# AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

**Agenda Item:** 2015 Gunnison County Financial Audit

**Action Requested:** Motion

**Parties to the Agreement:**

**Term Begins:** **Term Ends:** **Grant Contract #:**

**Summary:**

Review 2015 Audit, presentation by Paul Backes, McMahan & Assocuates

**Fiscal Impact:**

**Submitted by:** Linda Nienhueser **Submitter's Email Address:** lnienhueser@gunnisoncounty.org

**Finance Review:** ○ Required ◉ Not Required

Comments:

Reviewed by: Discharge Date:

**County Attorney Review:** ○ Required ◉ Not Required

Comments:

Reveiwed by: Discharge Date: Certificate of Insurance Required

Yes ○ No ○

**County Manager Review:**

Comments:

Reveiwed by: GUNCOUNTY1\mbirnie Discharge Date: 9/23/2016

○ Consent Agenda ○ Regular Agenda ○ Worksession Time Allotted: 30

Agenda Date: 9/27/2016

*Revised April 2015*

McMahan and Associates, L.L.C.
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Preliminary Draft

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

We have audited the financial statements of Gunnison County, Colorado (the "County") as of and for the year ended December 31, 2015. Professional standards require that we provide you with the following information related to our audit.

*Qualitative Aspects of Accounting Policies*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in the Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Estimated allowance for uncollectible receivables at December 31, 2015, which management has based on industry practice and experience, including actual collections since year-end.
- Estimated useful lives for capital assets subject to depreciation, which management has based on industry practice and experience.
- Estimated remaining useful life of landfill, which management has based on industry practice and experience.

We evaluated the key factors and assumptions used to develop these estimates and found them reasonable in relation to the financial statements taken as a whole.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

Material misstatements detected as a result of audit procedures include entries related to the following:

- To adjust for construction in progress deletions on the Airport Operations Fund.
- To adjust the value of land purchased on the Airport Operations Fund.
- To record additional capital assets and accumulated depreciation on the ISF II Fund.

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*Corrected and Uncorrected Misstatements (continued)*

Management has corrected all such misstatements prior to finalization of the 2015 audited financial statements.

*Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

As is required in all audit engagements, we have requested certain representations from management that are included in the management representation letter dated.

This report is intended solely for the information and use of the Board of County Commissioners, management, and others within the County and is not intended to be, and should not be, used by anyone other than those specified parties.

Sincerely,

**McMahan and Associates, L.L.C.**
**September 15, 2016**

Preliminary Draft

**Gunnison County**

**Financial Report**

**December 31, 2015**

Preliminary Draft

**Gunnison County, Colorado**
**Financial Report**
**December 31, 2015**

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**Financial Report**
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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, 2015, 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 did not audit the financial statements of the Gunnison Valley Hospital and Health Care Center, the discretely presented component unit of Gunnison County, which represents 100 percent of the assets, net position, and revenues of the aggregate discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Gunnison Valley Hospital and Health Care Center, is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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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**INDEPENDENT AUDITOR'S REPORT**
**To the Board of County Commissioners**
**Gunnison County, Colorado**

***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 unit, each major fund, and the aggregate remaining fund information of Gunnison County, Colorado as of December 31, 2015, 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.

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***Other Matters (continued)***

Additionally, the Schedule of Passenger Facility Charges Collected and Expended in section F, and the Schedule of Expenditures of Federal Awards 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* 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 15, 2016 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 15, 2016**

Preliminary Draft

# MANAGEMENT'S DISCUSSION AND ANALYSIS

# Gunnison County, Colorado

Management's Discussion and Analysis

December 31, 2015

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, 2015.

**Financial Highlights**

- On a short term view, the County's governmental funds decreased $1,227,083. This was primarily due to building the new courthouse.
- On a long term view the County's governmental activities increased net position by $2,578,264 due to increase in grants and contributions.
- On a short term view the County's business type funds available resources decreased $93,117. This is mainly due to a decrease in the Landfill Operations fund and offset by increase in the Sewer and Airport Operations funds.
- On a long-term view the County's business type activities decreased net position by $128,688. This is mainly due to decreases in the Sewer, Water, and Landfill Operations funds, and was offset by an increase in the Airport Operations 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 2015 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 | |
|---|---|---|---|---|---|---|
| | **2015** | **2014** | **2015** | **2014** | **2015** | **2014** |
| **Assets:** | | | | | | |
| Current and other assets | $30,384,262 | 31,888,117 | 5,340,531 | 5,322,872 | 35,724,793 | 37,210,989 |
| Capital assets, net | 54,986,989 | 52,969,267 | 41,340,395 | 41,459,619 | 96,327,384 | 94,428,886 |
| **Total Assets** | 85,371,251 | 84,857,384 | 46,680,926 | 46,782,491 | 132,052,177 | 131,639,875 |
| **Liabilities:** | | | | | | |
| Other liabilities | 4,483,683 | 6,041,675 | 283,446 | 194,286 | 4,767,129 | 6,235,961 |
| Long-term liabilities | 26,129,523 | 27,110,767 | 5,745,242 | 5,807,279 | 31,874,765 | 32,918,046 |
| **Total Liabilities** | 30,613,206 | 33,152,442 | 6,028,688 | 6,001,565 | 36,641,894 | 39,154,007 |
| **Deferred Inflow of Resources:** | | | | | | |
| Deferred Inflow of Resources | 7,465,384 | 6,990,545 | - | - | 7,465,384 | 6,990,545 |
| **Total Inflow of Resources** | 7,465,384 | 6,990,545 | - | - | 7,465,384 | 6,990,545 |
| **Net Position:** | | | | | | |
| Net investment in capital assets | 28,793,403 | 26,495,403 | 37,007,523 | 37,027,853 | 65,800,926 | 63,523,256 |
| Restricted | 7,035,176 | 7,147,176 | 863,440 | 1,292,668 | 7,898,616 | 8,439,844 |
| Unrestricted | 11,464,082 | 11,071,818 | 2,781,275 | 2,460,405 | 14,245,357 | 13,532,223 |
| **Total Net Position** | $47,292,661 | 44,714,397 | 40,652,238 | 40,780,926 | 87,944,899 | 85,495,323 |

**Government-wide Financial Analysis (continued)**

Governmental activities increased $2,578,264 while business-type activities decreased $128,688. Key elements of this increase were as follows:

Significant events impacting 2015 were:

- Net position as a result of governmental activities increased $2,578,264, mainly due to Airport Construction Fund capital grants.

- Net position as a result of business-type activities decreased $128,688 because total business type expenses exceeded total business type revenues. The most significant increase of $694,384 resulted in airport operations, and was offset by the two most significant decreases of $371,424 and $370,800 in landfill and water operations, respectively.

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | **2015** | **2014** | **2015** | **2014** | **2015** | **2014** |
| **Revenues:** | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | $ 2,754,515 | 2,256,520 | 3,257,932 | 3,190,278 | 6,012,447 | 5,446,798 |
| Grants and contributions | 15,335,683 | 11,991,876 | 24,809 | 3,359 | 15,360,492 | 11,995,235 |
| General revenues: | | | | | | |
| Sales taxes | 2,129,805 | 1,966,721 | 29,705 | 28,732 | 2,159,510 | 1,995,453 |
| Property taxes | 8,131,930 | 7,650,021 | - | - | 8,131,930 | 7,650,021 |
| Other taxes | 2,048,325 | 1,890,304 | - | - | 2,048,325 | 1,890,304 |
| Interest and other revenue | 110,194 | 42,485 | 29,821 | 18,893 | 140,015 | 61,378 |
| **Total Revenues** | 30,510,452 | 25,797,927 | 3,342,267 | 3,241,262 | 33,852,719 | 29,039,189 |
| **Expenses:** | | | | | | |
| General government | 7,908,000 | 8,654,191 | - | - | 7,908,000 | 8,654,191 |
| Judicial | 522,684 | 280,846 | - | - | 522,684 | 280,846 |
| Public safety | 3,286,772 | 3,240,368 | - | - | 3,286,772 | 3,240,368 |
| Health and welfare | 5,382,088 | 5,070,202 | - | - | 5,382,088 | 5,070,202 |
| Auxiliary services | 215,784 | 264,873 | - | - | 215,784 | 264,873 |
| Culture and recreation | 902,490 | 591,386 | - | - | 902,490 | 591,386 |
| Public works | 6,129,231 | 6,219,634 | - | - | 6,129,231 | 6,219,634 |
| Interest on long-term debt | 1,345,382 | 1,344,241 | - | - | 1,345,382 | 1,344,241 |
| Airport operations | - | - | 2,716,074 | 2,738,264 | 2,716,074 | 2,738,264 |
| Sewer | - | - | 563,080 | 589,475 | 563,080 | 589,475 |
| Water | - | - | 684,650 | 616,363 | 684,650 | 616,363 |
| Landfill | - | - | 1,224,485 | 870,648 | 1,224,485 | 870,648 |
| Housing | - | - | 268,237 | 282,343 | 268,237 | 282,343 |
| **Total Expenses** | 25,692,431 | 25,665,741 | 5,456,526 | 5,097,093 | 31,148,957 | 30,762,834 |
| **Change in Net Position before Transfers** | 4,818,021 | 132,186 | (2,114,259) | (1,855,831) | 2,703,762 | (1,723,645) |
| Transfers | (1,985,571) | 368,532 | 1,985,571 | (368,532) | - | - |
| Loss on disposals | (254,186) | (563,538) | - | (2,215) | (254,186) | (565,753) |
| | (2,239,757) | (195,006) | 1,985,571 | (370,747) | (254,186) | (565,753) |
| **Change in Net Position** | 2,578,264 | (62,820) | (128,688) | (2,226,578) | 2,449,576 | (2,289,398) |
| **Net Position - Beginning** | 44,714,397 | 44,777,217 | 40,780,926 | 43,007,504 | 85,495,323 | 87,784,721 |
| **Net Position - Ending** | $47,292,661 | 44,714,397 | 40,652,238 | 40,780,926 | 87,944,899 | 85,495,323 |

**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 General Fund mainly relates to a transfer to complete the construction of the new courthouse building.

The County's available resources for 2015 is charted below:

| | Beginning Available Resources | Increase (Decrease) | Ending Available Resources | 2015 Expenditures | % of EAR to Expenditures |
|---|---|---|---|---|---|
| **Governmental Major Funds:** | | | | | |
| General Fund | $ 7,266,986 | (2,079,790) | 5,187,196 | 17,269,898 | 30% |
| Road & Bridge | 2,459,450 | 188,785 | 2,648,235 | 4,609,528 | 57% |
| Human Services Fund | 563,037 | 17,340 | 580,377 | 3,875,219 | 15% |
| Sales Tax Fund | 1,297,047 | 442,092 | 1,739,139 | 1,335,484 | 130% |
| Airport Construction Fund | 154,070 | (44,660) | 109,410 | 3,324,890 | 3% |
| Capital Expenditures Fund | 2,092,345 | 263,218 | 2,355,563 | 4,370,224 | 54% |
| Non-Major Funds | 2,221,359 | (14,070) | 2,207,289 | 4,429,669 | 50% |
| **Business Type Funds:** | | | | | |
| Airport Operations Fund | 800,016 | 212,077 | 1,012,093 | 1,045,843 | 97% |
| Sewer Fund | 910,269 | 111,503 | 1,021,772 | 425,616 | 240% |
| Water Fund | 556,638 | (14,930) | 541,708 | 366,423 | 148% |
| Solid Waste Fund | 2,535,011 | (333,815) | 2,201,196 | 1,289,063 | 171% |
| Assisted Living Fund | 3,051 | - | 3,051 | 36,488 | 8% |
| Mountain View Fund | 163,972 | (67,950) | 96,022 | 301,003 | 32% |
| **Internal Service Funds:** | | | | | |
| ISF I Fund | 2,326,179 | 86,849 | 2,413,028 | 2,963,374 | 81% |
| ISF II Fund | 680,230 | (41,350) | 638,880 | 849,165 | 75% |
| ISF III Fund | 1,356,156 | 493,846 | 1,850,002 | 1,910,102 | 97% |
| | $25,385,816 | (780,855) | 24,604,961 | 48,401,989 | 51% |

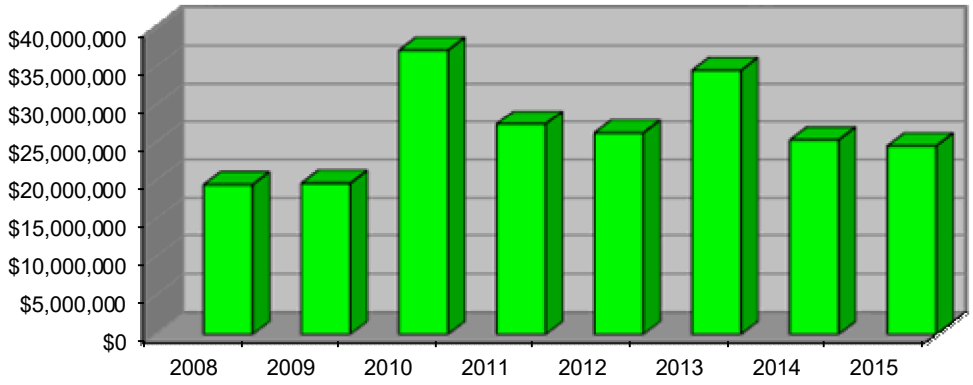
**Governmental Funds:** The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balances may serve as a useful 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 $1,227,085. 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 $32,402.

**Budget Variances in the General Fund:** The General Fund budget was amended during the year by $3,756,749. Actual expenditures were $1,283,296 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 $33,144,107. 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 2015 totaled $5,187,196. The 2016 budget anticipates decreasing this balance by $701,466.

**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

Preliminary Draft

# GOVERNMENT-WIDE FINANCIAL STATEMENTS

Preliminary Draft

**Gunnison County**
**Statement of Net Position**
**December 31, 2015**

| | Primary Government | | | Component Unit |
|---|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total | Hospital |
| **Assets:** | | | | |
| Cash and investments - Unrestricted | 16,970,437 | 2,744,243 | 19,714,680 | 9,067,782 |
| Cash and investments - Restricted | 2,410,524 | 2,292,894 | 4,703,418 | 21,342,003 |
| Accounts, taxes, and other receivables | 10,221,572 | 337,864 | 10,559,436 | 4,500,632 |
| Prepaid expenses | 49,508 | 17,418 | 66,926 | 337,026 |
| Inventory | 680,332 | - | 680,332 | 1,071,502 |
| Internal balances | 51,889 | (51,889) | - | - |
| Goodwill, net | - | - | - | 792,738 |
| Capital Assets: | | | | |
| Capital assets, not depreciated | 1,662,889 | 13,078,261 | 14,741,150 | - |
| Capital assets, net | 53,324,100 | 28,262,134 | 81,586,234 | 17,947,825 |
| **Total Assets** | 85,371,251 | 46,680,925 | 132,052,176 | 55,059,508 |
| **Deferred Outflows of Resources:** | | | | |
| Deferred outflow from interest rate swap | - | - | - | 325,433 |
| **Total Deferred Outflows of Resources** | - | - | - | 325,433 |
| **Liabilities:** | | | | |
| Accounts payable | 1,027,337 | 266,802 | 1,294,139 | 1,435,958 |
| Accrued expenses | 525,481 | 16,643 | 542,124 | 3,426,551 |
| Deposits | 744,558 | - | 744,558 | - |
| Accrued interest | - | 63,039 | 63,039 | - |
| Unearned grant revenue | 853,926 | - | 853,926 | |
| Interest rate swap | - | - | - | 325,433 |
| Non-current Liabilities: | | | | |
| Due within one year: | | | | |
| Accrued compensated absences | 507,327 | 47,281 | 554,608 | - |
| Leases | 120,317 | - | 120,317 | 183,904 |
| Bonds | - | 47,827 | 47,827 | 820,000 |
| Certificates of participation | 685,000 | - | 685,000 | - |
| Loans | 19,737 | 55,532 | 75,269 | - |
| Due in more than one year: | | | | |
| Accrued compensated absences | 760,991 | 70,922 | 831,913 | - |
| Leases | 535,559 | - | 535,559 | - |
| Bonds | - | 2,653,485 | 2,653,485 | 9,555,054 |
| Certificates of participation | 24,768,147 | - | 24,768,147 | - |
| Landfill closure and postclosure costs | - | 1,231,128 | 1,231,128 | - |
| Loans | 64,826 | 1,576,028 | 1,640,854 | - |
| **Total Liabilities** | 30,613,206 | 6,028,687 | 36,641,893 | 15,746,900 |
| **Deferred Inflows of Resources:** | | | | |
| Unavailable property tax revenue | 7,465,384 | - | 7,465,384 | - |
| **Total Deferred Inflows of Resources** | 7,465,384 | - | 7,465,384 | - |
| **Net Position:** | | | | |
| Net investment in capital assets | 28,793,403 | 37,007,523 | 65,800,926 | 9,827,390 |
| Restricted for: | | | | |
| Emergencies | 829,000 | - | 829,000 | - |
| Debt service | 375,004 | - | 375,004 | - |
| Other purposes | 5,831,172 | 863,440 | 6,694,612 | 1,539,761 |
| Unrestricted | 11,464,082 | 2,781,275 | 14,245,357 | 28,270,890 |
| **Total Net Position** | 47,292,661 | 40,652,238 | 87,944,899 | 39,638,041 |

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

Preliminary Draft

**Gunnison County, Colorado**
**Statement of Activities**
**For the Year Ended December 31, 2015**

| | | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | Component Unit |
|---|---|---|---|---|---|---|---|---|
| | | | | | Primary Governments | | | |
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total | Hospital |
| **Functions/Programs:** | | | | | | | | |
| **Primary Government:** | | | | | | | | |
| **Governmental Activities:** | | | | | | | | |
| General government | 7,908,000 | 2,028,734 | 378,541 | 56,879 | (5,443,846) | | (5,443,846) | |
| Judicial | 522,684 | - | - | 149,668 | (373,016) | | (373,016) | |
| Public safety | 3,286,772 | 193,151 | 172,575 | - | (2,921,046) | | (2,921,046) | |
| Health and welfare | 5,382,088 | 155,616 | 4,693,932 | - | (532,540) | | (532,540) | |
| Auxiliary services | 215,784 | 38,084 | - | - | (177,700) | | (177,700) | |
| Culture and recreation | 902,490 | 21,536 | 137,885 | 353,000 | (390,069) | | (390,069) | |
| Public works | 6,129,231 | 317,394 | 4,017,672 | 3,510,342 | 1,716,177 | | 1,716,177 | |
| Interest on long-term debt | 1,345,382 | - | - | - | (1,345,382) | | (1,345,382) | |
| **Total Governmental Activities** | 25,692,431 | 2,754,515 | 9,400,605 | 4,069,889 | (9,467,422) | | (9,467,422) | |
| **Business-type Activities:** | | | | | | | | |
| Airport | 2,716,074 | 1,222,672 | - | - | | (1,493,402) | (1,493,402) | |
| Sewer | 563,080 | 506,290 | 24,031 | - | | (32,759) | (32,759) | |
| Water | 684,650 | 319,694 | - | - | | (364,956) | (364,956) | |
| Landfill | 1,224,485 | 940,244 | 778 | - | | (283,463) | (283,463) | |
| Housing | 268,237 | 269,032 | - | - | | 795 | 795 | |
| **Total Business-type Activities** | 5,456,526 | 3,257,932 | 24,809 | - | | (2,173,785) | (2,173,785) | |
| **Total Primary Government** | 31,148,957 | 6,012,447 | 9,425,414 | 4,069,889 | (9,467,422) | (2,173,785) | (11,641,207) | |
| **Component Unit:** | | | | | | | | |
| Hospital | 32,763,745 | 37,988,172 | - | 114,236 | | | | 5,338,663 |
| **General Revenues and Transfers:** | | | | | | | | |
| Taxes: | | | | | | | | |
| Property taxes | | | | | 8,131,930 | - | 8,131,930 | 635,168 |
| Specific ownership taxes | | | | | 519,647 | - | 519,647 | - |
| Sales taxes | | | | | 2,129,805 | 29,705 | 2,159,510 | - |
| Marketing and promotion taxes | | | | | 1,490,055 | - | 1,490,055 | - |
| Other taxes | | | | | 38,623 | - | 38,623 | - |
| Investment earnings | | | | | 110,194 | 29,821 | 140,015 | 99,413 |
| Grants and contributions not restricted to specific programs | | | | | 1,865,189 | - | 1,865,189 | 266,801 |
| Transfers | | | | | (1,985,571) | 1,985,571 | - | - |
| Gain (loss) on asset disposals | | | | | (254,186) | - | (254,186) | 2,726 |
| **Total General Revenues and Transfers** | | | | | 12,045,686 | 2,045,097 | 14,090,783 | 1,004,108 |
| **Change in Net Position** | | | | | 2,578,264 | (128,688) | 2,449,576 | 6,342,771 |
| **Net Position - Beginning of Year (Restated)** | | | | | 44,714,397 | 40,780,926 | 85,495,323 | 33,295,270 |
| **Net Position - End of Year** | | | | | 47,292,661 | 40,652,238 | 87,944,899 | 39,638,041 |

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

Preliminary Draft

# FUND FINANCIAL STATEMENTS

Preliminary Draft

**Gunnison County, Colorado**
**Governmental Funds**
**Balance Sheet**
**December 31, 2015**

| | 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 | 5,428,606 | 2,458,161 | 726,579 | 1,597,836 | 326,555 | 222,846 | 1,844,416 | 12,604,999 |
| Cash and investments - Restricted | 918,301 | - | - | - | - | 1,344,446 | 147,777 | 2,410,524 |
| Accounts receivable | 8,039,466 | 749,778 | 447,791 | 441,033 | 119,212 | 156,874 | 264,780 | 10,218,934 |
| Prepaid expenses | - | - | - | - | - | - | 27,067 | 27,067 |
| Due from other funds | - | - | - | - | - | 634,137 | 175,998 | 810,135 |
| **Total Assets** | 14,386,373 | 3,207,939 | 1,174,370 | 2,038,869 | 445,767 | 2,358,303 | 2,460,038 | 26,071,659 |
| **Liabilities, Deferred Inflow of Resources, and Fund Balances:** | | | | | | | | |
| **Liabilities:** | | | | | | | | |
| Accounts payable | 474,594 | 79,582 | 2 | 172,763 | 145,508 | 2,740 | 12,962 | 888,151 |
| Accrued liabilities | 348,982 | - | - | - | - | - | - | 348,982 |
| Deposits | 465,156 | 279,402 | - | - | - | - | - | 744,558 |
| Unearned grant revenue | 95,095 | - | 539,440 | - | - | - | 229,229 | 863,764 |
| Due to other funds | 349,966 | 200,720 | 54,551 | 126,966 | 190,850 | - | 10,558 | 933,611 |
| **Total Liabilities** | 1,733,793 | 559,704 | 593,993 | 299,729 | 336,358 | 2,740 | 252,749 | 3,779,066 |
| **Deferred Inflow of Resources:** | | | | | | | | |
| Unavailable property tax revenue | 7,465,384 | - | - | - | - | - | - | 7,465,384 |
| **Total Deferred Inflow of Resources** | 7,465,384 | - | - | - | - | - | - | 7,465,384 |
| **Fund Balances:** | | | | | | | | |
| Non-spendable | - | - | - | - | - | - | 27,067 | 27,067 |
| Spendable: | | | | | | | | |
| Restricted | 829,000 | 2,648,235 | - | 1,739,139 | - | 1,344,446 | 1,267,700 | 7,828,520 |
| Committed | 918,301 | - | - | - | - | - | 70,952 | 989,253 |
| Assigned | - | - | 580,377 | - | 109,410 | 1,011,117 | 859,617 | 2,560,521 |
| Unassigned | 3,439,895 | - | - | - | | - | (18,047) | 3,421,848 |
| **Total Fund Balances** | 5,187,196 | 2,648,235 | 580,377 | 1,739,139 | 109,410 | 2,355,563 | 2,207,289 | 14,827,209 |
| **Total Liabilities, Deferred Inflow of Resources, and Fund Balances** | 14,386,373 | 3,207,939 | 1,174,370 | 2,038,868 | 445,768 | 2,358,303 | 2,460,038 | 26,071,659 |

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

Preliminary Draft

**Gunnison County, Colorado**
**Reconciliation of Governmental Funds Balance Sheet**
**to Statement of Net Position**
**December 31, 2015**

| | | |
|---|---|---|
| **Total Governmental Fund Balances** | | 14,827,209 |
| **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 | 86,688,980 | |
| Less accumulated depreciation | (31,701,991) | 54,986,989 |
| 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. | | 4,973,700 |
| 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. | | (33,333) |
| 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 are reported in the government-wide Statement of Net Position. | | |
| Accrued compensated absences | (1,268,318) | |
| COPS | (25,453,147) | |
| Leases | (655,876) | |
| Loans | (84,563) | (27,461,904) |
| **Net Position of Governmental Activities** | | 47,292,661 |

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

Preliminary Draft

**Gunnison County, Colorado**
**Governmental Funds**
**Statement of Revenues, Expenditures and Changes in Fund Balances**
**December 31, 2015**

| | General Fund | Road and Bridge Fund | Human Services Fund | Sales Tax Capital Improvement Fund | Airport Construction Fund | Capital Expenditure Fund | Non-major Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|---|---|
| **Revenues:** | | | | | | | | |
| Taxes | 8,146,576 | 181,876 | 284,716 | 1,760,697 | - | - | 1,935,994 | 12,309,859 |
| Licenses and permits | 458,082 | - | - | - | - | - | - | 458,082 |
| Intergovernmental | 2,596,943 | 4,258,366 | 3,598,143 | - | 3,146,763 | 570,125 | 625,214 | 14,795,554 |
| Charges for services | 1,391,387 | 65,293 | - | - | 131,726 | - | 84,329 | 1,672,735 |
| Fines and forfeitures | - | - | - | 8,965 | - | - | 17,568 | 26,533 |
| Investment income | 62,065 | 13,351 | - | 7,915 | 1,741 | 6,375 | 9,794 | 101,241 |
| Contributions | 228,493 | - | 7,040 | - | - | - | 64,100 | 299,633 |
| Miscellaneous | 163,304 | 115,882 | 2,661 | - | - | - | 144,879 | 426,726 |
| **Total Revenues** | 13,046,850 | 4,634,768 | 3,892,560 | 1,777,577 | 3,280,230 | 576,500 | 2,881,878 | 30,090,363 |
| **Expenditures:** | | | | | | | | |
| General government | 7,264,439 | - | - | 41,068 | - | 3,537 | 1,328,712 | 8,637,756 |
| Judicial | 302,847 | - | - | - | - | 4,366,665 | - | 4,669,512 |
| Public safety | 2,954,649 | - | - | - | - | - | - | 2,954,649 |
| Health and welfare | 878,939 | - | 3,826,182 | - | - | - | 620,671 | 5,325,792 |
| Auxiliary services | 222,183 | - | - | - | - | - | - | 222,183 |
| Culture and recreation | 699,444 | - | - | - | - | - | 469,979 | 1,169,423 |
| Public works | 177,547 | 4,313,041 | - | - | 2,218,418 | - | - | 6,709,006 |
| Debt service | 280,131 | - | - | 162,167 | 23,629 | - | 2,010,307 | 2,476,234 |
| **Total Expenditures** | 12,780,179 | 4,313,041 | 3,826,182 | 203,235 | 2,242,047 | 4,370,202 | 4,429,669 | 32,164,555 |
| **Excess (Deficiency) of Revenues Over Expenditures** | 266,671 | 321,727 | 66,378 | 1,574,342 | 1,038,183 | (3,793,702) | (1,547,791) | (2,074,192) |
| **Other Financing Sources (Uses):** | | | | | | | | |
| Transfers in | 1,875,885 | 163,545 | - | - | - | 4,056,943 | 1,678,894 | 7,775,267 |
| Transfers (out) | (4,489,720) | (296,487) | (49,037) | (1,132,249) | (1,082,843) | (23) | (297,899) | (7,348,258) |
| Sale of capital assets | 267,374 | - | - | - | - | - | 152,726 | 420,100 |
| **Total Other Financing Sources (Uses)** | (2,346,461) | (132,942) | (49,037) | (1,132,249) | (1,082,843) | 4,056,920 | 1,533,721 | 847,109 |
| **Net Change in Fund Balances** | (2,079,790) | 188,785 | 17,341 | 442,093 | (44,660) | 263,218 | (14,070) | (1,227,083) |
| **Fund Balances - Beginning of Year (Restated)** | 7,266,986 | 2,459,450 | 563,036 | 1,297,046 | 154,070 | 2,092,345 | 2,221,359 | 16,054,292 |
| **Fund Balances - End of Year** | 5,187,196 | 2,648,235 | 580,377 | 1,739,139 | 109,410 | 2,355,563 | 2,207,289 | 14,827,209 |

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

Preliminary Draft

**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, 2015**

| | | |
|---|---|---|
| **Net Changes In Fund Balances - Total Governmental Funds** | | (1,227,083) |
| **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 | (2,303,252) | |
| Gain (Loss) on disposals, net | (254,186) | |
| Capital outlay | 5,018,222 | 2,460,784 |
| 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. | | 96,285 |
| 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 | | 18,129 |
| Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. | | 1,109,824 |
| 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, 2015 | 1,196,524 | |
| Liability at December 31, 2014 | 1,283,516 | 86,992 |
| **Change in Net Position of Governmental Activities** | | 2,578,264 |

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

Preliminary Draft

**Gunnison County, Colorado**
**Proprietary Funds**
**Statement of Net Position**
**December 31, 2015**

| | Business-type Activities - Enterprise Funds | | | | | | | 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 | Totals | |
| **Assets:** | | | | | | | | |
| **Current Assets:** | | | | | | | | |
| Cash and investments - Unrestricted | 1,078,879 | 1,173,225 | 266,438 | 80,258 | 3,051 | 142,392 | 2,744,243 | 4,365,438 |
| Cash and investments - Restricted | - | 96,160 | 24,976 | 2,098,849 | - | 72,909 | 2,292,894 | - |
| Accounts receivable, net of allowance for uncollectible accounts where applicable | 127,406 | 42,160 | 57,749 | 94,221 | - | 16,328 | 337,864 | 2,638 |
| Prepaid expenses | 15,125 | 263 | 498 | 1,532 | - | - | 17,418 | 22,441 |
| Due from other funds | - | - | 210,613 | - | - | - | 210,613 | 205,011 |
| Inventory, at cost | - | - | - | - | - | - | - | 680,332 |
| **Total Current Assets** | 1,221,410 | 1,311,808 | 560,274 | 2,274,860 | 3,051 | 231,629 | 5,603,032 | 5,275,860 |
| **Non-current Assets:** | | | | | | | | |
| Construction-in-progress | 1,746,144 | - | - | - | - | - | 1,746,144 | - |
| Land, property and equipment | 50,113,519 | 7,290,501 | 10,072,861 | 336,070 | 2,037,513 | 1,875,269 | 71,725,733 | 19,499,370 |
| Less accumulated depreciation | (20,214,523) | (3,437,708) | (6,435,045) | (216,633) | (542,395) | (1,285,174) | (32,131,478) | (10,955,581) |
| **Total Non-current Assets** | 31,645,140 | 3,852,793 | 3,637,816 | 119,437 | 1,495,118 | 590,095 | 41,340,399 | 8,543,789 |
| **Total Assets** | 32,866,550 | 5,164,601 | 4,198,090 | 2,394,297 | 1,498,169 | 821,724 | 46,943,431 | 13,819,649 |
| **Liabilities:** | | | | | | | | |
| **Current Liabilities:** | | | | | | | | |
| Accounts payable | 105,909 | 63,836 | 6,760 | 28,289 | - | 62,007 | 266,801 | 105,846 |
| Accrued liabilities | - | 10,736 | 1,668 | - | - | 67,278 | 79,682 | 166,661 |
| Due to other funds | 21,291 | 215,463 | - | 19,425 | - | 6,323 | 262,502 | 29,646 |
| Debt obligations, due within one year | - | 44,114 | 24,971 | - | 20,622 | 13,652 | 103,359 | - |
| **Total Current Liabilities** | 127,200 | 334,149 | 33,399 | 47,714 | 20,622 | 149,260 | 712,344 | 302,153 |
| **Non-current Liabilities:** | | | | | | | | |
| Accrued compensated absences | 82,117 | - | 10,137 | 25,949 | - | - | 118,203 | 71,794 |
| Loans | - | 52,036 | 43,738 | - | 371,981 | 1,108,273 | 1,576,028 | - |
| Revenues bonds | - | 1,560,459 | 1,093,026 | - | - | - | 2,653,485 | - |
| Landfill closure and postclosure costs | - | - | - | 1,231,128 | - | - | 1,231,128 | - |
| **Total Non-current Liabilities** | 82,117 | 1,612,495 | 1,146,901 | 1,257,077 | 371,981 | 1,108,273 | 5,578,844 | 71,794 |
| **Total Liabilities** | 209,317 | 1,946,644 | 1,180,300 | 1,304,791 | 392,603 | 1,257,533 | 6,291,188 | 373,947 |
| **Net Position:** | | | | | | | | |
| Net investment in capital assets | 31,645,140 | 2,196,184 | 2,476,081 | 119,437 | 1,102,515 | (531,830) | 37,007,527 | 8,543,789 |
| Restricted | - | 96,154 | 24,976 | 669,401 | - | 72,909 | 863,440 | - |
| Unrestricted | 1,012,093 | 925,619 | 516,733 | 300,668 | 3,051 | 23,112 | 2,781,276 | 4,901,913 |
| **Total Net Position** | 32,657,233 | 3,217,957 | 3,017,790 | 1,089,506 | 1,105,566 | (435,809) | 40,652,243 | 13,445,702 |

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

Preliminary Draft

**Gunnison County, Colorado**
**Proprietary Funds**
**Statement of Revenues, Expenses and Changes in Fund Net Position**
**For the Year Ended December 31, 2015**

| | Business-type Activities - Enterprise Funds | | | | | | | 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 | Totals | |
| **Operating Revenues:** | | | | | | | | |
| Rent, net | 905,569 | - | - | - | 36,488 | 228,637 | 1,170,694 | 1,813,379 |
| Other | 22,672 | 4,186 | 4,377 | 1,822 | - | 3,907 | 36,964 | 84,297 |
| Charges and fees | 294,431 | 526,135 | 315,318 | 939,201 | - | - | 2,075,085 | 3,232,633 |
| **Total Operating Revenues** | 1,222,672 | 530,321 | 319,695 | 941,023 | 36,488 | 232,544 | 3,282,743 | 5,130,309 |
| **Operating Expenses:** | | | | | | | | |
| Operations and maintenance | 741,470 | 246,833 | 183,821 | 1,202,118 | - | 133,826 | 2,508,068 | 3,842,352 |
| Administration | 221,816 | - | 76,272 | - | - | - | 298,088 | 166,019 |
| Depreciation and amortization | 1,752,788 | 244,172 | 397,989 | 22,367 | 38,063 | 51,251 | 2,506,630 | 825,754 |
| **Total Operating Expenses** | 2,716,074 | 491,005 | 658,082 | 1,224,485 | 38,063 | 185,077 | 5,312,786 | 4,834,125 |
| **Operating Income (Loss)** | (1,493,402) | 39,316 | (338,387) | (283,462) | (1,575) | 47,467 | (2,030,043) | 296,184 |
| **Non-operating Revenues (Expenses):** | | | | | | | | |
| Gain (loss) on disposal of capital assets | - | - | - | - | - | - | - | (36,251) |
| Sales tax | 29,705 | - | - | - | - | - | 29,705 | - |
| Investment revenue | 5,529 | 6,798 | 2,770 | 14,216 | - | 508 | 29,821 | 23,835 |
| Interest expense | - | (72,075) | (26,568) | - | (16,918) | (28,180) | (143,741) | - |
| **Total Non-operating Revenues (Expenses)** | 35,234 | (65,277) | (23,798) | 14,216 | (16,918) | (27,672) | (84,215) | (12,416) |
| **Income (Loss) Before Contributions and Transfers** | (1,458,168) | (25,961) | (362,185) | (269,246) | (18,493) | 19,795 | (2,114,258) | 283,768 |
| **Capital Contributions** | 2,218,414 | - | - | - | - | - | 2,218,414 | 6,683 |
| **Transfers In** | - | - | 29,029 | - | - | - | 29,029 | 1,093,843 |
| **Transfers (Out)** | (65,862) | (56,188) | (37,644) | (102,178) | - | - | (261,872) | (1,288,009) |
| **Change in Net Position** | 694,384 | (82,149) | (370,800) | (371,424) | (18,493) | 19,795 | (128,687) | 96,285 |
| **Total Net Position - Beginning of Year** | 31,962,849 | 3,300,106 | 3,388,590 | 1,460,930 | 1,124,059 | (455,604) | 40,780,930 | 13,349,417 |
| **Total Net Position - End of Year** | 32,657,233 | 3,217,957 | 3,017,790 | 1,089,506 | 1,105,566 | (435,809) | 40,652,243 | 13,445,702 |

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

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**Gunnison County, Colorado**
**Proprietary Funds**
**Statement of Cash Flows**
**For the Year Ended December 31, 2015**

| | Business-type Activities - Enterprise 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 | Totals | Governmental Activities - Internal Service Funds |
| **Cash Flows from Operating Activities:** | | | | | | | | |
| Cash received from charges for services | 1,201,679 | 445,626 | 406,859 | 896,615 | 36,488 | 235,485 | 3,222,752 | 5,206,907 |
| Cash received from other sources | 22,672 | 4,186 | 4,377 | 1,822 | - | 3,907 | 36,964 | 84,297 |
| Cash payments to vendors for goods and services | (431,699) | (206,499) | (167,046) | (1,171,194) | - | (81,686) | (2,058,124) | (3,465,078) |
| Cash payments to employees for services | (491,910) | (37,382) | (89,027) | (1,431) | - | (3,269) | (623,019) | (715,907) |
| **Net Cash Provided (Used) by Operating Activities** | 300,742 | 205,931 | 155,163 | (274,188) | 36,488 | 154,437 | 578,573 | 1,110,219 |
| **Cash Flows from Non-capital Financing Activities:** | | | | | | | | |
| Taxes | 29,705 | - | - | - | - | - | 29,705 | - |
| Transfers from (to) other funds, net | (56,423) | 160,834 | (221,467) | (102,098) | - | 5,288 | (213,866) | (183,894) |
| **Net Cash Provided (Used) by Non-capital Financing Activities** | (26,718) | 160,834 | (221,467) | (102,098) | - | 5,288 | (184,161) | (183,894) |
| **Cash Flows from Capital and Related Financing Activities:** | | | | | | | | |
| Capital contributions | - | - | - | - | - | - | - | 6,683 |
| Interest paid on debt | - | (72,075) | (26,568) | - | (16,918) | (28,180) | (143,741) | - |
| Principal paid on loans and leases | - | (42,775) | (24,283) | - | (19,570) | (12,267) | (98,895) | - |
| Purchase of capital assets | 503,882 | (7,744) | (17,835) | - | - | (126,731) | 351,572 | (432,944) |
| Cash from sale of assets | (520,563) | - | - | - | - | - | (520,563) | 14,000 |
| **Net Cash Provided (Used) by Capital and Related Financing Activities** | (16,681) | (122,594) | (68,686) | - | (36,488) | (167,178) | (411,627) | (412,261) |
| **Cash Flows from Investing Activities:** | | | | | | | | |
| Cash from investment income | 5,529 | 6,798 | 2,770 | 14,216 | - | 508 | 29,821 | 23,835 |
| **Net Cash Provided (Used) by Investing Activities** | 5,529 | 6,798 | 2,770 | 14,216 | - | 508 | 29,821 | 23,835 |
| **Net Increase (Decrease) in Cash** | 262,872 | 250,969 | (132,220) | (362,070) | - | (6,945) | 12,606 | 537,899 |
| **Cash - Beginning of Year** | 816,007 | 1,018,416 | 423,634 | 2,541,177 | 3,051 | 222,246 | 5,024,531 | 3,827,539 |
| **Cash - End of Year** | 1,078,879 | 1,269,385 | 291,414 | 2,179,107 | 3,051 | 215,301 | 5,037,137 | 4,365,438 |
| **Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:** | | | | | | | | |
| Operating income (loss) | (1,493,402) | 39,316 | (338,387) | (283,462) | (1,575) | 47,467 | (2,030,043) | 296,184 |
| **Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:** | | | | | | | | |
| Depreciation and amortization | 1,752,788 | 244,172 | 397,989 | 22,367 | 38,063 | 51,251 | 2,506,630 | 825,754 |
| **Changes in assets and liabilities:** | | | | | | | | |
| (Increase) decrease in accounts receivable | 1,678 | (80,509) | 91,541 | (42,586) | - | 6,849 | (23,027) | 160,895 |
| (Increase) decrease in prepaid expenses | 19 | - | (155) | (866) | - | - | (1,002) | 59,022 |
| (Increase) decrease in inventory | - | - | - | - | - | - | - | (156,727) |
| Increase (decrease) in accounts payable | 22,130 | 3,364 | 2,433 | 16,547 | - | 43,918 | 88,392 | (54,688) |
| Increase (decrease) in accrued liabilities | - | (412) | (113) | 15,243 | - | 4,952 | 19,670 | (5,382) |
| Increase (decrease) in compensated absences | 17,529 | - | 1,855 | (1,431) | - | - | 17,953 | (14,839) |
| **Net Cash Provided (Used) by Operating Activities** | 300,742 | 205,931 | 155,163 | (274,188) | 36,488 | 154,437 | 578,573 | 1,110,219 |
| **Non-Cash Investing, Capital, and Financing Activities:** | | | | | | | | |
| Contribution of fixed assets | 2,218,414 | - | - | - | - | - | 2,218,414 | - |

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

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**Gunnison County, Colorado**
**Fiduciary Funds**
**Statement of Assets and Liabilities**
**December 31, 2015**

| | County Treasurer Agency Fund | Public Trustee Agency Fund |
|---|---|---|
| **Assets:** | | |
| Cash | 25,402,418 | 31,379 |
| Less: cash held for County funds | (22,803,843) | - |
| **Total Assets** | 2,598,575 | 31,379 |
| **Liabilities:** | | |
| Due to other governments and agencies | 2,598,575 | - |
| Due to (from) governmental funds | - | (22) |
| Held by Trustee | - | 31,401 |
| **Total Liabilities** | 2,598,575 | 31,379 |

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

Preliminary Draft

# NOTES TO THE FINANCIAL STATEMENTS

Preliminary Draft



## 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.

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## 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.

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## 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.

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## 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.

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## 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 ling-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.

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## 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, 2015 are recorded as prepaid expenses.

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## 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:

| Assets | Years |
|---|---|
| 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.

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## 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.

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## 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.

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## 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.”

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## 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 2014 were collected in 2015 and taxes certified in 2015 will be collected in 2016. 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 2015 budget, prior to August 25, 2014, 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.

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

### B. Budgetary Information (continued)

Supplemental appropriations for the County during 2015 resulted in the budget amendments as follows:

| | Original Budget | Budget Amendments | Final Budget |
|---|---|---|---|
| General Fund | $ 18,462,340 | 3,756,749 | 22,219,089 |
| Human Services | 4,205,494 | 5,613 | 4,211,107 |
| Sales Tax Capital Improvement | 1,372,733 | 25,751 | 1,398,484 |
| Public Health | 570,705 | 23,015 | 593,720 |
| Mosquito Control | 89,435 | 1,000 | 90,435 |
| Land Preservation | 329,534 | 155,300 | 484,834 |
| Gunnison Valley Local Marketing District | 1,225,753 | 183,400 | 1,409,153 |
| Mountain View | 234,819 | 95,000 | 329,819 |
| ISF-I | 2,495,779 | 2,164,343 | 4,660,122 |
| ISF-III | 2,665,724 | 123,675 | 2,789,399 |
| | $ 52,358,801 | 6,533,846 | 58,892,647 |

### C. Possible Violations of State Statutes - Budgets

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

| | Final Budget | Actual | (Over) Budget |
|---|---|---|---|
| Public Health | $ 593,720 | 596,875 | (3,155) |
| Housing Authority Administration | 67,495 | 71,463 | (3,968) |

### 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.

## 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 $829,000.

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 Fund Balance and Net Position

The Gunnison County Housing Authority Mountain View Fund had a deficit net position at December 31, 2015 of $435,809.

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## 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 |
|---|---|---|---|---|
| *Deposits:* | | | | |
| Cash on hand | *Not Rated* | $ 130,608 | 130,608 | - |
| Checking | *Not Rated* | 3,523,650 | 3,523,650 | - |
| Savings | *Not Rated* | 4,349,339 | 4,349,339 | - |
| CDS | *Not Rated* | 9,472,285 | 2,183,704 | 7,288,581 |
| *Investments:* | | | | |
| Pools | *AAAm* | 4,658,322 | 4,658,322 | - |
| Agencies - FHLB | *AA+* | 250,053 | - | 250,053 |
| Agencies - FFCB | *AA+* | 496,544 | - | 496,544 |
| Agencies - FHLMC | *AA+* | 2,147,249 | - | 2,147,249 |
| Agencies - FNMA | *AA+* | 496,625 | - | 496,625 |
| Deposits held by Trustee | *Not Rated* | 1,523,377 | 1,523,377 | - |
| Total | | $ 27,048,052 | 16,369,000 | 10,679,052 |
| *Reconciliation to Statement of Net Position:* | | | | |
| Cash and cash equivalents - Unrestricted | | $ 19,714,680 | | |
| Cash and cash equivalents - Restricted | | 4,703,418 | | |
| Fiduciary Funds | | 2,629,954 | | |
| Total | | $ 27,048,052 | | |

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.

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## 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, 2015, the County had restricted the following cash and investments:

| Purpose | Total | Fund |
|---|---|---|
| Water Resource Protection | $ 87,530 | General |
| Workforce Impact Fees | 474,812 | General |
| Courthouse Renovation | 355,959 | General |
| 2010 Certificates of Participation - Interest Subsidy | 147,777 | Debt Service |
| 2010 Certificates of Participation - Bond Reserve Fund | 1,344,446 | Capital Expend. |
| 2005 & 2006 N. Gunnison Revenue Bonds - Bond Reserve Funds | 96,160 | Sewer |
| 2013 Antelope Hills - Bond Reserve Fund | 24,976 | Water |
| Landfill Closure and Post-closure | 2,098,849 | Solid Waste |
| Replacement Reserve | 72,909 | Mountain View |
| | $ 4,703,418 | |

### 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, 2015 are held by the counterparties in other than Gunnison Valley Hospital and Gunnison Health Care Center.

**2.** As of December 31, 2015, the amount of the Gunnison Valley Hospital and Gunnison Health Care Center's carrying amount of deposits and investments was $30,409,785. The investments consisted of mutual funds, money markets, and real estate.

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## 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 | $ 8,039,466 | 749,778 | 447,791 | 441,033 |
| **Total receivables** | $ 8,039,466 | 749,778 | 447,791 | 441,033 |

| | Airport Construction | Capital Expenditures | Non-major Governmental | Total |
|---|---|---|---|---|
| Receivables: | | | | |
| Accounts | $ 119,212 | 156,874 | 264,780 | 10,218,934 |
| **Total receivables** | $ 119,212 | 156,874 | 264,780 | 10,218,934 |

| | Airport Operations | Sewer | Water | Landfill Operations |
|---|---|---|---|---|
| Receivables: | | | | |
| Accounts | $ 127,406 | 42,160 | - | 94,221 |
| **Total receivables** | $ 127,406 | 42,160 | 57,749 | 94,221 |

| | Assisted Living | Mountain View | Internal Service Funds | Total |
|---|---|---|---|---|
| Receivables: | | | | |
| Accounts | $ - | 16,328 | 2,638 | 282,753 |
| Other | - | - | - | 57,749 |
| **Total receivables** | $ - | 16,328 | 2,638 | 340,502 |

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 2015 but not available until 2016. Governments also defer revenue recognition in connection with funds that have been received, but not yet earned.

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

### D. Capital Assets

Capital asset activity for the year ended December 31, 2015 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| **Governmental activities:** | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | $ 1,333,832 | - | - | 1,333,832 |
| Construction in progress | 12,354,722 | 465,544 | (12,491,209) | 329,057 |
| Total capital assets, not being depreciated | 13,688,554 | 465,544 | (12,491,209) | 1,662,889 |
| Capital assets, being depreciated: | | | | |
| Infrastructure | 23,332,422 | 3,800 | - | 23,336,222 |
| Improvements | 1,157,550 | 323,529 | - | 1,481,079 |
| Buildings | 29,882,919 | 16,699,191 | (634,532) | 45,947,578 |
| Equipment | 14,124,409 | 450,311 | (313,507) | 14,261,213 |
| Total capital assets being depreciated | 68,497,300 | 17,476,831 | (948,039) | 85,026,092 |
| Less accumulated depreciation for: | | | | |
| Infrastructure | (12,019,939) | (1,508,666) | - | (13,528,605) |
| Improvements | (527,907) | (90,548) | - | (618,455) |
| Buildings | (5,499,399) | (744,707) | 343,661 | (5,900,445) |
| Equipment | (11,169,345) | (785,084) | 299,942 | (11,654,487) |
| Total accumulated depreciation | (29,216,590) | (3,129,005) | 643,603 | (31,701,992) |
| Total capital assets being depreciated, net | 39,280,710 | 14,347,826 | (304,436) | 53,324,100 |
| **Governmental activities capital assets, net** | $ 52,969,264 | 14,813,370 | (12,795,645) | 54,986,989 |
| **Business-type activities:** | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | $ 11,303,849 | 28,268 | - | 11,332,117 |
| Construction in progress | 151,816 | 2,218,414 | (624,086) | 1,746,144 |
| Total capital assets not being depreciated | 11,455,665 | 2,246,682 | (624,086) | 13,078,261 |
| Capital assets, being depreciated: | | | | |
| Improvements | 28,695,760 | - | - | 28,695,760 |
| Buildings | 10,482,909 | 127,412 | - | 10,610,321 |
| Utility treatment transmission systems | 16,680,728 | 17,835 | - | 16,698,563 |
| Equipment | 3,774,331 | 619,563 | (4,926) | 4,388,968 |
| Total capital assets being depreciated | 59,633,728 | 764,810 | (4,926) | 60,393,612 |
| Less accumulated depreciation for: | | | | |
| Improvements | (13,120,815) | (1,382,505) | - | (14,503,320) |
| Buildings | (4,736,750) | (299,091) | - | (5,035,841) |
| Utility treatment transmission systems | (8,900,122) | (610,851) | - | (9,510,973) |
| Equipment | (2,872,087) | (214,183) | 4,926 | (3,081,344) |
| Total accumulated depreciation | (29,629,774) | (2,506,630) | 4,926 | (32,131,478) |
| Total capital assets being depreciated, net | 30,003,954 | (1,741,820) | - | 28,262,134 |
| **Business-type activities capital assets, net** | $ 41,459,619 | 504,862 | (624,086) | 41,340,395 |

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## 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 | $ 393,347 |
| Public safety | 377,353 |
| Health and welfare | 78,614 |
| Culture and recreation | 84,584 |
| Public works | 2,195,107 |
| **Total Governmental Activities** | $ 3,129,005 |
| | |
| **Business-type Activities:** | |
| Airport | $ 1,752,788 |
| Sewer | 244,172 |
| Water | 397,989 |
| Landfill | 22,367 |
| Housing | 89,314 |
| **Total Business-type Activities** | $ 2,506,630 |

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

Capital assets consist of the following at December 31, 2015:

| | Beginning Balance | Additions | Deletions | Ending Balance |
|---|---|---|---|---|
| Land and improvements | $ 911,194 | - | - | 911,194 |
| Building leasehold improvements | 23,412,969 | 33,855 | - | 23,446,824 |
| Equipment | 11,952,185 | 1,617,763 | (107,432) | 13,462,516 |
| Construction in progress | 1,217 | 153,868 | - | 155,085 |
| Total property and equipment | 36,277,565 | 1,805,486 | (107,432) | 37,975,619 |
| Less: accumulated depreciation | (18,499,407) | (1,635,819) | 107,432 | (20,027,794) |
| **Capital assets, net** | $ 17,778,158 | 169,667 | - | 17,947,825 |

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.

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

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

Interfund balances at December 31, 2015, 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, 2015. All amounts presented below are owed to / received from or transferred through the County Treasurer Agency Fund.

| | Due from County | Due to County | Transfer in | Transfer (out) |
|---|---|---|---|---|
| General Fund | $ - | 349,966 | 1,875,885 | (4,489,720) |
| Road and Bridge Fund | - | 200,720 | 163,545 | (296,487) |
| Human Services Fund | - | 54,551 | - | (49,037) |
| Capital improvements Fund | - | 126,966 | - | (1,132,249) |
| Airport Construction | - | 190,850 | - | (1,082,843) |
| Capital Expenditures | 634,137 | - | 4,056,943 | (23) |
| Non-major Governmental Funds | 175,998 | 10,558 | 1,678,894 | (297,899) |
| Airport Operations | - | 21,291 | - | (65,862) |
| Sewer Fund | - | 215,463 | - | (56,188) |
| Water Fund | 210,613 | - | 29,029 | (37,644) |
| Landfill operations | - | 19,425 | - | (102,178) |
| Mountain View | - | 6,323 | - | - |
| Internal Service Funds | 205,011 | 29,646 | 1,093,843 | (1,288,009) |
| | $ 1,225,759 | 1,225,759 | 8,898,139 | (8,898,139) |

### 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.

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

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

#### 1. 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 required annual payments of $48,780, and provided for interest at 4.250%. The matured on December 19, 2015.

#### 2. 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.

#### 3. Airport Construction Loan

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

#### 4. 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, 2015, the County recognized revenue of $297,646 related to this subsidy.

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

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

#### 4. 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 $1,344,446 at December 31, 2015

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.

#### 5. 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.

#### 6. 1416 Rock Creek Loan

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

#### 7. 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. During 2015, the remaining balance on the loan was paid off prior to maturity.

#### 8. Stallion Park Loan

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

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

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

#### 9. 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.

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## 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 $24,976 at December 31, 2015.

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 and 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 $96,160 at December 31, 2015.

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.

## 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 $412,472 at December 31, 2015.

*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, 2015. 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 $330,589 at December 31, 2015.

#### 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 90% to date of the currently developed cell's capacity and has 10 years left on its currently developed cell. Additional cells will be opened as needed. The landfill liability recorded at year end is $1,231,128. The estimated total current cost of closure and post-closure care remaining to be recognized is $137,182. 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, 2015. 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, 2015, the County had reserved $669,401 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.

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## 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, 2015 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, 2015 was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| **Governmental Activities:** | | | | | |
| Internal Service Fund: | | | | | |
| Compensated Absences | $ 86,633 | - | (14,839) | 71,794 | 28,718 |
| Other Governmental Debt: | | | | | |
| Advocacy Center | 46,791 | - | (46,791) | - | - |
| Pitchfork Loan | 18,400 | - | (1,824) | 16,576 | 1,897 |
| Airport Construction | 103,432 | - | (18,869) | 84,563 | 19,737 |
| Certificates of Participation - 2010 | 16,455,000 | - | (415,000) | 16,040,000 | 425,000 |
| Energy Improvement Lease - 2010 | 753,345 | - | (114,045) | 639,300 | 118,419 |
| Rock Creek Loan 1416 | 94,388 | - | (94,388) | - | - |
| Rock Creek Loan 1420 | 78,882 | - | (78,882) | - | - |
| Stallion Park Loan | 85,025 | - | (85,025) | - | - |
| Certificates of Participation - 2013 | 9,435,000 | - | (255,000) | 9,180,000 | 260,000 |
| Unamortized bond premiums | 251,281 | - | (18,134) | 233,147 | - |
| Compensated Absences | 1,283,516 | - | (86,992) | 1,196,524 | 478,610 |
| **Total Governmental Activities Long-term Liabilities** | $ 28,691,693 | - | (1,229,789) | 27,461,904 | 1,332,381 |
| **Business-type Activities:** | | | | | |
| Impact Assistance Loan Funds - Water | $ 54,950 | - | (5,674) | 49,276 | 5,538 |
| DOLA Mineral Impact Loan | 82,726 | - | (14,970) | 67,756 | 15,720 |
| North Gunnison Sewer Revenue Bond - 2005 | 1,327,787 | - | (23,281) | 1,304,506 | 23,676 |
| North Gunnison Sewer Revenue Bond - 2006 | 288,871 | - | (4,524) | 284,347 | 4,718 |
| Antelope Hills Water Revenue Bonds - 2013 | 1,131,068 | - | (18,609) | 1,112,459 | 19,433 |
| Gunnison County Housing Authority: | | | | | |
| Mortgage - Primary Mortgage | 424,289 | - | (11,817) | 412,472 | 13,652 |
| Mortgage - Surplus Cash | 331,038 | - | (449) | 330,589 | - |
| Mortgage - Contingent Payable | 378,864 | - | - | 378,864 | - |
| Note Payable - Palisades Living Center | 412,173 | - | (19,570) | 392,603 | 20,622 |
| Accrued Liability for Landfill Closure Costs | 1,215,885 | - | 15,243 | 1,231,128 | - |
| Compensated Absences | 100,250 | - | 17,953 | 118,203 | 47,281 |
| **Total Business-type Activities Long-term Liabilities** | $ 5,747,901 | - | (65,698) | 5,682,203 | 150,640 |

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

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

Debt service requirements at December 31, 2015 were as follows:

| | Governmental Funds | | Business-Type | |
|---|---|---|---|---|
| Dates | Principal | Interest | Principal | Interest |
| 2016 | $ 825,053 | 1,345,436 | 69,085 | 97,091 |
| 2017 | 840,583 | 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 | 889,880 | 1,232,204 | 61,480 | 85,589 |
| 2021 - 2025 | 4,141,290 | 5,634,244 | 322,784 | 393,351 |
| 2026 - 2030 | 5,000,000 | 4,487,880 | 360,940 | 334,281 |
| 2031 - 2035 | 6,190,000 | 2,958,870 | 430,083 | 265,137 |
| 2036 - 2040 | 6,325,000 | 1,043,875 | 513,694 | 181,527 |
| 2041 - 2045 | - | - | 522,690 | 88,525 |
| 2046 - 2050 | - | - | 199,296 | 23,175 |
| 2051 - 2053 | - | - | 114,382 | 3,676 |
| | $ 25,960,439 | 20,586,474 | 2,818,344 | 1,746,968 |

| | Housing Authority | | Total | |
|---|---|---|---|---|
| Dates | Principal | Interest | Principal | Interest |
| 2016 | 34,274 | 39,196 | 928,412 | 1,481,723 |
| 2017 | 35,993 | 37,477 | 948,360 | 1,453,828 |
| 2018 | 37,753 | 35,717 | 973,679 | 1,423,587 |
| 2019 | 39,601 | 33,869 | 1,004,434 | 1,388,231 |
| 2020 | 321,732 | 31,962 | 1,273,092 | 1,349,754 |
| 2021 - 2025 | 102,326 | 82,585 | 4,566,400 | 6,110,180 |
| 2026 - 2030 | 136,325 | 48,586 | 5,497,265 | 4,870,746 |
| 2031 - 2035 | 806,524 | 14,689 | 7,426,607 | 3,238,696 |
| 2036 - 2040 | - | - | 6,838,694 | 1,225,402 |
| 2041 - 2045 | - | - | 522,690 | 88,525 |
| 2046 - 2050 | - | - | 199,296 | 23,175 |
| 2051 - 2053 | - | - | 114,382 | 3,676 |
| | 1,514,528 | 324,081 | 29,979,633 | 22,630,671 |

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## 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, 2015.

The 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 $0 as of December 31, 2015.

#### 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, 2015, the agreement had a fair value of $(325,433). The value is calculated using the par-value method.

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## 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, 2015 totaled $2,345,081, net of accumulated depreciation of $2,136,705. The capital lease entered into requires a monthly payment of $37,064, at an interest rate of 2.59%. The lease term is through May 2016.

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, 2015:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| Hospital revenue bonds | $ 11,215,054 | - | (840,000) | 10,375,054 | 810,000 |
| Capital lease obligations | 663,899 | - | (479,995) | 183,904 | 479,996 |
| **Total Long-term Liabilities** | $ 14,333,433 | - | (1,319,995) | 10,558,958 | 1,289,996 |

Debt service requirements at December 31, 2015 were as follows:

| | Bonds | | Capital Lease | | Total | |
|---|---|---|---|---|---|---|
| Dates | Principal | Interest | Principal | Interest | Principal | Interest |
| 2016 | $ 820,000 | 346,660 | 183,904 | 1,194 | 1,003,904 | 347,854 |
| 2017 | 890,000 | 338,709 | - | - | 890,000 | 338,709 |
| 2018 | 935,000 | 307,596 | - | - | 935,000 | 307,596 |
| 2019 | 955,000 | 275,841 | - | - | 955,000 | 275,841 |
| 2020 | 975,000 | 243,546 | - | - | 975,000 | 243,546 |
| 2021 - 2023 | 5,800,054 | 472,453 | - | - | 5,800,054 | 472,453 |
| | $ 10,375,054 | 1,984,805 | 183,904 | 1,194 | 10,558,958 | 1,985,999 |

### 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.

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## 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 restricted 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.

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

### M. Fund Balance Disclosures (continued)

As of December 31, 2015, fund balances are composed of the following:

| | General Fund | Other Governmental Funds | Total Governmental Funds | Description |
|---|---|---|---|---|
| **Non-spendable:** | | | | |
| Prepaid expenses | $ - | 27,067 | 27,067 | |
| **Restricted:** | | | | |
| Emergency reserve | 829,000 | - | 829,000 | Legislative Restriction |
| Road and Bridge | - | 2,648,235 | 2,648,235 | Legislative Restriction |
| Sales Tax Capital Improvement | - | 1,739,139 | 1,739,139 | Ballot Restriction |
| Capital Expenditure | - | 1,344,446 | 1,344,446 | Debt Restriction |
| Conservation Trust | - | 88,892 | 88,892 | Legislative Restriction |
| Land Preservation | - | 212,298 | 212,298 | Ballot Restriction |
| Local Marketing District | - | 818,733 | 818,733 | Ballot Restriction |
| Debt Service | - | 147,777 | 147,777 | Debt Restriction |
| **Committed:** | | | | |
| Water Resource Protection | 87,530 | - | 87,530 | BOCC Resolution |
| Workforce Impact Fees | 474,812 | - | 474,812 | BOCC Resolution |
| Courthouse Renovation | 355,959 | - | 355,959 | BOCC Resolution |
| Public Health | - | 6,924 | 6,924 | BOCC Resolution |
| Mosquito Control | - | 10,586 | 10,586 | BOCC Resolution |
| Sage Grouse | - | 53,442 | 53,442 | BOCC Resolution |
| **Assigned:** | | | | |
| Human Services | - | 580,377 | 580,377 | Legislative Restriction |
| Airport Construction | - | 109,410 | 109,410 | General Designation |
| Capital Expenditure | - | 1,011,117 | 1,011,117 | General Designation |
| Risk Management | - | 646,869 | 646,869 | General Designation |
| Housing Authority Administratior | - | 212,748 | 212,748 | General Designation |
| **Unassigned** | | | | |
| Unassigned | 3,439,895 | (18,047) | 3,421,848 | |
| **Total Fund Balances** | $ 5,187,196 | 9,658,060 | 14,827,209 | |

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## 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 $285,202 which was three percent (3%) of its current year covered payroll of $9,506,742. The County's total payroll for 2015 was $8,602,178. The County's employees contributed $284,857. The County had no outstanding liabilities at December 31, 2015.

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.

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## V. Other Information (continued)

### A. Pension Plans (continued)

#### 2. Deferred Compensation Plan (continued)

For 2015, the County contributed $149,941 to the Deferred Compensation Plan on behalf of participating employees, which represents the required 2% contribution based on 2015 covered payroll of $6,817,066. The County had no outstanding liabilities at December 31, 2015.

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% on behalf of the employees who participate in the Plan. Employees become eligible for the Plan after working the lesser of one year or 1,040 hours and are vested in the contributions to the Plan over a five-year period. Employer plan contributions for the years ended December 31, 2015 were $437,745 for the Hospital and $113,883 for the Center.

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## 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, 2015.

#### 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 $1,575,690 with Berkley Life and Health Insurance Company.

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## 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* – The 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 $0 as of December 31, 2015.

*Gunnison Valley Animal Shelter* – The 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 $33,333 at December 31, 2015.

*Gunnison Valley Transportation Authority* – The County was required to guarantee the payments in connection with the issuance of Agreement Collateralizing Letter of Credit with Certification of Deposit and Guaranteeing Payment in the amount of $400,000. During 2015, the Gunnison Valley Transportation Authority secured a letter of credit with an aggregate credit limit of $400,000 from Gunnison Savings & Loan Association for the benefit of Alaska Airlines, Inc. The letter of credit, which expires in June 2016, provides collateral to assist Crested Butte, LLC (d/ba/ Crested Butte Mountain Resort in meeting its financial obligations to Alaska Airlines, Inc. relating to an air services agreement which guarantees certain airline revenue to Alaska Airlines, Inc. as a condition of flights into Gunnison Airport.

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## V. Other Information (continued)

### F. Restatement

The beginning fund balance for the Road and Bridge Fund and the beginning net position for Governmental Activities were restated in the amount of $353,034 due to a restatement of prior year's liabilities.

### G. Comparative Information

Certain amounts in 2014 have been reclassified to conform to the 2015 presentation.

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# REQUIRED SUPPLEMENTARY INFORMATION

Gunnison County
COLORADO

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**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, 2015**
**(With Comparative Actual Amounts for the Year Ended December 31, 2014)**

| | 2015 | | | | 2014 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Final Budget Variance Positive (Negative) | Actual |
| **Revenues:** | | | | | |
| Taxes | 8,060,770 | 8,060,770 | 8,146,576 | 85,806 | 7,637,631 |
| Licenses and permits | 279,545 | 279,545 | 458,082 | 178,537 | 311,132 |
| Intergovernmental | 2,375,353 | 2,427,213 | 2,596,943 | 169,730 | 2,195,456 |
| Charges for services | 1,251,019 | 1,256,019 | 1,391,387 | 135,368 | 1,351,926 |
| Investment income | 31,750 | 31,750 | 62,065 | 30,315 | 11,948 |
| Contributions | 326,852 | 366,852 | 228,493 | (138,359) | 112,943 |
| Miscellaneous | 131,181 | 131,181 | 163,304 | 32,123 | 153,754 |
| **Total Revenues** | 12,456,470 | 12,553,330 | 13,046,850 | 493,520 | 11,774,790 |
| **Expenditures:** | | | | | |
| General government | 7,846,863 | 8,204,169 | 7,264,439 | 939,730 | 7,105,620 |
| Judicial | 302,847 | 302,847 | 302,847 | - | 280,550 |
| Public Safety | 3,087,282 | 3,092,382 | 2,954,649 | 137,733 | 2,923,506 |
| Health and welfare | 889,399 | 889,399 | 878,939 | 10,460 | 778,565 |
| Auxiliary services | 272,502 | 272,502 | 222,183 | 50,319 | 267,790 |
| Culture and recreation | 864,603 | 864,603 | 699,444 | 165,159 | 340,660 |
| Public works | 168,298 | 168,298 | 177,547 | (9,249) | 154,662 |
| Debt service | 119,275 | 269,275 | 280,131 | (10,856) | 35,583 |
| **Total Expenditures** | 13,551,069 | 14,063,475 | 12,780,179 | 1,283,296 | 11,886,936 |
| **Excess (Deficiency) of Revenues Over Expenditures** | (1,094,599) | (1,510,145) | 266,671 | 1,776,816 | (112,146) |
| **Other Financing Sources (Uses):** | | | | | |
| Transfers in | 1,171,132 | 3,343,335 | 1,875,885 | (1,467,450) | 1,891,302 |
| Transfers (out) | (4,911,271) | (8,155,614) | (4,489,720) | 3,665,894 | (1,414,257) |
| Sale of capital assets | - | 270,000 | 267,374 | (2,626) | 10 |
| **Total Other Financing Sources (Uses)** | (3,740,139) | (4,542,279) | (2,346,461) | 2,195,818 | 477,055 |
| **Net Change in Fund Balances** | (4,834,738) | (6,052,424) | (2,079,790) | 3,972,634 | 364,909 |
| **Fund Balances - Beginning of Year** | | | 7,266,986 | | 6,902,077 |
| **Fund Balances - End of Year** | | | 5,187,196 | | 7,266,986 |

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

Preliminary Draft

**Gunnison County, Colorado**
**General Fund**
**Schedule of Revenues - Budget (GAAP Basis) and Actual**
**For the Year Ended December 31, 2015**
**(With Comparative Actual Amounts for the Year Ended December 31, 2014)**

| | 2015 | | | | 2014 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Final Budget Variance Positive (Negative) | Actual |
| **Taxes:** | | | | | |
| General property taxes | 7,768,770 | 7,768,770 | 7,769,982 | 1,212 | 7,299,708 |
| Specific ownership tax | 270,000 | 270,000 | 337,771 | 67,771 | 308,974 |
| Delinquent tax and interest | 22,000 | 22,000 | 38,823 | 16,823 | 28,949 |
| **Total Taxes** | 8,060,770 | 8,060,770 | 8,146,576 | 85,806 | 7,637,631 |
| **Licenses and Permits:** | | | | | |
| Liquor licenses | 2,000 | 2,000 | 4,623 | 2,623 | 4,733 |
| Building permits | 145,000 | 145,000 | 254,928 | 109,928 | 144,277 |
| Other licenses and permits | 132,545 | 132,545 | 198,531 | 65,986 | 162,122 |
| **Total Licenses and Permits** | 279,545 | 279,545 | 458,082 | 178,537 | 311,132 |
| **Intergovernmental:** | | | | | |
| Payment in lieu of taxes | - | - | 41,022 | 41,022 | - |
| Federal Grants | 668,645 | 671,645 | 581,140 | (90,505) | 694,973 |
| State Grants | 1,615,780 | 1,643,640 | 1,823,891 | 180,251 | 1,389,309 |
| Local Grants | 90,928 | 111,928 | 150,890 | 38,962 | 111,174 |
| **Total Intergovernmental** | 2,375,353 | 2,427,213 | 2,596,943 | 169,730 | 2,195,456 |
| **Charges for Services:** | | | | | |
| Clerk and recorder | 354,911 | 354,911 | 367,122 | 12,211 | 346,745 |
| Sheriff's fees | 67,602 | 67,602 | 74,077 | 6,475 | 65,161 |
| Treasurer's fees | 630,794 | 630,794 | 724,536 | 93,742 | 694,029 |
| Other Fees | 110,612 | 115,612 | 116,537 | 925 | 144,295 |
| Assessor's Fees | 10,000 | 10,000 | 6,877 | (3,123) | 7,085 |
| Public Health Fees | 15,500 | 15,500 | 16,547 | 1,047 | 18,391 |
| Useful Public Service | 30,000 | 30,000 | 33,322 | 3,322 | 31,245 |
| Court Fines & Fees | 31,600 | 31,600 | 52,369 | 20,769 | 44,976 |
| **Total Charges for Services** | 1,251,019 | 1,256,019 | 1,391,387 | 135,368 | 1,351,927 |
| **Other Revenue:** | | | | | |
| Investment income | 31,750 | 31,750 | 62,065 | 30,315 | 11,948 |
| Contributions | 326,852 | 366,852 | 228,493 | (138,359) | 112,943 |
| Miscellaneous | 131,181 | 131,181 | 163,304 | 32,123 | 153,753 |
| **Total Other Revenue** | 489,783 | 529,783 | 453,862 | (75,921) | 278,644 |
| **Total Revenues** | 12,456,470 | 12,553,330 | 13,046,850 | 493,520 | 11,774,790 |

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

Preliminary Draft

**Gunnison County, Colorado**
**General Fund**
**Schedule of Expenditures - Budget (GAAP Basis) and Actual**
**For the Year Ended December 31, 2015**
**(With Comparative Actual Amounts for the Year Ended December 31, 2014)**

| | 2015 | | | | 2014 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Final Budget Variance Positive (Negative) | Actual |
| **General Government:** | | | | | |
| Commissioners | 904,705 | 1,002,205 | 677,256 | 324,949 | 583,828 |
| Board Support | 112,717 | 112,717 | 111,193 | 1,524 | 93,908 |
| Executive Management | 303,501 | 303,501 | 293,510 | 9,991 | 276,978 |
| Public Information | 91,127 | 91,127 | 75,639 | 15,488 | 67,549 |
| Clerk | 35,797 | 35,797 | 30,641 | 5,156 | 29,294 |
| Motor Vehicle | 228,079 | 228,079 | 257,099 | (29,020) | 213,203 |
| Recording | 161,108 | 161,108 | 154,309 | 6,799 | 135,041 |
| Elections | 252,299 | 274,299 | 227,818 | 46,481 | 349,102 |
| Revenue (Treasurer) | 289,076 | 289,076 | 206,930 | 82,146 | 250,869 |
| Investments (Treasurer) | 15,636 | 15,636 | 12,424 | 3,212 | 16,823 |
| Human Resources | 170,540 | 170,540 | 149,411 | 21,129 | 121,331 |
| Wildlife Conservation | 129,512 | 145,232 | 135,853 | 9,379 | 121,350 |
| County Attorney | 628,562 | 640,062 | 653,495 | (13,433) | 578,574 |
| Facilities & Grounds | 677,962 | 693,962 | 638,094 | 55,868 | 572,013 |
| Project Services | 76,714 | 76,714 | 69,472 | 7,242 | 75,618 |
| Assessment Administration | 331,956 | 331,956 | 302,139 | 29,817 | 319,120 |
| Appraisal | 551,310 | 551,310 | 491,545 | 59,765 | 487,701 |
| Development Review | 524,937 | 524,937 | 502,676 | 22,261 | 548,405 |
| Oil and Gas Permitting | 51,178 | 51,178 | 37,597 | 13,581 | 35,196 |
| Long Range Planning and Projects | 118,999 | 118,999 | 106,436 | 12,563 | 67,741 |
| Codes & Regulations | 34,111 | 34,111 | 29,282 | 4,829 | 25,144 |
| Accounting & Auditing | 427,529 | 427,529 | 391,787 | 35,742 | 410,575 |
| Planning & Analysis | 103,464 | 103,464 | 104,539 | (1,075) | 94,058 |
| Compensated Absences | 29,673 | 119,259 | 135,948 | (16,689) | 11,792 |
| Weather Modification | 130,293 | 130,293 | 64,937 | 65,356 | 130,736 |
| Other General Fund Expenditures | 1,459,678 | 1,559,678 | 1,400,269 | 159,409 | 1,478,373 |
| Energy Efficiency Intiatives | 6,400 | 11,400 | 4,140 | 7,260 | 11,298 |
| **Total General Government** | 7,846,863 | 8,204,169 | 7,264,439 | 939,730 | 7,105,620 |
| **Judicial:** | | | | | |
| District Attorney | 302,847 | 302,847 | 302,847 | - | 280,550 |
| **Total Judicial** | 302,847 | 302,847 | 302,847 | - | 280,550 |
| **Public Safety:** | | | | | |
| Detention Services | 793,405 | 793,405 | 783,060 | 10,345 | 738,261 |
| Enforcement | 630,482 | 630,482 | 469,161 | 161,321 | 606,732 |
| Operational Support | 833,232 | 833,232 | 866,313 | (33,081) | 830,326 |
| Courtroom Security | 40,826 | 40,826 | 56,917 | (16,091) | 44,574 |
| Investigations | 159,748 | 159,748 | 138,304 | 21,444 | 152,668 |
| Major Incident Response | 32,595 | 32,595 | 34,763 | (2,168) | 30,859 |
| Operational Support-Detention | 303,343 | 303,343 | 322,120 | (18,777) | 284,975 |
| and 122 Emergency Management | 65,303 | 65,303 | 58,662 | 6,641 | 50,415 |
| Coroner | 92,117 | 97,217 | 98,385 | (1,168) | 84,928 |
| Youth Intervention Services | 136,231 | 136,231 | 126,964 | 9,267 | 99,769 |
| **Total Public Safety** | 3,087,282 | 3,092,382 | 2,954,649 | 137,733 | 2,923,507 |
| **Health and Welfare:** | | | | | |
| Substance Abuse Prevention | 243,694 | 243,694 | 251,792 | (8,098) | 198,993 |
| Program Support | 35,916 | 35,916 | 39,683 | (3,767) | 39,427 |
| Senior Resources | 211,963 | 211,963 | 196,983 | 14,980 | 151,770 |
| Child & Family Health | 250,338 | 250,338 | 254,985 | (4,647) | 243,431 |
| Community Health Services | 500 | 500 | 1,111 | (611) | 434 |
| Family Planning | 146,988 | 146,988 | 134,385 | 12,603 | 144,510 |
| **Total Health and Welfare** | 889,399 | 889,399 | 878,939 | 10,460 | 778,565 |
| **Auxiliary Services:** | | | | | |
| Alternative Services | 75,633 | 75,633 | 41,312 | 34,321 | 88,973 |
| Adult Programming | 38,423 | 38,423 | 33,715 | 4,708 | 32,206 |
| Youth Development | 153,140 | 153,140 | 142,832 | 10,308 | 142,211 |
| Veterans | 5,306 | 5,306 | 4,324 | 982 | 4,399 |
| **Total Auxiliary Services** | 272,502 | 272,502 | 222,183 | 50,319 | 267,789 |
| **Culture and Recreation:** | | | | | |
| Fairgrounds Management | 248,066 | 248,066 | 229,972 | 18,094 | 223,357 |
| Trails - Parks | 606,547 | 606,547 | 463,339 | 143,208 | 110,795 |
| Landfill | 2,265 | 2,265 | 2,387 | (122) | 265 |
| Historic Preservation | 7,725 | 7,725 | 3,746 | 3,979 | 6,244 |
| **Total Culture and Recreation** | 864,603 | 864,603 | 699,444 | 165,159 | 340,661 |
| **Public Works:** | | | | | |
| Weed Management | 168,098 | 168,098 | 177,078 | (8,980) | 154,233 |
| Other Public Works | 200 | 200 | 469 | (269) | 428 |
| **Total Public Works** | 168,098 | 168,098 | 177,078 | (8,980) | 154,233 |
| **Debt Service:** | | | | | |
| Principal | 96,272 | 246,272 | 258,317 | (12,045) | 6,401 |
| Interest | 23,003 | 23,003 | 21,814 | 1,189 | 29,182 |
| **Total Debt Service** | 119,275 | 269,275 | 280,131 | (10,856) | 35,583 |
| **Total Expenditures** | 13,551,069 | 14,063,475 | 12,780,179 | 1,283,296 | 11,886,936 |

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

Preliminary Draft

**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, 2015**
**(With Comparative Actual Amounts for the Year Ended December 31, 2014)**

| | 2015 | | | (Restated) 2014 |
|---|---|---|---|---|
| | Original and Final Budget | Actual | Variance Positive (Negative) | Actual |
| **Revenues:** | | | | |
| **Taxes:** | | | | |
| Specific ownership tax | 170,000 | 181,876 | 11,876 | 173,174 |
| **Total Taxes** | 170,000 | 181,876 | 11,876 | 173,174 |
| **Intergovernmental:** | | | | |
| Payment in lieu of taxes | 500,000 | 546,173 | 46,173 | 500,000 |
| Local grants | 500 | 1,436 | 936 | 790 |
| Federal grants | 680,716 | 85,633 | (595,083) | 36,049 |
| State grants | 50,000 | 50,285 | 285 | 48,392 |
| Highway users trust fund | 2,586,447 | 2,770,181 | 183,734 | 2,653,782 |
| Forest service | - | 435,368 | 435,368 | 474,456 |
| Mineral leasing | 583,516 | 369,291 | (214,225) | 542,585 |
| **Total Intergovernmental** | 4,401,179 | 4,258,367 | (142,812) | 4,256,054 |
| **Charges for Services:** | | | | |
| Municipalities | 59,199 | 46,129 | (13,070) | 67,097 |
| Permits | 12,600 | 18,776 | 6,176 | 15,609 |
| Other | 20 | 388 | 368 | 906 |
| **Total Charges for Services** | 71,819 | 65,293 | (6,526) | 83,612 |
| **Other:** | | | | |
| Investment income | 10,000 | 13,351 | 3,351 | 9,838 |
| Miscellaneous | 49,971 | 115,882 | 65,911 | 83,788 |
| **Total Other Revenue** | 59,971 | 129,233 | 69,262 | 93,626 |
| **Total Revenues** | 4,702,969 | 4,634,769 | (68,200) | 4,606,466 |
| **Expenditures:** | | | | |
| Road construction | 402,994 | 2,125 | 400,869 | 59,774 |
| Bridges | 157,504 | 5,800 | 151,704 | 9,854 |
| Winter maintenance | 944,257 | 733,488 | 210,769 | 1,152,861 |
| Operational support | 458,279 | 436,050 | 22,229 | 501,482 |
| Trails and park | 663,028 | 130,971 | 532,057 | 82,959 |
| Municipalities | 87,265 | 68,886 | 18,379 | 99,319 |
| Road maintenance | 2,785,193 | 2,935,721 | (150,528) | 2,739,141 |
| **Total Expenditures** | 5,498,520 | 4,313,041 | 1,185,479 | 4,645,390 |
| **Excess (Deficiency) of Revenues Over Expenditures** | (795,551) | 321,728 | 1,117,279 | (38,924) |
| **Other Financing Sources (Uses):** | | | | |
| Transfers in | 148,545 | 163,545 | 15,000 | 151,523 |
| Sale of capital assets | - | - | - | 2,683 |
| Transfers (out) | (413,267) | (296,487) | 116,780 | (274,330) |
| **Total Other Financing Sources (Uses)** | (264,722) | (132,942) | 131,780 | (120,124) |
| **Net Change in Fund Balances** | (1,060,273) | 188,786 | 1,249,059 | (159,048) |
| **Fund Balances - Beginning of Year** | | 2,459,449 | | 2,618,497 |
| **Fund Balances - End of Year** | | 2,648,235 | | 2,459,449 |

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

Preliminary Draft

**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, 2015**
**(With Comparative Actual Amounts for the Year Ended December 31, 2014)**

| | 2015 | | | | 2014 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Final Budget Variance Positive (Negative) | Actual |
| **Revenues:** | | | | | |
| **Taxes:** | | | | | |
| Property tax revenue | 278,000 | 278,000 | 283,234 | 5,234 | 282,963 |
| Delinquent tax and interest | 368 | 368 | 1,482 | 1,114 | 1,127 |
| **Intergovernmental:** | | | | | |
| EBT reimbursements | 3,882,613 | 3,882,613 | 3,559,228 | (323,385) | 3,624,017 |
| Other | 35,000 | 35,000 | 38,915 | 3,915 | 40,919 |
| **Other:** | | | | | |
| Contributions | 1,445 | 1,445 | 7,040 | 5,595 | 3,690 |
| Miscellaneous | 1,750 | 1,750 | 2,661 | 911 | 4,704 |
| **Total Revenues** | 4,199,176 | 4,199,176 | 3,892,560 | (306,616) | 3,957,420 |
| **Expenditures:** | | | | | |
| Youth and family prevention services | 123,361 | 128,974 | 125,732 | 3,242 | 112,019 |
| Self-sufficiency development | 236,770 | 236,770 | 216,590 | 20,180 | 209,546 |
| Program support | 620,787 | 620,787 | 613,050 | 7,737 | 534,230 |
| Children and family services | 905,106 | 905,106 | 804,929 | 100,177 | 840,389 |
| Child support enforcement | 82,463 | 82,463 | 82,602 | (139) | 80,672 |
| Public assistance | 2,078,019 | 2,078,019 | 1,978,778 | 99,241 | 1,979,217 |
| Community health services | 6,988 | 6,988 | 4,501 | 2,487 | 19,022 |
| **Total Expenditures** | 4,053,494 | 4,059,107 | 3,826,182 | 232,925 | 3,775,095 |
| **Excess (Deficiency) of Revenues Over Expenditures** | 145,682 | 140,069 | 66,378 | (73,691) | 182,325 |
| **Other Financing Sources (Uses):** | | | | | |
| Transfers (out) | (152,000) | (152,000) | (49,037) | 102,963 | (138,817) |
| **Total Other Financing Sources (Uses)** | (152,000) | (152,000) | (49,037) | 102,963 | (138,817) |
| **Net Change in Fund Balances** | (6,318) | (11,931) | 17,341 | 29,272 | 43,508 |
| **Fund Balances - Beginning of Year** | | | 563,036 | | 519,528 |
| **Fund Balances - End of Year** | | | 580,377 | | 563,036 |

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

Preliminary Draft

**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, 2015**
**(With Comparative Actual Amounts for the Year Ended December 31, 2014)**

| | 2015 | | | | 2014 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Final Budget Variance Positive (Negative) | Actual |
| **Revenues:** | | | | | |
| **Taxes:** | | | | | |
| Sales tax | 1,597,000 | 1,597,000 | 1,760,697 | 163,697 | 1,628,369 |
| **Fines and forfeitures** | - | - | 8,965 | 8,965 | 4,692 |
| **Investment Income** | 1,200 | 1,200 | 7,915 | 6,715 | 3,768 |
| **Total Revenues** | 1,598,200 | 1,598,200 | 1,777,577 | 179,377 | 1,636,829 |
| **Expenditures:** | | | | | |
| **General Government:** | | | | | |
| Sales tax | 51,431 | 54,431 | 38,158 | 16,273 | 54,396 |
| Energy efficiency initiatives | - | - | 2,910 | (2,910) | 2,812 |
| **Debt Service:** | | | | | |
| Principal | 148,828 | 148,828 | 160,836 | (12,008) | 154,716 |
| Interest | 13,338 | 13,338 | 1,331 | 12,007 | 7,451 |
| **Total Expenditures** | 213,597 | 216,597 | 203,235 | 13,362 | 219,375 |
| **Excess (Deficiency) of Revenues Over Expenditures** | 1,384,603 | 1,381,603 | 1,574,342 | 192,739 | 1,417,454 |
| **Other Financing Sources (Uses):** | | | | | |
| Transfers (out) | (1,159,136) | (1,181,887) | (1,132,249) | 49,638 | (1,745,298) |
| **Total Other Financing Sources (Uses)** | (1,159,136) | (1,181,887) | (1,132,249) | 49,638 | (1,677,362) |
| **Net Change in Fund Balances** | 225,467 | 199,716 | 442,093 | 242,377 | (259,908) |
| **Fund Balances - Beginning of Year** | | | 1,297,046 | | 1,556,954 |
| **Fund Balances - End of Year** | | | 1,739,139 | | 1,297,046 |

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

Preliminary Draft

**SUPPLEMENTARY INFORMATION**

Gunnison County
COLORADO

Preliminary Draft

**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, 2015**
**(With Comparative Actual Amounts for the Year Ended December 31, 2014)**

| | 2015 | | | 2014 |
|---|---|---|---|---|
| | Original and Final Budget | Actual | Variance Positive (Negative) | Actual |
| **Revenues:** | | | | |
| **Intergovernmental:** | | | | |
| Federal grants | 2,205,228 | 2,984,729 | 779,501 | 120,228 |
| State grants | 257,512 | 162,034 | (95,478) | 91,214 |
| **Charges for Services:** | | | | |
| Passenger facility charges | 108,000 | 131,726 | 23,726 | 117,265 |
| **Investment Income** | 125 | 1,741 | 1,616 | 219 |
| **Total Revenues** | 2,570,865 | 3,280,230 | 709,365 | 328,926 |
| **Expenditures:** | | | | |
| **Public Works** | 2,600,263 | 2,218,418 | 381,845 | 248,653 |
| **Debt Service:** | | | | |
| Principal | 18,869 | 18,869 | - | 406,728 |
| Interest | 4,758 | 4,760 | (2) | 12,851 |
| **Total Expenditures** | 2,623,890 | 2,242,047 | 381,843 | 668,232 |
| **Excess (Deficiency) of Revenues Over Expenditures** | (53,025) | 1,038,183 | 1,091,208 | (339,306) |
| **Other Financing Sources (Uses):** | | | | |
| Transfers in | 1,080,000 | - | (1,080,000) | - |
| Transfers (out) | (2,164,343) | (1,082,843) | 1,081,500 | 396,316 |
| **Total Other Financing Sources (Uses)** | (1,084,343) | (1,082,843) | 1,500 | 396,316 |
| **Net Change in Fund Balances** | (1,137,368) | (44,660) | 1,092,708 | 57,010 |
| **Fund Balances - Beginning of Year** | | 154,070 | | 97,060 |
| **Fund Balances - End of Year** | | 109,410 | | 154,070 |

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

Preliminary Draft

**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, 2015**
**(With Comparative Actual Amounts for the Year Ended December 31, 2014)**

| | 2015 | | | | 2014 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Final Budget Variance Positive (Negative) | Actual |
| **Revenues:** | | | | | |
| **Intergovernmental:** | | | | | |
| State grants | 663,285 | 663,285 | 570,125 | (93,160) | 764,569 |
| **Investment Income** | 350 | 350 | 6,375 | 6,025 | 2,311 |
| **Total Revenues** | 663,635 | 663,635 | 576,500 | (87,135) | 766,880 |
| **Expenditures:** | | | | | |
| **General Government:** | | | | | |
| Ohio City town hall | 91,500 | 91,500 | 3,525 | 87,975 | 151,259 |
| Other capital expenditures | 20 | 20 | 12 | 8 | 12 |
| **Judicial:** | | | | | |
| District attorney | 6,524,151 | 6,524,151 | 4,366,665 | 2,157,486 | 11,078,029 |
| **Total Expenditures** | 6,615,671 | 6,615,671 | 4,370,202 | 2,245,469 | 11,229,300 |
| **Excess (Deficiency) of Revenues Over Expenditures** | (5,952,036) | (5,952,036) | (3,793,702) | 2,158,334 | (10,462,420) |
| **Other Financing Sources (Uses):** | | | | | |
| Transfers in | 6,656,685 | 8,821,028 | 4,056,943 | (4,764,085) | 966,862 |
| Transfers (out) | - | - | (23) | (23) | (726) |
| **Total Other Financing Sources (Uses)** | 6,656,685 | 8,821,028 | 4,056,920 | (4,764,108) | 966,136 |
| **Net Change in Fund Balances** | 704,649 | 2,868,992 | 263,218 | (2,605,774) | (9,496,284) |
| **Fund Balances - Beginning of Year** | | | 2,092,345 | | 11,588,629 |
| **Fund Balances - End of Year** | | | 2,355,563 | | 2,092,345 |

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

Preliminary Draft

**Gunnison County, Colorado**
**Non-major Governmental Funds**
**Combining Balance Sheet**
**For the Year Ended December 31, 2015**

| | Special Revenue | | | | | | | | Debt Service | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 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 | Total Non-major Governmental Funds |
| **Assets:** | | | | | | | | | | |
| Cash and investments - Unrestricted | 88,895 | 13 | 10,586 | 150,792 | 53,446 | 645,644 | 208,508 | 686,129 | 403 | 1,844,416 |
| Cash and investments - Restricted | - | - | - | - | - | - | - | - | 147,777 | 147,777 |
| Accounts receivable | - | 37,733 | - | 61,518 | - | 1,746 | 21,161 | 142,622 | - | 264,780 |
| Prepaid expenses | - | - | - | - | - | 27,067 | - | - | - | 27,067 |
| Due from other funds | - | 41,545 | - | - | - | - | 3,639 | - | 130,814 | 175,998 |
| **Total Assets** | 88,895 | 79,291 | 10,586 | 212,310 | 53,446 | 674,457 | 233,308 | 828,751 | 278,994 | 2,460,038 |
| **Liabilities, Deferred Inflow of Resources, and Fund Balances:** | | | | | | | | | | |
| **Liabilities:** | | | | | | | | | | |
| Accounts payable | - | 4,091 | - | - | - | - | 7,372 | - | 1,499 | 12,962 |
| Unearned grant revenue | - | 68,276 | - | - | - | - | 13,188 | - | 147,765 | 229,229 |
| Due to other funds | 3 | - | - | 12 | 4 | 521 | - | 10,018 | - | 10,558 |
| **Total Liabilities** | 3 | 72,367 | - | 12 | 4 | 521 | 20,560 | 10,018 | 149,264 | 252,749 |
| **Fund Balances:** | | | | | | | | | | |
| Non-spendable | - | - | - | - | - | 27,067 | - | - | - | 27,067 |
| Spendable: | | | | | | | | | | |
| Restricted | 88,892 | - | - | 212,298 | - | - | - | 818,733 | 147,777 | 1,267,700 |
| Committed | - | 6,924 | 10,586 | - | 53,442 | - | - | - | - | 70,952 |
| Assigned | - | - | - | - | - | 646,869 | 212,748 | - | - | 859,617 |
| Unassigned | - | - | - | - | - | - | - | - | (18,047) | (18,047) |
| **Total Fund Balances** | 88,892 | 6,924 | 10,586 | 212,298 | 53,442 | 673,936 | 212,748 | 818,733 | 129,730 | 2,207,289 |
| **Total Liabilities, Deferred Inflow of Resources, and Fund Balances** | 88,895 | 79,291 | 10,586 | 212,310 | 53,446 | 674,457 | 233,308 | 828,751 | 278,994 | 2,460,038 |

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

Preliminary Draft

**Gunnison County, Colorado**
**Non-major Governmental Funds**
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**
**For the Year Ended December 31, 2015**

| | Special Revenue | | | | | | | | Debt Service | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 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 | Total Non-major Governmental Funds |
| **Revenues:** | | | | | | | | | | |
| Taxes | - | 17,511 | 59,320 | 369,108 | - | - | - | 1,490,055 | - | 1,935,994 |
| Intergovernmental | 52,060 | 253,650 | 14,906 | - | - | - | 6,952 | - | 297,646 | 625,214 |
| Charges for services | - | 26,577 | - | - | - | - | 57,752 | - | - | 84,329 |
| Fines and forfeitures | - | - | - | - | - | - | - | 17,568 | - | 17,568 |
| Investment income | 517 | - | 156 | 800 | 332 | 3,853 | (63) | 3,536 | 663 | 9,794 |
| Contributions | - | 600 | - | - | - | 63,500 | - | - | - | 64,100 |
| Miscellaneous | - | 73,700 | 202 | - | 70,960 | - | 17 | - | - | 144,879 |
| **Total Revenues** | 52,577 | 372,038 | 74,584 | 369,908 | 71,292 | 67,353 | 64,658 | 1,511,159 | 298,309 | 2,881,878 |
| **Expenditures:** | | | | | | | | | | |
| General government | - | - | - | - | 1,916 | 10,342 | - | 1,316,454 | - | 1,328,712 |
| Health and welfare | - | 483,213 | 88,239 | - | - | - | 49,219 | - | - | 620,671 |
| Culture and recreation | 362 | - | - | 469,617 | - | - | - | - | - | 469,979 |
| Debt service | - | - | - | - | - | - | 2,527 | - | 2,007,780 | 2,010,307 |
| **Total Expenditures** | 362 | 483,213 | 88,239 | 469,617 | 1,916 | 10,342 | 51,746 | 1,316,454 | 2,007,780 | 4,429,669 |
| **Excess (Deficiency) of Revenues Over Expenditures** | 52,215 | (111,175) | (13,655) | (99,709) | 69,376 | 57,011 | 12,912 | 194,705 | (1,709,471) | (1,547,791) |
| **Other Financing Sources (Uses):** | | | | | | | | | | |
| Transfers in | - | 254,500 | 14,906 | - | - | - | - | - | 1,409,488 | 1,678,894 |
| Transfers (out) | (46,525) | (113,662) | (1,113) | (15,000) | (83,570) | - | (19,717) | (18,312) | - | (297,899) |
| Sale of capital assets | - | - | - | - | - | - | 152,726 | - | - | 152,726 |
| **Total Other Financing Sources (Uses)** | (46,525) | 140,838 | 13,793 | (15,000) | (83,570) | - | 133,009 | (18,312) | 1,409,488 | 1,533,721 |
| **Net Change in Fund Balances** | 5,690 | 29,663 | 138 | (114,709) | (14,194) | 57,011 | 145,921 | 176,393 | (299,983) | (14,070) |
| **Fund Balances - Beginning of Year** | 83,202 | (22,739) | 10,448 | 327,007 | 67,636 | 616,925 | 66,827 | 642,340 | 429,713 | 2,221,359 |
| **Fund Balances - End of Year** | 88,892 | 6,924 | 10,586 | 212,298 | 53,442 | 673,936 | 212,748 | 818,733 | 129,730 | 2,207,289 |

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

Preliminary Draft

**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, 2015**
**(With Comparative Actual Amounts for the Year Ended December 31, 2014)**

| | 2015 | | | 2014 |
|---|---|---|---|---|
| | Original and Final Budget | Actual | Variance Positive (Negative) | Actual |
| **Revenues:** | | | | |
| Lottery proceeds | 50,000 | 52,060 | 2,060 | 54,033 |
| Earnings on investments | 350 | 517 | 167 | 281 |
| **Total Revenues** | 50,350 | 52,577 | 2,227 | 54,314 |
| **Expenditures:** | | | | |
| Other | 40 | 3 | 37 | 3 |
| Treasurer's fees | 500 | 359 | 141 | 361 |
| **Total Expenditures** | 540 | 362 | 178 | 364 |
| **Excess (Deficiency) of Revenues Over Expenditures** | 49,810 | 52,215 | 2,405 | 53,950 |
| **Other Financing Sources (Uses):** | | | | |
| Transfers (out) | (108,500) | (46,525) | 61,975 | (23,000) |
| **Total Other Financing Sources (Uses)** | (108,500) | (46,525) | 61,975 | (23,000) |
| **Net Change in Fund Balances** | (58,690) | 5,690 | 64,380 | 30,950 |
| **Fund Balances - Beginning of Year** | | 83,202 | | 52,252 |
| **Fund Balances - End of Year** | | 88,892 | | 83,202 |

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

Preliminary Draft

**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, 2015**
**(With Comparative Actual Amounts for the Year Ended December 31, 2014)**

| | 2015 | | | | 2014 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Final Budget Variance Positive (Negative) | Actual |
| **Revenues:** | | | | | |
| **Taxes:** | | | | | |
| Other taxes | 6,000 | 6,000 | 17,511 | 11,511 | 10,626 |
| **Intergovernmental:** | | | | | |
| State grants | 229,570 | 229,570 | 237,135 | 7,565 | 203,662 |
| Local grants | 21,141 | 21,141 | 16,515 | (4,626) | 20,889 |
| **Charges for Services** | 29,500 | 29,500 | 26,577 | (2,923) | 24,583 |
| **Contributions** | 600 | 600 | 600 | - | 1,825 |
| **Miscellaneous** | 64,000 | 64,000 | 73,700 | 9,700 | 65,634 |
| **Total Revenues** | 350,811 | 350,811 | 372,038 | 21,227 | 327,219 |
| **Expenditures:** | | | | | |
| **Health and welfare:** | | | | | |
| Program support | 153,066 | 153,066 | 166,033 | (12,967) | 145,071 |
| Child and family health | 121,421 | 121,421 | 120,225 | 1,196 | 114,144 |
| Community health services | 182,556 | 205,571 | 196,955 | 8,616 | 175,569 |
| **Total Expenditures** | 457,043 | 480,058 | 483,213 | (3,155) | 434,784 |
| **Excess (Deficiency) of Revenues Over Expenditures** | (106,232) | (129,247) | (111,175) | 18,072 | (107,565) |
| **Other Financing Sources (Uses):** | | | | | |
| Transfers in | 237,818 | 237,818 | 254,500 | 16,682 | 171,000 |
| Transfers (out) | (113,662) | (113,662) | (113,662) | - | (110,968) |
| **Total Other Financing Sources (Uses)** | 124,156 | 124,156 | 140,838 | 16,682 | 60,032 |
| **Net Change in Fund Balances** | 17,924 | (5,091) | 29,663 | 34,754 | (47,533) |
| **Fund Balances - Beginning of Year** | | | (22,739) | | 24,794 |
| **Fund Balances - End of Year** | | | 6,924 | | (22,739) |

The accompanying notes are integral part of these financial statements.

Preliminary Draft

**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, 2015**
**(With Comparative Actual Amounts for the Year Ended December 31, 2014)**

| | 2015 | | | | 2014 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Final Budget Variance Positive (Negative) | Actual |
| **Revenues:** | | | | | |
| **Taxes:** | | | | | |
| Property tax revenue | 59,373 | 59,373 | 59,396 | 23 | 58,586 |
| Delinquent tax and interest | - | - | (76) | (76) | (240) |
| **Intergovernmental:** | | | | | |
| Local grants | 14,906 | 14,906 | 14,906 | - | 14,625 |
| **Investment income** | 120 | 120 | 156 | 36 | 110 |
| **Miscellaneous** | 250 | 250 | 202 | (48) | 244 |
| **Total Revenues** | 74,649 | 74,649 | 74,584 | (65) | 73,325 |
| **Expenditures:** | | | | | |
| Operations | 88,322 | 89,322 | 88,239 | 1,083 | 94,153 |
| **Total Expenditures** | 88,322 | 89,322 | 88,239 | 1,083 | 94,153 |
| **Excess (Deficiency) of Revenues Over Expenditures** | (13,673) | (14,673) | (13,655) | 1,018 | (20,828) |
| **Other Financing Sources (Uses):** | | | | | |
| Transfers in | 14,906 | 14,906 | 14,906 | - | 14,625 |
| Transfers (out) | (1,113) | (1,113) | (1,113) | - | (1,271) |
| **Total Other Financing Sources (Uses)** | 13,793 | 13,793 | 13,793 | - | 13,354 |
| **Net Change in Fund Balances** | 120 | (880) | 138 | 1,018 | (7,474) |
| **Fund Balances - Beginning of Year** | | | 10,448 | | 17,922 |
| **Fund Balances - End of Year** | | | 10,586 | | 10,448 |

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

Preliminary Draft

**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, 2015**
**(With Comparative Actual Amounts for the Year Ended December 31, 2014)**

| | 2015 | | | | 2014 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Final Budget Variance Positive (Negative) | Actual |
| **Revenues:** | | | | | |
| **Taxes:** | | | | | |
| Sales tax | 345,119 | 345,119 | 369,108 | 23,989 | 338,352 |
| **Investment Income** | 700 | 700 | 800 | 100 | 920 |
| **Total Revenues** | 345,819 | 345,819 | 369,908 | 24,089 | 339,272 |
| **Expenditures:** | | | | | |
| **Culture and Recreation:** | | | | | |
| Land preservation | 329,534 | 484,834 | 469,617 | 15,217 | 185,596 |
| **Total Expenditures** | 329,534 | 484,834 | 469,617 | 15,217 | 185,596 |
| **Excess (Deficiency) of Revenues Over Expenditures** | 16,285 | (139,015) | (99,709) | 39,306 | 153,676 |
| **Other Financing Sources (Uses):** | | | | | |
| Transfers (out) | - | - | (15,000) | (15,000) | - |
| **Total Other Financing Sources (Uses)** | - | - | (15,000) | (15,000) | - |
| **Net Change in Fund Balances** | 16,285 | (139,015) | (114,709) | 24,306 | 153,676 |
| **Fund Balances - Beginning of Year** | | | 327,007 | | 173,331 |
| **Fund Balances - End of Year** | | | 212,298 | | 327,007 |

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

Preliminary Draft

**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, 2015**
**(With Comparative Actual Amounts for the Year Ended December 31, 2014)**

| | 2015 | | | 2014 |
|---|---|---|---|---|
| | Original and Final Budget | Actual | Variance Positive (Negative) | Actual |
| **Revenues:** | | | | |
| Investment income | 200 | 332 | 132 | 324 |
| Miscellaneous | 64,598 | 70,960 | 6,362 | 62,390 |
| **Total Revenues** | 64,798 | 71,292 | 6,494 | 62,714 |
| **Expenditures:** | | | | |
| General government | 17,800 | 1,916 | 15,884 | 10,920 |
| **Total Expenditures** | 17,800 | 1,916 | 15,884 | 10,920 |
| **Excess (Deficiency) of Revenues Over Expenditures** | 46,998 | 69,376 | 22,378 | 51,794 |
| **Other Financing Sources (Uses):** | | | | |
| Transfers (out) | (83,570) | (83,570) | - | (81,411) |
| **Total Other Financing Sources (Uses)** | (83,570) | (83,570) | - | (81,411) |
| **Net Change in Fund Balances** | (36,572) | (14,194) | 22,378 | (29,617) |
| **Fund Balances - Beginning of Year** | | 67,636 | | 97,253 |
| **Fund Balances - End of Year** | | 53,442 | | 67,636 |

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

Preliminary Draft

**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, 2015**
**(With Comparative Actual Amounts for the Year Ended December 31, 2014)**

| | 2015 | | | 2014 |
|---|---|---|---|---|
| | Original and Final Budget | Actual | Variance Positive (Negative) | Actual |
| **Revenues:** | | | | |
| **Investment Income** | 1,350 | 3,853 | 2,503 | 2,210 |
| **Contributions** | 63,500 | 63,500 | - | 83,799 |
| **Total Revenues** | 64,850 | 67,353 | 2,503 | 86,009 |
| **Expenditures:** | | | | |
| **General Government:** | | | | |
| CAPP Insurance Claims | 41,874 | 10,215 | 31,659 | 7,896 |
| Other expenses | 42,976 | 127 | 42,849 | 158 |
| **Total Expenditures** | 84,850 | 10,342 | 74,508 | 8,054 |
| **Net Change in Fund Balances** | (20,000) | 57,011 | 77,011 | 77,955 |
| **Fund Balances - Beginning of Year** | | 616,925 | | 538,970 |
| **Fund Balances - End of Year** | | 673,936 | | 616,925 |

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

Preliminary Draft

**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, 2015**
**(With Comparative Actual Amounts for the Year Ended December 31, 2014)**

| | 2015 | | | 2014 |
|---|---|---|---|---|
| | Original and Final Budget | Actual | Variance Positive (Negative) | Actual |
| **Revenues:** | | | | |
| **Intergovernmental:** | | | | |
| Federal grants | - | 6,952 | 6,952 | 9,206 |
| **Charges for Services:** | | | | |
| Fees | 64,388 | 57,752 | (6,636) | 70,616 |
| **Investment Income** | 600 | (63) | (663) | 413 |
| **Miscellaneous** | 9,500 | 17 | (9,483) | 15,688 |
| **Total Revenues** | 74,488 | 64,658 | (9,830) | 95,923 |
| **Expenditures:** | | | | |
| **Health and Welfare** | 45,251 | 49,219 | (3,968) | 71,290 |
| **Debt Service:** | | | | |
| Principal | 1,829 | 1,823 | 6 | 1,757 |
| Interest | 698 | 704 | (6) | 769 |
| **Total Expenditures** | 47,778 | 51,746 | (3,968) | 73,816 |
| **Excess (Deficiency) of Revenues Over Expenditures** | 26,710 | 12,912 | (13,798) | 22,107 |
| **Other Financing Sources (Uses):** | | | | |
| Transfers in | 10,000 | - | (10,000) | 17,600 |
| Transfers (out) | (19,717) | (19,717) | - | (97,088) |
| Sale of capital assets | - | 152,726 | 152,726 | - |
| **Total Other Financing Sources (Uses)** | (9,717) | 133,009 | 142,726 | (79,488) |
| **Net Change in Fund Balances** | 16,993 | 145,921 | 128,928 | (57,381) |
| **Fund Balances - Beginning of Year** | | 66,827 | | 124,208 |
| **Fund Balances - End of Year** | | 212,748 | | 66,827 |

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

Preliminary Draft

**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, 2015**
**(With Comparative Actual Amounts for the Year Ended December 31, 2014)**

| | 2015 | | | | 2014 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Final Budget Variance Positive (Negative) | Actual |
| **Revenues:** | | | | | |
| Marketing and promotion tax | 1,140,000 | 1,140,000 | 1,490,055 | 350,055 | 1,376,213 |
| Fines and forfeitures | 400 | 400 | 17,568 | 17,168 | 9,115 |
| Earnings on investments | 2,000 | 2,000 | 3,536 | 1,536 | 1,615 |
| **Total Revenues** | 1,142,400 | 1,142,400 | 1,511,159 | 368,759 | 1,386,943 |
| **Expenditures:** | | | | | |
| **General Government:** | | | | | |
| Contracted services | 1,185,164 | 1,368,564 | 1,293,285 | 75,279 | 1,228,607 |
| Other | 22,277 | 22,277 | 23,169 | (892) | 22,496 |
| **Total Expenditures** | 1,207,441 | 1,390,841 | 1,316,454 | 74,387 | 1,251,103 |
| **Excess (Deficiency) of Revenues Over Expenditures** | (65,041) | (248,441) | 194,705 | 443,146 | 135,840 |
| **Other Financing Sources (Uses):** | | | | | |
| Transfers (out) | (18,312) | (18,312) | (18,312) | - | (23,029) |
| **Total Other Financing Sources (Uses)** | (18,312) | (18,312) | (18,312) | - | (23,029) |
| **Net Change in Fund Balances** | (83,353) | (266,753) | 176,393 | 443,146 | 112,811 |
| **Fund Balances - Beginning of Year** | | | 642,340 | | 529,529 |
| **Fund Balances - End of Year** | | | 818,733 | | 642,340 |

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

Preliminary Draft

**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, 2015**
**(With Comparative Actual Amounts for the Year Ended December 31, 2014)**

| | 2015 | | | 2014 |
|---|---|---|---|---|
| | Original and Final Budget | Actual | Variance Positive (Negative) | Actual |
| **Revenues:** | | | | |
| Federal grants | 297,967 | 297,646 | (321) | 301,363 |
| Earnings on investments | 2,500 | 663 | (1,837) | 3,848 |
| **Total Revenues** | 300,467 | 298,309 | (2,158) | 305,211 |
| **Expenditures:** | | | | |
| **Debt Service:** | | | | |
| Principal | 670,000 | 670,000 | - | 685,000 |
| Interest | 1,334,251 | 1,334,250 | 1 | 1,316,181 |
| Other debt service | 4,030 | 3,530 | 500 | 3,515 |
| **Total Expenditures** | 2,008,281 | 2,007,780 | 501 | 2,004,696 |
| **Excess (Deficiency) of Revenues Over Expenditures** | (1,707,814) | (1,709,471) | (1,657) | (1,699,485) |
| **Other Financing Sources (Uses):** | | | | |
| Transfers in | 1,407,814 | 1,409,488 | 1,674 | 1,020,448 |
| **Total Other Financing Sources (Uses)** | 1,407,814 | 1,409,488 | 1,674 | 1,020,448 |
| **Net Change in Fund Balances** | (300,000) | (299,983) | 17 | (679,037) |
| **Fund Balances - Beginning of Year** | | 429,713 | | 1,108,750 |
| **Fund Balances - End of Year** | | 129,730 | | 429,713 |

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

Preliminary Draft

**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, 2015**
**(With Comparative Actual Amounts for the Year Ended December 31, 2014)**

| | 2015 | | | 2014 |
|---|---|---|---|---|
| | Original and Final Budget | Actual | Variance Positive (Negative) | Actual |
| **Operating Revenues:** | | | | |
| Airport fees | 282,500 | 328,127 | 45,627 | 327,214 |
| Terminal & hanger rent | 442,323 | 486,165 | 43,842 | 420,006 |
| Parking fees & fines | 72,700 | 80,142 | 7,442 | 77,166 |
| Grants | 41,500 | 33,434 | (8,066) | 43,247 |
| Other | 311,800 | 324,508 | 12,708 | 386,153 |
| **Total Operating Revenues** | 1,150,823 | 1,252,376 | 101,553 | 1,253,786 |
| **Operating Expenditures:** | | | | |
| Administration | 237,744 | 221,630 | 16,114 | 252,262 |
| Terminal operations | 208,933 | 182,003 | 26,930 | 177,707 |
| Runway & grounds maintenance. | 203,857 | 218,490 | (14,633) | 215,151 |
| Snow removal | 156,063 | 112,824 | 43,239 | 110,247 |
| Aircraft rescue | 146,402 | 110,793 | 35,609 | 111,396 |
| Security | 70,388 | 72,107 | (1,719) | 69,497 |
| Wildlife | 41,357 | 45,453 | (4,096) | 39,317 |
| Capital outlay | - | 16,682 | (16,682) | 26,273 |
| **Total Operating Expenditures** | 1,064,744 | 979,982 | 84,762 | 1,001,850 |
| **Operating Income (Loss)** | 86,079 | 272,394 | 186,315 | 251,936 |
| **Non-operating Revenues (Expenditures):** | | | | |
| Proceeds from sale of assets | - | - | - | 290,000 |
| Transfers (out) | (65,862) | (65,862) | - | (456,000) |
| Investment revenue | 2,800 | 5,543 | 2,743 | 2,966 |
| **Total Non-operating Revenues (Expenditures)** | (63,062) | (60,319) | 2,743 | (163,034) |
| **Change in Net Position - Budget Basis** | 23,017 | 212,075 | 189,058 | 88,902 |
| **Available Resources - Beginning of Year** | | 800,018 | | 711,116 |
| **Available Resources - End of Year** | | 1,012,093 | | 800,018 |
| **Available resources at year-end is computed as follows:** | | | | |
| Current assets | | 1,221,410 | | 960,235 |
| Current liabilities | | (127,200) | | (95,629) |
| Accrued compensated absences | | (82,117) | | (64,588) |
| | | 1,012,093 | | 800,018 |

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

Preliminary Draft

**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, 2015**
**(With Comparative Actual Amounts for the Year Ended December 31, 2014)**

| | 2015 | | | 2014 |
|---|---|---|---|---|
| | Orignal and Final Budget | Actual | Variance Positive (Negative) | Actual |
| **Revenues:** | | | | |
| **Dos Rios Division:** | | | | |
| Tap fees | 5,500 | 5,500 | - | 16,500 |
| User fees | 173,600 | 173,820 | 220 | 159,327 |
| Late fees | 1,500 | 1,817 | 317 | 1,660 |
| Other revenue | 2,300 | 6,566 | 4,266 | 4,183 |
| **Total Dos Rios Division** | 182,900 | 187,703 | 4,803 | 181,670 |
| **Somerset Division:** | | | | |
| User fees | 18,140 | 18,143 | 3 | 8,851 |
| Late fees | 80 | 110 | 30 | 83 |
| Other revenue | 180 | 18 | (162) | 33 |
| **Total Somerset Division** | 18,400 | 18,271 | (129) | 8,967 |
| **Antelope Hills Division:** | | | | |
| User fees | 44,180 | 44,180 | - | 44,178 |
| Late fees | 400 | 649 | 249 | 651 |
| Other revenue | 1,200 | 49 | (1,151) | 93 |
| **Total Antelope Hills Division** | 45,780 | 44,878 | (902) | 44,922 |
| **North Gunnison Division:** | | | | |
| Tap fees | 6,000 | 18,531 | 12,531 | 30,500 |
| User fees | 252,570 | 255,512 | 2,942 | 242,172 |
| Late fees | 1,000 | 1,604 | 604 | 1,363 |
| Other revenue | 300 | 171 | (129) | 482 |
| **Total North Gunnison Division** | 259,870 | 275,818 | 15,948 | 274,517 |
| **Tomichi Division:** | | | | |
| User fees | 17,023 | 10,448 | (6,575) | 13,021 |
| **Total Tomichi Division** | 17,023 | 10,448 | (6,575) | 13,021 |
| **Total Revenues** | 523,973 | 537,118 | 13,145 | 523,097 |
| **Expenditures:** | | | | |
| **Dos Rios Division:** | | | | |
| Operations | 124,528 | 126,567 | (2,039) | 128,386 |
| Transfers to other funds | 44,386 | 31,341 | 13,045 | 37,694 |
| Capital outlay | 45,000 | 7,746 | 37,254 | - |
| **Total Dos Rios Division** | 213,914 | 165,654 | 48,260 | 166,080 |
| **Somerset Division:** | | | | |
| Operations | 14,964 | 9,530 | 5,434 | 14,492 |
| Transfers to other funds | 1,338 | 921 | 417 | 1,139 |
| **Total Somerset Division** | 16,302 | 10,451 | 5,851 | 15,631 |
| **Antelope Hills Division:** | | | | |
| Operations | 26,889 | 13,244 | 13,645 | 10,949 |
| Transfers to other funds | 8,716 | 6,362 | 2,354 | 7,590 |
| **Total Antelope Hills Division** | 35,605 | 19,606 | 15,999 | 18,539 |
| **North Gunnison Division:** | | | | |
| Operations | 95,716 | 87,847 | 7,869 | 106,299 |
| Transfers to other funds | 23,561 | 16,643 | 6,918 | 20,253 |
| Capital outlay | - | - | - | 10,721 |
| Debt service | 115,244 | 114,850 | 394 | 114,882 |
| **Total North Gunnison Division** | 234,521 | 219,340 | 15,181 | 252,155 |
| **Tomichi Division:** | | | | |
| Operations | 15,685 | 9,643 | 6,042 | 11,881 |
| Transfers to other funds | 1,338 | 921 | 417 | 1,140 |
| **Total Tomichi Division** | 17,023 | 10,564 | 6,459 | 13,021 |
| **Total Expenditures** | 517,365 | 425,615 | 91,750 | 465,426 |
| **Change in Net Position - Budget Basis** | 6,608 | 111,503 | 104,895 | 57,671 |
| **Available Resources - Beginning of Year** | | 910,269 | | 852,598 |
| **Available Resources - End of Year** | | 1,021,772 | | 910,269 |
| **Available resources at year-end is computed as follows:** | | | | |
| Current assets | | 1,311,808 | | 980,330 |
| Current liabilities | | (334,150) | | (112,258) |
| Current portion of long-term obligations | | 44,114 | | 42,197 |
| | | 1,021,772 | | 910,269 |

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

Preliminary Draft

**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, 2015**
**(With Comparative Actual Amounts for the Year Ended December 31, 2014)**

| | 2015 | | | 2014 |
|---|---|---|---|---|
| | Original and Final Budget | Actual | Variance Positive (Negative) | Actual |
| **Operating Revenues:** | | | | |
| User fees | 292,980 | 298,909 | 5,929 | 296,741 |
| Availability fees | 7,830 | 7,388 | (442) | 7,477 |
| Contributions | - | 9,000 | 9,000 | 6,000 |
| Earnings on investments | 1,300 | 2,770 | 1,470 | 1,594 |
| Other | 15,915 | 4,396 | (11,519) | 3,204 |
| **Total Operating Revenues** | 318,025 | 322,463 | 4,438 | 315,016 |
| **Operating Expenditures:** | | | | |
| **Dos Rios Division:** | | | | |
| Operating expenses | 111,517 | 175,554 | (64,037) | 121,638 |
| Capital outlay | 60,000 | 17,835 | 42,165 | - |
| **Somerset Division:** | | | | |
| Debt service | 8,024 | 2,660 | 5,364 | 2,918 |
| **Antelope Hills Division:** | | | | |
| Operating expenses | 27,906 | 8,267 | 19,639 | 10,883 |
| Debt service | 42,940 | 48,190 | (5,250) | 47,948 |
| **Utilities Administration:** | | | | |
| Operating expenses | 85,307 | 76,272 | 9,035 | 59,203 |
| **Total Operating Expenditures** | 335,694 | 328,778 | 6,916 | 242,590 |
| **Operating Income (Loss)** | (17,669) | (6,315) | 11,354 | 72,426 |
| **Non-operating Revenues (Expenditures):** | | | | |
| Sale of capital assets | - | - | - | 2,894 |
| Transfers in | 85,180 | 29,029 | (56,151) | 43,229 |
| Transfers (out) | (37,644) | (37,644) | - | (36,081) |
| **Total Non-operating Revenues (Expenditures)** | 47,536 | (8,615) | (56,151) | 10,042 |
| **Change in Net Position - Budget Basis** | 29,867 | (14,930) | (44,797) | 82,468 |
| **Available Resources - Beginning of Year** | | 556,638 | | 474,170 |
| **Available Resources - End of Year** | | 541,708 | | 556,638 |

**Available resources at year-end is computed as follows:**

| | | |
|---|---|---|
| Current assets | 560,274 | 571,028 |
| Current liabilities | (33,400) | (30,407) |
| Current portion of long-term obligations | 24,971 | 24,299 |
| Accrued compensated absences | (10,137) | (8,282) |
| | 541,708 | 556,638 |

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

Preliminary Draft

**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, 2015**
**(With Comparative Actual Amounts for the Year Ended December 31, 2014)**

| | 2015 | | | 2014 |
|---|---|---|---|---|
| | Original and Final Budget | Actual | Variance Positive (Negative) | Actual |
| **Operating Revenues:** | | | | |
| **Landfill:** | | | | |
| Disposal fees | 722,199 | 797,096 | 74,897 | 677,875 |
| Other | 31,203 | 21,884 | (9,319) | 48,337 |
| **Total Landfill Revenues** | 753,402 | 818,980 | 65,578 | 726,212 |
| **Recycling:** | | | | |
| Recycling surcharge | - | - | - | - |
| Recycled material sales | 128,000 | 122,043 | (5,957) | 132,914 |
| **Total Recycling Revenues** | 128,000 | 122,043 | (5,957) | 132,914 |
| **Total Operating Revenues** | 881,402 | 941,023 | 59,621 | 859,126 |
| **Operating Expenditures:** | | | | |
| Closure and postclosure | 8,836 | 41 | 8,795 | 41 |
| Operations and maintenance | 1,983,365 | 1,186,844 | 796,521 | 723,452 |
| Capital outlay | - | - | - | - |
| **Total Landfill Expenditures** | 1,992,201 | 1,186,885 | 805,316 | 723,493 |
| **Recycling Expenditures:** | | | | |
| Capital outlay | - | - | - | 5,780 |
| **Total Recycling Expenditures** | - | - | - | 5,780 |
| **Total Operating Expenditures** | 1,992,201 | 1,186,885 | 805,316 | 729,273 |
| **Operating Income (Loss)** | (1,110,799) | (245,862) | 864,937 | 129,853 |
| **Non-operating Revenues (Expenditures):** | | | | |
| Grant revenue | - | - | - | 8,529 |
| Transfers (out) | (102,178) | (102,178) | - | (97,612) |
| Investment revenue | 6,100 | 14,225 | 8,125 | 9,325 |
| Interest expense | - | - | - | - |
| **Total Non-operating Revenues (Expenditures)** | (96,078) | (87,953) | 8,125 | (79,758) |
| **Change in Net Position - Budget Basis** | (1,206,877) | (333,815) | 873,062 | 50,095 |
| **Available Resources - Beginning of Year** | | 2,535,011 | | 2,484,916 |
| **Available Resources - End of Year** | | 2,201,196 | | 2,535,011 |
| **Available resources at year-end is computed as follows:** | | | | |
| Current assets | | 2,274,858 | | 2,593,478 |
| Current liabilities | | (47,713) | | (31,087) |
| Accrued compensated absences | | (25,949) | | (27,380) |
| | | 2,201,196 | | 2,535,011 |

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

Preliminary Draft

**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, 2015**
**(With Comparative Actual Amounts for the Year Ended December 31, 2014)**

| | 2015 | | | 2014 |
|---|---|---|---|---|
| | Original and Final Budget | Actual | Variance Positive (Negative) | Actual |
| **Operating Revenues:** | | | | |
| **Palisade Assisted Living:** | | | | |
| Donations and debt service reimbursements | 36,488 | 36,488 | - | 36,487 |
| **Total Operating Revenues** | 36,488 | 36,488 | - | 36,487 |
| **Operating Expenditures:** | | | | |
| Principal payments | 19,096 | 19,570 | (474) | 18,762 |
| Interest payments | 17,392 | 16,918 | 474 | 17,725 |
| **Total Operating Expenditures** | 36,488 | 36,488 | - | 36,487 |
| **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 | | (20,622) | | (19,899) |
| Current portion of long-term obligations | | 20,622 | | 19,899 |
| | | 3,051 | | 3,051 |

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

Preliminary Draft

**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, 2015**
**(With Comparative Actual Amounts for the Year Ended December 31, 2014)**

| | 2015 | | | | 2014 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Final Budget Variance Positive (Negative) | Actual |
| **Operating Revenues:** | | | | | |
| **Mountain View Apartments:** | | | | | |
| Tenant payments | 96,885 | 96,885 | 92,392 | (4,493) | 90,880 |
| Assistance payment | 142,000 | 142,000 | 139,200 | (2,800) | 138,122 |
| Vacancies | (4,900) | (4,900) | (2,954) | 1,946 | (3,388) |
| Other revenue | 3,750 | 3,750 | 3,907 | 157 | 4,209 |
| **Total Operating Revenues** | 237,735 | 237,735 | 232,545 | (5,190) | 229,823 |
| **Operating Expenditures:** | | | | | |
| **Mountain View Apartments:** | | | | | |
| Operations | 152,837 | 152,837 | 133,826 | 19,011 | 141,411 |
| Capital outlay | - | - | 126,731 | (126,731) | 16,812 |
| Principal on debt | 42,909 | 42,909 | 12,266 | 30,643 | 75,781 |
| Interest on debt | 29,073 | 29,073 | 28,180 | 893 | 32,036 |
| **Total Operating Expenditures** | 224,819 | 224,819 | 301,003 | (76,184) | 266,040 |
| **Operating Income (Loss)** | 12,916 | 12,916 | (68,458) | (81,374) | (36,217) |
| **Non-operating Revenues (Expenditures):** | | | | | |
| Transfers (out) | (10,000) | (105,000) | - | 105,000 | - |
| Investment revenue | 290 | 290 | 508 | 218 | 240 |
| **Total Non-operating Revenues (Expenditures)** | (9,710) | (104,710) | 508 | 105,218 | 240 |
| **Change in Net Position - Budget Basis** | 3,206 | (91,794) | (67,950) | 23,844 | (35,977) |
| **Available Resources - Beginning of Year** | | | 163,972 | | 199,949 |
| **Available Resources - End of Year** | | | 96,022 | | 163,972 |
| **Available resources at year-end is computed as follows:** | | | | | |
| Current assets | | | 231,630 | | 245,423 |
| Current liabilities | | | (149,260) | | (94,342) |
| Current portion of long-term obligations | | | 13,652 | | 12,891 |
| | | | 96,022 | | 163,972 |

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

Preliminary Draft

**Gunnison County, Colorado**
**Internal Service Funds**
**Combining Statement of Net Position**
**For the Year Ended December 31, 2015**

| | Internal Service Fund I | Internal Service Fund II | Internal Service Fund III | Total |
|---|---|---|---|---|
| **Current Assets:** | | | | |
| Cash | 1,650,299 | 663,397 | 2,051,742 | 4,365,438 |
| Accounts receivable, net of allowance for uncollectible accounts, where applicable | - | 2,410 | 228 | 2,638 |
| Prepaid expenses | 2,281 | 20,160 | - | 22,441 |
| Due from other funds | 205,011 | - | - | 205,011 |
| Inventory, at cost | 677,234 | 3,098 | - | 680,332 |
| **Total Current Assets** | 2,534,825 | 689,065 | 2,051,970 | 5,275,860 |
| **Non-current Assets:** | | | | |
| Land, property and equipment | 17,847,944 | 1,651,427 | - | 19,499,371 |
| Less: Accumulated depreciation | (9,479,637) | (1,475,944) | - | (10,955,581) |
| **Total Non-current Assets** | 8,368,307 | 175,483 | - | 8,543,790 |
| **Total Assets** | 10,903,132 | 864,548 | 2,051,970 | 13,819,650 |
| **Liabilities:** | | | | |
| **Current Liabilities:** | | | | |
| Accounts payable | 69,546 | 6,715 | 29,587 | 105,848 |
| Accrued liabilities | - | - | 166,661 | 166,661 |
| Due to other funds | - | 23,926 | 5,720 | 29,646 |
| **Total Current Liabilities** | 69,546 | 30,641 | 201,968 | 302,155 |
| **Non-current Liabilities:** | | | | |
| Accrued compensated absences | 52,250 | 19,544 | - | 71,794 |
| **Total Non-current Liabilities** | 52,250 | 19,544 | - | 71,794 |
| **Total Liabilities** | 121,796 | 50,185 | 201,968 | 373,949 |
| **Net Position:** | | | | |
| Net investment in capital assets | 8,368,307 | 175,483 | - | 8,543,790 |
| Restricted | 679,515 | 23,258 | - | 702,773 |
| Unrestricted | 1,733,514 | 615,622 | 1,850,002 | 4,199,138 |
| **Total Net Position** | 10,781,336 | 814,363 | 1,850,002 | 13,445,701 |

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

Preliminary Draft

**Gunnison County, Colorado**
**Internal Service Funds**
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**
**For the Year Ended December 31, 2015**

| | Internal Service Fund I | Internal Service Fund II | Internal Service Fund III | Total |
|---|---|---|---|---|
| **Operating Revenues:** | | | | |
| Rent, net | 1,813,379 | - | - | 1,813,379 |
| Charges and fees | 380 | 756 | 83,161 | 84,297 |
| Other | 133,282 | 788,149 | 2,311,202 | 3,232,633 |
| **Total Operating Revenues** | 1,947,041 | 788,905 | 2,394,363 | 5,130,309 |
| **Operating Expenses:** | | | | |
| Operations and maintenance | 1,384,279 | 549,413 | 1,908,660 | 3,842,352 |
| Administration | 79,686 | 86,333 | - | 166,019 |
| Depreciation and amortization | 686,442 | 139,312 | - | 825,754 |
| **Total Operating Expenses** | 2,150,407 | 775,058 | 1,908,660 | 4,834,125 |
| **Operating Income (Loss)** | (203,366) | 13,847 | 485,703 | 296,184 |
| **Non-operating Revenues (Expenses):** | | | | |
| Gain (loss) on disposal of capital assets | (40,351) | 4,100 | - | (36,251) |
| Investment revenue | 10,438 | 3,811 | 9,586 | 23,835 |
| **Total Non-operating Revenues (Expenses)** | (29,913) | 7,911 | 9,586 | (12,416) |
| **Income (Loss) Before Transfers** | (233,279) | 21,758 | 495,289 | 283,768 |
| **Capital Contributions** | 6,683 | - | - | 6,683 |
| **Transfers In** | 1,082,843 | 11,000 | - | 1,093,843 |
| **Transfers (Out)** | (1,198,679) | (87,888) | (1,442) | (1,288,009) |
| **Change in Net Position** | (342,432) | (55,130) | 493,847 | 96,285 |
| **Total Net Position - Beginning of Year** | 11,123,768 | 869,493 | 1,356,155 | 13,349,416 |
| **Total Net Position - End of Year** | 10,781,336 | 814,363 | 1,850,002 | 13,445,701 |

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

Preliminary Draft

**Gunnison County, Colorado**
**Internal Service Funds**
**Combining Statement of Cash Flows**
**For the Year Ended December 31, 2015**

| | Internal Service Fund I | Internal Service Fund II | Internal Service Fund III | Total |
|---|---|---|---|---|
| **Cash Flows from Operating Activities:** | | | | |
| Cash received from charges for services | 1,946,661 | 788,333 | 2,471,913 | 5,206,907 |
| Cash received from other sources | 380 | 756 | 83,161 | 84,297 |
| Cash payments to vendors for goods and services | (1,201,979) | (338,276) | (1,924,823) | (3,465,078) |
| Cash payments to employees for services | (423,945) | (279,667) | (12,295) | (715,907) |
| **Net Cash Provided (Used) by Operating Activities** | 321,117 | 171,146 | 617,956 | 1,110,219 |
| **Cash Flows from Non-capital Financing Activities:** | | | | |
| Transfers from (to) other funds, net | (135,154) | (53,018) | 4,278 | (183,894) |
| **Net Cash Provided (Used) by Non-capital Financing Activities** | (135,154) | (53,018) | 4,278 | (183,894) |
| **Cash Flows from Capital and Related Financing Activities:** | | | | |
| Capital contributions | 6,683 | - | - | 6,683 |
| Purchase of capital assets | (307,413) | (125,531) | - | (432,944) |
| Cash from sale of assets | 9,900 | 4,100 | - | 14,000 |
| **Net Cash Provided (Used) by Capital and Related Financing Activities** | (290,830) | (121,431) | - | (412,261) |
| **Cash Flows from Investing Activities:** | | | | |
| Cash from investment income | 10,438 | 3,811 | 9,586 | 23,835 |
| **Net Cash Provided (Used) by Investing Activities** | 10,438 | 3,811 | 9,586 | 23,835 |
| **Net Increase (Decrease) in Cash** | (94,429) | 508 | 631,820 | 537,899 |
| **Cash - Beginning of Year** | 1,744,728 | 662,889 | 1,419,922 | 3,827,539 |
| **Cash - End of Year** | 1,650,299 | 663,397 | 2,051,742 | 4,365,438 |
| **Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:** | | | | |
| Operating income (loss) | (203,366) | 13,847 | 485,703 | 296,184 |
| **Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:** | | | | |
| Depreciation and amortization | 686,442 | 139,312 | - | 825,754 |
| **Changes in Assets and Liabilities:** | | | | |
| (Increase) decrease in accounts receivable | - | 184 | 160,711 | 160,895 |
| (Increase) decrease in prepaid expenses | (264) | 22,229 | 37,057 | 59,022 |
| (Increase) decrease in inventory | (156,518) | (209) | - | (156,727) |
| Increase (decrease) in accounts payable | 4,535 | 910 | (60,133) | (54,688) |
| Increase (decrease) in accrued liabilities | - | - | (5,382) | (5,382) |
| Increase (decrease) in compensated absences | (9,712) | (5,127) | - | (14,839) |
| **Net Cash Provided (Used) by Operating Activities** | 321,117 | 171,146 | 617,956 | 1,110,219 |

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

Preliminary Draft

**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, 2015**
**(With Comparative Actual Amounts for the Year Ended December 31, 2014)**

| | 2015 | | | | 2014 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Final Budget Variance Positive (Negative) | Actual |
| **Operating Revenues:** | | | | | |
| Equipment rent | 1,719,909 | 1,719,909 | 1,813,379 | 93,470 | 1,902,382 |
| Material and gravel sales | 209,667 | 209,667 | 133,282 | (76,385) | 83,941 |
| Other revenues | 750 | 750 | 380 | (370) | 21,973 |
| **Total Operating Revenues** | 1,930,326 | 1,930,326 | 1,947,041 | 16,715 | 2,008,296 |
| **Operating Expenditures:** | | | | | |
| Administration | 296,181 | 296,181 | 183,446 | 112,735 | 239,557 |
| Fleet maintenance | 1,311,850 | 1,311,850 | 1,116,457 | 195,393 | 1,369,779 |
| Materials | 268,600 | 268,600 | 160,934 | 107,666 | 68,964 |
| Property and equipment purchases | 500,200 | 500,200 | 300,747 | 199,453 | 214,008 |
| Equipment lease payments | 3,112 | 3,112 | 3,112 | - | 3,112 |
| **Total Operating Expenditures** | 2,379,943 | 2,379,943 | 1,764,696 | 615,247 | 1,895,420 |
| **Operating Income (Loss)** | (449,617) | (449,617) | 182,345 | 631,962 | 112,876 |
| **Non-operating Revenues (Expenditures):** | | | | | |
| Sale of capital assets | 10,000 | 10,000 | 9,900 | (100) | 39,100 |
| Investment income | 5,000 | 5,000 | 10,438 | 5,438 | 6,556 |
| Transfers in | 2,164,343 | 2,164,343 | 1,082,843 | (1,081,500) | - |
| Transfers (out) | (115,836) | (2,280,179) | (1,198,679) | 1,081,500 | (116,002) |
| **Total Non-operating Revenues (Expenditures)** | 2,063,507 | (100,836) | (95,498) | 5,338 | (70,346) |
| **Change in Net Position - Budget Basis** | 1,613,890 | (550,453) | 86,847 | 637,300 | 42,530 |
| **Available Resources - Beginning of Year** | | | 2,326,179 | | 2,283,649 |
| **Available Resources - End of Year** | | | 2,413,026 | | 2,326,179 |
| **Available resources at year-end is computed as follows:** | | | | | |
| Current assets | | | 2,534,824 | | 2,453,155 |
| Current liabilities | | | (69,546) | | (65,013) |
| Accrued compensated absences | | | (52,250) | | (61,962) |
| | | | 2,413,028 | | 2,326,180 |

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

Preliminary Draft

**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, 2015**
**(With Comparative Actual Amounts for the Year Ended December 31, 2014)**

| | 2015 | | | 2014 |
|---|---|---|---|---|
| | Original and Final Budget | Actual | Variance Positive (Negative) | Actual |
| **Operating Revenues:** | | | | |
| Data processing | 424,008 | 442,872 | 18,864 | 423,295 |
| Mapping | 179,669 | 179,674 | 5 | 179,670 |
| Telephone system | 71,232 | 70,896 | (336) | 71,708 |
| Photocopy and postage | 84,226 | 94,125 | 9,899 | 79,618 |
| Other | 520 | 1,338 | 818 | 5,241 |
| **Total Operating Revenues** | 759,655 | 788,905 | 29,250 | 759,532 |
| **Operating Expenditures:** | | | | |
| **Data Processing:** | | | | |
| Operations | 166,081 | 158,735 | 7,346 | 159,121 |
| Capital outlay | 216,000 | 125,332 | 90,668 | 42,367 |
| **GIS Mapping:** | | | | |
| Operations | 173,988 | 166,851 | 7,137 | 158,238 |
| Capital outlay | - | 299 | (299) | - |
| **Telephone System:** | | | | |
| Operations | 38,177 | 36,904 | 1,273 | 32,989 |
| Capital outlay | 4,500 | - | 4,500 | - |
| **Photocopy and Postage:** | | | | |
| Operations | 79,142 | 76,343 | 2,799 | 66,518 |
| **Help Desk:** | | | | |
| Operations | 185,648 | 159,303 | 26,345 | 144,832 |
| **IT Infrastructure:** | | | | |
| Operations | 8,716 | 18,737 | (10,021) | 3,062 |
| **Systems Development:** | | | | |
| Operations | 57,824 | 7,106 | 50,718 | 1,500 |
| **IT Training:** | | | | |
| Operations | 22,792 | 11,668 | 11,124 | 19,632 |
| **Total Operating Expenditures** | 952,868 | 761,278 | 191,590 | 628,259 |
| **Operating Income (Loss)** | (193,213) | 27,627 | 220,840 | 131,273 |
| **Non-operating Revenues (Expenditures):** | | | | |
| Sale of capital assets | - | 4,100 | 4,100 | - |
| Transfers in | 11,000 | 11,000 | - | 33,060 |
| Transfers (out) | (87,888) | (87,888) | - | (87,630) |
| Investment revenue | 2,000 | 3,811 | 1,811 | 2,381 |
| **Total Non-operating Revenues (Expenditures)** | (74,888) | (68,977) | 5,911 | (52,189) |
| **Change in Net Position - Budget Basis** | (268,101) | (41,350) | 226,751 | 79,084 |
| **Available Resources - Beginning of Year** | | 680,231 | | 601,147 |
| **Available Resources - End of Year** | | 638,881 | | 680,231 |
| **Available resources at year-end is computed as follows:** | | | | |
| Current assets | | 689,066 | | 710,763 |
| Current liabilities | | (30,642) | | (5,861) |
| Accrued compensated absences | | (19,544) | | (24,671) |
| | | 638,880 | | 680,231 |

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

Preliminary Draft

**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, 2015**
**(With Comparative Actual Amounts for the Year Ended December 31, 2014)**

| | 2015 | | | | 2014 |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Final Budget Variance Positive (Negative) | Actual |
| **Operating Revenues:** | | | | | |
| Premium contributions | 2,665,148 | 2,665,148 | 2,311,202 | (353,946) | 2,674,703 |
| Miscellaneous | 500 | 500 | 83,161 | 82,661 | 21,388 |
| **Total Operating Revenues** | 2,665,648 | 2,665,648 | 2,394,363 | (271,285) | 2,696,091 |
| **Operating Expenditures:** | | | | | |
| Operations | 2,664,282 | 2,787,957 | 1,908,660 | 879,297 | 2,716,433 |
| **Total Operating Expenditures** | 2,664,282 | 2,787,957 | 1,908,660 | 879,297 | 2,716,433 |
| **Operating Income (Loss)** | 1,366 | (122,309) | 485,703 | 608,012 | (20,342) |
| **Non-operating Revenues (Expenditures):** | | | | | |
| Transfers (out) | (1,442) | (1,442) | (1,442) | - | (2,565) |
| Investment revenue | 5,000 | 5,000 | 9,586 | 4,586 | 5,019 |
| **Total Non-operating Revenues (Expenditures)** | 3,558 | 3,558 | 8,144 | 4,586 | 2,454 |
| **Change in Net Position - Budget Basis** | 4,924 | (118,751) | 493,847 | 612,598 | (17,888) |
| **Available Resources - Beginning of Year** | | | 1,356,156 | | 1,374,044 |
| **Available Resources - End of Year** | | | 1,850,003 | | 1,356,156 |

**Available resources at year-end is computed as follows:**

| | | |
|---|---|---|
| Current assets | 2,051,970 | 1,617,918 |
| Current liabilities | (201,968) | (261,762) |
| | 1,850,002 | 1,356,156 |

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

Preliminary Draft

**Gunnison County, Colorado**
**Agency Funds**
**County Treasurer Agency Fund**
**Schedule of Changes in Assets and Liabilities**
**For the Year Ended December 31, 2015**

| | Balance Beginning of Year | Additions | Deletions | Balance End of Year |
|---|---|---|---|---|
| **Assets:** | | | | |
| Cash | 25,694,222 | 841,362 | - | 25,402,418 |
| Less: Cash held for County funds | (23,937,009) | | | (22,803,843) |
| **Total Assets** | 1,757,213 | 841,362 | - | 2,598,575 |
| **Liabilities:** | | | | |
| Due to other governments and agencies | 1,757,213 | 841,362 | - | 2,598,575 |
| **Total Liabilities** | 1,757,213 | 841,362 | - | 2,598,575 |

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

Preliminary Draft

**Gunnison County, Colorado**
**Agency Funds**
**Public Trustee Agency Fund**
**Schedule of Changes in Assets and Liabilities**
**For the Year Ended December 31, 2015**

| | Balance Beginning of Year | Additions | Deletions | Balance End of Year |
|---|---|---|---|---|
| **Assets:** | | | | |
| Cash | 41,031 | 101,123 | (110,775) | 31,379 |
| **Total Assets** | 41,031 | 101,123 | (110,775) | 31,379 |
| **Liabilities:** | | | | |
| Due (from) to governmental funds | (14) | - | (8) | (22) |
| Held by Trustee | 41,045 | 101,123 | (110,767) | 31,401 |
| **Total Liabilities** | 41,031 | 101,123 | (110,775) | 31,379 |

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

Preliminary Draft

# LOCAL HIGHWAY FINANCE REPORT

Gunnison County
COLORADO

Preliminary Draft

Financial Planning 02/01
Form # 350-050-36

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 2015 |
| This Information From The Records Of (example - City of _ or County of _ County of Gunnison | Prepared By: Phone: | Cheryl Coffey 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

| ITEM | AMOUNT |
|---|---|
| **A. Receipts from local sources:** | |
| 1. Local highway-user taxes | |
| a. Motor Fuel (from Item I.A.5.) | |
| b. Motor Vehicle (from Item I.B.5.) | |
| c. Total (a.+b.) | |
| 2. General fund appropriations | |
| 3. Other local imposts (from page 2) | 229,441 |
| 4. Miscellaneous local receipts (from page 2) | 312,052 |
| 5. Transfers from toll facilities | |
| 6. Proceeds of sale of bonds and notes: | |
| a. Bonds - Original Issues | |
| b. Bonds - Refunding Issues | |
| c. Notes | |
| d. Total (a. + b. + c.) | 0 |
| 7. Total (1 through 6) | 541,493 |
| **B. Private Contributions** | |
| **C. Receipts from State government** (from page 2) | 2,903,833 |
| **D. Receipts from Federal Government** (from page 2) | 1,353,098 |
| **E. Total receipts (A.7 + B + C + D)** | 4,798,424 |

## III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

| ITEM | AMOUNT |
|---|---|
| **A. Local highway disbursements:** | |
| 1. Capital outlay (from page 2) | 144,867 |
| 2. Maintenance: | 2,986,215 |
| 3. Road and street services: | |
| a. Traffic control operations | |
| b. Snow and ice removal | 733,488 |
| c. Other | |
| d. Total (a. through c.) | 733,488 |
| 4. General administration & miscellaneous | 699,411 |
| 5. Highway law enforcement and safety | |
| 6. Total (1 through 5) | 4,563,981 |
| **B. Debt service on local obligations:** | |
| 1. Bonds: | |
| a. Interest | |
| b. Redemption | |
| c. Total (a. + b.) | 0 |
| 2. Notes: | |
| a. Interest | |
| 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)** | 4,563,981 |

## 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 |
|---|---|---|---|---|
| 2,106,415 | 4,798,424 | 4,563,981 | 2,340,858 | 0 |

**Notes and Comments:**

**FORM FHWA-536 (Rev. 1-05)** PREVIOUS EDITIONS OBSOLETE (Next Page)

Preliminary Draft

| LOCAL HIGHWAY FINANCE REPORT | STATE: Colorado |
|---|---|
| | YEAR ENDING (mm/yy): December 2015 |

## 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 | 13,351 |
| b. Other local imposts: | | b. Traffic Fines & Penalities | |
| 1. Sales Taxes | | c. Parking Garage Fees | |
| 2. Infrastructure & Impact Fees | | d. Parking Meter Fees | |
| 3. Liens | | e. Sale of Surplus Property | 155 |
| 4. Licenses | | f. Charges for Services | 21,496 |
| 5. Specific Ownership &/or Other | 229,441 | g. Other Misc. Receipts | 277,050 |
| 6. Total (1. through 5.) | 229,441 | h. Other | |
| c. Total (a. + b.) | 229,441 | i. Total (a. through h.) | 312,052 |
| | (Carry forward to page 1) | | (Carry forward to page 1) |

| ITEM | AMOUNT | ITEM | AMOUNT |
|---|---|---|---|
| **C. Receipts from State Government** | | **D. Receipts from Federal Government** | |
| 1. Highway-user taxes | 2,770,181 | 1. FHWA (from Item I.D.5.) | |
| 2. State general funds | | 2. Other Federal agencies: | |
| 3. Other State funds: | | a. Forest Service | 435,368 |
| a. State bond proceeds | | b. FEMA | |
| b. Project Match | | c. HUD | |
| c. Motor Vehicle Registrations | 50,285 | d. Federal Transit Admin | |
| d. Other (Specify) - DOLA Grant | | e. U.S. Corps of Engineers | |
| e. Other (Specify) Dept. of Nat. Res. | 83,367 | f. Other Federal | 917,730 |
| f. Total (a. through e.) | 133,652 | g. Total (a. through f.) | 1,353,098 |
| 4. Total (1. + 2. + 3.f) | 2,903,833 | 3. Total (1. + 2.g) | |
| | | | (Carry forward to page 1) |

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

| | ON NATIONAL HIGHWAY SYSTEM (a) | OFF NATIONAL HIGHWAY SYSTEM (b) | TOTAL (c) |
|---|---|---|---|
| **A.1. Capital outlay:** | | | |
| a. Right-Of-Way Costs | | | 0 |
| b. Engineering Costs | | 16,568 | 16,568 |
| c. Construction: | | | |
| (1). New Facilities | | | 0 |
| (2). Capacity Improvements | | 5,785 | 5,785 |
| (3). System Preservation | | 325 | 325 |
| (4). System Enhancement & Operation | | 122,188 | 122,188 |
| (5). Total Construction (1) + (2) + (3) + (4) | 0 | 128,299 | 128,299 |
| d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5) | 0 | 144,867 | 144,867 |
| | | | (Carry forward to page 1) |

**Notes and Comments:**

**FORM FHWA-536 (Rev.1-05)** PREVIOUS EDITIONS OBSOLETE

Preliminary Draft

# SINGLE AUDIT REPORTS AND SCHEDULES

McMahan and Associates, L.L.C.
*Certified Public Accountants and Consultants*

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Preliminary Draft

**INDEPENDENT AUDITOR'S 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***

**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, Colorado (the "County") as of and for the year ended December 31, 2015, 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 15, 2016.

***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 that 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.

Preliminary Draft

**INDEPENDENT AUDITOR'S REPORT**
**To the Board of County Commissioners**
**Gunnison County, Colorado**

***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 15, 2016**

McMahan and Associates, L.L.C.
*Certified Public Accountants and Consultants*

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Preliminary Draft

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; ON COMPLIANCE WITH THE PASSENGER FACILITY CHARGE PROGRAM; REPORT ON INTERNAL CONTROL OVER -COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE *PASSENGER FACILITY CHARGE AUDIT GUIDE FOR PUBLIC AGENCIES***

**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 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, 2015 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, 2015. 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards* (the "Uniform Guidance") and the Guide. Those standards and the Uniform Guidance 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.

Preliminary Draft

**INDEPENDENT AUDITOR'S REPORT**
**To the Board of County Commissioners**
**Gunnison County, Colorado**

***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, 2015.

***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 of compliance, 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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do no 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 the 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 the 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 the Passenger Facility Charge program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charges 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 indentify 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 the Uniform Guidance and the Guide. Accordingly, this report is not suitable for any other purpose.

**McMahan and Associates, L.L.C.**
**September 15, 2016**

Preliminary Draft

**Gunnison County, Colorado**
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**
**For the Year Ended December 31, 2015**

## 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 Title 2 U.S.Code of Federal Regulations Part 200 | None noted |
| Major program: | |
| Airport Improvements Projects | CFDA# 20.106 |
| Dollar threshold used to identify Type A from Type B programs | $750,000 |
| 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 |

Preliminary Draft

**Gunnison County, Colorado**
**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS**
**For the Year Ended December 31, 2015**

There were no findings for the fiscal year ended December 31, 2014.

Preliminary Draft

**Gunnison County, Colorado**
**Schedule of Expenditures of Federal Awards**
**For the Year Ended December 31, 2015**

| Program Title | Pass through Entity Identifying Number | Federal CFDA Number | Major Program | Expenditures | |
|---|---|---|---|---|---|
| **Department of Agriculture:** | | | | | |
| **Passed through Colorado Department of Public Health and Environment:** | | | | | |
| Women, Infant, Children | AB15L | 10.557 | No | $ 56,824 | |
| Women, Infant, Children (non-cash vouchers) | AB15L | 10.557 | No | 111,508 | |
| Food Assistance-Administration | Unidentified | 10.561 | No | 71,600 | |
| **Passed through U.S. Forest Service:** | | | | | |
| Schools and Roads - Grants to States and Counties Containing Federal Lands | Unidentified | 10.665 | No | 1,017,121 | |
| **Total Department of Agriculture:** | | | | 1,257,053 | |
| **Department of Health and Human Services:** | | | | | |
| Drug-Free Communities Support Program | Unidentified | 93.276 | No | 129,165 | |
| **Passed through Colorado Department of Human Services:** | | | | | |
| Guardianship assistance | DHS - FFA | 93.090 | No | 1,198 | |
| Substance abuse | DHS - FFA | 93.243 | No | 42,885 | |
| TANF / CO Works | DHS - FFA | 93.558 | No | 182,907 | |
| Title IV-D - Administration | DHS - FFA | 93.563 | No | 90,773 | |
| Low-income Home Energy Assistance | DHS - FFA | 93.568 | No | 157,148 | |
| CCDF Discretionary | DHS - FFA | 93.596 | No | 80,848 | *A* |
| CCDF | DHS - FFA | 93.575 | No | 75,862 | *A* |
| Child Welfare Services IVB | DHS - FFA | 93.645 | No | 3,344 | |
| Foster Care-Title IV-E | DHS - FFA | 93.658 | No | 127,912 | |
| Adoption | DHS - FFA | 93.659 | No | 27,257 | |
| Social Services Block Grant | DHS - FFA | 93.667 | No | 23,746 | |
| Medicaid Assistance Program | DHS - FFA | 93.778 | No | 124,935 | |
| Nurturing parent | HC14&15A | 93.590 | No | 20,000 | |
| **Passed through Colorado Department of Public Health and Environment:** | | | | | |
| Public Health Emergency Preparedness | HW15&16J | 93.069 | No | 24,071 | |
| Family Planning | JA16L | 93.217 | No | 11,969 | |
| Immunizations | KA15H | 93.268 | No | 2,908 | |
| Prevention and Public Health Fund (Affordable Care Act) | JG15J | 93.539 | No | 1,996 | |
| Sexually Transmitted Diseases | JG15CH | 93.977 | No | 4,000 | |
| Public Health Nurse - Maternal and Child Health Service | ND15L | 93.994 | No | 13,874 | |
| **Total Department of Health and Human Services:** | | | | 1,146,798 | |
| **Department of Transportation:** | | | | | |
| **Federal Aviation Administration:** | | | | | |
| Airport Improvement Projects (total) | AIP 47-50 | 20.106 | Yes | 2,976,729 | |
| | | | | 2,976,729 | |
| **Subtotal** | | | | 5,380,580 | |

Preliminary Draft

**Gunnison County, Colorado**
**Schedule of Expenditures of Federal Awards**
**For the Year Ended December 31, 2015**
**(continued)**

| Program Title | Pass through Entity Identifying Number | Federal CFDA Number | Major Program | Expenditures |
|---|---|---|---|---|
| **Department of Homeland Security:** | | | | |
| **Passed through Colorado Department of Local Affairs** | | | | |
| Emergency Management Performance Grant | Unidentified | 97.042 | No | 75,000 |
| **Total Department of Homeland Security:** | | | | 75,000 |
| **Department of Justice:** | | | | |
| Juvenile Accountability | 13874405 | 16.523 | No | 35,055 |
| **Total Department of Justice:** | | | | 35,055 |
| **Department of Housing and Urban Development:** | | | | |
| **Passed through Colorado Department Housing and Finance Authority:** | | | | |
| Insured Loan Program | Unidentified | 14.135 | No | 709,902 |
| Lower Income Housing Assistance Program | Unidentified | 14.871 | No | 139,200 |
| **Total Department of Housing and Urban Development:** | | | | 849,102 |
| **Department of Education:** | | | | |
| **Passed through Colorado Department of Human Services:** | | | | |
| Race to the Top | DHS - FFA | 84.412 | No | 29,949 |
| **Total Department of Energy:** | | | | 29,949 |
| **Total Federal Assistance:** | | | | $ 6,369,686 |

| **Additional Information for Clusters:** | **Amount** |
|---|---|
| ***A*** - Child Care Cluster (93.575 and 93.596) | 156,710 |

**Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2015**

**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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit* Requirements for Federal Awards. 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 Value of Non-cash Awards Expended**
Commodities: Fair market value of commodities at the time of receipt, or the assessed value provided by the Federal agency.
Food issuances: Fair market value of food stamps at the time of receipt, or the assessed value provided by the Federal agency.
Immunization incentive funds: Dollar amount of vaccines used, provided by the Federal agency.

**Note 3. Sub-recipients**
The County provided the following federal funds listed in the Schedule of Expenditures of Federal Awards to sub-recipients:

| Program Title | Federal CFDA Number | Amount Provided to Subrecipients |
|---|---|---|
| Schools and Roads - Grants to Counties | 10.665 | $ 1,017,121 |

**Note 4. Loans Outstanding**
The County participates in the HUD Insured Loan Program. The balance of the loans at December 31, 2015 is as follows:

| Program Title | Federal CFDA Number | Balance of Direct Loans |
|---|---|---|
| Insured Loan Program | 14.135 | $ 709,902 |

Preliminary Draft

**Gunnison County, Colorado**
**Schedule of Passenger Facility Charges Collected and Expended**
**For the Year Ended December 31, 2015**

| Program Title | Amounts for Current Year | Unliquidated Balance |
|---|---|---|
| Unliquidated PFC revenues, beginning of year | | $ - |
| **Revenues:** | | |
| Revenues collected from air carriers | 131,726 | |
| Interest Earned | - | |
| Total PFC Revenues | 131,726 | 131,726 |
| **Project Expenditures:** | | |
| Construction | (131,726) | |
| Total PFC project expenditures | (131,726) | (131,726) |
| Unliquidated PFC revenues, end of year | | $ - |