployment Pool

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

4. Self-Insurance Health Insurance Pool

The County has established an internal service fund to account for partially self-funded employee health insurance costs. The County accumulates resources to pay health insurance costs, but carries a stop loss policy for individuals of \$50,000 and an aggregate stop loss minimum exposure of \$1,394,396 with HM Life Insurance Company.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2014
(continued)

V. Other Information (continued)

E. Commitments and Contingencies

1. Lawsuits

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

2. Grants

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

3. Guarantees

Gunnison Valley Hospital – Gunnison County was required to guarantee the debt service payments in connection with the issuance of the Hospital's aforementioned Series 2012 Revenue Refunding Bonds as additional security for the Bond. The County was required to establish a reserve account ("County Reserve Fund") in the amount of \$750,000 with CoBiz Bank. Should the County Reserve Fund be utilized to pay the debt service the County will be required to replenish the fund. The Hospital pledges to reimburse the County, on a subordinate basis to the 2010 and 2012 Bonds. As a provision of the guarantee agreement, the County Reserve Fund was reduced to \$375,000 as of December 31, 2014.

Gunnison Valley Animal Shelter – Gunnison County was required to guarantee the debt service payments in connection with the issuance of the Gunnison Valley Animal Shelter's Loan Agreement in the amount of \$220,000. The loan is for the Gunnison Valley Animal Welfare League for its animal shelter project in the Gold Basin Industrial Park on Basin Park Drive. Additionally, pursuant to the Gunnison Valley Shelter Agreement, signed October 15, 2013, the County agreed to fund the shelter \$100,000 over 3 years beginning in 2014. The long term payable was \$66,667 at December 31, 2014.

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, 2014
(With Comparative Actual Amounts for the Year Ended December 31, 2013)

	<u>2014</u>			Final Budget Variance Positive (Negative)	<u>2013</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes	7,570,000	7,570,000	7,637,631	67,631	7,133,660
Licenses and permits	292,300	292,300	311,132	18,832	294,276
Intergovernmental	1,788,486	1,942,631	2,195,456	252,825	1,689,511
Charges for services	1,295,459	1,299,985	1,264,061	(35,924)	1,412,246
Investment income	32,765	32,765	11,948	(20,817)	57,921
Contributions	168,516	230,102	112,943	(117,159)	94,678
Miscellaneous	185,945	197,577	241,619	44,042	229,774
Total Revenues	<u>11,333,471</u>	<u>11,565,360</u>	<u>11,774,790</u>	<u>209,430</u>	<u>10,912,066</u>
Expenditures:					
General government	7,674,227	7,755,837	7,105,620	650,217	6,585,880
Judicial	280,550	280,550	280,550	-	262,382
Public Safety	3,006,078	3,053,006	2,923,506	129,500	2,850,013
Health and welfare	687,054	810,814	778,565	32,249	867,199
Auxiliary services	286,445	286,445	267,790	18,655	265,738
Culture and recreation	256,187	309,597	340,660	(31,063)	310,565
Public works	173,624	173,624	154,662	18,962	142,792
Debt service	35,583	35,583	35,583	-	35,583
Total Expenditures	<u>12,399,748</u>	<u>12,705,456</u>	<u>11,886,936</u>	<u>818,520</u>	<u>11,320,152</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,066,277)</u>	<u>(1,140,096)</u>	<u>(112,146)</u>	<u>1,027,950</u>	<u>(408,086)</u>
Other Financing Sources (Uses):					
Transfers in	3,953,909	3,961,687	1,891,302	(2,070,385)	2,580,561
Transfers (out)	(3,886,673)	(3,894,273)	(1,414,257)	2,480,016	(2,719,324)
Sale of capital assets	-	10	10	-	-
Total Other Financing Sources (Uses)	<u>67,236</u>	<u>67,424</u>	<u>477,055</u>	<u>409,631</u>	<u>(138,763)</u>
Net Change in Fund Balances	<u>(999,041)</u>	<u>(1,072,672)</u>	364,909	<u>1,437,581</u>	(546,849)
Fund Balances - Beginning of Year			<u>6,902,077</u>		<u>7,448,926</u>
Fund Balances - End of Year			<u>7,266,986</u>		<u>6,902,077</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, 2014
(With Comparative Actual Amounts for the Year Ended December 31, 2013)

	<u>2014</u>			<u>2013</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>
Taxes:				<u>Actual</u>
General property taxes	7,298,000	7,298,000	7,299,708	1,708
Specific ownership tax	250,000	250,000	308,974	58,974
Delinquent tax and interest	22,000	22,000	28,949	6,949
Total Taxes	<u>7,570,000</u>	<u>7,570,000</u>	<u>7,637,631</u>	<u>67,631</u>
Licenses and Permits:				
Liquor licenses	2,000	2,000	4,733	2,733
Building permits	130,130	130,130	144,277	14,147
Other licenses and permits	160,170	160,170	162,122	1,952
Total Licenses and Permits	<u>292,300</u>	<u>292,300</u>	<u>311,132</u>	<u>18,832</u>
Intergovernmental:				
Federal Grants	644,667	748,812	694,973	(53,839)
State Grants	1,043,381	1,093,381	1,389,309	295,928
Local Grants	100,438	100,438	111,173	10,735
Total Intergovernmental	<u>1,788,486</u>	<u>1,942,631</u>	<u>2,195,455</u>	<u>252,824</u>
Charges for Services:				
Clerk and recorder	342,190	342,190	346,745	4,555
Sheriff's fees	67,602	67,602	65,161	(2,441)
Treasurer's fees	672,000	672,000	694,029	22,029
Other Fees	81,367	81,367	56,430	(24,937)
Assessor's Fees	14,000	14,000	7,085	(6,915)
Public Health Fees	46,800	46,800	18,391	(28,409)
Useful Public Service	40,000	44,526	31,245	(13,281)
Court Fines & Fees	31,500	31,500	44,976	13,476
Total Charges for Services	<u>1,295,459</u>	<u>1,299,985</u>	<u>1,264,062</u>	<u>(35,923)</u>
Other Revenue:				
Investment income	32,765	32,765	11,948	(20,817)
Contributions	168,516	230,102	112,943	(117,159)
Miscellaneous	185,945	197,577	241,619	44,042
Total Other Revenue	<u>387,226</u>	<u>460,444</u>	<u>366,510</u>	<u>(93,934)</u>
Total Revenues	<u>11,333,471</u>	<u>11,565,360</u>	<u>11,774,790</u>	<u>209,430</u>

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

Gunnison County, Colorado
General Fund
Schedule of Expenditures - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for the Year Ended December 31, 2013)

	2014			2013	
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
General Government:					
Commissioners	783,414	846,747	583,828	262,919	460,128
Board Support	113,313	113,313	93,908	19,405	102,924
Executive Management	310,364	310,364	276,978	33,386	245,360
Public Information	127,285	127,285	67,549	59,736	73,170
Clerk	30,111	30,111	29,294	817	33,309
Motor Vehicle	213,665	213,665	213,203	462	209,817
Recording	137,322	137,322	135,041	2,281	122,942
Elections	339,089	339,089	349,102	(10,013)	244,942
Revenue (Treasurer)	272,190	272,190	250,869	21,321	252,798
Investments (Treasurer)	21,675	21,675	16,823	4,852	18,485
Human Resources	111,114	121,159	121,331	(172)	106,365
Wildlife Conservation	127,522	127,522	121,350	6,172	124,665
County Attorney	590,995	590,995	578,574	12,421	582,740
Facilities & Grounds	622,347	630,579	572,013	58,566	622,627
Project Services	79,440	79,440	75,618	3,822	68,543
Assessment Administration	329,373	329,373	319,120	10,253	282,551
Appraisal	509,437	528,584	487,701	40,883	385,434
Appeals	-	-	-	-	97,061
Personal Property	-	-	-	-	69,450
Development Review	579,989	579,989	548,405	31,584	-
Oil and Gas Permitting	54,839	54,839	35,196	19,643	-
Long Range Planning and Projects	65,316	65,316	67,741	(2,425)	-
Permitting & Plan Review	-	-	-	-	223,083
Inspections	-	-	-	-	65,354
Response & Resolution	-	-	-	-	63,377
Data Collection	-	-	-	-	131,144
Codes & Regulations	21,017	21,017	25,144	(4,127)	50,075
Accounting & Auditing	424,219	424,219	410,575	13,644	391,321
Planning & Analysis	95,147	95,147	94,058	1,089	95,430
Compensated Absences	47,666	47,666	11,792	35,874	89,060
Weather Modification	127,106	127,106	130,736	(3,630)	101,243
Other General Fund Expenditures	1,533,872	1,514,725	1,478,373	36,352	1,174,288
Energy Efficiency Initiatives	6,400	6,400	11,298	(4,898)	7,159
Staff Support for Boards	-	-	-	-	91,034
Total General Government	7,674,227	7,755,837	7,105,620	650,217	6,585,879
Judicial:					
District Attorney	280,550	280,550	280,550	-	262,382
Total Judicial	280,550	280,550	280,550	-	262,382
Public Safety:					
Detention Services	796,049	799,017	738,261	60,756	744,917
Enforcement	612,496	612,496	606,732	5,764	620,428
Operational Support	824,763	824,763	830,326	(5,563)	741,178
Courtroom Security	39,581	39,581	44,574	(4,993)	70,557
Investigations	155,273	155,273	152,668	2,605	144,746
Major Incident Response	45,224	46,782	30,859	15,923	30,958
Operational Support-Detention	282,223	312,102	284,975	27,127	160,223
Emergency Management	59,703	63,947	50,415	13,532	144,852
Coroner	93,314	93,314	84,928	8,386	74,225
Youth Intervention Services	97,452	105,731	99,769	5,962	117,929
Total Public Safety	3,006,078	3,053,006	2,923,507	129,499	2,850,013
Health and Welfare:					
Victim Services	-	-	-	-	85,771
Substance Abuse Prevention	174,197	203,134	198,993	4,141	192,322
Program Support	37,120	37,120	39,427	(2,307)	38,651
Senior Resources	159,690	159,690	151,770	7,920	159,607
Child & Family Health	174,825	269,648	243,431	26,217	205,280
Community Health Services	13,500	13,500	434	13,066	6,600
Family Planning	127,722	127,722	144,510	(16,788)	178,968
Total Health and Welfare	687,054	810,814	778,565	32,249	867,199
Auxiliary Services:					
Alternative Services	89,209	89,209	88,973	236	87,861
Adult Programming	63,530	63,530	32,206	31,324	47,599
Youth Development	128,400	128,400	142,211	(13,811)	125,922
Veterans	5,306	5,306	4,399	907	4,357
Total Auxiliary Services	286,445	286,445	267,789	18,656	265,739
Culture and Recreation:					
Fairgrounds Management	221,935	225,345	223,357	1,988	268,980
Trails - Parks	25,567	75,567	110,795	(35,228)	35,849
Landfill	2,300	2,300	265	2,035	264
Historic Preservation	6,385	6,385	6,244	141	5,472
Total Culture and Recreation	256,187	309,597	340,661	(31,064)	310,565
Public Works:					
Weed Management	173,624	173,624	154,233	19,391	142,792
Other Public Works	-	-	428	(428)	-
Total Public Works	173,624	173,624	154,233	19,391	142,792
Debt Service:					
Principal	6,401	6,401	6,401	-	6,048
Interest	29,182	29,182	29,182	-	29,535
Total Debt Service	35,583	35,583	35,583	-	35,583
Total Expenditures	12,399,748	12,705,456	11,886,936	818,520	11,320,152

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, 2014
(With Comparative Actual Amounts for the Year Ended December 31, 2013)

	2014		Variance Positive (Negative)	2013
	Original and Final Budget	Actual		Actual
Revenues:				
Taxes:				
Specific ownership tax	140,000	173,174	33,174	143,796
Total Taxes	<u>140,000</u>	<u>173,174</u>	<u>33,174</u>	<u>143,796</u>
Intergovernmental:				
Payment in lieu of taxes	500,000	500,000	-	500,000
Local grants	500	790	290	-
Federal grants	2,590,199	36,049	(2,554,150)	6,621,944
State grants	257,616	48,392	(209,224)	57,020
Highway users trust fund	2,565,413	2,653,782	88,369	2,591,510
Forest service	-	474,456	474,456	505,304
Mineral leasing	535,574	542,585	7,011	541,094
Total Intergovernmental	<u>6,449,302</u>	<u>4,256,054</u>	<u>(2,193,248)</u>	<u>10,816,872</u>
Charges for Services:				
Municipalities	50,781	67,097	16,316	51,045
Permits	10,600	15,609	5,009	13,671
Other	65	907	842	166
Total Charges for Services	<u>61,446</u>	<u>83,613</u>	<u>22,167</u>	<u>64,882</u>
Other:				
Fines and forfeitures	50	-	(50)	-
Investment income	18,000	9,838	(8,162)	16,665
Miscellaneous	25,975	83,788	57,813	97,318
Total Other Revenue	<u>44,025</u>	<u>93,626</u>	<u>49,601</u>	<u>113,983</u>
Total Revenues	<u>6,694,773</u>	<u>4,606,467</u>	<u>(2,088,306)</u>	<u>11,139,533</u>
Expenditures:				
Road construction	3,003,176	59,774	2,943,402	8,383,266
Bridges	71,818	9,854	61,964	54,706
Winter maintenance	891,464	1,152,861	(261,397)	931,239
Operational support	519,277	501,482	17,795	406,034
Trails and park	435,119	82,959	352,160	16,913
Municipalities	79,072	99,319	(20,247)	73,430
Road maintenance	2,885,905	2,739,141	146,764	2,867,418
Total Expenditures	<u>7,885,831</u>	<u>4,645,390</u>	<u>3,240,441</u>	<u>12,733,006</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,191,058)</u>	<u>(38,923)</u>	<u>1,152,135</u>	<u>(1,593,473)</u>
Other Financing Sources (Uses):				
Transfers in	166,523	151,523	(15,000)	218,592
Sale of capital assets	-	2,683	2,683	-
Transfers (out)	(274,330)	(274,330)	-	(1,075,217)
Total Other Financing Sources (Uses)	<u>(107,807)</u>	<u>(120,124)</u>	<u>(12,317)</u>	<u>(856,625)</u>
Net Change in Fund Balances	<u>(1,298,865)</u>	<u>(159,047)</u>	<u>1,139,818</u>	<u>(2,450,098)</u>
Fund Balances - Beginning of Year		<u>2,265,463</u>		<u>4,715,561</u>
Fund Balances - End of Year		<u>2,106,416</u>		<u>2,265,463</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, 2014
(With Comparative Actual Amounts for the Year Ended December 31, 2013)

	<u>2014</u>			Final Budget Variance Positive (Negative)	<u>2013</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
Property tax revenue	278,000	278,000	282,963	4,963	265,886
Delinquent tax and interest	-	-	1,127	1,127	999
Intergovernmental:					
EBT reimbursements	3,586,166	3,597,245	3,624,017	26,772	3,404,361
Other	37,500	37,184	40,919	3,735	39,998
Other:					
Contributions	9,200	8,487	3,690	(4,797)	6,275
Miscellaneous	800	800	4,704	3,904	3,768
Total Revenues	<u>3,911,666</u>	<u>3,921,716</u>	<u>3,957,420</u>	<u>35,704</u>	<u>3,721,287</u>
Expenditures:					
Youth and family prevention services	112,373	122,143	112,019	10,124	79,271
Self-sufficiency development	223,511	223,511	209,546	13,965	228,593
Program support	570,011	570,011	534,230	35,781	406,523
Children and family services	866,859	866,859	840,389	26,470	845,290
Child support enforcement	81,932	81,932	80,672	1,260	78,237
Public assistance	1,954,691	2,051,691	1,979,217	72,474	1,917,404
Community health services	24,925	24,925	19,022	5,903	5,726
Total Expenditures	<u>3,834,302</u>	<u>3,941,072</u>	<u>3,775,095</u>	<u>165,977</u>	<u>3,561,044</u>
Excess (Deficiency) of Revenues Over Expenditures	77,364	(19,356)	182,325	201,681	160,243
Other Financing Sources (Uses):					
Transfers (out)	(147,000)	(147,000)	(138,817)	8,183	(133,276)
Total Other Financing Sources (Uses)	<u>(147,000)</u>	<u>(147,000)</u>	<u>(138,817)</u>	<u>8,183</u>	<u>(133,276)</u>
Net Change in Fund Balances	<u>(69,636)</u>	<u>(166,356)</u>	43,508	<u>209,864</u>	26,967
Fund Balances - Beginning of Year			519,528		492,561
Fund Balances - End of Year			<u>563,036</u>		<u>519,528</u>

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

Gunnison County, Colorado
Special Revenue Funds
Sales Tax Capital Improvement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for the Year Ended December 31, 2013)

	<u>2014</u>			<u>Final Budget</u>	<u>2013</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>		<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Taxes:					
Sales tax	1,479,000	1,479,000	1,628,369	149,369	1,520,286
Fines and forfeitures	-	-	4,692	4,692	-
Investment Income	1,200	1,200	3,768	2,568	3,028
Total Revenues	<u>1,480,200</u>	<u>1,480,200</u>	<u>1,636,829</u>	<u>156,629</u>	<u>1,523,314</u>
Expenditures:					
General Government:					
Sales tax	32,918	57,943	54,396	3,547	31,436
Energy efficiency initiatives	3,000	3,000	2,812	188	2,716
Debt Service:					
Principal	148,828	148,828	154,716	(5,888)	148,828
Interest	13,338	13,338	7,451	5,887	13,339
Total Expenditures	<u>198,084</u>	<u>223,109</u>	<u>219,375</u>	<u>3,734</u>	<u>196,319</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,282,116</u>	<u>1,257,091</u>	<u>1,417,454</u>	<u>160,363</u>	<u>1,326,995</u>
Other Financing Sources (Uses):					
Transfers in	-	67,936	67,936	-	-
Transfers (out)	(1,427,898)	(1,760,613)	(1,745,298)	15,315	(1,631,459)
Total Other Financing Sources (Uses)	<u>(1,427,898)</u>	<u>(1,692,677)</u>	<u>(1,677,362)</u>	<u>15,315</u>	<u>(1,631,459)</u>
Net Change in Fund Balances	<u>(145,782)</u>	<u>(435,586)</u>	<u>(259,908)</u>	<u>175,678</u>	<u>(304,464)</u>
Fund Balances - Beginning of Year			<u>1,556,954</u>		<u>1,861,418</u>
Fund Balances - End of Year			<u>1,297,046</u>		<u>1,556,954</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, 2014
(With Comparative Actual Amounts for the Year Ended December 31, 2013)

	<u>2014</u>			<u>2013</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Intergovernmental:				
Federal grants	2,260,000	120,228	(2,139,772)	71,821
State grants	208,355	91,214	(117,141)	101,485
Charges for Services:				
Passenger facility charges	110,000	117,265	7,265	110,973
Investment Income	125	219	94	96
Total Revenues	<u>2,578,480</u>	<u>328,926</u>	<u>(2,249,554)</u>	<u>284,375</u>
Expenditures:				
Public Works	1,642,010	248,653	1,393,357	152,483
Debt Service:				
Principal	109,504	406,728	(297,224)	97,800
Interest	64,289	12,851	51,438	16,201
Total Expenditures	<u>1,815,803</u>	<u>668,232</u>	<u>1,147,571</u>	<u>266,484</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>762,677</u>	<u>(339,306)</u>	<u>(1,101,983)</u>	<u>17,891</u>
Other Financing Sources (Uses):				
Transfers in	1,080,000	-	(1,080,000)	-
Transfers (out)	(1,934,794)	396,316	2,331,110	26,316
Sale of capital assets	30,000	-	(30,000)	-
Debt proceeds	-	-	-	354,200
Total Other Financing Sources (Uses)	<u>(824,794)</u>	<u>396,316</u>	<u>1,221,110</u>	<u>380,516</u>
Net Change in Fund Balances	<u>(62,117)</u>	57,010	<u>119,127</u>	398,407
Fund Balances - Beginning of Year		97,060		<u>(301,347)</u>
Fund Balances - End of Year		<u>154,070</u>		<u>97,060</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, 2014
(With Comparative Actual Amounts for the Year Ended December 31, 2013)

	<u>2014</u>			<u>Final Budget</u>	<u>2013</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>		<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Intergovernmental:					
State grants	1,000,000	1,119,450	764,569	(354,881)	77,150
Investment Income	50	50	2,311	2,261	2,089
Total Revenues	<u>1,000,050</u>	<u>1,119,500</u>	<u>766,880</u>	<u>(352,620)</u>	<u>79,239</u>
Expenditures:					
General Government:					
Ohio City town hall	-	184,834	151,259	33,575	-
Other capital expenditures	20	20	12	8	11
Public Safety:					
Jail construction	-	-	-	-	7,530
Public Works:					
Public works facility construction	-	-	-	-	420
Judicial:					
District attorney	13,146,693	13,146,693	11,078,029	2,068,664	927,511
Total Expenditures	<u>13,146,713</u>	<u>13,331,547</u>	<u>11,229,300</u>	<u>2,102,247</u>	<u>935,472</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>(12,146,663)</u>	<u>(12,212,047)</u>	<u>(10,462,420)</u>	<u>1,749,627</u>	<u>(856,233)</u>
Other Financing Sources (Uses):					
Transfers in	2,321,060	2,321,060	966,862	(1,354,198)	695,302
Transfers (out)	-	-	(726)	(726)	(580,717)
Debt proceeds	-	-	-	-	9,999,100
Total Other Financing Sources (Uses)	<u>2,321,060</u>	<u>2,321,060</u>	<u>966,136</u>	<u>(1,354,924)</u>	<u>10,113,685</u>
Net Change in Fund Balances	<u>(9,825,603)</u>	<u>(9,890,987)</u>	<u>(9,496,284)</u>	<u>394,703</u>	<u>9,257,452</u>
Fund Balances - Beginning of Year			11,588,629		2,331,177
Fund Balances - End of Year			<u>2,092,345</u>		<u>11,588,629</u>

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

Gunnison County, Colorado
Non-major Governmental Funds
Combining Balance Sheet
For the Year Ended December 31, 2014

	Special Revenue							Debt Service	Total Non-major Governmental Funds	
	Conservation Trust Fund	Public Health Fund	Mosquito Control Fund	Land Preservation Fund	Sage Grouse Fund	Risk Management Fund	Gunnison County Housing Auth. Administration	Local Marketing District		Debt Service Fund
Assets:										
Cash and investments - Unrestricted	83,202	5,493	12,308	270,615	69,886	604,175	26,424	436,262	279,925	1,788,290
Cash and investments - Restricted	-	-	-	-	-	-	-	-	4	4
Accounts receivable	-	47,999	-	56,392	-	1,786	65,210	216,078	151,283	538,748
Prepaid expenses	-	-	-	-	-	24,282	-	-	-	24,282
Total Assets	<u>83,202</u>	<u>53,492</u>	<u>12,308</u>	<u>327,007</u>	<u>69,886</u>	<u>630,243</u>	<u>91,634</u>	<u>652,340</u>	<u>431,212</u>	<u>2,351,324</u>
Liabilities, Deferred Inflow of Resources, and Fund Balances:										
Liabilities:										
Accounts payable	-	9,772	-	-	2,250	13,318	12,009	-	1,499	38,848
Unearned grant revenue	-	54,361	-	-	-	-	10,318	-	-	64,679
Due to other funds	-	12,098	1,860	-	-	-	2,480	10,000	-	26,438
Total Liabilities	<u>-</u>	<u>76,231</u>	<u>1,860</u>	<u>-</u>	<u>2,250</u>	<u>13,318</u>	<u>24,807</u>	<u>10,000</u>	<u>1,499</u>	<u>129,965</u>
Fund Balances:										
Non-spendable	-	-	-	-	-	24,282	-	-	-	24,282
Spendable:										
Restricted	83,202	-	-	327,007	-	-	-	642,340	4	1,052,553
Committed	-	-	10,448	-	67,636	-	-	-	429,709	507,793
Assigned	-	-	-	-	-	592,643	66,827	-	-	659,470
Unassigned	-	(22,739)	-	-	-	-	-	-	-	(22,739)
Total Fund Balances	<u>83,202</u>	<u>(22,739)</u>	<u>10,448</u>	<u>327,007</u>	<u>67,636</u>	<u>616,925</u>	<u>66,827</u>	<u>642,340</u>	<u>429,713</u>	<u>2,221,359</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	<u>83,202</u>	<u>53,492</u>	<u>12,308</u>	<u>327,007</u>	<u>69,886</u>	<u>630,243</u>	<u>91,634</u>	<u>652,340</u>	<u>431,212</u>	<u>2,351,324</u>

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, 2014

	<u>Special Revenue</u>							<u>Debt Service</u>	<u>Total Non-major Governmental Funds</u>	
	<u>Conservation Trust Fund</u>	<u>Public Health Fund</u>	<u>Mosquito Control Fund</u>	<u>Land Preservation Fund</u>	<u>Sage Grouse Fund</u>	<u>Risk Management Fund</u>	<u>Gunnison County Housing Auth. Administration</u>	<u>Local Marketing District</u>		<u>Debt Service Fund</u>
Revenues:										
Taxes	-	10,626	58,346	338,352	-	-	-	1,376,213	-	1,783,537
Intergovernmental	54,033	224,551	14,625	-	-	-	9,206	-	301,363	603,778
Charges for services	-	24,583	-	-	-	-	68,386	-	-	92,969
Fines and forfeitures	-	-	-	-	-	-	-	9,115	-	9,115
Investment income	281	-	110	920	324	2,210	413	1,615	3,848	9,721
Contributions	-	1,825	-	-	-	83,799	-	-	-	85,624
Miscellaneous	-	65,634	244	-	62,390	-	15,688	-	-	143,956
Total Revenues	<u>54,314</u>	<u>327,219</u>	<u>73,325</u>	<u>339,272</u>	<u>62,714</u>	<u>86,009</u>	<u>93,693</u>	<u>1,386,943</u>	<u>305,211</u>	<u>2,728,700</u>
Expenditures:										
General government	-	-	-	-	10,920	8,054	-	1,251,103	-	1,270,077
Health and welfare	-	434,784	94,153	-	-	-	69,060	-	-	597,997
Culture and recreation	364	-	-	185,596	-	-	-	-	-	185,960
Debt service	-	-	-	-	-	-	2,526	-	2,004,696	2,007,222
Total Expenditures	<u>364</u>	<u>434,784</u>	<u>94,153</u>	<u>185,596</u>	<u>10,920</u>	<u>8,054</u>	<u>71,586</u>	<u>1,251,103</u>	<u>2,004,696</u>	<u>4,061,256</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>53,950</u>	<u>(107,565)</u>	<u>(20,828)</u>	<u>153,676</u>	<u>51,794</u>	<u>77,955</u>	<u>22,107</u>	<u>135,840</u>	<u>(1,699,485)</u>	<u>(1,332,556)</u>
Other Financing Sources (Uses):										
Transfers in	-	171,000	14,625	-	-	-	17,600	-	1,020,448	1,223,673
Transfers (out)	(23,000)	(110,968)	(1,271)	-	(81,411)	-	(97,088)	(23,029)	-	(336,767)
Total Other Financing Sources (Uses)	<u>(23,000)</u>	<u>60,032</u>	<u>13,354</u>	<u>-</u>	<u>(81,411)</u>	<u>-</u>	<u>(79,488)</u>	<u>(23,029)</u>	<u>1,020,448</u>	<u>886,906</u>
Net Change in Fund Balances	<u>30,950</u>	<u>(47,533)</u>	<u>(7,474)</u>	<u>153,676</u>	<u>(29,617)</u>	<u>77,955</u>	<u>(57,381)</u>	<u>112,811</u>	<u>(679,037)</u>	<u>(445,650)</u>
Fund Balances - Beginning of Year	<u>52,252</u>	<u>24,794</u>	<u>17,922</u>	<u>173,331</u>	<u>97,253</u>	<u>538,970</u>	<u>124,208</u>	<u>529,529</u>	<u>1,108,750</u>	<u>2,667,009</u>
Fund Balances - End of Year	<u>83,202</u>	<u>(22,739)</u>	<u>10,448</u>	<u>327,007</u>	<u>67,636</u>	<u>616,925</u>	<u>66,827</u>	<u>642,340</u>	<u>429,713</u>	<u>2,221,359</u>

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, 2014
 (With Comparative Actual Amounts for the Year Ended December 31, 2013)

	2014			Final Budget Variance Positive (Negative)	2013
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Lottery proceeds	50,000	50,000	54,033	4,033	44,205
Earnings on investments	1,200	1,200	281	(919)	387
Total Revenues	51,200	51,200	54,314	3,114	44,592
Expenditures:					
Other	40	40	3	37	2
Treasurer's fees	1,000	3,000	361	2,639	971
Total Expenditures	1,040	3,040	364	2,676	973
Excess (Deficiency) of Revenues Over Expenditures	50,160	48,160	53,950	5,790	43,619
Other Financing Sources (Uses):					
Transfers (out)	(23,000)	(23,000)	(23,000)	-	(76,500)
Total Other Financing Sources (Uses)	(23,000)	(23,000)	(23,000)	-	(76,500)
Net Change in Fund Balances	27,160	25,160	30,950	5,790	(32,881)
Fund Balances - Beginning of Year			52,252		85,133
Fund Balances - End of Year			83,202		52,252

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

Gunnison County, Colorado
Special Revenue Funds
Public Health Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for the Year Ended December 31, 2013)

	<u>2014</u>			Final Budget Variance Positive (Negative)	<u>2013</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Taxes:					
Other taxes	14,000	14,000	10,626	(3,374)	7,232
Intergovernmental:					
State grants	202,122	202,122	203,662	1,540	243,172
Local grants	28,884	34,477	20,889	(13,588)	7,403
Charges for Services	29,000	29,000	24,583	(4,417)	29,754
Contributions	600	600	1,825	1,225	2,250
Miscellaneous	62,000	62,000	65,634	3,634	69,641
Total Revenues	<u>336,606</u>	<u>342,199</u>	<u>327,219</u>	<u>(14,980)</u>	<u>359,452</u>
Expenditures:					
Health and welfare:					
Program support	152,077	152,077	145,071	7,006	149,744
Child and family health	115,138	120,731	114,144	6,587	142,840
Community health services	209,392	209,392	175,569	33,823	167,178
Total Expenditures	<u>476,607</u>	<u>482,200</u>	<u>434,784</u>	<u>47,416</u>	<u>459,762</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(140,001)</u>	<u>(140,001)</u>	<u>(107,565)</u>	<u>32,436</u>	<u>(100,310)</u>
Other Financing Sources (Uses):					
Transfers in	237,818	237,818	171,000	(66,818)	140,512
Transfers (out)	(110,968)	(110,968)	(110,968)	-	(36,096)
Total Other Financing Sources (Uses)	<u>126,850</u>	<u>126,850</u>	<u>60,032</u>	<u>(66,818)</u>	<u>104,416</u>
Net Change in Fund Balances	<u>(13,151)</u>	<u>(13,151)</u>	<u>(47,533)</u>	<u>(34,382)</u>	<u>4,106</u>
Fund Balances - Beginning of Year			<u>24,794</u>		<u>20,688</u>
Fund Balances - End of Year			<u>(22,739)</u>		<u>24,794</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, 2014
(With Comparative Actual Amounts for the Year Ended December 31, 2013)

	2014			Final Budget Variance Positive (Negative)	2013
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
Property tax revenue	58,248	58,248	58,586	338	56,691
Delinquent tax and interest	-	-	(240)	(240)	(72)
Intergovernmental:					
Local grants	14,625	14,625	14,625	-	14,277
Investment income	-	-	110	110	-
Miscellaneous	251	251	244	(7)	264
Total Revenues	<u>73,124</u>	<u>73,124</u>	<u>73,325</u>	<u>201</u>	<u>71,160</u>
Expenditures:					
Operations	87,743	97,343	94,153	3,190	84,814
Total Expenditures	<u>87,743</u>	<u>97,343</u>	<u>94,153</u>	<u>3,190</u>	<u>84,814</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(14,619)</u>	<u>(24,219)</u>	<u>(20,828)</u>	<u>3,391</u>	<u>(13,654)</u>
Other Financing Sources (Uses):					
Transfers in	14,625	14,625	14,625	-	14,277
Transfers (out)	(1,271)	(1,271)	(1,271)	-	(828)
Total Other Financing Sources (Uses)	<u>13,354</u>	<u>13,354</u>	<u>13,354</u>	<u>-</u>	<u>13,449</u>
Net Change in Fund Balances	<u>(1,265)</u>	<u>(10,865)</u>	<u>(7,474)</u>	<u>3,391</u>	<u>(205)</u>
Fund Balances - Beginning of Year			<u>17,922</u>		<u>18,127</u>
Fund Balances - End of Year			<u>10,448</u>		<u>17,922</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, 2014
(With Comparative Actual Amounts for the Year Ended December 31, 2013)

	<u>2014</u>			Final Budget Variance Positive (Negative)	<u>2013</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
Sales tax	323,961	323,961	338,352	14,391	315,168
Intergovernmental:					
Investment Income	100	100	920	820	1,022
Total Revenues	<u>324,061</u>	<u>324,061</u>	<u>339,272</u>	<u>15,211</u>	<u>316,190</u>
Expenditures:					
Culture and Recreation:					
Land preservation	302,691	345,591	185,596	159,995	478,223
Total Expenditures	<u>302,691</u>	<u>345,591</u>	<u>185,596</u>	<u>159,995</u>	<u>478,223</u>
Excess (Deficiency) of Revenues Over Expenditures	21,370	(21,530)	153,676	175,206	(162,033)
Other Financing Sources (Uses):					
Transfers (out)	(15,000)	(15,000)	-	15,000	-
Total Other Financing Sources (Uses)	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>	<u>15,000</u>	<u>-</u>
Net Change in Fund Balances	<u>6,370</u>	<u>(36,530)</u>	153,676	<u>190,206</u>	(162,033)
Fund Balances - Beginning of Year			173,331		335,364
Fund Balances - End of Year			<u>327,007</u>		<u>173,331</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, 2014
(With Comparative Actual Amounts for the Year Ended December 31, 2013)

	<u>2014</u>			Final Budget Variance Positive (Negative)	<u>2013</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Investment income	-	-	324	324	-
Miscellaneous	49,000	49,000	62,390	13,390	55,943
Total Revenues	<u>49,000</u>	<u>49,000</u>	<u>62,714</u>	<u>13,714</u>	<u>55,943</u>
Expenditures:					
General government	6,500	12,500	10,920	1,580	32,806
Total Expenditures	<u>6,500</u>	<u>12,500</u>	<u>10,920</u>	<u>1,580</u>	<u>32,806</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>42,500</u>	<u>36,500</u>	<u>51,794</u>	<u>15,294</u>	<u>23,137</u>
Other Financing Sources (Uses):					
Transfers (out)	(81,411)	(81,411)	(81,411)	-	(81,411)
Total Other Financing Sources (Uses)	<u>(81,411)</u>	<u>(81,411)</u>	<u>(81,411)</u>	<u>-</u>	<u>(81,411)</u>
Net Change in Fund Balances	<u>(38,911)</u>	<u>(44,911)</u>	<u>(29,617)</u>	<u>15,294</u>	<u>(58,274)</u>
Fund Balances - Beginning of Year			<u>97,253</u>		<u>155,527</u>
Fund Balances - End of Year			<u>67,636</u>		<u>97,253</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, 2014
(With Comparative Actual Amounts for the Year Ended December 31, 2013)

	2014		Variance Positive (Negative)	2013
	Original and Final Budget	Actual		Actual
Revenues:				
Investment Income	1,050	2,210	1,160	1,999
Contributions	83,800	83,799	(1)	90,124
Total Revenues	84,850	86,009	1,159	92,123
Expenditures:				
General Government:				
CAPP Insurance Claims	24,150	7,896	16,254	6,808
Other expenses	60,700	158	60,542	1,957
Total Expenditures	84,850	8,054	76,796	8,765
Net Change in Fund Balances	-	77,955	77,955	83,358
Fund Balances - Beginning of Year		538,970		455,612
Fund Balances - End of Year		616,925		538,970

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, 2014
(With Comparative Actual Amounts for the Year Ended December 31, 2013)

	<u>2014</u>			<u>2013</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:					
Intergovernmental:					
Federal grants	-	10,000	9,206	(794)	-
Charges for Services:					
Fees	76,060	76,060	68,386	(7,674)	70,864
Investment Income	320	320	413	93	495
Miscellaneous	9,500	9,500	15,688	6,188	5,445
Total Revenues	<u>85,880</u>	<u>95,880</u>	<u>93,693</u>	<u>(2,187)</u>	<u>76,804</u>
Expenditures:					
Health and Welfare	40,480	87,880	69,060	18,820	48,443
Debt Service:					
Principal	1,758	1,758	1,757	1	30,636
Interest	769	769	769	-	1,423
Total Expenditures	<u>43,007</u>	<u>90,407</u>	<u>71,586</u>	<u>18,821</u>	<u>80,502</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>42,873</u>	<u>5,473</u>	<u>22,107</u>	<u>16,634</u>	<u>(3,698)</u>
Other Financing Sources (Uses):					
Transfers in	-	7,600	17,600	10,000	39,032
Transfers (out)	(29,152)	(107,088)	(97,088)	10,000	(13,428)
Total Other Financing Sources (Uses)	<u>(29,152)</u>	<u>(99,488)</u>	<u>(79,488)</u>	<u>20,000</u>	<u>25,604</u>
Net Change in Fund Balances	<u>13,721</u>	<u>(94,015)</u>	<u>(57,381)</u>	<u>36,634</u>	<u>21,906</u>
Fund Balances - Beginning of Year			<u>124,208</u>		<u>102,302</u>
Fund Balances - End of Year			<u>66,827</u>		<u>124,208</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, 2014
(With Comparative Actual Amounts for the Year Ended December 31, 2013)

	<u>2014</u>			Final Budget Variance Positive (Negative)	<u>2013</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Marketing and promotion tax	1,100,000	1,100,000	1,376,213	276,213	1,134,419
Fines and forfeitures	-	-	9,115	9,115	-
Earnings on investments	2,100	2,100	1,615	(485)	1,766
Total Revenues	<u>1,102,100</u>	<u>1,102,100</u>	<u>1,386,943</u>	<u>284,843</u>	<u>1,136,185</u>
Expenditures:					
General Government:					
Contracted services	1,185,164	1,228,664	1,228,607	57	1,013,422
Other	22,086	27,268	22,496	4,772	19,039
Total Expenditures	<u>1,207,250</u>	<u>1,255,932</u>	<u>1,251,103</u>	<u>4,829</u>	<u>1,032,461</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(105,150)</u>	<u>(153,832)</u>	<u>135,840</u>	<u>289,672</u>	<u>103,724</u>
Other Financing Sources (Uses):					
Transfers (out)	<u>(23,029)</u>	<u>(23,029)</u>	<u>(23,029)</u>	<u>-</u>	<u>(9,720)</u>
Total Other Financing Sources (Uses)	<u>(23,029)</u>	<u>(23,029)</u>	<u>(23,029)</u>	<u>-</u>	<u>(9,720)</u>
Net Change in Fund Balances	<u>(128,179)</u>	<u>(176,861)</u>	112,811	<u>289,672</u>	94,004
Fund Balances - Beginning of Year			<u>529,529</u>		<u>435,525</u>
Fund Balances - End of Year			<u>642,340</u>		<u>529,529</u>

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

Gunnison County, Colorado
Debt Service Funds
Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for the Year Ended December 31, 2013)

	<u>2014</u>			Final Budget Variance Positive (Negative)	<u>2013</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Federal grants	324,745	324,745	301,363	(23,382)	313,669
Earnings on investments	2,900	900	3,848	2,948	7,052
Total Revenues	<u>327,645</u>	<u>325,645</u>	<u>305,211</u>	<u>(20,434)</u>	<u>320,721</u>
Expenditures:					
Debt Service:					
Principal	558,501	685,000	685,000	-	405,000
Interest	1,109,240	1,316,182	1,316,181	1	936,955
Other debt service	4,031	4,031	3,515	516	2,031
Total Expenditures	<u>1,671,772</u>	<u>2,005,213</u>	<u>2,004,696</u>	<u>517</u>	<u>1,343,986</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,344,127)</u>	<u>(1,679,568)</u>	<u>(1,699,485)</u>	<u>(19,917)</u>	<u>(1,023,265)</u>
Other Financing Sources (Uses):					
Transfers in	689,008	689,008	1,020,448	331,440	2,139,545
Transfers (out)	-	-	-	-	(7,530)
Total Other Financing Sources (Uses)	<u>689,008</u>	<u>689,008</u>	<u>1,020,448</u>	<u>331,440</u>	<u>2,132,015</u>
Net Change in Fund Balances	<u>(655,119)</u>	<u>(990,560)</u>	<u>(679,037)</u>	<u>311,523</u>	1,108,750
Fund Balances - Beginning of Year			<u>1,108,750</u>		-
Fund Balances - End of Year			<u>429,713</u>		<u>1,108,750</u>

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

Gunnison County, Colorado
Enterprise Funds
Airport Operations Fund
Schedule of Revenues, Expenditures and Available Resources
Budget (Non-GAAP Basis) and Actual
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for the Year Ended December 31, 2013)

	<u>2014</u>		<u>Variance Positive (Negative)</u>	<u>2013</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Operating Revenues:				
Airport fees	288,000	327,214	39,214	289,141
Terminal & hanger rent	412,988	420,006	7,018	422,100
Parking fees & fines	73,500	77,166	3,666	73,005
Grants	46,000	43,247	(2,753)	37,404
Other	303,200	386,153	82,953	336,439
Total Operating Revenues	<u>1,123,688</u>	<u>1,253,786</u>	<u>130,098</u>	<u>1,158,089</u>
Operating Expenditures:				
Administration	234,262	252,262	(18,000)	191,731
Terminal operations	198,130	177,707	20,423	229,376
Runway & grounds maintenance.	205,995	215,151	(9,156)	178,439
Snow removal	133,041	110,247	22,794	95,758
Aircraft rescue	150,556	111,396	39,160	131,626
Security	104,218	69,497	34,721	77,344
Wildlife	39,156	39,317	(161)	41,264
Capital outlay	-	26,273	(26,273)	199,784
Total Operating Expenditures	<u>1,065,358</u>	<u>1,001,850</u>	<u>63,508</u>	<u>1,145,322</u>
Operating Income (Loss)	<u>58,330</u>	<u>251,936</u>	<u>193,606</u>	<u>12,767</u>
Non-operating Revenues (Expenditures):				
Proceeds from sale of assets	-	290,000	290,000	200
Transfers (out)	(166,000)	(456,000)	(290,000)	(71,424)
Investment revenue	2,000	2,966	966	2,912
Total Non-operating Revenues (Expenditures)	<u>(164,000)</u>	<u>(163,034)</u>	<u>966</u>	<u>(68,312)</u>
Change in Net Position - Budget Basis	<u>(105,670)</u>	<u>88,902</u>	<u>194,572</u>	<u>(55,545)</u>
Available Resources - Beginning of Year		<u>711,116</u>		<u>766,661</u>
Available Resources - End of Year		<u>800,018</u>		<u>711,116</u>
Available resources at year-end is computed as follows:				
Current assets		960,235		859,915
Current liabilities		(95,629)		(80,950)
Accrued compensated absences		(64,588)		(67,849)
		<u>800,018</u>		<u>711,116</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, 2014
(With Comparative Actual Amounts for the Year Ended December 31, 2013)

	2014			Final Budget Variance Positive (Negative)	2013
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Dos Rios Division:					
Tap fees	5,500	5,500	16,500	11,000	8,500
User fees	158,160	158,160	159,327	1,167	160,607
Late fees	1,500	1,500	1,660	160	1,597
Other revenue	1,300	1,300	4,183	2,883	2,720
Total Dos Rios Division	<u>166,460</u>	<u>166,460</u>	<u>181,670</u>	<u>15,210</u>	<u>173,424</u>
Somerset Division:					
User fees	8,850	8,850	8,851	1	8,592
Late fees	100	100	83	(17)	102
Other revenue	200	200	33	(167)	190
Total Somerset Division	<u>9,150</u>	<u>9,150</u>	<u>8,967</u>	<u>(183)</u>	<u>8,884</u>
Antelope Hills Division:					
User fees	44,180	44,180	44,178	(2)	44,193
Late fees	400	400	651	251	467
Other revenue	1,600	1,600	93	(1,507)	1,228
Total Antelope Hills Division	<u>46,180</u>	<u>46,180</u>	<u>44,922</u>	<u>(1,258)</u>	<u>45,888</u>
North Gunnison Division:					
Tap fees	6,000	6,000	30,500	24,500	12,000
User fees	241,690	241,690	242,172	482	235,948
Late fees	1,000	1,000	1,363	363	1,021
Other revenue	300	300	482	182	585
Total North Gunnison Division	<u>248,990</u>	<u>248,990</u>	<u>274,517</u>	<u>25,527</u>	<u>249,554</u>
Tomichi Division:					
User fees	10,783	10,783	13,021	2,238	7,086
Other revenue	-	-	-	-	50
Total Tomichi Division	<u>10,783</u>	<u>10,783</u>	<u>13,021</u>	<u>2,238</u>	<u>7,136</u>
Total Revenues	<u>481,563</u>	<u>481,563</u>	<u>523,097</u>	<u>41,534</u>	<u>484,886</u>
Expenditures:					
Dos Rios Division:					
Operations	115,259	129,599	128,386	1,213	112,391
Transfers to other funds	37,694	37,694	37,694	-	35,317
Capital outlay	-	-	-	-	77,682
Total Dos Rios Division	<u>152,953</u>	<u>167,293</u>	<u>166,080</u>	<u>1,213</u>	<u>225,390</u>
Somerset Division:					
Operations	11,810	17,641	14,492	3,149	9,599
Transfers to other funds	1,139	1,139	1,139	-	1,299
Total Somerset Division	<u>12,949</u>	<u>18,780</u>	<u>15,631</u>	<u>3,149</u>	<u>10,898</u>
Antelope Hills Division:					
Operations	29,223	29,223	10,949	18,274	12,766
Transfers to other funds	7,590	7,590	7,590	-	8,413
Total Antelope Hills Division	<u>36,813</u>	<u>36,813</u>	<u>18,539</u>	<u>18,274</u>	<u>21,179</u>
North Gunnison Division:					
Operations	82,124	126,714	106,299	20,415	118,266
Transfers to other funds	20,253	20,253	20,253	-	22,922
Debt service	115,243	115,243	114,882	361	114,887
Total North Gunnison Division	<u>217,620</u>	<u>272,931</u>	<u>252,155</u>	<u>20,776</u>	<u>256,075</u>
Tomichi Division:					
Operations	9,643	16,061	11,881	4,180	6,834
Transfers to other funds	1,140	1,140	1,140	-	303
Total Tomichi Division	<u>10,783</u>	<u>17,201</u>	<u>13,021</u>	<u>4,180</u>	<u>7,137</u>
Total Expenditures	<u>431,118</u>	<u>513,018</u>	<u>465,426</u>	<u>47,592</u>	<u>520,679</u>
Change in Net Position - Budget Basis	<u>50,445</u>	<u>(31,455)</u>	<u>57,671</u>	<u>89,126</u>	<u>(35,793)</u>
Available Resources - Beginning of Year			<u>852,598</u>		<u>888,391</u>
Available Resources - End of Year			<u>910,269</u>		<u>852,598</u>
Available resources at year-end is computed as follows:					
Current assets			981,889		946,637
Current liabilities			(113,817)		(134,402)
Current portion of long-term obligations			42,197		40,363
			<u>910,269</u>		<u>852,598</u>

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

Gunnison County, Colorado
Enterprise Funds
Water Fund
Schedule of Revenues, Expenditures and Available Resources
Budget (Non-GAAP) Basis and Actual
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for the Year Ended December 31, 2013)

	<u>2014</u>			Final Budget Variance Positive (Negative)	<u>2013</u>
	Original Budget	Final Budget	Actual		Actual
Operating Revenues:					
User fees	289,910	289,910	296,741	6,831	270,104
Availability fees	7,840	7,840	7,477	(363)	7,561
Contributions	-	-	6,000	6,000	27,500
Earnings on investments	600	600	1,594	994	923
Other	18,184	18,184	3,204	(14,980)	44,078
Total Operating Revenues	<u>316,534</u>	<u>316,534</u>	<u>315,016</u>	<u>(1,518)</u>	<u>350,166</u>
Operating Expenditures:					
Dos Rios Division:					
Operating expenses	99,063	114,333	123,027	(8,694)	124,351
Capital outlay	-	-	64,949	(64,949)	-
Somerset Division:					
Debt service	8,024	8,024	2,918	5,106	3,161
Antelope Hills Division:					
Operating expenses	34,520	34,520	9,494	25,026	26,204
Capital outlay	-	-	(64,949)	64,949	286,094
Debt service	42,908	42,908	47,948	(5,040)	1,148,353
Utilities Administration:					
Operating expenses	71,446	71,446	59,203	12,243	50,937
Total Operating Expenditures	<u>255,961</u>	<u>271,231</u>	<u>242,590</u>	<u>28,641</u>	<u>1,639,100</u>
Operating Income (Loss)	<u>60,573</u>	<u>45,303</u>	<u>72,426</u>	<u>27,123</u>	<u>(1,288,934)</u>
Non-operating Revenues (Expenditures):					
Sale of capital assets	-	-	2,894	2,894	-
Transfers in	43,229	43,229	43,229	-	21,755
Transfers (out)	(36,081)	(36,081)	(36,081)	-	(25,744)
Debt proceeds	-	-	-	-	1,478,032
Total Non-operating Revenues (Expenditures)	<u>7,148</u>	<u>7,148</u>	<u>10,042</u>	<u>2,894</u>	<u>1,474,043</u>
Change in Net Position - Budget Basis	<u>67,721</u>	<u>52,451</u>	<u>82,468</u>	<u>30,017</u>	<u>185,109</u>
Available Resources - Beginning of Year			<u>474,170</u>		<u>289,061</u>
Available Resources - End of Year			<u>556,638</u>		<u>474,170</u>
Available resources at year-end is computed as follows:					
Current assets			573,267		505,973
Current liabilities			(32,646)		(46,478)
Current portion of long-term obligations			24,299		23,649
Accrued compensated absences			(8,282)		(8,974)
			<u>556,638</u>		<u>474,170</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, 2014
(With Comparative Actual Amounts for the Year Ended December 31, 2013)

	2014			2013
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
Operating Revenues:				
Landfill:				
Disposal fees	638,575	677,875	39,300	619,198
Other	17,611	48,337	30,726	30,035
Total Landfill Revenues	<u>656,186</u>	<u>726,212</u>	<u>70,026</u>	<u>649,233</u>
Recycling:				
Recycled material sales	100,000	132,914	32,914	132,832
Total Recycling Revenues	<u>100,000</u>	<u>132,914</u>	<u>32,914</u>	<u>132,832</u>
Total Operating Revenues	<u>756,186</u>	<u>859,126</u>	<u>102,940</u>	<u>782,065</u>
Operating Expenditures:				
Closure and postclosure	6,238	41	6,197	20
Operations and maintenance	1,920,991	723,452	1,197,539	985,355
Total Landfill Expenditures	<u>1,927,229</u>	<u>723,493</u>	<u>1,203,736</u>	<u>985,375</u>
Recycling Expenditures:				
Capital outlay	-	5,780	(5,780)	-
Total Recycling Expenditures	<u>-</u>	<u>5,780</u>	<u>(5,780)</u>	<u>-</u>
Total Operating Expenditures	<u>1,927,229</u>	<u>729,273</u>	<u>1,197,956</u>	<u>985,375</u>
Operating Income (Loss)	<u>(1,171,043)</u>	<u>129,853</u>	<u>1,300,896</u>	<u>(203,310)</u>
Non-operating Revenues (Expenditures):				
Grant revenue	-	8,529	8,529	-
Transfers (out)	(97,612)	(97,612)	-	(108,204)
Investment revenue	5,400	9,325	3,925	9,930
Total Non-operating Revenues (Expenditures)	<u>(92,212)</u>	<u>(79,758)</u>	<u>12,454</u>	<u>(98,274)</u>
Change in Net Position - Budget Basis	<u>(1,263,255)</u>	50,095	<u>1,313,350</u>	(301,584)
Available Resources - Beginning of Year		<u>2,484,916</u>		<u>2,786,500</u>
Available Resources - End of Year		<u>2,535,011</u>		<u>2,484,916</u>
Available resources at year-end is computed as follows:				
Current assets		2,593,478		2,531,146
Current liabilities		(31,087)		(27,297)
Accrued compensated absences		(27,380)		(18,933)
		<u>2,535,011</u>		<u>2,484,916</u>

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

Gunnison County, Colorado
Enterprise Funds
Gunnison County Housing Authority - Assisted Living
Schedule of Revenues, Expenditures and Available Resources
Budget (Non-GAAP Basis) and Actual
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for the Year Ended December 31, 2013)

	2014			2013
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating Revenues:				
Palisade Assisted Living:				
Donations and debt service reimbursements	36,488	36,487	(1)	36,488
Total Operating Revenues	36,488	36,487	(1)	36,488
Operating Expenditures:				
Principal payments	19,096	18,762	334	17,989
Interest payments	17,392	17,725	(333)	18,499
Total Operating Expenditures	36,488	36,487	1	36,488
Change in Net Position - Budget Basis	-	-	-	-
Available Resources - Beginning of Year		3,051		3,051
Available Resources - End of Year		3,051		3,051
Available resources at year-end is computed as follows:				
Current assets		3,051		3,051
Current liabilities		(19,899)		(19,096)
Current portion of long-term obligations		19,899		19,096
		3,051		3,051

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

Gunnison County, Colorado
Enterprise Funds
Gunnison County Housing Authority - Mountain View
Schedule of Revenues, Expenditures and Available Resources
Budget (Non-GAAP Basis) and Actual
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for the Year Ended December 31, 2013)

	2014			Final Budget Variance Positive (Negative)	2013
	Original Budget	Final Budget	Actual		Actual
Operating Revenues:					
Mountain View Apartments:					
Tenant payments	93,000	93,000	90,880	(2,120)	93,257
Assistance payment	135,000	135,000	138,122	3,122	131,984
Vacancies	(4,900)	(4,900)	(3,388)	1,512	(3,100)
Other revenue	4,150	4,150	4,209	59	3,573
Total Operating Revenues	<u>227,250</u>	<u>227,250</u>	<u>229,823</u>	<u>2,573</u>	<u>225,714</u>
Operating Expenditures:					
Mountain View Apartments:					
Operations	169,476	169,476	141,411	28,065	133,705
Capital outlay	17,000	17,000	16,813	187	2,713
Principal on debt	24,189	74,789	75,781	(992)	23,679
Interest on debt	28,739	29,759	32,036	(2,277)	33,215
Total Operating Expenditures	<u>239,404</u>	<u>291,024</u>	<u>266,041</u>	<u>24,983</u>	<u>193,312</u>
Operating Income (Loss)	<u>(12,154)</u>	<u>(63,774)</u>	<u>(36,218)</u>	<u>27,556</u>	<u>32,402</u>
Non-operating Revenues (Expenditures):					
Investment revenue	150	150	240	90	310
Total Non-operating Revenues (Expenditures)	<u>150</u>	<u>150</u>	<u>240</u>	<u>90</u>	<u>310</u>
Change in Net Position - Budget Basis	<u>(12,004)</u>	<u>(63,624)</u>	<u>(35,978)</u>	<u>27,646</u>	<u>32,712</u>
Available Resources - Beginning of Year			<u>199,950</u>		<u>167,238</u>
Available Resources - End of Year			<u>163,972</u>		<u>199,950</u>
Available resources at year-end is computed as follows:					
Current assets			245,423		273,269
Current liabilities			(94,342)		(85,491)
Current portion of long-term obligations			12,891		12,172
			<u>163,972</u>		<u>199,950</u>

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

Gunnison County, Colorado
Internal Service Funds
Combining Statement of Net Position
For the Year Ended December 31, 2014

	<u>Internal Service Fund I</u>	<u>Internal Service Fund II</u>	<u>Internal Service Fund III</u>	<u>Total</u>
Current Assets:				
Cash	1,744,728	662,889	1,419,922	3,827,539
Accounts receivable, net of allowance for uncollectible accounts, where applicable	-	2,594	160,939	163,533
Prepaid expenses	2,017	42,389	37,057	81,463
Due from other funds	185,693	-	-	185,693
Inventory, at cost	520,716	2,889	-	523,605
Total Current Assets	<u>2,453,154</u>	<u>710,761</u>	<u>1,617,918</u>	<u>4,781,833</u>
Non-current Assets:				
Land, property and equipment	18,091,697	1,610,815	-	19,702,512
Less: Accumulated depreciation	(9,294,108)	(1,421,551)	-	(10,715,659)
Total Non-current Assets	<u>8,797,589</u>	<u>189,264</u>	<u>-</u>	<u>8,986,853</u>
Total Assets	<u>11,250,743</u>	<u>900,025</u>	<u>1,617,918</u>	<u>13,768,686</u>
Liabilities:				
Current Liabilities:				
Accounts payable	65,013	5,805	89,719	160,537
Accrued liabilities	-	-	172,043	172,043
Due to other funds	-	56	-	56
Total Current Liabilities	<u>65,013</u>	<u>5,861</u>	<u>261,762</u>	<u>332,636</u>
Non-current Liabilities:				
Accrued compensated absences	61,962	24,671	-	86,633
Total Non-current Liabilities	<u>61,962</u>	<u>24,671</u>	<u>-</u>	<u>86,633</u>
Total Liabilities	<u>126,975</u>	<u>30,532</u>	<u>261,762</u>	<u>419,269</u>
Net Position:				
Net investment in capital assets	8,797,589	189,264	-	8,986,853
Restricted	522,733	45,278	37,057	605,068
Unrestricted	1,803,446	634,951	1,319,099	3,757,496
Total Net Position	<u>11,123,768</u>	<u>869,493</u>	<u>1,356,156</u>	<u>13,349,417</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 Position
For the Year Ended December 31, 2014

	<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	1,902,382	-	-	1,902,382
Charges and fees	721	3,306	360,931	364,958
Other	105,193	754,832	2,335,160	3,195,185
Total Operating Revenues	<u>2,008,296</u>	<u>758,138</u>	<u>2,696,091</u>	<u>5,462,525</u>
Operating Expenses:				
Operations and maintenance	1,470,625	492,063	2,716,433	4,679,121
Administration	210,786	92,437	-	303,223
Depreciation and amortization	675,620	191,566	-	867,186
Total Operating Expenses	<u>2,357,031</u>	<u>776,066</u>	<u>2,716,433</u>	<u>5,849,530</u>
Operating Income (Loss)	<u>(348,735)</u>	<u>(17,928)</u>	<u>(20,342)</u>	<u>(387,005)</u>
Non-operating Revenues (Expenses):				
Gain (loss) on disposal of capital assets	36,844	-	-	36,844
Investment revenue	6,556	2,381	5,019	13,956
Total Non-operating Revenues (Expenses)	<u>43,400</u>	<u>2,381</u>	<u>5,019</u>	<u>50,800</u>
Income (Loss) Before Transfers	<u>(305,335)</u>	<u>(15,547)</u>	<u>(15,323)</u>	<u>(336,205)</u>
Transfers In	-	33,060	-	33,060
Transfers (Out)	<u>(116,002)</u>	<u>(87,630)</u>	<u>(2,565)</u>	<u>(206,197)</u>
Change in Net Position	(421,337)	(70,117)	(17,888)	(509,342)
Total Net Position - Beginning of Year	<u>11,545,105</u>	<u>939,610</u>	<u>1,374,044</u>	<u>13,858,759</u>
Total Net Position - End of Year	<u><u>11,123,768</u></u>	<u><u>869,493</u></u>	<u><u>1,356,156</u></u>	<u><u>13,349,417</u></u>

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

Gunnison County, Colorado
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2014

	<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	2,011,724	765,540	3,183,646	5,960,910
Cash received from other sources	721	3,306	360,931	364,958
Cash payments to vendors for goods and services	(1,259,327)	(281,174)	(3,517,915)	(5,058,416)
Cash payments to employees for services	(414,546)	(284,729)	(10,636)	(709,911)
Net Cash Provided (Used) by Operating Activities	<u>338,572</u>	<u>202,943</u>	<u>16,026</u>	<u>557,541</u>
Cash Flows from Non-capital Financing Activities:				
Transfers from (to) other funds, net	(138,753)	(61,247)	11,112	(188,888)
Net Cash Provided (Used) by Non-capital Financing Activities	<u>(138,753)</u>	<u>(61,247)</u>	<u>11,112</u>	<u>(188,888)</u>
Cash Flows from Capital and Related Financing Activities:				
Purchase of capital assets	(214,008)	(42,367)	-	(256,375)
Cash from sale of assets	39,101	-	-	39,101
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(174,907)</u>	<u>(42,367)</u>	<u>-</u>	<u>(217,274)</u>
Cash Flows from Investing Activities:				
Cash from investment income	6,556	2,381	5,019	13,956
Net Cash Provided (Used) by Investing Activities	<u>6,556</u>	<u>2,381</u>	<u>5,019</u>	<u>13,956</u>
Net Increase (Decrease) in Cash	31,468	101,710	32,157	165,335
Cash - Beginning of Year	1,713,260	561,179	1,387,765	3,662,204
Cash - End of Year	<u>1,744,728</u>	<u>662,889</u>	<u>1,419,922</u>	<u>3,827,539</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	(348,735)	(17,928)	(20,342)	(387,005)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation and amortization	675,620	191,566	-	867,186
Changes in Assets and Liabilities:				
(Increase) decrease in accounts receivable	4,149	10,708	848,486	863,343
(Increase) decrease in prepaid expenses	(1,304)	17,909	(37,057)	(20,452)
(Increase) decrease in inventory	22,237	3,355	-	25,592
Increase (decrease) in accounts payable	(11,722)	(1,002)	(775,179)	(787,903)
Increase (decrease) in accrued liabilities	-	-	5,200	5,200
Increase (decrease) in compensated absences	(1,673)	(1,665)	(5,082)	(8,420)
Net Cash Provided (Used) by Operating Activities	<u>338,572</u>	<u>202,943</u>	<u>16,026</u>	<u>557,541</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, 2014
(With Comparative Actual Amounts for the Year Ended December 31, 2013)

	<u>2014</u>			<u>Final Budget</u>	<u>2013</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Operating Revenues:					
Equipment rent	1,578,639	1,578,639	1,902,382	323,743	1,789,582
Material and gravel sales	209,667	209,667	83,941	(125,726)	221,834
Other revenues	100	100	21,973	21,873	528
Total Operating Revenues	<u>1,788,406</u>	<u>1,788,406</u>	<u>2,008,296</u>	<u>219,890</u>	<u>2,011,944</u>
Operating Expenditures:					
Administration	294,585	304,585	239,557	65,028	223,942
Fleet maintenance	1,223,354	1,395,981	1,369,779	26,202	1,285,179
Materials	209,667	264,500	68,964	195,536	224,394
Property and equipment purchases	200	256,763	214,008	42,755	383,707
Equipment lease payments	3,112	3,112	3,112	-	3,112
Total Operating Expenditures	<u>1,730,918</u>	<u>2,224,941</u>	<u>1,895,420</u>	<u>329,521</u>	<u>2,120,334</u>
Operating Income (Loss)	<u>57,488</u>	<u>(436,535)</u>	<u>112,876</u>	<u>549,411</u>	<u>(108,390)</u>
Non-operating Revenues (Expenditures):					
Sale of capital assets	10,000	10,000	39,100	29,100	9,488
Investment income	-	-	6,556	6,556	-
Transfers in	2,041,110	2,041,110	-	(2,041,110)	925,801
Transfers (out)	(2,157,112)	(2,157,112)	(116,002)	2,041,110	(90,048)
Total Non-operating Revenues (Expenditures)	<u>(106,002)</u>	<u>(106,002)</u>	<u>(70,346)</u>	<u>35,656</u>	<u>845,241</u>
Change in Net Position - Budget Basis	<u>(48,514)</u>	<u>(542,537)</u>	<u>42,530</u>	<u>585,067</u>	<u>736,851</u>
Available Resources - Beginning of Year			<u>2,283,649</u>		<u>1,546,798</u>
Available Resources - End of Year			<u>2,326,179</u>		<u>2,283,649</u>
Available resources at year-end is computed as follows:					
Current assets			2,453,154		2,424,017
Current liabilities			(65,013)		(76,733)
Accrued compensated absences			(61,962)		(63,635)
			<u>2,326,179</u>		<u>2,283,649</u>

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

Gunnison County, Colorado
Internal Service Funds
Internal Service Fund II
Schedule of Revenues, Expenditures and Available Resources
Budget (Non-GAAP Basis) and Actual
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for the Year Ended December 31, 2013)

	2014		Final Budget Variance Positive (Negative)	2013
	Original and Final Budget	Actual		Actual
Operating Revenues:				
Data processing	424,058	423,295	(763)	448,439
Mapping	179,670	179,670	-	179,082
Telephone system	70,896	71,708	812	73,138
Photocopy and postage	93,003	79,618	(13,385)	87,041
Other	400	3,849	3,449	2,870
Total Operating Revenues	<u>768,027</u>	<u>758,140</u>	<u>(9,887)</u>	<u>790,570</u>
Operating Expenditures:				
Data Processing:				
Operations	180,729	159,121	21,608	140,378
Capital outlay	90,310	42,367	47,943	375
GIS Mapping:				
Operations	172,115	158,238	13,877	161,905
Telephone System:				
Operations	40,001	32,989	7,012	39,875
Capital outlay	-	-	-	92,221
Photocopy and Postage:				
Operations	81,192	66,518	14,674	77,857
Help Desk:				
Operations	183,804	143,441	40,363	164,456
IT Infrastructure:				
Operations	8,716	3,062	5,654	9,130
Systems Development:				
Operations	20,700	1,500	19,200	20,089
IT Training:				
Operations	21,245	19,632	1,613	17,316
Total Operating Expenditures	<u>798,812</u>	<u>626,868</u>	<u>171,944</u>	<u>723,602</u>
Operating Income (Loss)	<u>(30,785)</u>	<u>131,272</u>	<u>162,057</u>	<u>66,968</u>
Non-operating Revenues (Expenditures):				
Transfers in	22,060	33,060	11,000	22,420
Transfers (out)	(87,630)	(87,630)	-	(71,592)
Investment revenue	-	2,381	2,381	-
Total Non-operating Revenues (Expenditures)	<u>(65,570)</u>	<u>(52,189)</u>	<u>13,381</u>	<u>(49,172)</u>
Change in Net Position - Budget Basis	<u>(96,355)</u>	<u>79,083</u>	<u>175,438</u>	<u>17,796</u>
Available Resources - Beginning of Year		<u>601,147</u>		<u>583,351</u>
Available Resources - End of Year		<u>680,230</u>		<u>601,147</u>
Available resources at year-end is computed as follows:				
Current assets		710,762		641,023
Current liabilities		(5,861)		(13,540)
Accrued compensated absences		(24,671)		(26,336)
		<u>680,230</u>		<u>601,147</u>

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

Gunnison County, Colorado
Internal Service Funds
Internal Service Fund III
Schedule of Revenues, Expenditures and Available Resources
Budget (Non-GAAP Basis) and Actual
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for the Year Ended December 31, 2013)

	2014			Final Budget Variance Positive (Negative)	2013
	Original Budget	Final Budget	Actual		Actual
Operating Revenues:					
Premium contributions	2,665,148	2,665,148	2,674,703	9,555	3,603,097
Miscellaneous	500	500	21,388	20,888	9,634
Total Operating Revenues	<u>2,665,648</u>	<u>2,665,648</u>	<u>2,696,091</u>	<u>30,443</u>	<u>3,612,731</u>
Operating Expenditures:					
Operations	2,659,186	3,162,186	2,716,433	445,753	3,345,433
Total Operating Expenditures	<u>2,659,186</u>	<u>3,162,186</u>	<u>2,716,433</u>	<u>445,753</u>	<u>3,345,433</u>
Operating Income (Loss)	<u>6,462</u>	<u>(496,538)</u>	<u>(20,342)</u>	<u>476,196</u>	<u>267,298</u>
Non-operating Revenues (Expenditures):					
Transfers (out)	(2,565)	(2,565)	(2,565)	-	(23,340)
Investment revenue	2,000	2,000	5,019	3,019	18,538
Total Non-operating Revenues (Expenditures)	<u>(565)</u>	<u>(565)</u>	<u>2,454</u>	<u>3,019</u>	<u>(4,802)</u>
Change in Net Position - Budget Basis	<u>5,897</u>	<u>(497,103)</u>	<u>(17,888)</u>	<u>479,215</u>	<u>262,496</u>
Available Resources - Beginning of Year			<u>1,374,044</u>		<u>1,111,548</u>
Available Resources - End of Year			<u>1,356,156</u>		<u>1,374,044</u>
Available resources at year-end is computed as follows:					
Current assets			1,617,918		2,410,867
Current liabilities			(261,762)		(1,031,741)
Accrued compensated absences			-		(5,082)
			<u>1,356,156</u>		<u>1,374,044</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, 2014**

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Assets:				
Cash	25,175,844			25,694,222
Less: Cash held for County funds	(24,155,563)	}	-	{
			736,932	(23,937,009)
Total Assets	<u>1,020,281</u>	<u>-</u>	<u>736,932</u>	<u>1,757,213</u>
Liabilities:				
Due to other governments and agencies	1,020,281	-	736,932	1,757,213
Total Liabilities	<u>1,020,281</u>	<u>-</u>	<u>736,932</u>	<u>1,757,213</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, 2014

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Assets:				
Cash	58,638	140,989	(158,596)	41,031
Total Assets	<u>58,638</u>	<u>140,989</u>	<u>(158,596)</u>	<u>41,031</u>
Liabilities:				
Due (from) to governmental funds Held by Trustee	94	-	(110)	(16)
	58,544	140,989	(158,486)	41,047
Total Liabilities	<u>58,638</u>	<u>140,989</u>	<u>(158,596)</u>	<u>41,031</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 County
		YEAR ENDING : December 2014
This Information From The Records Of (example - City of _ or County of County of Gunnison)		Prepared By: Ashley Tierney Phone: 970-641-7671

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)	131,319
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	2,808,700
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	1,152,358
3. Other local imposts (from page 2)	241,060	c. Other	
4. Miscellaneous local receipts (from page 2)	264,064	d. Total (a. through c.)	1,152,358
5. Transfers from toll facilities		4. General administration & miscellaneous	806,680
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	4,899,059
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)	505,124	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	2,702,174	2. Notes:	
D. Receipts from Federal Government (from page 2)	1,078,634	a. Interest	
E. Total receipts (A.7 + B + C + D)	4,285,932	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)	4,899,059

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

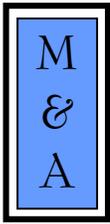
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	2,265,463	4,285,932	4,899,059	1,652,337	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2014	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	9,838
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	2,683
4. Licenses		f. Charges for Services	12,332
5. Specific Ownership &/or Other	241,060	g. Other Misc. Receipts	239,211
6. Total (1. through 5.)	241,060	h. Other	
c. Total (a. + b.)	241,060	i. Total (a. through h.)	264,064
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	2,653,782	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	35,606
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	48,392	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	1,043,028
f. Total (a. through e.)	48,392	g. Total (a. through f.)	1,078,634
4. Total (1. + 2. + 3.f)	2,702,174	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
		TOTAL (c)	
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs		91,418	91,418
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		22,423	22,423
(3). System Preservation		3,007	3,007
(4). System Enhancement & Operation		14,472	14,472
(5). Total Construction (1) + (2) + (3) + (4)		39,902	39,902
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		131,319	131,319
			(Carry forward to page 1)
Notes and Comments:			

SINGLE AUDIT REPORTS AND SCHEDULES





McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Gunnison County (the "County") as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 29, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit on the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Member: American Institute of Certified Public Accountants

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

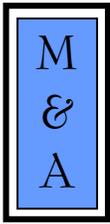
Compliance and Other Matters

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

Purpose of this Report

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

**McMahan and Associates, L.L.C.
September 29, 2015**



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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

Independent Auditor's Report

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

Report on Compliance for Each Major Program

We have audited the Gunnison County's (the "County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2014 and its compliance with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (the "Guide"), issued by the Federal Aviation Administration, for its passenger facility charge program for the year ended December 31, 2014. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and to the passenger facility charge program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and to the passenger facility charge program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the Guide. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program and on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and on the passenger facility charge program. However, our audit does not provide a legal determination on the County's compliance with those requirements.

Member: American Institute of Certified Public Accountants

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Opinion on Each Major Federal Program and Passenger Facility Charge Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and on passenger facility charge program for the year ended December 31, 2014.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the County's internal control over compliance with types of requirements that could have a direct and material effect on each major federal program and on the passenger facility charge program to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and passenger facility charge program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or passenger facility charge program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or passenger facility charge program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or passenger facility program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report in internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the Guide. Accordingly, this report is not suitable for any other purpose.

McMahan and Associates, L.L.C.
September 29, 2015

Gunnison County, Colorado
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2014

Part I: Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

Part II: Findings Related to Financial Statements

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

Part III: Findings Related to Federal Awards

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

Gunnison County, Colorado
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2014
(Continued)

Note: There were no findings for the fiscal year ended December 31, 2013.

Gunnison County, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2014

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Major Program</u>	<u>Expenditures</u>
Department of Agriculture:			
Passed through Colorado Department of Public Health and Environment:			
Women, Infant, Children	10.557	No	47,193
Women, Infant, Children (non-cash vouchers)	10.557	No	119,911
Passed through Colorado Department of Human Services:			
Food Assistance-Administration	10.561	No	<u>93,482</u>
Total Department of Agriculture:			<u>260,586</u>
Department of Health and Human Services:			
Drug-Free Communities Support Program	93.276	No	120,147
Passed through Colorado Department of Human Services:			
TANF CO Works	93.558	No	156,465
Title IV-D - Administration	93.563	No	105,396
Low-income Home Energy Assistance	93.568	No	124,879
CCDF Discretionary	93.596	No	21,576
CCDF	93.575	No	90,539
Child Welfare Services IVB	93.645	No	2,520
Foster Care-Title IV-E	93.658	No	148,144
Adoption	93.659	No	25,387
Social Services Block Grant	93.667	No	60,018
Medicaid Assistance Program	93.778	No	80,031
Nurturing parent	93.590	No	26,734
Adjustments to Costs	93.000	No	(336)
Passed through Colorado Department of Public Health and Environment:			
CORE (BT)	93.069	No	7,305
Family Planning	93.217	No	28,271
Immunizations	93.268	No	6,607
Breastfeeding promotion and support	93.741	No	12,016
CWCCI/WWC	93.283	No	23,937
Public Health Nurse - Maternal and Child Health Service	93.994	No	6,628
Health Assmt & Plan (OPP)	93.991	No	10,000
Passed through Colorado Department of Public Health and Environment through Region 10 Area for Aging:			
Special Program for the Aging	93.044	No	19,132
Passed through Colorado Department of Local Affairs through Delta County:			
Medicaid Assistance Program	93.778	No	<u>48,065</u>
Total Department of Health and Human Services:			<u>1,123,461</u>
Department of Transportation:			
Federal Aviation Administration:			
Airport Improvement Projects (total)	20.106	No	120,228
Subtotal			<u>1,504,275</u>

Gunnison County, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2014
(continued)

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Major Program</u>	<u>Expenditures</u>
Department of Homeland Security:			
Passed through Colorado Department of Local Affairs			
Emergency Management Performance Grant	97.042	No	107,319
Total Department of Homeland Security:			<u>107,319</u>
Department of Justice:			
Juvenile Accountability	16.523	No	35,150
State Criminal Alien Assistance Program	16.606	No	5,998
Total Department of Justice:			<u>41,148</u>
Department of Housing and Urban Development:			
Passed through Colorado Department Housing and Finance Authority:			
Insured Loan Program	14.135	Yes	709,902
Lower Income Housing Assistance Program	14.871	Yes	138,122
Total Department of Housing and Urban Development:			<u>848,024</u>
Total Federal Assistance:			<u><u>2,500,766</u></u>

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2014

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, 2014.

Gunnison County, Colorado
Schedule of Passenger Facility Charges Collected and Expended
For the Year Ended December 31, 2014

<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	117,265	
Interest Earned	-	
Total PFC Revenues	<u>117,265</u>	117,265
Project Expenditures:		
Construction	<u>(117,265)</u>	
Total PFC project expenditures	<u>(117,265)</u>	<u>(117,265)</u>
Unliquidated PFC revenues, end of year		<u>\$ -</u>