

Gunnison County

Financial Report

December 31, 2015



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

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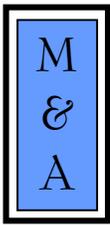
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Gunnison County, Colorado (the "County"), as of and for the year ended December 31, 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.

Member: American Institute of Certified Public Accountants

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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.

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

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.

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

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:

	<u>Beginning Available Resources</u>	<u>Increase (Decrease)</u>	<u>Ending Available Resources</u>	<u>2015 Expenditures</u>	<u>% of EAR to Expenditures</u>
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%
	<u>\$25,385,816</u>	<u>(780,855)</u>	<u>24,604,961</u>	<u>48,401,989</u>	51%

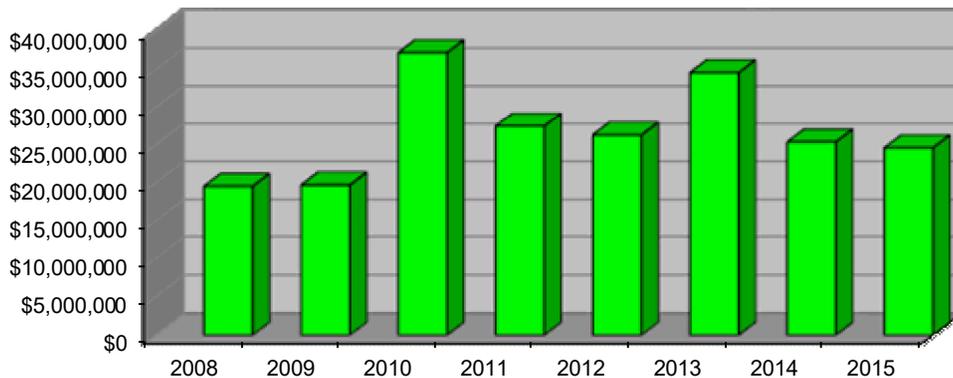
Governmental Funds: The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balances may serve as a useful measure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

GOVERNMENT-WIDE FINANCIAL STATEMENTS



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.

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
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governments			
					Governmental Activities	Business-type Activities	Total	
Functions/Programs:								
Primary Government:								
Governmental Activities:								
General government	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)		(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.

FUND FINANCIAL STATEMENTS



**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.

**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	<u>(31,701,991)</u>	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 reported in the government-wide Statement of Net Position.

Accrued compensated absences	(1,268,318)	
COPS	(25,453,147)	
Leases	(655,876)	
Loans	<u>(84,563)</u>	<u>(27,461,904)</u>

Net Position of Governmental Activities 47,292,661

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

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Human Services Fund</u>	<u>Sales Tax Capital Improvement Fund</u>	<u>Airport Construction Fund</u>	<u>Capital Expenditure Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:								
Taxes	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	<u>13,046,850</u>	<u>4,634,768</u>	<u>3,892,560</u>	<u>1,777,577</u>	<u>3,280,230</u>	<u>576,500</u>	<u>2,881,878</u>	<u>30,090,363</u>
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	<u>12,780,179</u>	<u>4,313,041</u>	<u>3,826,182</u>	<u>203,235</u>	<u>2,242,047</u>	<u>4,370,202</u>	<u>4,429,669</u>	<u>32,164,555</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>266,671</u>	<u>321,727</u>	<u>66,378</u>	<u>1,574,342</u>	<u>1,038,183</u>	<u>(3,793,702)</u>	<u>(1,547,791)</u>	<u>(2,074,192)</u>
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)	<u>(2,346,461)</u>	<u>(132,942)</u>	<u>(49,037)</u>	<u>(1,132,249)</u>	<u>(1,082,843)</u>	<u>4,056,920</u>	<u>1,533,721</u>	<u>847,109</u>
Net Change in Fund Balances	<u>(2,079,790)</u>	<u>188,785</u>	<u>17,341</u>	<u>442,093</u>	<u>(44,660)</u>	<u>263,218</u>	<u>(14,070)</u>	<u>(1,227,083)</u>
Fund Balances - Beginning of Year (Restated)	<u>7,266,986</u>	<u>2,459,450</u>	<u>563,036</u>	<u>1,297,046</u>	<u>154,070</u>	<u>2,092,345</u>	<u>2,221,359</u>	<u>16,054,292</u>
Fund Balances - End of Year	<u>5,187,196</u>	<u>2,648,235</u>	<u>580,377</u>	<u>1,739,139</u>	<u>109,410</u>	<u>2,355,563</u>	<u>2,207,289</u>	<u>14,827,209</u>

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

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

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

	Business-type Activities - Enterprise Funds						Totals	Governmental Activities - Internal Service Funds
	Airport Operations Fund	Gunnison County Sewer Fund	Gunnison County Water Fund	Landfill Operations Fund	Gunnison County Housing Auth. Assisted Lvg.	Gunnison County Housing Auth. Mtn. View		
Assets:								
Current Assets:								
Cash and investments - Unrestricted	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.

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						Totals	Governmental Activities - Internal Service Funds
	Airport Operations Fund	Gunnison County Sewer Fund	Gunnison County Water Fund	Landfill Operations Fund	Gunnison County Housing Auth. Assisted Lvg.	Gunnison County Housing Auth. Mtn. View		
Operating Revenues:								
Rent, net	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	<u>1,222,672</u>	<u>530,321</u>	<u>319,695</u>	<u>941,023</u>	<u>36,488</u>	<u>232,544</u>	<u>3,282,743</u>	<u>5,130,309</u>
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	<u>2,716,074</u>	<u>491,005</u>	<u>658,082</u>	<u>1,224,485</u>	<u>38,063</u>	<u>185,077</u>	<u>5,312,786</u>	<u>4,834,125</u>
Operating Income (Loss)	<u>(1,493,402)</u>	<u>39,316</u>	<u>(338,387)</u>	<u>(283,462)</u>	<u>(1,575)</u>	<u>47,467</u>	<u>(2,030,043)</u>	<u>296,184</u>
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)	<u>35,234</u>	<u>(65,277)</u>	<u>(23,798)</u>	<u>14,216</u>	<u>(16,918)</u>	<u>(27,672)</u>	<u>(84,215)</u>	<u>(12,416)</u>
Income (Loss) Before Contributions and Transfers	<u>(1,458,168)</u>	<u>(25,961)</u>	<u>(362,185)</u>	<u>(269,246)</u>	<u>(18,493)</u>	<u>19,795</u>	<u>(2,114,258)</u>	<u>283,768</u>
Capital Contributions	2,218,414	-	-	-	-	-	2,218,414	6,683
Transfers In	-	-	29,029	-	-	-	29,029	1,093,843
Transfers (Out)	<u>(65,862)</u>	<u>(56,188)</u>	<u>(37,644)</u>	<u>(102,178)</u>	<u>-</u>	<u>-</u>	<u>(261,872)</u>	<u>(1,288,009)</u>
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	<u>31,962,849</u>	<u>3,300,106</u>	<u>3,388,590</u>	<u>1,460,930</u>	<u>1,124,059</u>	<u>(455,604)</u>	<u>40,780,930</u>	<u>13,349,417</u>
Total Net Position - End of Year	<u>32,657,233</u>	<u>3,217,957</u>	<u>3,017,790</u>	<u>1,089,506</u>	<u>1,105,566</u>	<u>(435,809)</u>	<u>40,652,243</u>	<u>13,445,702</u>

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

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

	Business-type Activities - Enterprise Funds						Governmental
	Airport	Gunnison	Gunnison	Landfill	Gunnison	Gunnison	Activities -
	Operations	County	County	Operations	County	County	Internal
	Fund	Sewer Fund	Water	Fund	Housing Auth.	Housing Auth.	Service
					Assisted Lvg.	Mtn. View	Funds
							Totals
Cash Flows from Operating Activities:							
Cash received from charges for services	1,201,679	445,626	406,859	896,615	36,488	235,485	3,222,752
Cash received from other sources	22,672	4,186	4,377	1,822	-	3,907	36,964
Cash payments to vendors for goods and services	(431,699)	(206,499)	(167,046)	(1,171,194)	-	(81,686)	(2,058,124)
Cash payments to employees for services	(491,910)	(37,382)	(89,027)	(1,431)	-	(3,269)	(623,019)
Net Cash Provided (Used) by Operating Activities	300,742	205,931	155,163	(274,188)	36,488	154,437	578,573
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)
Net Cash Provided (Used) by Non-capital Financing Activities	(26,718)	160,834	(221,467)	(102,098)	-	5,288	(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
Cash from sale of assets	(520,563)	-	-	-	-	-	(520,563)
Net Cash Provided (Used) by Capital and Related Financing Activities	(16,681)	(122,594)	(68,686)	-	(36,488)	(167,178)	(411,627)
Cash Flows from Investing Activities:							
Cash from investment income	5,529	6,798	2,770	14,216	-	508	29,821
Net Cash Provided (Used) by Investing Activities	5,529	6,798	2,770	14,216	-	508	29,821
Net Increase (Decrease) in Cash	262,872	250,969	(132,220)	(362,070)	-	(6,945)	12,606
Cash - Beginning of Year	816,007	1,018,416	423,634	2,541,177	3,051	222,246	5,024,531
Cash - End of Year	1,078,879	1,269,385	291,414	2,179,107	3,051	215,301	5,037,137
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)
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
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable	1,678	(80,509)	91,541	(42,586)	-	6,849	(23,027)
(Increase) decrease in prepaid expenses	19	-	(155)	(866)	-	-	(1,002)
(Increase) decrease in inventory	-	-	-	-	-	-	(156,727)
Increase (decrease) in accounts payable	22,130	3,364	2,433	16,547	-	43,918	88,392
Increase (decrease) in accrued liabilities	-	(412)	(113)	15,243	-	4,952	19,670
Increase (decrease) in compensated absences	17,529	-	1,855	(1,431)	-	-	17,953
Net Cash Provided (Used) by Operating Activities	300,742	205,931	155,163	(274,188)	36,488	154,437	578,573
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.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS



Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2015

I. Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

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

1. Blended Component Units

The Gunnison County Housing Authority (the "Housing Authority") - Gunnison SeniorHousing Project, an entity legally separate from the County, is governed by the Gunnison County Board of County Commissioners. For financial reporting purposes, the Authority is reported as if it was part of the County's operations because its purpose is to finance and provide low income senior housing to the citizens of the County.

In 2003, the County's electorate approved the creation of the Gunnison River Valley Local Marketing District (the "District"). The District was created for the organization, promotion, marketing, and management of public events; activities in support of business recruitment, management and development; and coordinating tourism promotion activities within the District's boundaries. The County's Board of County Commissioners sits as *ex officio* as the District's Board. For financial reporting purposes, the District is reported as a blended component unit and resembles the reporting for other special revenue funds.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2015
(continued)

I. Summary of Significant Accounting Policies (continued)

A. Reporting Entity (continued)

2. Discretely Presented Component Unit

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

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

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

3. Intergovernmental Agreements

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

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

B. Government-wide and Fund Financial Statements

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

1. Government-wide Financial Statements

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2015
(continued)

I. Summary of Significant Accounting Policies (continued)

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

1. Government-wide Financial Statements (continued)

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

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

2. Fund Financial Statements

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

The County reports the following major governmental funds:

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

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

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

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

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

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2015
(continued)

I. Summary of Significant Accounting Policies (continued)

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

2. Fund Financial Statements (continued)

The County reports the following major proprietary funds:

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

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

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

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

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

Additionally, the County reports the following fund types:

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

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

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

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2015
(continued)

I. Summary of Significant Accounting Policies (continued)

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

1. Long-term Economic Focus and Accrual Basis

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

2. Current Financial Focus and Modified Accrual Basis

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

3. Financial Statement Presentation

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

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

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2015
(continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts

1. Cash and Cash Equivalents

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

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

2. Investments

Investments are stated at fair value.

3. Receivables

Receivables are reported net of an allowance for uncollectible accounts, whenever applicable.

4. Property Taxes

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

5. Interfund Receivables and Payables

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

6. Inventories

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

7. Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond December 31, 2015 are recorded as prepaid expenses.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2015
(continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

8. Capital Assets

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

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

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

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

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

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

9. Unavailable Property Taxes

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2015
(continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

13. Fund Equity (continued)

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

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

14. Deferred Outflows and Inflows of Resources

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

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

15. Interfund Transactions

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

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2015
(continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

10. Compensated Absences

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

11. Recognition of Grant Revenue

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

12. Bond Premiums, Discounts and Issuance Costs

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

13. Fund Equity

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

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2015
(continued)

I. Summary of Significant Accounting Policies (continued)

E. Significant Accounting Policies

1. Use of Estimates

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

2. Legal Provisions and Authorization of Deposits

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

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

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

II. Reconciliation of Government-wide and Fund Financial Statements

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

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

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

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance includes a reconciliation (Page C6) between *Net Changes in Fund Balances* and *Changes in Net Position* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that “Internal Service Funds are used by management to charge the costs of the motor pool, equipment costs and health insurance to individual funds. The revenues and expenditures of the internal service funds are included in the governmental activities in the Statement of Activities. This represents the net revenues and expenditures of the internal service funds less the depreciation on fixed assets.”

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2015
(continued)

III. Stewardship, Compliance, and Accountability

A. Legal Compliance - Budgets

Property taxes become a lien on the property as of January 1 of the year assessed. Taxes levied in one year are collected in the succeeding year. Thus taxes certified in 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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2015
(continued)

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
	<u>\$ 52,358,801</u>	<u>6,533,846</u>	<u>58,892,647</u>

C. Possible Violations of State Statutes - Budgets

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

	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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2015
(continued)

III. Stewardship, Compliance, and Accountability (continued)

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

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

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2015
(continued)

IV. Detailed Notes on All Funds

A. Deposits and Investments

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

	Standard & Poors Rating	Carrying Amounts	Less than one year	Less than five years
<i>Deposits:</i>				
Cash on hand	<i>Not Rated</i>	\$ 130,608	130,608	-
Checking	<i>Not Rated</i>	3,523,650	3,523,650	-
Savings	<i>Not Rated</i>	4,349,339	4,349,339	-
CDS	<i>Not Rated</i>	9,472,285	2,183,704	7,288,581
<i>Investments:</i>				
Pools	<i>AAAm</i>	4,658,322	4,658,322	-
Agencies - FHLB	<i>AA+</i>	250,053	-	250,053
Agencies - FFCB	<i>AA+</i>	496,544	-	496,544
Agencies - FHLMC	<i>AA+</i>	2,147,249	-	2,147,249
Agencies - FNMA	<i>AA+</i>	496,625	-	496,625
Deposits held by Trustee	<i>Not Rated</i>	1,523,377	1,523,377	-
Total		<u>\$ 27,048,052</u>	<u>16,369,000</u>	<u>10,679,052</u>
<i>Reconciliation to Statement of Net Position:</i>				
Cash and cash equivalents - Unrestricted		\$ 19,714,680		
Cash and cash equivalents - Restricted		4,703,418		
Fiduciary Funds		2,629,954		
Total		<u>\$ 27,048,052</u>		

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

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

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2015
(continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Concentration of Credit Risk. The County diversifies its investments by security type and institution. Investments may only be made in those financial institutions which are insured or issued by the Federal Deposit Insurance Corporation, the Federal Home Mortgage Association, the Federal Savings and Loan Insurance Corporation, Congressionally authorized mortgage lenders and investments that are federally guaranteed. Financial institutions holding County funds must provide the County a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository.

Restricted Cash and Investments. At December 31, 2015, the County had restricted the following cash and investments:

<u>Purpose</u>	<u>Total</u>	<u>Fund</u>
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
	<u>\$ 4,703,418</u>	

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

1. All of the underlying securities for Gunnison Valley Hospital and Gunnison Health Care Center's investments in repurchase agreements at December 31, 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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2015
(continued)

IV. Detailed Notes on All Funds (continued)

C. Receivables

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

	<u>General</u>	<u>Road & Bridge</u>	<u>Human Services</u>	<u>Sales Tax Capital Improvement</u>
Receivables:				
Accounts	\$ 8,039,466	749,778	447,791	441,033
Total receivables	<u>\$ 8,039,466</u>	<u>749,778</u>	<u>447,791</u>	<u>441,033</u>
	<u>Airport Construction</u>	<u>Capital Expenditures</u>	<u>Non-major Governmental</u>	<u>Total</u>
Receivables:				
Accounts	\$ 119,212	156,874	264,780	10,218,934
Total receivables	<u>\$ 119,212</u>	<u>156,874</u>	<u>264,780</u>	<u>10,218,934</u>
	<u>Airport Operations</u>	<u>Sewer</u>	<u>Water</u>	<u>Landfill Operations</u>
Receivables:				
Accounts	\$ 127,406	42,160	-	94,221
Total receivables	<u>\$ 127,406</u>	<u>42,160</u>	<u>57,749</u>	<u>94,221</u>
	<u>Assisted Living</u>	<u>Mountain View</u>	<u>Internal Service Funds</u>	<u>Total</u>
Receivables:				
Accounts	\$ -	16,328	2,638	282,753
Other	-	-	-	57,749
Total receivables	<u>\$ -</u>	<u>16,328</u>	<u>2,638</u>	<u>340,502</u>

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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2015
(continued)

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	<u>13,688,554</u>	<u>465,544</u>	<u>(12,491,209)</u>	<u>1,662,889</u>
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	<u>68,497,300</u>	<u>17,476,831</u>	<u>(948,039)</u>	<u>85,026,092</u>
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	<u>(29,216,590)</u>	<u>(3,129,005)</u>	<u>643,603</u>	<u>(31,701,992)</u>
Total capital assets being depreciated, net	<u>39,280,710</u>	<u>14,347,826</u>	<u>(304,436)</u>	<u>53,324,100</u>
Governmental activities capital assets, net	<u>\$ 52,969,264</u>	<u>14,813,370</u>	<u>(12,795,645)</u>	<u>54,986,989</u>
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	<u>11,455,665</u>	<u>2,246,682</u>	<u>(624,086)</u>	<u>13,078,261</u>
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	<u>59,633,728</u>	<u>764,810</u>	<u>(4,926)</u>	<u>60,393,612</u>
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	<u>(29,629,774)</u>	<u>(2,506,630)</u>	<u>4,926</u>	<u>(32,131,478)</u>
Total capital assets being depreciated, net	<u>30,003,954</u>	<u>(1,741,820)</u>	<u>-</u>	<u>28,262,134</u>
Business-type activities capital assets, net	<u>\$ 41,459,619</u>	<u>504,862</u>	<u>(624,086)</u>	<u>41,340,395</u>

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2015
(continued)

IV. Detailed Notes on All Funds (continued)

D. Capital Assets (continued)

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

Governmental Activities:	
General government	\$ 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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2015
(continued)

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.

	<u>Due from County</u>	<u>Due to County</u>	<u>Transfer in</u>	<u>Transfer (out)</u>
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)
	<u>\$ 1,225,759</u>	<u>1,225,759</u>	<u>8,898,139</u>	<u>(8,898,139)</u>

G. Operating Leases

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2015
(continued)

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 an 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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2015
(continued)

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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2015
(continued)

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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2015
(continued)

IV. Detailed Notes on All Funds (continued)

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

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

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

The County is also required to establish a debt reserve account (with the County Treasurer) by depositing \$567 each month for the life of bond. The reserve account totaled \$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 an additional revenue bond totaling \$322,000 with an interest rate of 4.25%. The Bonds require payments of \$8,408 and mature in 2046.

These bonds are secured by a Reserve Fund. In accordance with bond agreement, the County has restricted cash of \$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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2015
(continued)

IV. Detailed Notes on All Funds (continued)

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

6. Gunnison County Housing Authority

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2015
(continued)

IV. Detailed Notes on All Funds (continued)

J. Long-term Liabilities - Compensated Absences

The County has a policy of allowing the accumulation of paid vacation and sick leave, subject to certain maximum limits. In accordance with GAAP, the County's approximate liability for vacation pay earned by employees at December 31, 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:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
<u>Internal Service Fund:</u>					
Compensated Absences	\$ 86,633	-	(14,839)	71,794	28,718
<u>Other Governmental Debt:</u>					
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	<u>\$ 28,691,693</u>	<u>-</u>	<u>(1,229,789)</u>	<u>27,461,904</u>	<u>1,332,381</u>
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
<u>Gunnison County Housing Authority:</u>					
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	<u>\$ 5,747,901</u>	<u>-</u>	<u>(65,698)</u>	<u>5,682,203</u>	<u>150,640</u>

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2015
(continued)

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:

Dates	Governmental Funds		Business-Type	
	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
	<u>\$ 25,960,439</u>	<u>20,586,474</u>	<u>2,818,344</u>	<u>1,746,968</u>

Dates	Housing Authority		Total	
	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
	<u>1,514,528</u>	<u>324,081</u>	<u>29,979,633</u>	<u>22,630,671</u>

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2015
(continued)

IV. Detailed Notes on All Funds (continued)

L. Long-term Liabilities – Component Unit

1. Hospital Revenue Bonds -

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

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

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

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

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2015
(continued)

IV. Detailed Notes on All Funds (continued)

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

- 3. Capital Lease Obligations** – The Hospital is obligated under a lease for equipment that is accounted for as a capital lease. The assets under capital leases at December 31, 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:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
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	<u>\$ 14,333,433</u>	<u>-</u>	<u>(1,319,995)</u>	<u>10,558,958</u>	<u>1,289,996</u>

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

<u>Dates</u>	<u>Bonds</u>		<u>Capital Lease</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
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
	<u>\$ 10,375,054</u>	<u>1,984,805</u>	<u>183,904</u>	<u>1,194</u>	<u>10,558,958</u>	<u>1,985,999</u>

M. Fund Balance Disclosures

The County classifies governmental fund balances as follows:

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

Spendable Fund Balance:

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2015
(continued)

IV. Detailed Notes on All Funds (continued)

M. Fund Balance Disclosures (continued)

Spendable Fund Balance (continued):

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

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

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

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

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2015
(continued)

IV. Detailed Notes on All Funds (continued)

M. Fund Balance Disclosures (continued)

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

	<u>General Fund</u>	<u>Other Government al Funds</u>	<u>Total Government al Funds</u>	<u>Description</u>
Non-spendable:				
Prepaid expenses	\$ -	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 Administrator	-	212,748	212,748	General Designation
Unassigned				
Unassigned	3,439,895	(18,047)	3,421,848	
Total Fund Balances	<u>\$ 5,187,196</u>	<u>9,658,060</u>	<u>14,827,209</u>	

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2015
(continued)

V. Other Information

A. Pension Plans

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

1. Defined Contribution Pension Plan

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

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

During the year, the County's required and actual contributions amounted to \$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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2015
(continued)

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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2015
(continued)

V. Other Information (continued)

D. Risk Management

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

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

1. Colorado Counties Casualty and Property Pool

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

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

2. Unemployment Insurance

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

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2015
(continued)

V. Other Information (continued)

E. Commitments and Contingencies

1. Lawsuits

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

2. Grants

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

3. Guarantees

Gunnison Valley Hospital – 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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2015
(continued)

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.

REQUIRED SUPPLEMENTARY INFORMATION



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

	<u>2015</u>			<u>Final Budget</u>	<u>2014</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Positive</u>	<u>Actual</u>
				<u>(Negative)</u>	
Revenues:					
Taxes	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	<u>12,456,470</u>	<u>12,553,330</u>	<u>13,046,850</u>	<u>493,520</u>	<u>11,774,790</u>
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	<u>13,551,069</u>	<u>14,063,475</u>	<u>12,780,179</u>	<u>1,283,296</u>	<u>11,886,936</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,094,599)</u>	<u>(1,510,145)</u>	<u>266,671</u>	<u>1,776,816</u>	<u>(112,146)</u>
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)	<u>(3,740,139)</u>	<u>(4,542,279)</u>	<u>(2,346,461)</u>	<u>2,195,818</u>	<u>477,055</u>
Net Change in Fund Balances	<u>(4,834,738)</u>	<u>(6,052,424)</u>	<u>(2,079,790)</u>	<u>3,972,634</u>	<u>364,909</u>
Fund Balances - Beginning of Year			<u>7,266,986</u>		<u>6,902,077</u>
Fund Balances - End of Year			<u>5,187,196</u>		<u>7,266,986</u>

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

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

	<u>2015</u>			<u>2014</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>	<u>Actual</u>
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	<u>8,060,770</u>	<u>8,060,770</u>	<u>8,146,576</u>	<u>85,806</u>	<u>7,637,631</u>
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	<u>279,545</u>	<u>279,545</u>	<u>458,082</u>	<u>178,537</u>	<u>311,132</u>
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	<u>2,375,353</u>	<u>2,427,213</u>	<u>2,596,943</u>	<u>169,730</u>	<u>2,195,456</u>
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	<u>1,251,019</u>	<u>1,256,019</u>	<u>1,391,387</u>	<u>135,368</u>	<u>1,351,927</u>
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	<u>489,783</u>	<u>529,783</u>	<u>453,862</u>	<u>(75,921)</u>	<u>278,644</u>
Total Revenues	<u><u>12,456,470</u></u>	<u><u>12,553,330</u></u>	<u><u>13,046,850</u></u>	<u><u>493,520</u></u>	<u><u>11,774,790</u></u>

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

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

	2015			Final Budget	2014
	Original Budget	Final Budget	Actual	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 Initiatives	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 and 122 Emergency Management	303,343	303,343	322,120	(18,777)	284,975
Coroner	65,303	65,303	58,662	6,641	50,415
Youth Intervention Services	92,117	97,217	98,385	(1,168)	84,928
	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.

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	<u>170,000</u>	<u>181,876</u>	<u>11,876</u>	<u>173,174</u>
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	<u>4,401,179</u>	<u>4,258,367</u>	<u>(142,812)</u>	<u>4,256,054</u>
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	<u>71,819</u>	<u>65,293</u>	<u>(6,526)</u>	<u>83,612</u>
Other:				
Investment income	10,000	13,351	3,351	9,838
Miscellaneous	49,971	115,882	65,911	83,788
Total Other Revenue	<u>59,971</u>	<u>129,233</u>	<u>69,262</u>	<u>93,626</u>
Total Revenues	<u>4,702,969</u>	<u>4,634,769</u>	<u>(68,200)</u>	<u>4,606,466</u>
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	<u>5,498,520</u>	<u>4,313,041</u>	<u>1,185,479</u>	<u>4,645,390</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(795,551)</u>	<u>321,728</u>	<u>1,117,279</u>	<u>(38,924)</u>
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)	<u>(264,722)</u>	<u>(132,942)</u>	<u>131,780</u>	<u>(120,124)</u>
Net Change in Fund Balances	<u>(1,060,273)</u>	<u>188,786</u>	<u>1,249,059</u>	<u>(159,048)</u>
Fund Balances - Beginning of Year		<u>2,459,449</u>		<u>2,618,497</u>
Fund Balances - End of Year		<u>2,648,235</u>		<u>2,459,449</u>

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

Gunnison County, Colorado
Special Revenue Funds
Human Services Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2015
(With Comparative Actual Amounts for the Year Ended December 31, 2014)

	2015			Final Budget Variance Positive (Negative)	2014
	Original Budget	Final Budget	Actual		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.

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)

	<u>2015</u>			<u>Final Budget</u>	<u>2014</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>		<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Taxes:					
Sales tax	1,597,000	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	<u>1,598,200</u>	<u>1,598,200</u>	<u>1,777,577</u>	<u>179,377</u>	<u>1,636,829</u>
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	<u>213,597</u>	<u>216,597</u>	<u>203,235</u>	<u>13,362</u>	<u>219,375</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,384,603</u>	<u>1,381,603</u>	<u>1,574,342</u>	<u>192,739</u>	<u>1,417,454</u>
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)	<u>(1,159,136)</u>	<u>(1,181,887)</u>	<u>(1,132,249)</u>	<u>49,638</u>	<u>(1,677,362)</u>
Net Change in Fund Balances	<u>225,467</u>	<u>199,716</u>	442,093	<u>242,377</u>	(259,908)
Fund Balances - Beginning of Year			<u>1,297,046</u>		<u>1,556,954</u>
Fund Balances - End of Year			<u>1,739,139</u>		<u>1,297,046</u>

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

SUPPLEMENTARY INFORMATION



Gunnison County, Colorado
Capital Project Funds
Airport Construction Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2015
(With Comparative Actual Amounts for the Year Ended December 31, 2014)

	<u>2015</u>			<u>2014</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
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	<u>2,570,865</u>	<u>3,280,230</u>	<u>709,365</u>	<u>328,926</u>
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	<u>2,623,890</u>	<u>2,242,047</u>	<u>381,843</u>	<u>668,232</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(53,025)</u>	<u>1,038,183</u>	<u>1,091,208</u>	<u>(339,306)</u>
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)	<u>(1,084,343)</u>	<u>(1,082,843)</u>	<u>1,500</u>	<u>396,316</u>
Net Change in Fund Balances	<u>(1,137,368)</u>	<u>(44,660)</u>	<u>1,092,708</u>	<u>57,010</u>
Fund Balances - Beginning of Year		<u>154,070</u>		<u>97,060</u>
Fund Balances - End of Year		<u>109,410</u>		<u>154,070</u>

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

Gunnison County, Colorado
Capital Projects Funds
Capital Expenditures Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2015
(With Comparative Actual Amounts for the Year Ended December 31, 2014)

	<u>2015</u>			<u>Final Budget</u>	<u>2014</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>		<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Intergovernmental:					
State grants	663,285	663,285	570,125	(93,160)	764,569
Investment Income	350	350	6,375	6,025	2,311
Total Revenues	<u>663,635</u>	<u>663,635</u>	<u>576,500</u>	<u>(87,135)</u>	<u>766,880</u>
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	<u>6,615,671</u>	<u>6,615,671</u>	<u>4,370,202</u>	<u>2,245,469</u>	<u>11,229,300</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>(5,952,036)</u>	<u>(5,952,036)</u>	<u>(3,793,702)</u>	<u>2,158,334</u>	<u>(10,462,420)</u>
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)	<u>6,656,685</u>	<u>8,821,028</u>	<u>4,056,920</u>	<u>(4,764,108)</u>	<u>966,136</u>
Net Change in Fund Balances	<u>704,649</u>	<u>2,868,992</u>	263,218	<u>(2,605,774)</u>	(9,496,284)
Fund Balances - Beginning of Year			<u>2,092,345</u>		<u>11,588,629</u>
Fund Balances - End of Year			<u>2,355,563</u>		<u>2,092,345</u>

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

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

	Special Revenue							Debt Service	Total Non-major Governmental Funds	
	Conservation Trust Fund	Public Health Fund	Mosquito Control Fund	Land Preservation Fund	Sage Grouse Fund	Risk Management Fund	Gunnison County Housing Auth. Administration	Local Marketing District		Debt Service Fund
Assets:										
Cash and investments - Unrestricted	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	<u>88,895</u>	<u>79,291</u>	<u>10,586</u>	<u>212,310</u>	<u>53,446</u>	<u>674,457</u>	<u>233,308</u>	<u>828,751</u>	<u>278,994</u>	<u>2,460,038</u>
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	<u>3</u>	<u>72,367</u>	<u>-</u>	<u>12</u>	<u>4</u>	<u>521</u>	<u>20,560</u>	<u>10,018</u>	<u>149,264</u>	<u>252,749</u>
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	<u>88,892</u>	<u>6,924</u>	<u>10,586</u>	<u>212,298</u>	<u>53,442</u>	<u>673,936</u>	<u>212,748</u>	<u>818,733</u>	<u>129,730</u>	<u>2,207,289</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	<u>88,895</u>	<u>79,291</u>	<u>10,586</u>	<u>212,310</u>	<u>53,446</u>	<u>674,457</u>	<u>233,308</u>	<u>828,751</u>	<u>278,994</u>	<u>2,460,038</u>

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

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

	<u>Special Revenue</u>							<u>Debt Service</u>	<u>Total Non-major Governmental Funds</u>	
	<u>Conservation Trust Fund</u>	<u>Public Health Fund</u>	<u>Mosquito Control Fund</u>	<u>Land Preservation Fund</u>	<u>Sage Grouse Fund</u>	<u>Risk Management Fund</u>	<u>Gunnison County Housing Auth. Administration</u>	<u>Local Marketing District</u>		<u>Debt Service Fund</u>
Revenues:										
Taxes	-	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	<u>52,577</u>	<u>372,038</u>	<u>74,584</u>	<u>369,908</u>	<u>71,292</u>	<u>67,353</u>	<u>64,658</u>	<u>1,511,159</u>	<u>298,309</u>	<u>2,881,878</u>
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	<u>362</u>	<u>483,213</u>	<u>88,239</u>	<u>469,617</u>	<u>1,916</u>	<u>10,342</u>	<u>51,746</u>	<u>1,316,454</u>	<u>2,007,780</u>	<u>4,429,669</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>52,215</u>	<u>(111,175)</u>	<u>(13,655)</u>	<u>(99,709)</u>	<u>69,376</u>	<u>57,011</u>	<u>12,912</u>	<u>194,705</u>	<u>(1,709,471)</u>	<u>(1,547,791)</u>
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)	<u>(46,525)</u>	<u>140,838</u>	<u>13,793</u>	<u>(15,000)</u>	<u>(83,570)</u>	<u>-</u>	<u>133,009</u>	<u>(18,312)</u>	<u>1,409,488</u>	<u>1,533,721</u>
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	<u>83,202</u>	<u>(22,739)</u>	<u>10,448</u>	<u>327,007</u>	<u>67,636</u>	<u>616,925</u>	<u>66,827</u>	<u>642,340</u>	<u>429,713</u>	<u>2,221,359</u>
Fund Balances - End of Year	<u>88,892</u>	<u>6,924</u>	<u>10,586</u>	<u>212,298</u>	<u>53,442</u>	<u>673,936</u>	<u>212,748</u>	<u>818,733</u>	<u>129,730</u>	<u>2,207,289</u>

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

Gunnison County, Colorado
Special Revenue Funds
Conservation Trust Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2015
(With Comparative Actual Amounts for the Year Ended December 31, 2014)

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

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

Gunnison County, Colorado
Special Revenue Funds
Public Health Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2015
(With Comparative Actual Amounts for the Year Ended December 31, 2014)

	<u>2015</u>			<u>Final Budget</u>	<u>2014</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
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	<u>350,811</u>	<u>350,811</u>	<u>372,038</u>	<u>21,227</u>	<u>327,219</u>
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	<u>457,043</u>	<u>480,058</u>	<u>483,213</u>	<u>(3,155)</u>	<u>434,784</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(106,232)</u>	<u>(129,247)</u>	<u>(111,175)</u>	<u>18,072</u>	<u>(107,565)</u>
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)	<u>124,156</u>	<u>124,156</u>	<u>140,838</u>	<u>16,682</u>	<u>60,032</u>
Net Change in Fund Balances	<u>17,924</u>	<u>(5,091)</u>	29,663	<u>34,754</u>	(47,533)
Fund Balances - Beginning of Year			(22,739)		24,794
Fund Balances - End of Year			<u>6,924</u>		<u>(22,739)</u>

The accompanying notes are integral part of these financial statements.

Gunnison County, Colorado
Special Revenue Funds
Mosquito Control Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2015
(With Comparative Actual Amounts for the Year Ended December 31, 2014)

	2015			Final Budget Variance Positive (Negative)	2014
	Original Budget	Final Budget	Actual		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	<u>74,649</u>	<u>74,649</u>	<u>74,584</u>	<u>(65)</u>	<u>73,325</u>
Expenditures:					
Operations	88,322	89,322	88,239	1,083	94,153
Total Expenditures	<u>88,322</u>	<u>89,322</u>	<u>88,239</u>	<u>1,083</u>	<u>94,153</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(13,673)</u>	<u>(14,673)</u>	<u>(13,655)</u>	<u>1,018</u>	<u>(20,828)</u>
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)	<u>13,793</u>	<u>13,793</u>	<u>13,793</u>	<u>-</u>	<u>13,354</u>
Net Change in Fund Balances	<u>120</u>	<u>(880)</u>	<u>138</u>	<u>1,018</u>	<u>(7,474)</u>
Fund Balances - Beginning of Year			<u>10,448</u>		<u>17,922</u>
Fund Balances - End of Year			<u>10,586</u>		<u>10,448</u>

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

Gunnison County, Colorado
Special Revenue Funds
Land Preservation Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2015
(With Comparative Actual Amounts for the Year Ended December 31, 2014)

	<u>2015</u>			Final Budget Variance Positive (Negative)	<u>2014</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
Sales tax	345,119	345,119	369,108	23,989	338,352
Investment Income	700	700	800	100	920
Total Revenues	<u>345,819</u>	<u>345,819</u>	<u>369,908</u>	<u>24,089</u>	<u>339,272</u>
Expenditures:					
Culture and Recreation:					
Land preservation	329,534	484,834	469,617	15,217	185,596
Total Expenditures	<u>329,534</u>	<u>484,834</u>	<u>469,617</u>	<u>15,217</u>	<u>185,596</u>
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	<u>16,285</u>	<u>(139,015)</u>	(114,709)	<u>24,306</u>	153,676
Fund Balances - Beginning of Year			327,007		173,331
Fund Balances - End of Year			<u>212,298</u>		<u>327,007</u>

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

Gunnison County, Colorado
Special Revenue Funds
Sage Grouse Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2015
(With Comparative Actual Amounts for the Year Ended December 31, 2014)

	2015		Variance Positive (Negative)	2014
	Original and Final Budget	Actual		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.

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

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

Gunnison County, Colorado
Special Revenue Funds
Gunnison County Housing Authority Administration
Schedule of Revenues, Expenditures and Available Resources
Budget (Non-GAAP Basis) and Actual
For the Year Ended December 31, 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	<u>74,488</u>	<u>64,658</u>	<u>(9,830)</u>	<u>95,923</u>
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	<u>47,778</u>	<u>51,746</u>	<u>(3,968)</u>	<u>73,816</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>26,710</u>	<u>12,912</u>	<u>(13,798)</u>	<u>22,107</u>
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)	<u>(9,717)</u>	<u>133,009</u>	<u>142,726</u>	<u>(79,488)</u>
Net Change in Fund Balances	<u>16,993</u>	<u>145,921</u>	<u>128,928</u>	<u>(57,381)</u>
Fund Balances - Beginning of Year		<u>66,827</u>		<u>124,208</u>
Fund Balances - End of Year		<u>212,748</u>		<u>66,827</u>

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

Gunnison County, Colorado
Special Revenue Funds
Local Marketing District
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2015
(With Comparative Actual Amounts for the Year Ended December 31, 2014)

	2015			Final Budget Variance Positive (Negative)	2014
	Original Budget	Final Budget	Actual		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	<u>1,142,400</u>	<u>1,142,400</u>	<u>1,511,159</u>	<u>368,759</u>	<u>1,386,943</u>
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	<u>1,207,441</u>	<u>1,390,841</u>	<u>1,316,454</u>	<u>74,387</u>	<u>1,251,103</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(65,041)</u>	<u>(248,441)</u>	<u>194,705</u>	<u>443,146</u>	<u>135,840</u>
Other Financing Sources (Uses):					
Transfers (out)	(18,312)	(18,312)	(18,312)	-	(23,029)
Total Other Financing Sources (Uses)	<u>(18,312)</u>	<u>(18,312)</u>	<u>(18,312)</u>	<u>-</u>	<u>(23,029)</u>
Net Change in Fund Balances	<u>(83,353)</u>	<u>(266,753)</u>	<u>176,393</u>	<u>443,146</u>	<u>112,811</u>
Fund Balances - Beginning of Year			<u>642,340</u>		<u>529,529</u>
Fund Balances - End of Year			<u>818,733</u>		<u>642,340</u>

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

Gunnison County, Colorado
Debt Service Funds
Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2015
(With Comparative Actual Amounts for the Year Ended December 31, 2014)

	2015		Variance Positive (Negative)	2014
	Original and Final Budget	Actual		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.

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.

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		Variance Positive (Negative)	2014
	Original and Final Budget	Actual		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.

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)

	<u>2015</u>		<u>Variance Positive (Negative)</u>	<u>2014</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
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	<u>318,025</u>	<u>322,463</u>	<u>4,438</u>	<u>315,016</u>
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	<u>335,694</u>	<u>328,778</u>	<u>6,916</u>	<u>242,590</u>
Operating Income (Loss)	<u>(17,669)</u>	<u>(6,315)</u>	<u>11,354</u>	<u>72,426</u>
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)	<u>47,536</u>	<u>(8,615)</u>	<u>(56,151)</u>	<u>10,042</u>
Change in Net Position - Budget Basis	<u>29,867</u>	<u>(14,930)</u>	<u>(44,797)</u>	<u>82,468</u>
Available Resources - Beginning of Year		<u>556,638</u>		<u>474,170</u>
Available Resources - End of Year		<u>541,708</u>		<u>556,638</u>
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)
		<u>541,708</u>		<u>556,638</u>

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

Gunnison County, Colorado
Enterprise Funds
Landfill Operations Fund
Schedule of Revenues, Expenditures and Available Resources
Budget (Non-GAAP Basis) and Actual
For the Year Ended December 31, 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	<u>753,402</u>	<u>818,980</u>	<u>65,578</u>	<u>726,212</u>
Recycling:				
Recycling surcharge	-	-	-	-
Recycled material sales	128,000	122,043	(5,957)	132,914
Total Recycling Revenues	<u>128,000</u>	<u>122,043</u>	<u>(5,957)</u>	<u>132,914</u>
Total Operating Revenues	<u>881,402</u>	<u>941,023</u>	<u>59,621</u>	<u>859,126</u>
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	<u>1,992,201</u>	<u>1,186,885</u>	<u>805,316</u>	<u>723,493</u>
Recycling Expenditures:				
Capital outlay	-	-	-	5,780
Total Recycling Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,780</u>
Total Operating Expenditures	<u>1,992,201</u>	<u>1,186,885</u>	<u>805,316</u>	<u>729,273</u>
Operating Income (Loss)	<u>(1,110,799)</u>	<u>(245,862)</u>	<u>864,937</u>	<u>129,853</u>
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)	<u>(96,078)</u>	<u>(87,953)</u>	<u>8,125</u>	<u>(79,758)</u>
Change in Net Position - Budget Basis	<u>(1,206,877)</u>	<u>(333,815)</u>	<u>873,062</u>	<u>50,095</u>
Available Resources - Beginning of Year		<u>2,535,011</u>		<u>2,484,916</u>
Available Resources - End of Year		<u>2,201,196</u>		<u>2,535,011</u>
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)
		<u>2,201,196</u>		<u>2,535,011</u>

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

Gunnison County, Colorado
Enterprise Funds
Gunnison County Housing Authority - Assisted Living
Schedule of Revenues, Expenditures and Available Resources
Budget (Non-GAAP Basis) and Actual
For the Year Ended December 31, 2015
(With Comparative Actual Amounts for the Year Ended December 31, 2014)

	2015		Variance Positive (Negative)	2014
	Original and Final Budget	Actual		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.

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)

	<u>2015</u>			Final Budget Variance Positive (Negative)	<u>2014</u>
	Original Budget	Final Budget	Actual		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	<u>237,735</u>	<u>237,735</u>	<u>232,545</u>	<u>(5,190)</u>	<u>229,823</u>
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	<u>224,819</u>	<u>224,819</u>	<u>301,003</u>	<u>(76,184)</u>	<u>266,040</u>
Operating Income (Loss)	<u>12,916</u>	<u>12,916</u>	<u>(68,458)</u>	<u>(81,374)</u>	<u>(36,217)</u>
Non-operating Revenues (Expenditures):					
Transfers (out)	(10,000)	(105,000)	-	105,000	-
Investment revenue	290	290	508	218	240
Total Non-operating Revenues (Expenditures)	<u>(9,710)</u>	<u>(104,710)</u>	<u>508</u>	<u>105,218</u>	<u>240</u>
Change in Net Position - Budget Basis	<u>3,206</u>	<u>(91,794)</u>	<u>(67,950)</u>	<u>23,844</u>	<u>(35,977)</u>
Available Resources - Beginning of Year			<u>163,972</u>		<u>199,949</u>
Available Resources - End of Year			<u>96,022</u>		<u>163,972</u>
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
			<u>96,022</u>		<u>163,972</u>

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

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

	<u>Internal Service Fund I</u>	<u>Internal Service Fund II</u>	<u>Internal Service Fund III</u>	<u>Total</u>
Current Assets:				
Cash	1,650,299	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	<u>2,534,825</u>	<u>689,065</u>	<u>2,051,970</u>	<u>5,275,860</u>
Non-current Assets:				
Land, property and equipment	17,847,944	1,651,427	-	19,499,371
Less: Accumulated depreciation	<u>(9,479,637)</u>	<u>(1,475,944)</u>	-	<u>(10,955,581)</u>
Total Non-current Assets	<u>8,368,307</u>	<u>175,483</u>	<u>-</u>	<u>8,543,790</u>
Total Assets	<u>10,903,132</u>	<u>864,548</u>	<u>2,051,970</u>	<u>13,819,650</u>
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	<u>69,546</u>	<u>30,641</u>	<u>201,968</u>	<u>302,155</u>
Non-current Liabilities:				
Accrued compensated absences	52,250	19,544	-	71,794
Total Non-current Liabilities	<u>52,250</u>	<u>19,544</u>	<u>-</u>	<u>71,794</u>
Total Liabilities	<u>121,796</u>	<u>50,185</u>	<u>201,968</u>	<u>373,949</u>
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	<u>10,781,336</u>	<u>814,363</u>	<u>1,850,002</u>	<u>13,445,701</u>

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

Gunnison County, Colorado
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended December 31, 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	<u>1,947,041</u>	<u>788,905</u>	<u>2,394,363</u>	<u>5,130,309</u>
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	<u>2,150,407</u>	<u>775,058</u>	<u>1,908,660</u>	<u>4,834,125</u>
Operating Income (Loss)	<u>(203,366)</u>	<u>13,847</u>	<u>485,703</u>	<u>296,184</u>
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)	<u>(29,913)</u>	<u>7,911</u>	<u>9,586</u>	<u>(12,416)</u>
Income (Loss) Before Transfers	<u>(233,279)</u>	<u>21,758</u>	<u>495,289</u>	<u>283,768</u>
Capital Contributions	6,683	-	-	6,683
Transfers In	1,082,843	11,000	-	1,093,843
Transfers (Out)	<u>(1,198,679)</u>	<u>(87,888)</u>	<u>(1,442)</u>	<u>(1,288,009)</u>
Change in Net Position	(342,432)	(55,130)	493,847	96,285
Total Net Position - Beginning of Year	<u>11,123,768</u>	<u>869,493</u>	<u>1,356,155</u>	<u>13,349,416</u>
Total Net Position - End of Year	<u><u>10,781,336</u></u>	<u><u>814,363</u></u>	<u><u>1,850,002</u></u>	<u><u>13,445,701</u></u>

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

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

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)

	<u>2015</u>			<u>Final Budget</u>	<u>2014</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>		<u>Positive</u>	
				<u>(Negative)</u>	
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	<u>1,930,326</u>	<u>1,930,326</u>	<u>1,947,041</u>	<u>16,715</u>	<u>2,008,296</u>
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	<u>2,379,943</u>	<u>2,379,943</u>	<u>1,764,696</u>	<u>615,247</u>	<u>1,895,420</u>
Operating Income (Loss)	<u>(449,617)</u>	<u>(449,617)</u>	<u>182,345</u>	<u>631,962</u>	<u>112,876</u>
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)	<u>2,063,507</u>	<u>(100,836)</u>	<u>(95,498)</u>	<u>5,338</u>	<u>(70,346)</u>
Change in Net Position - Budget Basis	<u>1,613,890</u>	<u>(550,453)</u>	<u>86,847</u>	<u>637,300</u>	<u>42,530</u>
Available Resources - Beginning of Year			<u>2,326,179</u>		<u>2,283,649</u>
Available Resources - End of Year			<u>2,413,026</u>		<u>2,326,179</u>
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)
			<u>2,413,028</u>		<u>2,326,180</u>

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

Gunnison County, Colorado
Internal Service Funds
Internal Service Fund II
Schedule of Revenues, Expenditures and Available Resources
Budget (Non-GAAP Basis) and Actual
For the Year Ended December 31, 2015
(With Comparative Actual Amounts for the Year Ended December 31, 2014)

	2015		Variance Positive (Negative)	2014
	Original and Final Budget	Actual		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	<u>759,655</u>	<u>788,905</u>	<u>29,250</u>	<u>759,532</u>
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	<u>952,868</u>	<u>761,278</u>	<u>191,590</u>	<u>628,259</u>
Operating Income (Loss)	<u>(193,213)</u>	<u>27,627</u>	<u>220,840</u>	<u>131,273</u>
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)	<u>(74,888)</u>	<u>(68,977)</u>	<u>5,911</u>	<u>(52,189)</u>
Change in Net Position - Budget Basis	<u>(268,101)</u>	<u>(41,350)</u>	<u>226,751</u>	<u>79,084</u>
Available Resources - Beginning of Year		<u>680,231</u>		<u>601,147</u>
Available Resources - End of Year		<u>638,881</u>		<u>680,231</u>
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)
		<u>638,880</u>		<u>680,231</u>

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

Gunnison County, Colorado
Internal Service Funds
Internal Service Fund III
Schedule of Revenues, Expenditures and Available Resources
Budget (Non-GAAP Basis) and Actual
For the Year Ended December 31, 2015
 (With Comparative Actual Amounts for the Year Ended December 31, 2014)

	2015			Final Budget Variance Positive (Negative)	2014
	Original Budget	Final Budget	Actual		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	<u>2,665,648</u>	<u>2,665,648</u>	<u>2,394,363</u>	<u>(271,285)</u>	<u>2,696,091</u>
Operating Expenditures:					
Operations	2,664,282	2,787,957	1,908,660	879,297	2,716,433
Total Operating Expenditures	<u>2,664,282</u>	<u>2,787,957</u>	<u>1,908,660</u>	<u>879,297</u>	<u>2,716,433</u>
Operating Income (Loss)	<u>1,366</u>	<u>(122,309)</u>	<u>485,703</u>	<u>608,012</u>	<u>(20,342)</u>
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)	<u>3,558</u>	<u>3,558</u>	<u>8,144</u>	<u>4,586</u>	<u>2,454</u>
Change in Net Position - Budget Basis	<u>4,924</u>	<u>(118,751)</u>	<u>493,847</u>	<u>612,598</u>	<u>(17,888)</u>
Available Resources - Beginning of Year			<u>1,356,156</u>		<u>1,374,044</u>
Available Resources - End of Year			<u>1,850,003</u>		<u>1,356,156</u>
Available resources at year-end is computed as follows:					
Current assets			2,051,970		1,617,918
Current liabilities			(201,968)		(261,762)
			<u>1,850,002</u>		<u>1,356,156</u>

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

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

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

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

Gunnison County, Colorado
Agency Funds
Public Trustee Agency Fund
Schedule of Changes in Assets and Liabilities
For the Year Ended December 31, 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 Held by Trustee	(14) 41,045	- 101,123	(8) (110,767)	(22) 31,401
Total Liabilities	41,031	101,123	(110,775)	31,379

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

LOCAL HIGHWAY FINANCE REPORT



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: Cheryl Coffey Phone: 970-641-7671

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

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:

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 & Penalties	
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)

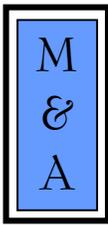
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	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:

SINGLE AUDIT REPORTS AND SCHEDULES





MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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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 than a material weakness, yet important enough to merit attention by those charged with governance.

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

Member: American Institute of Certified Public Accountants

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

Compliance and Other Matters

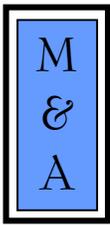
As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect 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.

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



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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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.

Member: American Institute of Certified Public Accountants

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**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 not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or 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 charged with governance.

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

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

McMahan and Associates, L.L.C.

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

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

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.

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

<u>Program Title</u>	<u>Pass through Entity Identifying Number</u>	<u>Federal CFDA Number</u>	<u>Major Program</u>	<u>Expenditures</u>
Department of Agriculture:				
Passed through Colorado Department of Public Health and Environment:				
Women, Infant, Children	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	<u>1,017,121</u>
Total Department of Agriculture:				<u>1,257,053</u>
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
CCDF	DHS - FFA	93.575	No	75,862
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	<u>13,874</u>
Total Department of Health and Human Services:				<u>1,146,798</u>
Department of Transportation:				
Federal Aviation Administration:				
Airport Improvement Projects (total)	AIP 47-50	20.106	Yes	<u>2,976,729</u>
				<u>2,976,729</u>
Subtotal				<u>5,380,580</u>

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:				<u>75,000</u>
Department of Justice:				
Juvenile Accountability	13874405	16.523	No	35,055
Total Department of Justice:				<u>35,055</u>
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:				<u>849,102</u>
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:				<u>29,949</u>
Total Federal Assistance:				<u>\$ 6,369,686</u>
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

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

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