

Gunnison County

Financial Report

December 31, 2018



**Gunnison County, Colorado
Financial Report
December 31, 2018**

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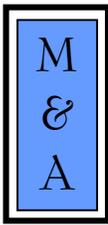
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INDEPENDENT AUDITOR'S REPORT

**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, 2018, 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, 2018, 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 July 24, 2019 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.
July 24, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS



Gunnison County, Colorado

Management's Discussion and Analysis

December 31, 2018

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, 2018.

Financial Highlights

- On a short term view, the County's governmental funds increased \$789,855. This was primarily due to increases in the Airport Construction fund and the aggregate non-major governmental funds, and was offset by decreases in the Human Services Fund, Sales Tax Capital Improvement Fund, and Capital Expenditure Fund.
- On a long term view the County's governmental activities increased net position by \$1,557,931 due to a decrease in transfers to business-type funds year over year.
- The County's business type activities decreased net position by \$1,101,332. This is mainly due to the decreases 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 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 non-major 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 2018 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	
	2018	2017	2018	2017	2018	2017
Assets:						
Current and other assets	35,372,399	37,291,395	5,683,048	4,876,446	41,055,447	42,167,841
Capital assets, net	51,652,397	51,718,555	42,435,478	44,272,028	94,087,875	95,990,583
Total Assets	87,024,796	89,009,950	48,118,526	49,148,474	135,143,322	138,158,424
Liabilities:						
Other liabilities	7,033,335	9,771,420	389,129	200,798	7,422,464	9,972,218
Long-term liabilities	23,574,218	24,438,850	5,321,767	5,438,714	28,895,985	29,877,564
Total Liabilities	30,607,553	34,210,270	5,710,896	5,639,512	36,318,449	39,849,782
Deferred Inflow of Resources:						
Deferred Inflow of Resources	8,155,151	8,095,519	-	-	8,155,151	8,095,519
Total Inflow of Resources	8,155,151	8,095,519	-	-	8,155,151	8,095,519
Net Position:						
Net investment in capital assets	28,037,057	27,225,322	38,618,720	40,270,100	66,655,777	67,495,422
Restricted	7,184,227	8,237,658	223,293	191,207	7,407,520	8,428,865
Unrestricted	13,040,808	11,241,181	3,565,617	3,047,655	16,606,425	14,288,836
Total Net Position	48,262,092	46,704,161	42,407,630	43,508,962	90,669,722	90,213,123

Government-wide Financial Analysis (continued)

Governmental activities increased \$1,557,931 and the business-type activities decreased \$1,101,332. Key elements of this increase were as follows:

- Net position as a result of governmental activities increased due to a decrease in transfers out for capital projects.
- Net position as a result of business-type activities decreased because of depreciation and amortization of capital assets.

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	3,131,395	2,832,844	3,981,710	3,421,822	7,113,105	6,254,666
Grants and contributions	12,785,777	16,087,728	769,315	573,162	13,555,092	16,660,890
General revenues:						
Sales taxes	2,686,347	2,397,243	45,702	41,787	2,732,049	2,439,030
Property taxes	9,391,518	9,084,312	-	-	9,391,518	9,084,312
Other taxes	2,853,005	2,600,804	-	-	2,853,005	2,600,804
Interest and other revenue	228,589	154,875	63,677	30,838	292,266	185,713
Total Revenues	31,076,631	33,157,806	4,860,404	4,067,609	35,937,035	37,225,415
Expenses:						
General government	8,776,127	9,796,897	-	-	8,776,127	9,796,897
Judicial	358,321	333,952	-	-	358,321	333,952
Public safety	3,629,491	3,633,707	-	-	3,629,491	3,633,707
Health and welfare	7,185,943	5,812,735	-	-	7,185,943	5,812,735
Auxiliary services	268,515	277,083	-	-	268,515	277,083
Culture and recreation	795,252	338,245	-	-	795,252	338,245
Public works	7,367,449	6,291,045	-	-	7,367,449	6,291,045
Interest on long-term debt	1,351,390	1,319,187	-	-	1,351,390	1,319,187
Airport operations	-	-	3,051,974	2,730,511	3,051,974	2,730,511
Sewer	-	-	754,234	618,047	754,234	618,047
Water	-	-	671,923	659,304	671,923	659,304
Landfill	-	-	972,869	1,046,274	972,869	1,046,274
Housing	-	-	296,948	288,374	296,948	288,374
Total Expenses	29,732,488	27,802,851	5,747,948	5,342,510	35,480,436	33,145,361
Change in Net Position before Transfers	1,344,143	5,354,955	(887,544)	(1,274,901)	456,599	4,080,054
Transfers	213,788	(5,440,126)	(213,788)	5,440,126	-	-
	<u>213,788</u>	<u>(5,440,126)</u>	<u>(213,788)</u>	<u>5,440,126</u>	<u>-</u>	<u>-</u>
Change in Net Position	1,557,931	(85,171)	(1,101,332)	4,165,225	456,599	4,080,054
Net Position - Beginning	46,704,161	46,789,332	43,508,962	39,343,737	90,213,123	86,133,069
Net Position - Ending	48,262,092	46,704,161	42,407,630	43,508,962	90,669,722	90,213,123

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 County's available resources for 2018 is charted below:

	<u>Beginning Available Resources</u>	<u>Increase (Decrease)</u>	<u>Ending Available Resources</u>	<u>2018 Expenditures</u>	<u>% of EAR to Expenditures</u>
Governmental Funds:					
General Fund	6,135,619	28,493	6,164,112	14,809,232	42%
Road & Bridge	2,209,043	15,646	2,224,689	5,517,591	40%
Human Services Fund	566,529	(384,200)	182,329	4,383,739	4%
Sales Tax Fund	1,109,695	(108,986)	1,000,709	2,361,868	42%
Airport Construction Fund	1,260	291,108	292,368	699,084	42%
Capital Expenditures Fund	2,333,450	(254,521)	2,078,929	1,513,749	137%
Non-Major Funds	3,117,629	1,202,315	4,319,944	5,653,081	76%
Business Type Funds:					
Airport Operations Fund	1,399,082	106,876	1,505,958	1,330,436	113%
Sewer Fund	1,205,221	113,583	1,318,804	647,813	204%
Water Fund	602,370	(19,772)	582,598	400,710	145%
Solid Waste Fund	1,174,212	427,655	1,601,867	950,300	169%
Assisted Living Fund	3,051	-	3,051	36,488	8%
Mountain View Fund	102,723	(38,992)	63,731	273,981	23%
Internal Service Funds:					
ISF I Fund	2,453,340	(181,868)	2,271,472	2,326,674	98%
ISF II Fund	729,560	37,803	767,363	800,305	96%
ISF III Fund	2,083,170	56,246	2,139,416	2,639,265	81%
	<u>25,225,954</u>	<u>1,291,386</u>	<u>26,517,340</u>	<u>44,344,316</u>	60%

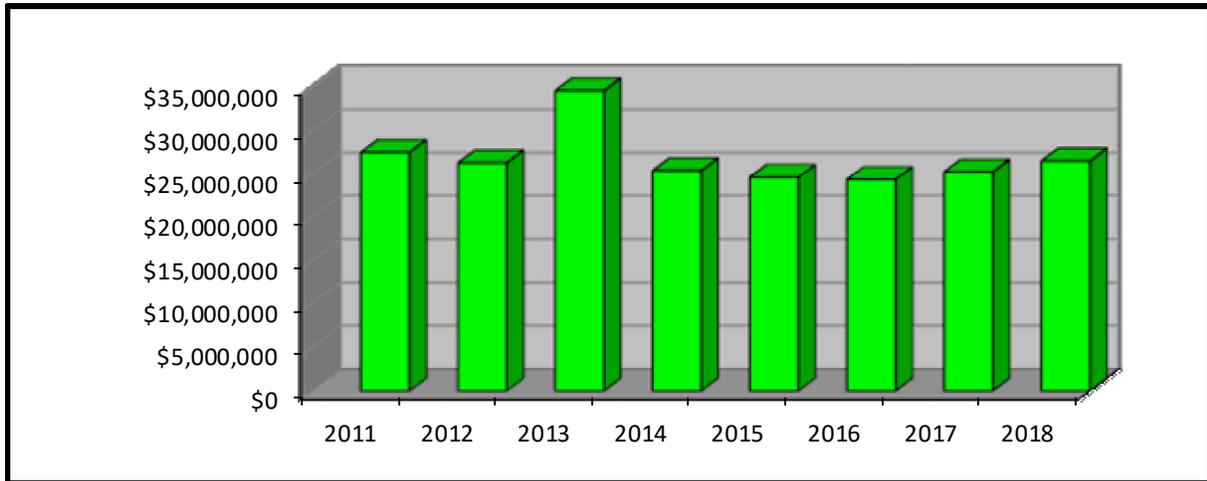
Governmental Funds: The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balances may serve as a useful measure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

As of the end of the current fiscal year, the County's governmental funds increased \$789,855. This was primarily due to increases in the Airport Construction Fund and non-major governmental funds, and was offset by a decrease in the Human Services Fund, Sales Tax Capital Improvement Fund and Capital Expenditure Fund.

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 \$1,101,332.

Budget Variances in the General Fund: The General Fund budget was amended during the year by \$1,679,262. Actual expenditures were \$2,518,786 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 \$30,277,610. 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 2018 totaled \$6,164,112. The 2019 budget anticipates decreasing this balance by \$1,275,008.

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, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Hospital
Assets:				
Cash and investments - Unrestricted	20,819,434	3,192,137	24,011,571	5,245,734
Cash and investments - Restricted	1,798,523	2,124,183	3,922,706	39,398,122
Due from other governments	1,510,027	6,179	1,516,206	-
Accounts, taxes, and other receivables	8,905,035	384,008	9,289,043	7,018,837
Prepaid expenses	458,219	15,225	473,444	1,364,242
Inventory	1,842,477	-	1,842,477	1,693,554
Internal balances	38,684	(38,684)	-	-
Goodwill, net	-	-	-	172,350
Capital Assets:				
Capital assets, not depreciated	2,329,491	11,510,338	13,839,829	-
Capital assets, net	49,322,906	30,925,141	80,248,047	43,123,265
Total Assets	87,024,796	48,118,527	135,143,323	98,016,104
Liabilities:				
Accounts payable	1,732,248	344,724	2,076,972	3,688,927
Accrued expenses	610,179	44,404	654,583	3,996,366
Deposits	246,750	-	246,750	-
Accrued interest	-	69,799	69,799	-
Unearned grant revenue	2,992,736	-	2,992,736	-
Non-current Liabilities:				
Due within one year:				
Accrued compensated absences	564,120	59,246	623,366	-
Leases	134,716	-	134,716	-
Bonds	-	52,922	52,922	1,030,000
Certificates of participation	730,000	-	730,000	-
Loans	22,586	64,211	86,797	-
Due in more than one year:				
Accrued compensated absences	846,180	88,869	935,049	-
Leases	146,173	-	146,173	-
Bonds	-	2,497,912	2,497,912	24,050,000
Certificates of participation	22,581,865	-	22,581,865	-
Landfill closure and postclosure costs	-	1,287,096	1,287,096	-
Loans	-	1,201,714	1,201,714	-
Total Liabilities	30,607,553	5,710,897	36,318,450	32,765,293
Deferred Inflows of Resources:				
Unavailable property tax revenue	8,155,151	-	8,155,151	-
Total Deferred Inflows of Resources	8,155,151	-	8,155,151	-
Net Position:				
Net investment in capital assets	28,037,057	38,618,720	66,655,777	20,066,271
Restricted for:				
Emergencies	773,000	-	773,000	-
Debt service	-	-	-	1,958,248
Other purposes	6,411,227	223,293	6,634,520	2,494,671
Unrestricted	13,040,808	3,565,617	16,606,425	40,731,621
Total Net Position	48,262,092	42,407,630	90,669,722	65,250,811

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

Gunnison County, Colorado
Statement of Activities
For the Year Ended December 31, 2018

	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 Government			Hospital
					Governmental Activities	Business-type Activities	Total	
Functions/Programs:								
Primary Government:								
Governmental Activities:								
General government	8,776,127	2,427,987	255,643	507,640	(5,584,857)		(5,584,857)	
Judicial	358,321	-	-	-	(358,321)		(358,321)	
Public safety	3,629,491	134,061	214,155	-	(3,281,275)		(3,281,275)	
Health and welfare	7,185,943	172,142	5,024,672	-	(1,989,129)		(1,989,129)	
Auxiliary services	268,515	50,494	-	-	(218,021)		(218,021)	
Culture and recreation	795,252	38,132	64,702	30,000	(662,418)		(662,418)	
Public works	7,367,449	308,579	4,637,383	824,892	(1,596,595)		(1,596,595)	
Interest on long-term debt	1,351,390	-	-	-	(1,351,390)		(1,351,390)	
Total Governmental Activities	<u>29,732,488</u>	<u>3,131,395</u>	<u>10,196,555</u>	<u>1,362,532</u>	<u>(15,042,006)</u>		<u>(15,042,006)</u>	
Business-type Activities:								
Airport	3,051,974	1,336,031	36,309	674,055		(1,005,579)	(1,005,579)	
Sewer	754,234	698,815	-	38,500		(16,919)	(16,919)	
Water	671,923	337,068	-	-		(334,855)	(334,855)	
Landfill	972,869	1,339,176	20,012	-		386,319	386,319	
Housing	296,948	270,620	439	-		(25,889)	(25,889)	
Total Business-type Activities	<u>5,747,948</u>	<u>3,981,710</u>	<u>56,760</u>	<u>712,555</u>		<u>(996,923)</u>	<u>(996,923)</u>	
Total Primary Government	<u><u>35,480,436</u></u>	<u><u>7,113,105</u></u>	<u><u>10,253,315</u></u>	<u><u>2,075,087</u></u>	<u><u>(15,042,006)</u></u>	<u><u>(996,923)</u></u>	<u><u>(16,038,929)</u></u>	
Component Unit:								
Hospital	<u>46,865,830</u>	<u>54,404,279</u>	<u>327,041</u>	<u>-</u>				<u>7,865,490</u>
General Revenues and Transfers:								
Taxes:								
Property taxes					9,391,518	-	9,391,518	748,902
Specific ownership taxes					699,734	-	699,734	-
Sales taxes					2,686,347	45,702	2,732,049	-
Marketing and promotion taxes					2,115,150	-	2,115,150	-
Other taxes					38,121	-	38,121	-
Investment earnings					228,589	63,677	292,266	433,075
Grants and contributions not restricted to specific programs					1,226,690	-	1,226,690	-
Transfers					213,788	(213,788)	-	-
Gain (loss) on asset disposals					-	-	-	43,600
Total General Revenues and Transfers					<u>16,599,937</u>	<u>(104,409)</u>	<u>16,495,528</u>	<u>1,225,577</u>
Change in Net Position					1,557,931	(1,101,332)	456,599	9,091,067
Net Position - Beginning of Year					46,704,161	43,508,962	90,213,123	56,159,744
Net Position - End of Year					<u>48,262,092</u>	<u>42,407,630</u>	<u>90,669,722</u>	<u>65,250,811</u>

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

FUND FINANCIAL STATEMENTS



**Gunnison County, Colorado
Governmental Funds
Balance Sheet
December 31, 2018**

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Human Services Fund</u>	<u>Sales Tax Capital Improvement Fund</u>	<u>Airport Construction Fund</u>	<u>Capital Expenditures Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:								
Cash and investments - Unrestricted	8,276,281	3,018,478	423,588	698,874	267,166	695,799	2,744,185	16,124,371
Cash and investments - Restricted	286,876	-	-	-	-	1,369,114	142,533	1,798,523
Accounts receivable	8,276,411	12,586	315,120	-	26,412	4,154	24,291	8,658,974
Prepaid expenses	381,293	-	-	-	-	-	33,953	415,246
Due from other governments	176,959	194,871	142,914	531,715	12,290	-	404,403	1,463,152
Due from other funds	275,553	-	-	-	-	9,862	221,056	506,471
Inventories and assets held for sale	-	-	-	-	-	-	1,233,713	1,233,713
Total Assets	<u>17,673,373</u>	<u>3,225,935</u>	<u>881,622</u>	<u>1,230,589</u>	<u>305,868</u>	<u>2,078,929</u>	<u>4,804,134</u>	<u>30,200,450</u>
Liabilities, Deferred Inflow of Resources, and Fund Balances:								
Liabilities:								
Accounts payable	864,307	530,096	-	229,880	13,500	-	16,369	1,654,152
Accrued liabilities	399,756	56,080	3,154	-	-	-	6,173	465,163
Deposits	1,952,126	240,356	-	-	-	-	-	2,192,482
Unearned grant revenue	137,921	-	538,549	-	-	-	335,530	1,012,000
Due to other funds	-	174,714	157,590	-	-	-	126,118	458,422
Total Liabilities	<u>3,354,110</u>	<u>1,001,246</u>	<u>699,293</u>	<u>229,880</u>	<u>13,500</u>	<u>-</u>	<u>484,190</u>	<u>5,782,219</u>
Deferred Inflow of Resources:								
Unavailable property tax revenue	8,155,151	-	-	-	-	-	-	8,155,151
Total Deferred Inflow of Resources	<u>8,155,151</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,155,151</u>
Fund Balances:								
Non-spendable	381,293	-	-	-	-	-	1,267,666	1,648,959
Spendable:								
Restricted	773,000	2,224,689	182,329	1,000,709	-	-	2,230,500	6,411,227
Committed	286,876	-	-	-	-	-	834,950	1,121,826
Assigned	-	-	-	-	292,368	2,078,929	-	2,371,297
Unassigned	4,722,943	-	-	-	-	-	(13,172)	4,709,771
Total Fund Balances	<u>6,164,112</u>	<u>2,224,689</u>	<u>182,329</u>	<u>1,000,709</u>	<u>292,368</u>	<u>2,078,929</u>	<u>4,319,944</u>	<u>16,263,080</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	<u>17,673,373</u>	<u>3,225,935</u>	<u>881,622</u>	<u>1,230,589</u>	<u>305,868</u>	<u>2,078,929</u>	<u>4,804,134</u>	<u>30,200,450</u>

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

Gunnison County, Colorado
Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2018

Total Governmental Fund Balances 16,263,080

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

Long-term assets are not available to pay current expenditures. This amount represents the long-term receivable with the Gunnison County Housing Authority.

100,000

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	92,072,449	
Less accumulated depreciation	<u>(40,420,053)</u>	51,652,396

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.

5,272,256

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	(1,410,300)	
Certificates of Participation	(23,311,865)	
Leases	(280,889)	
Loans	<u>(22,586)</u>	<u>(25,025,640)</u>

Net Position of Governmental Activities 48,262,092

Gunnison County, Colorado
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
December 31, 2018

	<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	9,490,358	244,907	313,373	2,229,963	-	-	2,652,084	14,930,685
Licenses and permits	747,981	-	-	-	-	-	-	747,981
Intergovernmental	1,427,590	5,001,782	3,655,898	-	824,891	507,640	959,449	12,377,250
Charges for services	1,663,312	114,187	-	-	128,575	-	140,687	2,046,761
Fines and forfeitures	-	17	-	3,826	-	-	13,451	17,294
Investment income	109,730	38,505	6,906	9,597	2,899	23,182	32,850	223,669
Contributions	121,703	-	6,390	-	-	-	78,969	207,062
Miscellaneous	162,524	63,953	16,973	9,496	-	-	176,220	429,166
Total Revenues	<u>13,723,198</u>	<u>5,463,351</u>	<u>3,999,540</u>	<u>2,252,882</u>	<u>956,365</u>	<u>530,822</u>	<u>4,053,710</u>	<u>30,979,868</u>
Expenditures:								
General government	7,740,550	-	-	194,127	-	142,670	2,013,741	10,091,088
Judicial	358,321	-	-	-	-	-	-	358,321
Public safety	3,418,319	-	-	-	-	-	-	3,418,319
Health and welfare	728,582	-	3,886,159	-	-	1,371,079	1,135,003	7,120,823
Auxiliary services	268,570	-	-	-	-	-	-	268,570
Culture and recreation	346,026	-	-	-	-	-	508,442	854,468
Public works	227,722	5,245,268	-	-	675,455	-	-	6,148,445
Debt service	-	-	-	141,598	23,629	-	1,995,895	2,161,122
Total Expenditures	<u>13,088,090</u>	<u>5,245,268</u>	<u>3,886,159</u>	<u>335,725</u>	<u>699,084</u>	<u>1,513,749</u>	<u>5,653,081</u>	<u>30,421,156</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>635,108</u>	<u>218,083</u>	<u>113,381</u>	<u>1,917,157</u>	<u>257,281</u>	<u>(982,927)</u>	<u>(1,599,371)</u>	<u>558,712</u>
Other Financing Sources (Uses):								
Transfers in	1,114,526	69,887	-	-	33,827	728,406	3,094,191	5,040,837
Transfers (out)	<u>(1,721,141)</u>	<u>(272,324)</u>	<u>(497,581)</u>	<u>(2,026,143)</u>	<u>-</u>	<u>-</u>	<u>(292,505)</u>	<u>(4,809,694)</u>
Total Other Financing Sources (Uses)	<u>(606,615)</u>	<u>(202,437)</u>	<u>(497,581)</u>	<u>(2,026,143)</u>	<u>33,827</u>	<u>728,406</u>	<u>2,801,686</u>	<u>231,143</u>
Net Change in Fund Balances	28,493	15,646	(384,200)	(108,986)	291,108	(254,521)	1,202,315	789,855
Fund Balances - Beginning of Year	<u>6,135,619</u>	<u>2,209,043</u>	<u>566,529</u>	<u>1,109,695</u>	<u>1,260</u>	<u>2,333,450</u>	<u>3,117,629</u>	<u>15,473,225</u>
Fund Balances - End of Year	<u><u>6,164,112</u></u>	<u><u>2,224,689</u></u>	<u><u>182,329</u></u>	<u><u>1,000,709</u></u>	<u><u>292,368</u></u>	<u><u>2,078,929</u></u>	<u><u>4,319,944</u></u>	<u><u>16,263,080</u></u>

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

Gunnison County
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2018

Net Changes In Fund Balances - Total Governmental Funds 789,855

**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:

	(2,564,396)	
Depreciation expense		
Capital outlay	2,464,154	(100,242)

Revenues that do not provide current financial resources are recognized in the government-wide financial statements. This amount represents that change in long-term receivables not available as current financial resources. 100,000

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. (53,737)

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 16,564

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 861,329

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.

	1,316,295	
Liability at December 31, 2018		
Liability at December 31, 2017	1,260,457	(55,838)

Change in Net Position of Governmental Activities 1,557,931

Gunnison County, Colorado
Proprietary Funds
Statement of Net Position
December 31, 2018

	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	873,763	1,849,785	5,842	377,985	3,051	81,711	3,192,137	4,695,063
Cash and investments - Restricted	670,816	96,160	57,088	1,230,074	-	70,045	2,124,183	-
Accounts receivable, net of allowance for uncollectible accounts where applicable	225,557	50,538	40,290	67,623	-	-	384,008	145,953
Due from other governments	6,179	-	-	-	-	-	6,179	46,982
Prepaid expenses	13,765	321	445	695	-	-	15,226	42,973
Due from other funds	-	-	568,884	-	-	-	568,884	194,300
Inventory, at cost	-	-	-	-	-	-	-	608,763
Total Current Assets	<u>1,790,080</u>	<u>1,996,804</u>	<u>672,549</u>	<u>1,676,377</u>	<u>3,051</u>	<u>151,756</u>	<u>6,290,617</u>	<u>5,734,034</u>
Non-current Assets:								
Construction-in-progress	178,221	-	-	-	-	-	178,221	-
Land, property and equipment	59,303,907	7,373,932	10,200,661	837,433	2,037,513	1,875,269	81,628,715	21,027,221
Less accumulated depreciation	(25,128,220)	(4,168,320)	(7,622,914)	(328,862)	(656,583)	(1,466,559)	(39,371,458)	(12,381,271)
Total Non-current Assets	<u>34,353,908</u>	<u>3,205,612</u>	<u>2,577,747</u>	<u>508,571</u>	<u>1,380,930</u>	<u>408,710</u>	<u>42,435,478</u>	<u>8,645,950</u>
Total Assets	<u>36,143,988</u>	<u>5,202,416</u>	<u>3,250,296</u>	<u>2,184,948</u>	<u>1,383,981</u>	<u>560,466</u>	<u>48,726,095</u>	<u>14,379,984</u>
Liabilities:								
Current Liabilities:								
Accounts payable	151,029	98,628	74,143	18,492	-	2,431	344,723	78,880
Accrued liabilities	6,497	9,922	5,984	12,558	-	79,242	114,203	179,233
Due to other funds	20,678	569,450	-	11,088	-	6,352	607,568	203,665
Debt obligations, due within one year	-	50,411	27,120	-	23,386	16,216	117,133	-
Total Current Liabilities	<u>178,204</u>	<u>728,411</u>	<u>107,247</u>	<u>42,138</u>	<u>23,386</u>	<u>104,241</u>	<u>1,183,627</u>	<u>461,778</u>
Non-current Liabilities:								
Accrued compensated absences	105,918	-	9,824	32,372	-	-	148,114	94,005
Loans	-	-	25,720	-	305,410	870,583	1,201,713	-
Revenues bonds	-	1,466,134	1,031,778	-	-	-	2,497,912	-
Landfill closure and postclosure costs	-	-	-	1,287,096	-	-	1,287,096	-
Total Non-current Liabilities	<u>105,918</u>	<u>1,466,134</u>	<u>1,067,322</u>	<u>1,319,468</u>	<u>305,410</u>	<u>870,583</u>	<u>5,134,835</u>	<u>94,005</u>
Total Liabilities	<u>284,122</u>	<u>2,194,545</u>	<u>1,174,569</u>	<u>1,361,606</u>	<u>328,796</u>	<u>974,824</u>	<u>6,318,462</u>	<u>555,783</u>
Net Position:								
Net investment in capital assets	34,353,908	1,689,067	1,493,129	508,571	1,052,134	(478,089)	38,618,720	8,645,950
Restricted	-	96,160	57,088	-	-	70,045	223,293	651,736
Unrestricted	1,505,958	1,222,644	525,510	314,771	3,051	(6,314)	3,565,620	4,526,515
Total Net Position	<u>35,859,866</u>	<u>3,007,871</u>	<u>2,075,727</u>	<u>823,342</u>	<u>1,055,185</u>	<u>(414,358)</u>	<u>42,407,633</u>	<u>13,824,201</u>

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

Gunnison County, Colorado
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended December 31, 2018

	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	933,737	-	-	-	36,488	230,755	1,200,980	1,702,504
Other	48,434	5,283	1,919	158,472	-	3,816	217,924	247,231
Charges and fees	353,680	693,532	335,149	1,200,715	-	-	2,583,076	3,400,457
Total Operating Revenues	1,335,851	698,815	337,068	1,359,187	36,488	234,571	4,001,980	5,350,192
Operating Expenses:								
Operations and maintenance	981,333	448,422	168,589	920,244	-	159,206	2,677,794	4,651,960
Administration	220,772	-	86,668	-	-	-	307,440	212,444
Depreciation and amortization	1,849,689	239,823	392,245	52,624	38,062	58,371	2,630,814	708,032
Total Operating Expenses	3,051,794	688,245	647,502	972,868	38,062	217,577	5,616,048	5,572,436
Operating Income (Loss)	(1,715,943)	10,570	(310,434)	386,319	(1,574)	16,994	(1,614,068)	(222,244)
Non-operating Revenues (Expenses):								
Gain (loss) on disposal of capital assets	-	-	-	-	-	-	-	53,353
Grant revenue	36,309	-	-	-	-	-	36,309	75,575
Sales tax	45,702	-	-	-	-	-	45,702	-
Investment revenue	19,270	24,082	1,141	18,766	-	419	63,678	56,934
Interest expense	-	(65,989)	(24,421)	-	(14,306)	(27,004)	(131,720)	-
Total Non-operating Revenues (Expenses)	101,281	(41,907)	(23,280)	18,766	(14,306)	(26,585)	13,969	185,862
Income (Loss) Before Contributions and Transfers	(1,614,662)	(31,337)	(333,714)	405,085	(15,880)	(9,591)	(1,600,099)	(36,382)
Capital Contributions	674,055	38,500	-	-	-	-	712,555	-
Transfers In	-	-	42,729	-	-	-	42,729	137,696
Transfers (Out)	(103,151)	(64,988)	(22,871)	(65,507)	-	-	(256,517)	(155,051)
Change in Net Position	(1,043,758)	(57,825)	(313,856)	339,578	(15,880)	(9,591)	(1,101,332)	(53,737)
Total Net Position - Beginning of Year	36,903,624	3,065,696	2,389,583	483,764	1,071,065	(404,767)	43,508,965	13,877,938
Total Net Position - End of Year	35,859,866	3,007,871	2,075,727	823,342	1,055,185	(414,358)	42,407,633	13,824,201

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, 2018

	Business-type Activities - Enterprise Funds						Governmental	
	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	Internal Service Funds	
						Totals		
Cash Flows from Operating Activities:								
Cash received from charges for services	1,153,519	678,754	341,255	1,260,190	36,488	230,755	3,700,961	5,076,762
Cash received from other sources	48,434	5,283	1,919	158,472	-	3,816	217,924	247,231
Cash payments to vendors for goods and services	(293,029)	(363,399)	(41,118)	(478,626)	-	(158,860)	(1,335,032)	(5,078,054)
Cash payments to employees for services	(815,040)	(57,620)	(135,675)	(384,518)	-	-	(1,392,853)	9,553
Net Cash Provided (Used) by Operating Activities	93,884	263,018	166,381	555,518	36,488	75,711	1,191,000	255,492
Cash Flows from Non-capital Financing Activities:								
Taxes	45,702	-	-	-	-	-	45,702	-
Transfers from other funds	-	287,143	-	-	-	1,354	288,497	162,541
Transfers (to) other funds	(105,984)	-	(335,403)	(66,896)	-	-	(508,283)	(10,023)
Net Cash Provided (Used) by Non-capital Financing Activities	(60,282)	287,143	(335,403)	(66,896)	-	1,354	(174,084)	152,518
Cash Flows from Capital and Related Financing Activities:								
Capital grants	36,309	-	-	-	-	-	36,309	75,575
Capital contributions	674,055	38,500	-	-	-	-	712,555	-
Interest paid on debt	-	(65,989)	(24,421)	-	(14,306)	(27,004)	(131,720)	-
Principal paid on loans and leases	-	(48,800)	(26,415)	-	(22,182)	(87,772)	(185,169)	-
Purchase of capital assets	(699,055)	(19,614)	(71,746)	(3,849)	-	-	(794,264)	(746,789)
Cash from sale of assets	-	-	-	-	-	-	-	58,025
Net Cash Provided (Used) by Capital and Related Financing Activities	11,309	(95,903)	(122,582)	(3,849)	(36,488)	(114,776)	(362,289)	(613,189)
Cash Flows from Investing Activities:								
Cash from investment income	19,270	24,082	1,141	18,766	-	419	63,678	56,934
Net Cash Provided (Used) by Investing Activities	19,270	24,082	1,141	18,766	-	419	63,678	56,934
Net Increase (Decrease) in Cash	64,181	478,340	(290,463)	503,539	-	(37,292)	718,305	(148,245)
Cash - Beginning of Year	1,480,398	1,467,605	353,393	1,104,520	3,051	189,048	4,598,015	4,843,308
Cash - End of Year	1,544,579	1,945,945	62,930	1,608,059	3,051	151,756	5,316,320	4,695,063
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:								
Operating income (loss)	(1,715,943)	10,570	(310,434)	386,319	(1,574)	16,994	(1,614,068)	(222,244)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation and amortization	1,849,689	239,823	392,245	52,624	38,062	58,371	2,630,814	708,032
Changes in assets and liabilities:								
(Increase) decrease in accounts receivable	(133,900)	(14,778)	6,106	59,475	-	-	(83,097)	(26,197)
(Increase) decrease in prepaid expenses	1,267	(198)	(445)	172	-	-	796	(30,157)
(Increase) decrease in inventory	-	-	-	-	-	-	-	(92,627)
Increase (decrease) in accounts payable	69,638	27,533	71,896	(2,210)	-	(4,956)	161,901	(101,950)
Increase (decrease) in accrued liabilities	6,497	68	4,512	51,859	-	5,302	68,238	11,082
Increase (decrease) in compensated absences	16,636	-	2,501	7,279	-	-	26,416	9,553
Net Cash Provided (Used) by Operating Activities	93,884	263,018	166,381	555,518	36,488	75,711	1,191,000	255,492

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

Gunnison County, Colorado
Fiduciary Funds
Statement of Assets and Liabilities
December 31, 2018

	<u>County Treasurer Agency Fund</u>	<u>Public Trustee Agency Fund</u>
Assets:		
Cash	30,465,699	34,769
Less: cash held for County funds	<u>(26,325,204)</u>	<u>-</u>
Total Assets	<u><u>4,140,495</u></u>	<u><u>34,769</u></u>
 Liabilities:		
Due to other governments and agencies	4,140,495	-
Due to (from) governmental funds	-	(3,448)
Held by Trustee	<u>-</u>	<u>38,217</u>
Total Liabilities	<u><u>4,140,495</u></u>	<u><u>34,769</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, 2018

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

In 2003, the County's electorate approved the creation of the Gunnison River Valley Local Marketing District (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, 2018
(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, 2018
(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, 2018
(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, 2018
(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, 2018
(continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts

1. Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within 3 months of the acquisition date.

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

Investments are stated at fair value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

The County follows Colorado statutes specifying specific investment instruments meeting defined rating criteria in which local governments may invest, which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Banker's acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market mutual funds
- Guaranteed investment contract
- Local government investment pools

2. Receivables

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

3. 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.

4. 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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2018
(continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

5. 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.

6. Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond December 31, 2018 are recorded as prepaid expenses.

7. 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.

8. 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, 2018
(continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

9. 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.

10. 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.

11. Bond Premiums and Discounts

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.

12. 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, 2018
(continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

12. 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.

13. 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.

14. 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, 2018
(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

As previously noted, 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, 2018
(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 2017 were collected in 2018 and taxes certified in 2018 will be collected in 2019. 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 2018 budget, prior to August 25, 2017, 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, 2018
(continued)

III. Stewardship, Compliance, and Accountability (continued)

B. Budgetary Information (continued)

Supplemental appropriations for the County during 2018 resulted in the budget amendments as follows:

	<u>Original Budget</u>	<u>Budget Amendments</u>	<u>Final Budget</u>
General Fund	14,692,788	1,679,262	16,372,050
Road & Bridge	6,335,359	4,325	6,339,684
Human Services	4,578,489	1,724	4,580,213
Sales Tax Capital Improvement	2,347,578	159,969	2,507,547
Airport Construction	700,206	1,414,464	2,114,670
Capital Expenditures	1,177,164	353,307	1,530,471
Public Health	1,096,294	(3,152)	1,093,142
Housing Authority Administration	71,083	2,102,947	2,174,030
Gunnison Valley Local Marketing District	1,981,078	55,000	2,036,078
Sewer	700,320	21,500	721,820
Solid Waste	1,010,196	48,136	1,058,332
ISF-I	2,741,120	91,693	2,832,813
ISF-III	2,764,756	186,784	2,951,540
	<u>44,192,783</u>	<u>6,115,959</u>	<u>50,308,742</u>

C. Possible Violations of State Statutes - Budgets

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

	<u>Final Budget</u>	<u>Actual</u>	<u>(Over) Budget</u>
Sage Grouse	45,000	48,681	(3,681)
Mountain View	178,038	273,981	(95,943)

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, 2018
(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 \$773,000.

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, 2018 of \$414,358.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2018
(continued)

IV. Detailed Notes on All Funds

A. Deposits and Investments

The County's 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:

	Carrying Amounts	Less than one year	Less than five years
<i>Deposits:</i>			
Cash on hand	76,807	76,807	-
Checking	2,868,167	2,868,167	-
Savings	2,370,869	2,370,869	-
Certificates of deposit	11,623,117	3,862,428	7,760,689
<i>Investments:</i>			
Pools	1,872,604	1,872,604	-
Agencies - FHLB	2,757,325	533,412	2,223,913
Agencies - FFCB	2,211,034	-	2,211,034
Agencies - FHLMC	4,963,548	494,705	4,468,843
Agencies - FNMA	1,370,850	396,080	974,770
Treasuries	483,320	-	483,320
Deposits held by Trustee	1,511,900	1,511,900	-
Total	32,109,541	13,986,972	18,122,569
 <i>Reconciliation to Statement of Net Position:</i>			
Cash and cash equivalents - Unrestricted		24,011,571	
Cash and cash equivalents - Restricted		3,922,706	
Fiduciary Funds		4,175,264	
Total		32,109,541	

The Investment Pool represents investments in COLOTRUST and CSAFE which are 2a7-like pools. 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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2018
(continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

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

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

Restricted Cash and Investments. At December 31, 2018, the County had restricted the following cash and investments:

<u>Purpose</u>	<u>Total</u>	<u>Fund</u>
Water Resource Protection	89,752	General
Workforce Impact Fees	197,055	General
Courthouse Renovation	69	General
2010 Certificates of Participation - Interest Subsidy	142,533	Debt Service
2010 Certificates of Participation - Bond Reserve Fund	1,369,114	Capital Expend.
Terminal Construction	670,816	Airport Operations
2005 & 2006 N. Gunnison Revenue Bonds - Bond Reserve Funds	96,160	Sewer
2013 Antelope Hills - Bond Reserve Fund	57,088	Water
Landfill Closure and Post-closure	1,230,074	Solid Waste
Replacement Reserve	55,513	Mountain View
Security Deposits	14,532	Mountain View
	<u>3,922,706</u>	

Fair Value of Investments

The County measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2018
(continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Fair Value of Investments (continued)

At December 31, 2018, the County had the following recurring fair value measurements:

Investments Measured at Fair Value	Total	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Debt Securities:				
U.S. Treasury	483,320	483,320	-	-
U.S. Agencies	11,302,757	11,302,757	-	-
Negotiable certificates of deposit	11,623,117	-	11,623,117	-
Total	<u>23,409,194</u>	<u>11,786,077</u>	<u>11,623,117</u>	<u>-</u>

Investments Measured at Net Asset Value	Total
Investment Pools:	
Colotrust Plus	988,680
Total	<u>988,680</u>

Investments Measured at Amortized Cost	Total
Investment Pools:	
C-Safe	883,924
Total	<u>883,924</u>

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Negotiable certificates of deposits and money market funds in Level 2 are valued using the following approaches:

- Negotiable Certificates of Deposit: matrix pricing based on the certificate of deposit's relationship to benchmark quoted prices;
- Money Market Funds: published fair value per share (unit) for each fund.

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

At December 31, 2018, the Gunnison Valley Hospital and Gunnison Health Care Center's cash deposits had a bank balance of \$6,654,728.

Gunnison Valley Hospital and Gunnison Health Care Center's may legally invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. agencies and instrumentalities and in-bank repurchase agreements. It may also invest to a limited extent in corporate bonds and equity securities.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2018
(continued)

IV. Detailed Notes on All Funds (continued)

B. Component Unit - Gunnison Valley Hospital and Gunnison Health Care Center
Deposits and Investments (continued)

At December 31, 2018, the Gunnison Valley Hospital and Gunnison Health Care Center had the following investments and maturities:

	Carrying Amounts	Less than one year	1 - 5 years
<i>Deposits</i>	5,386,043	5,386,043	-
<i>Investments:</i>			
Cash and cash equivalents	8,202	8,202	-
Money markets	21,355,910	21,355,910	-
Mutual funds	200,429	200,429	-
Certificates of deposit	78,605	78,605	-
Municipal bonds	2,646,468	191,773	2,454,695
Corporate bonds	12,236,485	7,763,005	4,473,480
Equities	1,518,762	1,518,762	-
Government fixed income	1,212,952	-	1,212,952
Total	44,643,856	36,502,729	8,141,127

Reconciliation to Statement of Net Position:

Cash and cash equivalents - Unrestricted	5,245,734
Cash and cash equivalents - Restricted	39,398,122
Total	44,643,856

At December 31, 2018, the Gunnison Valley Hospital and Gunnison Health Care Center had the following recurring fair value measurements:

Investments Measured at Fair Value	Total	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Mutual funds	200,429	200,429	-	-
Municipal bonds	2,646,468	-	2,646,468	-
Corporate bonds	12,236,485	-	12,236,485	-
Equities	1,518,762	1,518,762	-	-
Government fixed income	1,212,952	1,212,952	-	-
Total	17,815,096	2,731,714	14,882,953	-

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2018
(continued)

IV. Detailed Notes on All Funds (continued)

C. Receivables

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

	General	Road & Bridge	Human Services	Sales Tax Capital Improvement
Receivables:				
Taxes	8,155,151	-	315,120	-
Accounts	95,367	1,864	-	-
Other	25,893	10,722	-	-
Intergovernmental	176,959	194,871	142,914	531,715
Allowance for doubtful accts	-	-	-	-
Total receivables	8,453,370	207,457	458,034	531,715
	Airport Construction	Capital Expenditures	Non-major Governmental	Total
Receivables:				
Taxes	-	-	-	8,470,271
Accounts	-	4,154	15,349	116,734
Other	26,412	-	8,942	71,969
Intergovernmental	12,290	-	404,403	1,463,152
Allowance for doubtful accts	-	-	-	-
Total receivables	38,702	4,154	428,694	10,122,126
	Airport Operations	Sewer	Water	Landfill Operations
Receivables:				
Accounts	125,750	50,538	-	67,623
Other	99,807	-	40,290	-
Intergovernmental	6,179	-	-	-
Allowance for doubtful accts	-	-	-	-
Total receivables	231,736	50,538	40,290	67,623
	Assisted Living	Mountain View	Internal Service Funds	Total
Receivables:				
Accounts	-	-	143,713	387,624
Other	-	-	2,240	142,337
Intergovernmental	-	-	46,982	53,161
Allowance for doubtful accts	-	-	-	-
Total receivables	-	-	192,935	583,122

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 2018 but not available until 2019. 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, 2018
(continued)

IV. Detailed Notes on All Funds (continued)

D. Capital Assets

Capital asset activity for the year ended December 31, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	1,433,072	54,877	-	1,487,949
Construction in progress	623,521	2,313,474	(2,095,453)	841,542
Total capital assets, not being depreciated	<u>2,056,593</u>	<u>2,368,351</u>	<u>(2,095,453)</u>	<u>2,329,491</u>
Capital assets, being depreciated:				
Infrastructure	24,188,819	-	-	24,188,819
Improvements	1,534,755	17,274	-	1,552,029
Buildings	46,377,411	1,989,506	(30,640)	48,336,277
Equipment	15,052,633	961,906	(348,704)	15,665,835
Total capital assets being depreciated	<u>87,153,618</u>	<u>2,968,686</u>	<u>(379,344)</u>	<u>89,742,960</u>
Less accumulated depreciation for:				
Infrastructure	(16,321,205)	(1,330,216)	-	(17,651,421)
Improvements	(799,195)	(84,157)	-	(883,352)
Buildings	(8,101,900)	(1,196,145)	-	(9,298,045)
Equipment	(12,269,356)	(661,911)	344,031	(12,587,236)
Total accumulated depreciation	<u>(37,491,656)</u>	<u>(3,272,429)</u>	<u>344,031</u>	<u>(40,420,054)</u>
Total capital assets being depreciated, net	<u>49,661,962</u>	<u>(303,743)</u>	<u>(35,313)</u>	<u>49,322,906</u>
Governmental activities capital assets, net	<u><u>51,718,555</u></u>	<u><u>2,064,608</u></u>	<u><u>(2,130,766)</u></u>	<u><u>51,652,397</u></u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	11,332,117	-	-	11,332,117
Construction in progress	7,075,938	133,416	(7,031,133)	178,221
Total capital assets not being depreciated	<u>18,408,055</u>	<u>133,416</u>	<u>(7,031,133)</u>	<u>11,510,338</u>
Capital assets, being depreciated:				
Improvements	30,918,920	7,031,133	-	37,950,053
Buildings	10,698,406	-	-	10,698,406
Utility treatment transmission systems	16,818,433	4,000	-	16,822,433
Equipment	4,168,866	656,849	-	4,825,715
Total capital assets being depreciated	<u>62,604,625</u>	<u>7,691,982</u>	<u>-</u>	<u>70,296,607</u>
Less accumulated depreciation for:				
Improvements	(17,262,274)	(1,507,793)	-	(18,770,067)
Buildings	(5,624,839)	(282,821)	-	(5,907,660)
Utility treatment transmission systems	(10,737,667)	(608,069)	-	(11,345,736)
Equipment	(3,115,872)	(232,131)	-	(3,348,003)
Total accumulated depreciation	<u>(36,740,652)</u>	<u>(2,630,814)</u>	<u>-</u>	<u>(39,371,466)</u>
Total capital assets being depreciated, net	<u>25,863,973</u>	<u>5,061,168</u>	<u>-</u>	<u>30,925,141</u>
Business-type activities capital assets, net	<u><u>44,272,028</u></u>	<u><u>5,194,584</u></u>	<u><u>(7,031,133)</u></u>	<u><u>42,435,479</u></u>

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2018
(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	770,971
Public safety	353,780
Health and welfare	93,565
Culture and recreation	75,904
Public works	1,978,209
Total Governmental Activities	3,272,429

Business-type Activities:

Airport	1,849,689
Sewer	239,823
Water	392,245
Landfill	52,624
Housing	96,433
Total Business-type Activities	2,630,814

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

Capital assets consist of the following at December 31, 2018:

	Beginning Balance	Additions	Deletions	Ending Balance
Land and improvements	1,611,394	1,614,145	-	3,225,539
Building leasehold improvements	24,320,700	18,944,008	-	43,264,708
Equipment	15,979,699	2,791,933	-	18,771,632
Construction in progress	6,422,741	18,159,726	(22,659,619)	1,922,848
Total property and equipment	48,334,534	41,509,812	(22,659,619)	67,184,727
Less: accumulated depreciation	(22,216,195)	(1,845,267)	-	(24,061,462)
Capital assets, net	26,118,339	39,664,545	(22,659,619)	43,123,265

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, 2018
(continued)

IV. Detailed Notes on All Funds (continued)

F. Interfund Transfers, Receivables, and Payables

Interfund balances at December 31, 2018, 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, 2018. 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	275,554	-	1,114,526	(1,721,141)
Road and Bridge Fund	-	174,714	69,887	(272,324)
Human Services Fund	-	157,590	-	(497,581)
Sales Tax Capital Improvements Fund	-	-	-	(2,026,143)
Airport Construction	-	-	33,827	-
Capital Expenditures	9,861	-	728,406	-
Non-major Governmental Funds	221,056	126,118	3,094,191	(292,505)
Airport Operations	-	20,678	-	(103,151)
Sewer Fund	-	569,450	-	(64,988)
Water Fund	568,884	-	42,729	(22,871)
Landfill operations	-	11,088	-	(65,507)
Mountain View	-	6,352	-	-
Internal Service Funds	194,300	203,665	137,696	(155,051)
	<u>1,269,655</u>	<u>1,269,655</u>	<u>5,221,262</u>	<u>(5,221,262)</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, 2018
(continued)

IV. Detailed Notes on All Funds (continued)

H. Long-term Liabilities – Governmental Activities

1. 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.

2. 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.

3. 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, 2018, the County recognized revenue of \$287,216 related to this subsidy.

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 \$142,303 at December 31, 2018

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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2018
(continued)

IV. Detailed Notes on All Funds (continued)

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

4. 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.

5. 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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2018
(continued)

IV. Detailed Notes on All Funds (continued)

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

2. 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.

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 \$57,088 at December 31, 2018.

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.

3. 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.

4. 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.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2018
(continued)

IV. Detailed Notes on All Funds (continued)

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

4. 2005 & 2006 Sewer Refunding and Improvement Revenue Bonds (U.S.D.A) (continued)

These bonds are secured by a Reserve Fund. In accordance with bond agreement, the County has restricted cash of \$96,160 at December 31, 2018.

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.

5. 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 \$367,838 at December 31, 2018.

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 \$140,098 at December 31, 2018. 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 \$378,864 at December 31, 2018.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2018
(continued)

IV. Detailed Notes on All Funds (continued)

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

6. 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 56% to date of the currently developed cell's capacity and has 75 years left on its currently developed cells. Additional cells will be opened as needed. The landfill liability recorded at year end is \$1,287,096. The estimated total current cost of closure and post-closure care remaining to be recognized is \$1,014,376. 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, 2018. 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. The remaining portion of anticipated future inflation costs and additional costs that might arise from changes in post-closure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both.

J. Long-term Liabilities - Compensated Absences

The County has a policy of allowing the accumulation of paid vacation and sick leave, subject to certain maximum limits. In accordance with GAAP, the County's approximate liability for vacation pay earned by employees at December 31, 2018 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. Compensated absences for business-type activities are liquidated by the respective fund.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2018
(continued)

IV. Detailed Notes on All Funds (continued)

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

Long-term liability activity for the year ended December 31, 2018 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	84,452	9,553	-	94,005	37,602
<u>Other Governmental Debt:</u>					
Pitchfork Loan	12,704	-	(2,055)	10,649	2,139
Airport Construction	44,181	-	(21,595)	22,586	22,586
Certificates of Participation - 2010	15,185,000	-	(440,000)	14,745,000	450,000
Energy Improvement Lease - 2010	397,919	-	(127,679)	270,240	132,577
Certificates of Participation - 2013	8,655,000	-	(270,000)	8,385,000	280,000
Unamortized bond premiums	198,429	-	(16,564)	181,865	-
Compensated Absences	1,260,458	55,837	-	1,316,295	526,518
Total Governmental Activities					
Long-term Liabilities	<u>25,838,143</u>	<u>65,390</u>	<u>(877,893)</u>	<u>25,025,640</u>	<u>1,451,422</u>
Business-type Activities:					
Impact Assistance Loan Funds - Water	38,272	-	(6,141)	32,131	6,411
DOLA Mineral Impact Loan	35,529	-	(17,331)	18,198	18,198
North Gunnison Sewer Revenue Bond - 2005	1,258,981	-	(26,336)	1,232,645	26,860
North Gunnison Sewer Revenue Bond - 2006	270,836	-	(5,133)	265,703	5,353
Antelope Hills Water Revenue Bonds - 2013	1,072,761	-	(20,274)	1,052,487	20,709
<u>Gunnison County Housing Authority:</u>					
Mortgage - Primary Mortgage	383,187	-	(15,349)	367,838	16,216
Mortgage - Surplus Cash	212,520	-	(72,422)	140,098	-
Mortgage - Contingent Payable	378,864	-	-	378,864	-
Note Payable - Palisades Living Center	350,978	-	(22,182)	328,796	23,386
Accrued Liability for Landfill Closure Costs	1,247,795	39,301	-	1,287,096	-
Compensated Absences	121,698	26,416	-	148,114	59,246
Total Business-type Activities					
Long-term Liabilities	<u>5,371,421</u>	<u>65,717</u>	<u>(185,168)</u>	<u>5,251,970</u>	<u>176,379</u>

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2018
(continued)

IV. Detailed Notes on All Funds (continued)

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

Debt service requirements at December 31, 2018 were as follows:

<u>Dates</u>	<u>Governmental Funds</u>		<u>Business-Type</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	887,302	1,265,716	77,531	88,646
2020	889,888	1,232,204	61,480	85,589
2021	772,316	1,199,633	63,712	83,356
2022	802,410	1,165,464	66,033	81,035
2023	826,559	1,129,940	65,288	78,621
2024 - 2028	4,615,000	4,992,340	336,733	358,487
2029 - 2033	5,680,000	3,620,879	400,847	294,373
2034 - 2038	7,050,000	1,839,906	478,323	216,897
2039 - 2043	1,910,000	176,707	572,105	123,115
2044 - 2048	-	-	286,386	43,690
2049 - 2053	-	-	192,726	10,436
	<u>23,433,475</u>	<u>16,622,789</u>	<u>2,601,164</u>	<u>1,464,245</u>

<u>Dates</u>	<u>Housing Authority</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	39,602	33,868	1,004,435	1,388,230
2020	321,731	31,961	1,273,099	1,349,754
2021	18,187	18,795	854,215	1,301,784
2022	19,260	17,721	887,703	1,264,220
2023	20,398	16,584	912,245	1,225,145
2024 - 2028	121,541	63,369	5,073,274	5,414,196
2029 - 2033	674,877	29,389	6,755,724	3,944,641
2034 - 2038	-	-	7,528,323	2,056,803
2039 - 2043	-	-	2,482,105	299,822
2044 - 2048	-	-	286,386	43,690
2049 - 2053	-	-	192,726	10,436
	<u>1,215,596</u>	<u>211,687</u>	<u>27,250,235</u>	<u>18,298,721</u>

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2018
(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 Series 2017 Revenue Refunding and Improvement Bonds, remaining annual maturities of \$495,000 to \$1,305,000, with the final principal amount of \$13,440,000 due on July 1, 2029, interest at 2.67%, and payable semiannually. The bonds were issued to finance the senior care center project and to refund the series 2010 Revenue Bonds.

The Series 2017 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 and 2017 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, 2018.

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 and 2017 Bonds.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2018
(continued)

IV. Detailed Notes on All Funds (continued)

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

- 2. Interest Rate Swap Agreement** – In connection with the Series 2010 Revenue Bonds, the Hospital entered into an 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, 2018, the agreement had a fair value of \$(240,987). The value is calculated using the par-value method.
- 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, 2018:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Revenue Refunding Bonds, Series 2012	3,345,000	-	(515,000)	2,830,000	535,000
Revenue Refunding and Improvement Bonds, Series 2017	22,250,000	-	-	22,250,000	495,000
Total Long-term Liabilities	<u>25,595,000</u>	<u>-</u>	<u>(515,000)</u>	<u>25,080,000</u>	<u>1,030,000</u>
Total Long-term Liabilities	<u>25,595,000</u>	<u>-</u>	<u>(515,000)</u>	<u>25,080,000</u>	<u>1,030,000</u>

Debt service requirements at December 31, 2018 were as follows:

<u>Dates</u>	Revenue Bonds	
	<u>Principal</u>	<u>Interest</u>
2019	1,030,000	650,046
2020	1,060,000	623,402
2021	1,085,000	592,844
2022	115,000	563,103
2023	1,145,000	532,555
2023 - 2029	19,645,000	2,314,548
	<u>24,080,000</u>	<u>5,276,498</u>

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2018
(continued)

IV. Detailed Notes on All Funds (continued)

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.

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

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

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

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

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

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2018
(continued)

IV. Detailed Notes on All Funds (continued)

M. Fund Balance Disclosures (continued)

As of December 31, 2018, fund balances are composed of the following:

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>	<u>Description</u>
Non-spendable:				
Inventories	-	1,233,713	1,233,713	
Prepaid expenses	381,293	33,953	415,246	
Restricted:				
Emergency reserve	773,000	-	773,000	Legislative Restriction
Road and Bridge	-	2,224,689	2,224,689	Legislative Restriction
Human Services	-	182,329	182,329	Grant Restrictions
Sales Tax Capital Improvement	-	1,000,709	1,000,709	Ballot Restriction
Conservation Trust	-	17,746	17,746	Legislative Restriction
Land Preservation	-	849,169	849,169	Ballot Restriction
Local Marketing District	-	1,363,585	1,363,585	Ballot Restriction
Committed:				
Water Resource Protection	89,752	-	89,752	BOCC Resolution
Workforce Impact Fees	197,055	-	197,055	BOCC Resolution
Courthouse Renovation	69	-	69	BOCC Resolution
Public Health	-	27,410	27,410	BOCC Resolution
Mosquito Control	-	12,190	12,190	BOCC Resolution
Sage Grouse	-	89,204	89,204	BOCC Resolution
Risk Management	-	557,476	557,476	BOCC Resolution
Debt Service	-	148,670	148,670	BOCC Resolution
Assigned:				
Airport Construction	-	292,368	292,368	General Designation
Capital Expenditure	-	2,078,929	2,078,929	General Designation
Unassigned				
Unassigned	4,722,943	(13,172)	4,709,771	
Total Fund Balances	<u>6,164,112</u>	<u>10,098,968</u>	<u>16,263,080</u>	

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2018
(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%. The retirement plans are administered by CCOERA and the day to day administration is managed by ICMA Retirement Corporations. Plan provisions are established and may be amended by the Board of County Commissioners.

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 \$321,494 which was three percent (3%) of its current year covered payroll of \$10,716,473. The County's total payroll for 2018 was \$9,905,452. The County's employees contributed \$321,494. The County had no outstanding liabilities at December 31, 2018.

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, 2018
(continued)

V. Other Information (continued)

A. Pension Plans (continued)

2. Deferred Compensation Plan (continued)

For 2018, the County contributed \$177,432 to the Deferred Compensation Plan on behalf of participating employees, which represents the required 2% contribution based on 2018 covered payroll of . The County had no outstanding liabilities at December 31, 2018.

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. 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, 2018 were \$732,560 for the Hospital and \$137,321 for the Center.

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Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2018
(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 County 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, 2018.

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 \$1,485,103 with Companion Life Insurance Company.

Gunnison County, Colorado
Notes to the Financial Statements
December 31, 2018
(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.

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, 2018
(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	<u>2018</u>			<u>Final Budget</u>	<u>2017</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	9,385,200	9,385,200	9,490,358	105,158	9,176,556
Licenses and permits	422,843	423,098	747,981	324,883	559,904
Intergovernmental	1,056,809	1,220,158	1,427,590	207,432	1,296,596
Charges for services	1,374,452	1,377,752	1,663,312	285,560	1,635,223
Investment income	73,900	73,900	109,730	35,830	81,445
Contributions	56,900	123,511	121,703	(1,808)	151,624
Miscellaneous	157,718	157,718	162,524	4,806	190,660
Total Revenues	<u>12,527,822</u>	<u>12,761,337</u>	<u>13,723,198</u>	<u>961,861</u>	<u>13,092,008</u>
Expenditures:					
General government	8,264,494	8,453,426	7,740,550	712,876	7,779,457
Judicial	358,321	358,321	358,321	-	334,890
Public Safety	3,816,660	3,820,342	3,418,319	402,023	3,346,703
Health and welfare	722,262	782,583	728,582	54,001	718,800
Auxiliary services	312,651	312,651	268,570	44,081	276,601
Culture and recreation	345,907	393,929	346,026	47,903	308,607
Public works	208,935	229,224	227,722	1,502	211,464
Debt service	-	-	-	-	14,324
Total Expenditures	<u>14,029,230</u>	<u>14,350,476</u>	<u>13,088,090</u>	<u>1,262,386</u>	<u>12,990,846</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,501,408)</u>	<u>(1,589,139)</u>	<u>635,108</u>	<u>2,224,247</u>	<u>101,162</u>
Other Financing Sources (Uses):					
Transfers in	1,108,420	1,120,420	1,114,526	(5,894)	1,213,125
Transfers (out)	(663,558)	(2,021,574)	(1,721,141)	300,433	(648,571)
Total Other Financing Sources (Uses)	<u>444,862</u>	<u>(901,154)</u>	<u>(606,615)</u>	<u>294,539</u>	<u>564,554</u>
Net Change in Fund Balances	<u>(1,056,546)</u>	<u>(2,490,293)</u>	<u>28,493</u>	<u>2,518,786</u>	<u>665,716</u>
Fund Balances - Beginning of Year			<u>6,135,619</u>		<u>5,469,903</u>
Fund Balances - End of Year			<u>6,164,112</u>		<u>6,135,619</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, 2018
(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	<u>2018</u>			<u>2017</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative) Actual</u>
Taxes:				
General property taxes	9,046,000	9,046,000	9,014,222	(31,778)
Specific ownership tax	315,000	315,000	454,827	139,827
Delinquent tax and interest	24,200	24,200	21,309	(2,891)
Total Taxes	<u>9,385,200</u>	<u>9,385,200</u>	<u>9,490,358</u>	<u>105,158</u>
Licenses and Permits:				
Liquor licenses	4,723	4,723	6,328	1,605
Building permits	250,000	250,000	430,442	180,442
Other licenses and permits	168,120	168,375	311,211	142,836
Total Licenses and Permits	<u>422,843</u>	<u>423,098</u>	<u>747,981</u>	<u>324,883</u>
Intergovernmental:				
Federal Grants	302,029	302,029	304,174	2,145
State Grants	651,296	782,474	995,376	212,902
Local Grants	103,484	135,655	128,040	(7,615)
Total Intergovernmental	<u>1,056,809</u>	<u>1,220,158</u>	<u>1,427,590</u>	<u>207,432</u>
Charges for Services:				
Clerk and recorder	410,425	410,425	440,258	29,833
Sheriff's fees	64,087	64,087	64,211	124
Treasurer's fees	660,000	660,000	840,116	180,116
Other Fees	134,700	137,700	206,582	68,882
Assessor's Fees	10,000	10,000	6,622	(3,378)
Public Health Fees	9,240	9,540	9,009	(531)
Land Use Fees	1,000	1,000	450	(550)
Useful Public Service	35,000	35,000	37,294	2,294
Court Fines & Fees	50,000	50,000	58,770	8,770
Total Charges for Services	<u>1,374,452</u>	<u>1,377,752</u>	<u>1,663,312</u>	<u>285,560</u>
Other Revenue:				
Investment income	73,900	73,900	109,730	35,830
Contributions	56,900	123,511	121,703	(1,808)
Miscellaneous	157,718	157,718	162,524	4,806
Total Other Revenue	<u>288,518</u>	<u>355,129</u>	<u>393,957</u>	<u>38,828</u>
Total Revenues	<u>12,527,822</u>	<u>12,761,337</u>	<u>13,723,198</u>	<u>961,861</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, 2018
(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	2018			Final Budget	2017
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
General Government:					
Commissioners	587,020	603,670	531,639	72,031	703,691
Board Support	74,286	74,286	73,171	1,115	103,368
Executive Management	448,648	448,648	356,908	91,740	359,098
Public Information	86,046	86,046	84,369	1,677	92,976
Clerk	56,740	56,740	55,039	1,701	46,870
Motor Vehicle	286,669	286,669	264,638	22,031	258,022
Recording	213,334	213,334	176,117	37,217	230,527
Elections	230,368	230,368	227,060	3,308	173,515
Revenue (Treasurer)	262,854	262,854	214,693	48,161	228,220
Investments (Treasurer)	14,957	14,957	11,675	3,282	12,079
Human Resources	164,805	164,805	158,380	6,425	159,602
Wildlife Conservation	77,984	77,984	57,751	20,233	66,196
Liquor License	676,031	676,031	661,909	14,122	570,747
County Attorney	8,052	8,052	7,790	262	7,706
Facilities & Grounds	907,326	919,326	828,595	90,731	745,885
Project Services	80,489	80,489	78,079	2,410	70,673
Assessment Administration	355,630	355,630	329,205	26,425	344,537
Appraisal	587,263	587,263	605,913	(18,650)	484,835
Development Review	587,347	587,347	568,186	19,161	526,484
Oil and Gas Permitting	20,897	20,897	14,262	6,635	21,591
Long Range Planning and Projects	165,474	238,524	160,029	78,495	128,688
Data Collection	-	-	-	-	40
Codes & Regulations	64,860	64,860	60,402	4,458	44,532
Accounting & Auditing	475,011	475,011	421,380	53,631	393,758
Planning and Analysis	105,067	105,067	95,763	9,304	94,892
Compensated Absences	39,825	39,825	56,227	(16,402)	105,703
Weather Modification	10,000	10,000	10,000	-	10,000
Other General Fund Expenditures	1,670,011	1,757,243	1,623,049	134,194	1,788,201
Energy Efficiency Initiatives	7,500	7,500	8,321	(821)	7,021
Total General Government	8,264,494	8,453,426	7,740,550	712,876	7,779,457
Judicial:					
Other	-	-	-	-	938
District Attorney	358,321	358,321	358,321	-	333,952
Total Judicial	358,321	358,321	358,321	-	334,890
Public Safety:					
Detention Services	975,922	975,922	979,902	(3,980)	967,811
Enforcement	675,728	675,728	527,007	148,721	538,435
Operational Support	1,197,086	1,197,086	1,009,356	187,730	948,748
Courtroom Security	42,309	42,309	35,071	7,238	62,430
Investigations	168,752	168,752	148,882	19,870	157,239
Major Incident Response	46,195	46,195	38,060	8,135	27,148
Operational Support - Detention	197,823	197,823	189,066	8,757	331,349
Education and Support	3,174	3,174	3,192	(18)	2,679
Emergency Management	211,561	211,561	212,006	(445)	60,735
Coroner	146,145	149,827	147,608	2,219	137,242
Youth Intervention Services	151,965	151,965	128,169	23,796	112,887
Total Public Safety	3,816,660	3,820,342	3,418,319	402,023	3,346,703
Health and Welfare:					
Substance Abuse Prevention	162,500	189,350	175,410	13,940	224,957
Program Support	34,521	34,521	24,004	10,517	33,827
Senior Resources	189,078	195,350	197,897	(2,547)	185,088
Child & Family Health	177,649	204,848	172,627	32,221	146,192
Family Planning	158,514	158,514	158,644	(130)	128,736
Total Health and Welfare	722,262	782,583	728,582	54,001	718,800
Auxiliary Services:					
Alternative Services	72,749	72,749	69,104	3,645	61,809
Adult Programming	70,577	70,577	51,901	18,676	65,917
Youth Development	157,441	157,441	138,402	19,039	140,940
Veterans	11,884	11,884	9,163	2,721	7,935
Total Auxiliary Services	312,651	312,651	268,570	44,081	276,601
Culture and Recreation:					
Fairgrounds Management	297,086	300,086	287,882	12,204	297,835
Trails - Parks	43,664	88,686	56,043	32,643	9,967
Landfill	2,265	2,265	1,165	1,100	265
Historic Preservation	2,892	2,892	936	1,956	540
Total Culture and Recreation	345,907	393,929	346,026	47,903	308,607
Public Works:					
Weed Management	208,935	229,224	227,722	1,502	211,361
Other Public Works	-	-	-	-	103
Total Public Works	208,935	229,224	227,722	1,502	211,464
Debt Service:					
Interest	-	-	-	-	14,324
Total Debt Service	-	-	-	-	14,324
Total Expenditures	14,029,230	14,350,476	13,088,090	1,262,386	12,990,846

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, 2018
(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	2018			Final Budget	2017
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
Specific ownership tax	190,000	190,000	244,907	54,907	234,473
Total Taxes	<u>190,000</u>	<u>190,000</u>	<u>244,907</u>	<u>54,907</u>	<u>234,473</u>
Intergovernmental:					
Payment in lieu of taxes	-	-	1,196,571	1,196,571	790,000
Local grants	1,000	1,000	4,291	3,291	757
Federal grants	98,610	98,610	2,875	(95,735)	252,607
State grants	50,000	50,000	52,360	2,360	52,887
Highway users trust fund	2,750,000	2,750,000	3,298,134	548,134	2,875,529
Mineral leasing	350,000	350,000	447,551	97,551	532,945
Total Intergovernmental	<u>3,249,610</u>	<u>3,249,610</u>	<u>5,001,782</u>	<u>1,752,172</u>	<u>4,504,725</u>
Charges for Services:					
Municipalities	57,565	57,565	65,926	8,361	49,214
Permits	12,300	12,300	46,961	34,661	23,567
Other	120	120	1,300	1,180	52
Total Charges for Services	<u>69,985</u>	<u>69,985</u>	<u>114,187</u>	<u>44,202</u>	<u>72,833</u>
Other:					
Fines and forfeitures	10	10	17	7	5
Investment income	18,000	18,000	38,505	20,505	15,779
Miscellaneous	54,300	54,300	63,953	9,653	57,065
Total Other Revenue	<u>72,310</u>	<u>72,310</u>	<u>102,475</u>	<u>30,165</u>	<u>72,849</u>
Total Revenues	<u>3,581,905</u>	<u>3,581,905</u>	<u>5,463,351</u>	<u>1,881,446</u>	<u>4,884,880</u>
Expenditures:					
Road construction	1,207,858	1,207,858	518,513	689,345	14,329
Bridges	340,292	340,292	128,654	211,638	177,025
Winter maintenance	1,026,153	1,026,153	709,348	316,805	978,407
Operational support	593,070	597,395	430,589	166,806	432,821
Trails and park	59,862	59,862	16,919	42,943	195,490
Municipalities	94,197	94,197	86,059	8,138	85,612
Road maintenance	2,711,603	2,711,603	3,242,287	(530,684)	3,062,059
Capital outlay	30,000	30,000	112,899	(82,899)	-
Total Expenditures	<u>6,063,035</u>	<u>6,067,360</u>	<u>5,245,268</u>	<u>822,092</u>	<u>4,945,743</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,481,130)</u>	<u>(2,485,455)</u>	<u>218,083</u>	<u>2,703,538</u>	<u>(60,863)</u>
Other Financing Sources (Uses):					
Transfers in	195,388	195,388	69,887	(125,501)	512,772
Debt proceeds	1,000,000	1,000,000	-	(1,000,000)	-
Transfers (out)	(272,324)	(272,324)	(272,324)	-	(319,352)
Total Other Financing Sources (Uses)	<u>923,064</u>	<u>923,064</u>	<u>(202,437)</u>	<u>(1,125,501)</u>	<u>193,420</u>
Net Change in Fund Balances	<u>(1,558,066)</u>	<u>(1,562,391)</u>	<u>15,646</u>	<u>1,578,037</u>	<u>132,557</u>
Fund Balances - Beginning of Year			<u>2,209,043</u>		<u>2,076,486</u>
Fund Balances - End of Year			<u>2,224,689</u>		<u>2,209,043</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, 2018
(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	<u>2018</u>			Final Budget Variance Positive (Negative)	<u>2017</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
Property tax revenue	310,300	310,300	312,632	2,332	302,907
Delinquent tax and interest	1,100	1,100	741	(359)	(1,332)
Intergovernmental:					
EBT reimbursements	3,893,643	3,899,746	3,602,525	(297,221)	3,551,663
Other	50,000	50,000	53,373	3,373	53,433
Other:					
Investment income	7,200	7,200	6,906	(294)	5,882
Contributions	2,500	2,500	6,390	3,890	3,249
Miscellaneous	14,240	14,240	16,973	2,733	25,895
Total Revenues	<u>4,278,983</u>	<u>4,285,086</u>	<u>3,999,540</u>	<u>(285,546)</u>	<u>3,941,697</u>
Expenditures:					
Youth and family prevention services	143,782	143,782	134,602	9,180	140,647
Self-sufficiency development	514,767	514,767	489,579	25,188	436,275
Program support	562,249	567,968	480,820	87,148	432,379
Children and family services	1,010,797	1,011,277	1,051,486	(40,209)	1,017,520
Child support enforcement	83,075	83,075	77,512	5,563	88,592
Public assistance	1,822,061	1,822,061	1,652,160	169,901	1,683,375
Community health services	-	-	-	-	1,671
Total Expenditures	<u>4,136,731</u>	<u>4,142,930</u>	<u>3,886,159</u>	<u>256,771</u>	<u>3,800,459</u>
Excess (Deficiency) of Revenues Over Expenditures	142,252	142,156	113,381	(28,775)	141,238
Other Financing Sources (Uses):					
Transfers (out)	(441,758)	(437,283)	(497,581)	(60,298)	(197,680)
Total Other Financing Sources (Uses)	<u>(441,758)</u>	<u>(437,283)</u>	<u>(497,581)</u>	<u>(60,298)</u>	<u>(197,680)</u>
Net Change in Fund Balances	<u>(299,506)</u>	<u>(295,127)</u>	<u>(384,200)</u>	<u>(89,073)</u>	<u>(56,442)</u>
Fund Balances - Beginning of Year			<u>566,529</u>		<u>622,971</u>
Fund Balances - End of Year			<u>182,329</u>		<u>566,529</u>

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

Gunnison County, Colorado
Special Revenue Funds
Sales Tax Capital Improvement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2018
(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	2018			2017	
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
Sales tax	1,936,550	1,936,550	2,229,963	293,413	1,969,503
Fines and forfeitures	1,500	1,500	3,826	2,326	9,948
Investment income	11,000	11,000	9,597	(1,403)	7,940
Miscellaneous	1,500	1,500	9,496	7,996	-
Total Revenues	<u>1,950,550</u>	<u>1,950,550</u>	<u>2,252,882</u>	<u>302,332</u>	<u>1,987,391</u>
Expenditures:					
General Government:					
Sales tax	60,929	115,806	119,229	(3,423)	150,782
Energy efficiency initiatives	116,494	116,494	74,898	41,596	3,126
Debt Service:					
Principal	47,999	47,999	127,679	(79,680)	122,962
Interest	52,001	52,001	13,919	38,082	17,754
Total Expenditures	<u>277,423</u>	<u>332,300</u>	<u>335,725</u>	<u>(3,425)</u>	<u>294,624</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,673,127</u>	<u>1,618,250</u>	<u>1,917,157</u>	<u>298,907</u>	<u>1,692,767</u>
Other Financing Sources (Uses):					
Transfers (out)	<u>(2,070,155)</u>	<u>(2,175,247)</u>	<u>(2,026,143)</u>	<u>149,104</u>	<u>(2,542,915)</u>
Total Other Financing Sources (Uses)	<u>(2,070,155)</u>	<u>(2,175,247)</u>	<u>(2,026,143)</u>	<u>149,104</u>	<u>(2,542,915)</u>
Net Change in Fund Balances	<u>(397,028)</u>	<u>(556,997)</u>	<u>(108,986)</u>	<u>448,011</u>	<u>(850,148)</u>
Fund Balances - Beginning of Year			<u>1,109,695</u>		<u>1,959,843</u>
Fund Balances - End of Year			<u>1,000,709</u>		<u>1,109,695</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, 2018
(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	<u>2018</u>			Final Budget Variance Positive (Negative)	<u>2017</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Intergovernmental:					
Federal grants	608,904	1,881,921	785,565	(1,096,356)	5,042,628
State grants	33,827	77,574	39,326	(38,248)	173,274
Charges for Services:					
Passenger facility charges	125,000	125,000	128,575	3,575	128,616
Investment income	1,500	1,500	2,899	1,399	2,280
Total Revenues	<u>769,231</u>	<u>2,085,995</u>	<u>956,365</u>	<u>(1,129,630)</u>	<u>5,346,798</u>
Expenditures:					
Public Works	676,578	2,091,042	675,455	1,415,587	5,734,226
Debt Service:					
Principal	21,595	21,595	21,595	-	20,645
Interest	2,033	2,033	2,034	(1)	2,984
Total Expenditures	<u>700,206</u>	<u>2,114,670</u>	<u>699,084</u>	<u>1,415,586</u>	<u>5,757,855</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>69,025</u>	<u>(28,675)</u>	<u>257,281</u>	<u>285,956</u>	<u>(411,057)</u>
Other Financing Sources (Uses):					
Transfers in	33,827	33,827	33,827	-	343,338
Transfers (out)	-	-	-	-	19,104
Total Other Financing Sources (Uses)	<u>33,827</u>	<u>33,827</u>	<u>33,827</u>	<u>-</u>	<u>362,442</u>
Net Change in Fund Balances	<u>102,852</u>	<u>5,152</u>	291,108	<u>285,956</u>	(48,615)
Fund Balances - Beginning of Year			1,260		49,875
Fund Balances - End of Year			<u>292,368</u>		<u>1,260</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, 2018
(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	<u>2018</u>			<u>Final Budget Variance Positive (Negative)</u>	<u>2017</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Intergovernmental:					
State grants	390,982	519,786	507,640	(12,146)	149,039
Investment Income	1,600	1,600	23,182	21,582	12,028
Contributions	-	-	-	-	5,393
Total Revenues	<u>392,582</u>	<u>521,386</u>	<u>530,822</u>	<u>9,436</u>	<u>166,460</u>
Expenditures:					
General Government:					
Ohio City town hall	-	-	-	-	95,039
Other capital expenditures	515,785	228,120	142,670	85,450	-
Health and Welfare:					
O'leary building	661,379	1,302,351	1,371,079	(68,728)	167,997
Public Works:					
Public works facility construction	-	-	-	-	4,981
Total Expenditures	<u>1,177,164</u>	<u>1,530,471</u>	<u>1,513,749</u>	<u>16,722</u>	<u>268,017</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(784,582)</u>	<u>(1,009,085)</u>	<u>(982,927)</u>	<u>26,158</u>	<u>(101,557)</u>
Other Financing Sources (Uses):					
Transfers in	586,182	732,814	728,406	(4,408)	113,585
Total Other Financing Sources (Uses)	<u>586,182</u>	<u>732,814</u>	<u>728,406</u>	<u>(4,408)</u>	<u>113,585</u>
Net Change in Fund Balances	<u>(198,400)</u>	<u>(276,271)</u>	<u>(254,521)</u>	<u>21,750</u>	<u>12,028</u>
Fund Balances - Beginning of Year			<u>2,333,450</u>		<u>2,321,422</u>
Fund Balances - End of Year			<u><u>2,078,929</u></u>		<u><u>2,333,450</u></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, 2018

	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	109,852	69,417	12,190	773,105	122,423	558,803	605	1,093,280	4,510	2,744,185
Cash and investments - Restricted	-	-	-	-	-	-	-	-	142,533	142,533
Accounts receivable	-	8,942	-	-	-	-	349	15,000	-	24,291
Prepaid expenses	-	-	-	-	-	33,953	-	-	-	33,953
Due from other governments	-	73,034	-	76,064	-	-	-	255,305	-	404,403
Due from other funds	-	72,126	-	-	-	-	4,288	-	144,642	221,056
Inventories and assets held for sale	-	-	-	-	-	-	1,233,713	-	-	1,233,713
Total Assets	<u>109,852</u>	<u>223,519</u>	<u>12,190</u>	<u>849,169</u>	<u>122,423</u>	<u>592,756</u>	<u>1,238,955</u>	<u>1,363,585</u>	<u>291,685</u>	<u>4,804,134</u>
Liabilities, Deferred Inflow of Resources, and Fund Balances:										
Liabilities:										
Accounts payable	-	7,809	-	-	-	534	6,526	-	1,500	16,369
Accrued liabilities	-	6,173	-	-	-	-	-	-	-	6,173
Unearned grant revenue	-	182,127	-	-	-	-	11,888	-	141,515	335,530
Due to other funds	92,106	-	-	-	33,219	793	-	-	-	126,118
Total Liabilities	<u>92,106</u>	<u>196,109</u>	<u>-</u>	<u>-</u>	<u>33,219</u>	<u>1,327</u>	<u>18,414</u>	<u>-</u>	<u>143,015</u>	<u>484,190</u>
Fund Balances:										
Non-spendable	-	-	-	-	-	33,953	1,233,713	-	-	1,267,666
Spendable:										
Restricted	17,746	-	-	849,169	-	-	-	1,363,585	-	2,230,500
Committed	-	27,410	12,190	-	89,204	557,476	-	-	148,670	834,950
Unassigned	-	-	-	-	-	-	(13,172)	-	-	(13,172)
Total Fund Balances	<u>17,746</u>	<u>27,410</u>	<u>12,190</u>	<u>849,169</u>	<u>89,204</u>	<u>591,429</u>	<u>1,220,541</u>	<u>1,363,585</u>	<u>148,670</u>	<u>4,319,944</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	<u>109,852</u>	<u>223,519</u>	<u>12,190</u>	<u>849,169</u>	<u>122,423</u>	<u>592,756</u>	<u>1,238,955</u>	<u>1,363,585</u>	<u>291,685</u>	<u>4,804,134</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, 2018

	<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	-	17,188	63,362	456,384	-	-	-	2,115,150	-	2,652,084
Intergovernmental	57,702	598,685	15,846	-	-	-	-	-	287,216	959,449
Charges for services	-	95,727	-	-	-	-	44,960	-	-	140,687
Fines and forfeitures	-	-	-	-	-	-	-	13,451	-	13,451
Investment income	1,047	396	283	8,737	1,345	6,851	866	12,092	1,233	32,850
Contributions	-	1,497	-	-	-	77,472	-	-	-	78,969
Miscellaneous	-	65,795	184	-	81,014	-	24,895	4,332	-	176,220
Total Revenues	<u>58,749</u>	<u>779,288</u>	<u>79,675</u>	<u>465,121</u>	<u>82,359</u>	<u>84,323</u>	<u>70,721</u>	<u>2,145,025</u>	<u>288,449</u>	<u>4,053,710</u>
Expenditures:										
General government	-	-	-	-	2,181	1,176	-	2,010,384	-	2,013,741
Health and welfare	-	939,162	93,678	-	-	-	102,163	-	-	1,135,003
Culture and recreation	709	-	-	507,733	-	-	-	-	-	508,442
Debt service	-	-	-	-	-	-	2,527	-	1,993,368	1,995,895
Total Expenditures	<u>709</u>	<u>939,162</u>	<u>93,678</u>	<u>507,733</u>	<u>2,181</u>	<u>1,176</u>	<u>104,690</u>	<u>2,010,384</u>	<u>1,993,368</u>	<u>5,653,081</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>58,040</u>	<u>(159,874)</u>	<u>(14,003)</u>	<u>(42,612)</u>	<u>80,178</u>	<u>83,147</u>	<u>(33,969)</u>	<u>134,641</u>	<u>(1,704,919)</u>	<u>(1,599,371)</u>
Other Financing Sources (Uses):										
Transfers in	-	298,000	15,846	-	-	-	1,085,695	-	1,694,650	3,094,191
Transfers (out)	(78,941)	(136,116)	(660)	-	(46,500)	-	(23,712)	(6,576)	-	(292,505)
Total Other Financing Sources (Uses)	<u>(78,941)</u>	<u>161,884</u>	<u>15,186</u>	<u>-</u>	<u>(46,500)</u>	<u>-</u>	<u>1,061,983</u>	<u>(6,576)</u>	<u>1,694,650</u>	<u>2,801,686</u>
Net Change in Fund Balances	<u>(20,901)</u>	<u>2,010</u>	<u>1,183</u>	<u>(42,612)</u>	<u>33,678</u>	<u>83,147</u>	<u>1,028,014</u>	<u>128,065</u>	<u>(10,269)</u>	<u>1,202,315</u>
Fund Balances - Beginning of Year	<u>38,647</u>	<u>25,400</u>	<u>11,007</u>	<u>891,781</u>	<u>55,526</u>	<u>508,282</u>	<u>192,527</u>	<u>1,235,520</u>	<u>158,939</u>	<u>3,117,629</u>
Fund Balances - End of Year	<u>17,746</u>	<u>27,410</u>	<u>12,190</u>	<u>849,169</u>	<u>89,204</u>	<u>591,429</u>	<u>1,220,541</u>	<u>1,363,585</u>	<u>148,670</u>	<u>4,319,944</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, 2018
(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	<u>2018</u>			Final Budget Variance Positive (Negative)	<u>2017</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Lottery proceeds	62,579	62,579	57,702	(4,877)	57,354
Earnings on investments	500	500	1,047	547	1,196
Total Revenues	<u>63,079</u>	<u>63,079</u>	<u>58,749</u>	<u>(4,330)</u>	<u>58,550</u>
Expenditures:					
Other	40	40	-	40	-
Treasurer's fees	600	600	709	(109)	574
Total Expenditures	<u>640</u>	<u>640</u>	<u>709</u>	<u>(69)</u>	<u>574</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>62,439</u>	<u>62,439</u>	<u>58,040</u>	<u>(4,399)</u>	<u>57,976</u>
Other Financing Sources (Uses):					
Transfers (out)	(87,499)	(87,499)	(78,941)	8,558	(98,725)
Total Other Financing Sources (Uses)	<u>(87,499)</u>	<u>(87,499)</u>	<u>(78,941)</u>	<u>8,558</u>	<u>(98,725)</u>
Net Change in Fund Balances	<u>(25,060)</u>	<u>(25,060)</u>	<u>(20,901)</u>	<u>4,159</u>	<u>(40,749)</u>
Fund Balances - Beginning of Year			<u>38,647</u>		<u>79,396</u>
Fund Balances - End of Year			<u>17,746</u>		<u>38,647</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, 2018
(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	<u>2018</u>			<u>Final Budget</u>	<u>2017</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:					
Taxes:					
Other taxes	22,000	22,000	17,188	(4,812)	16,316
Intergovernmental:					
Federal grants	3,000	3,000	-	(3,000)	2,500
State grants	576,501	559,602	561,789	2,187	492,194
Local grants	42,880	42,880	36,896	(5,984)	74,480
Charges for Services	78,000	78,000	95,727	17,727	86,217
Investment Income	63	63	396	333	100
Contributions	-	-	1,497	1,497	11,973
Miscellaneous	79,300	79,300	65,795	(13,505)	75,143
Total Revenues	<u>801,744</u>	<u>784,845</u>	<u>779,288</u>	<u>(5,557)</u>	<u>758,923</u>
Expenditures:					
Health and welfare:					
Program support	188,640	188,640	181,683	6,957	177,844
Child and family health	94,924	94,924	94,972	(48)	116,612
Community health services	676,614	673,462	662,507	10,955	595,692
Total Expenditures	<u>960,178</u>	<u>957,026</u>	<u>939,162</u>	<u>17,864</u>	<u>890,148</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(158,434)</u>	<u>(172,181)</u>	<u>(159,874)</u>	<u>12,307</u>	<u>(131,225)</u>
Other Financing Sources (Uses):					
Transfers in	297,915	297,915	298,000	85	283,245
Transfers (out)	(136,116)	(136,116)	(136,116)	-	(119,136)
Total Other Financing Sources (Uses)	<u>161,799</u>	<u>161,799</u>	<u>161,884</u>	<u>85</u>	<u>164,109</u>
Net Change in Fund Balances	<u>3,365</u>	<u>(10,382)</u>	2,010	<u>12,392</u>	32,884
Fund Balances - Beginning of Year			<u>25,400</u>		<u>(7,484)</u>
Fund Balances - End of Year			<u>27,410</u>		<u>25,400</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, 2018
(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	<u>2018</u>			Final Budget Variance Positive (Negative)	<u>2017</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
Property tax revenue	63,135	63,135	63,388	253	61,840
Delinquent tax and interest	(100)	(100)	(26)	74	(109)
Intergovernmental:					
Local grants	15,846	15,846	15,846	-	15,529
Investment income	196	196	283	87	337
Miscellaneous	250	250	184	(66)	163
Total Revenues	<u>79,327</u>	<u>79,327</u>	<u>79,675</u>	<u>348</u>	<u>77,760</u>
Expenditures:					
Operations	93,853	93,853	93,678	175	91,803
Total Expenditures	<u>93,853</u>	<u>93,853</u>	<u>93,678</u>	<u>175</u>	<u>91,803</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(14,526)</u>	<u>(14,526)</u>	<u>(14,003)</u>	<u>523</u>	<u>(14,043)</u>
Other Financing Sources (Uses):					
Transfers in	15,846	15,846	15,846	-	15,529
Transfers (out)	(660)	(660)	(660)	-	(1,188)
Total Other Financing Sources (Uses)	<u>15,186</u>	<u>15,186</u>	<u>15,186</u>	<u>-</u>	<u>14,341</u>
Net Change in Fund Balances	<u>660</u>	<u>660</u>	<u>1,183</u>	<u>523</u>	<u>298</u>
Fund Balances - Beginning of Year			<u>11,007</u>		<u>10,709</u>
Fund Balances - End of Year			<u>12,190</u>		<u>11,007</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, 2018
(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	<u>2018</u>			Final Budget Variance Positive (Negative)	<u>2017</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Taxes:					
Sales tax	440,572	440,572	456,384	15,812	427,740
Investment Income	<u>7,000</u>	<u>7,000</u>	<u>8,737</u>	<u>1,737</u>	<u>3,685</u>
Total Revenues	<u>447,572</u>	<u>447,572</u>	<u>465,121</u>	<u>17,549</u>	<u>431,425</u>
Expenditures:					
Culture and Recreation:					
Land preservation	<u>705,420</u>	<u>705,420</u>	<u>507,733</u>	<u>197,687</u>	<u>5,199</u>
Total Expenditures	<u>705,420</u>	<u>705,420</u>	<u>507,733</u>	<u>197,687</u>	<u>5,199</u>
Net Change in Fund Balances	<u>(257,848)</u>	<u>(257,848)</u>	(42,612)	<u>215,236</u>	426,226
Fund Balances - Beginning of Year			<u>891,781</u>		<u>465,555</u>
Fund Balances - End of Year			<u>849,169</u>		<u>891,781</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, 2018
(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	<u>2018</u>			<u>Final Budget</u>	<u>2017</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:					
Investment income	400	400	1,345	945	254
Miscellaneous	81,552	81,552	81,014	(538)	70,625
Total Revenues	<u>81,952</u>	<u>81,952</u>	<u>82,359</u>	<u>407</u>	<u>70,879</u>
Expenditures:					
General government	2,000	2,000	2,181	(181)	1,831
Total Expenditures	<u>2,000</u>	<u>2,000</u>	<u>2,181</u>	<u>(181)</u>	<u>1,831</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>79,952</u>	<u>79,952</u>	<u>80,178</u>	<u>226</u>	<u>69,048</u>
Other Financing Sources (Uses):					
Transfers (out)	(43,000)	(43,000)	(46,500)	(3,500)	(57,709)
Total Other Financing Sources (Uses)	<u>(43,000)</u>	<u>(43,000)</u>	<u>(46,500)</u>	<u>(3,500)</u>	<u>(57,709)</u>
Net Change in Fund Balances	<u>36,952</u>	<u>36,952</u>	<u>33,678</u>	<u>(3,274)</u>	<u>11,339</u>
Fund Balances - Beginning of Year			<u>55,526</u>		<u>44,187</u>
Fund Balances - End of Year			<u>89,204</u>		<u>55,526</u>

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

Gunnison County, Colorado
Special Revenue Funds
Risk Management Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2018
(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	2018			Final Budget Variance Positive (Negative)	2017
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Investment Income	5,000	5,000	6,851	1,851	3,709
Contributions	56,827	56,827	77,472	20,645	62,246
Miscellaneous	-	-	-	-	18,113
Total Revenues	<u>61,827</u>	<u>61,827</u>	<u>84,323</u>	<u>22,496</u>	<u>84,068</u>
Expenditures:					
General Government:					
CAPP Insurance Claims	50,000	50,000	-	50,000	146,374
Other expenses	35,000	35,000	1,176	33,824	468
Total Expenditures	<u>85,000</u>	<u>85,000</u>	<u>1,176</u>	<u>83,824</u>	<u>146,842</u>
Net Change in Fund Balances	<u>(23,173)</u>	<u>(23,173)</u>	83,147	<u>106,320</u>	(62,774)
Fund Balances - Beginning of Year			508,282		571,056
Fund Balances - End of Year			<u>591,429</u>		<u>508,282</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, 2018
(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	<u>2018</u>			<u>Final Budget</u>	<u>2017</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:					
Charges for Services:					
Fees	38,660	38,660	44,960	6,300	44,216
Investment Income	1,200	1,200	866	(334)	1,446
Miscellaneous	-	-	24,895	24,895	23,104
Total Revenues	<u>39,860</u>	<u>39,860</u>	<u>70,721</u>	<u>30,861</u>	<u>68,766</u>
Expenditures:					
Health and Welfare	44,844	2,147,791	102,163	2,045,628	40,929
Debt Service:					
Principal	2,062	2,062	2,055	7	1,975
Interest	465	465	472	(7)	552
Total Expenditures	<u>47,371</u>	<u>2,150,318</u>	<u>104,690</u>	<u>2,045,628</u>	<u>43,456</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>(7,511)</u>	<u>(2,110,458)</u>	<u>(33,969)</u>	<u>2,076,489</u>	<u>25,310</u>
Other Financing Sources (Uses):					
Transfers in	-	1,385,000	1,085,695	(299,305)	-
Transfers (out)	(23,712)	(23,712)	(23,712)	-	(33,516)
Debt proceeds	-	1,402,947	-	(1,402,947)	-
Total Other Financing Sources (Uses)	<u>(23,712)</u>	<u>2,764,235</u>	<u>1,061,983</u>	<u>(1,702,252)</u>	<u>(33,516)</u>
Net Change in Fund Balances	<u>(31,223)</u>	<u>653,777</u>	<u>1,028,014</u>	<u>374,237</u>	<u>(8,206)</u>
Fund Balances - Beginning of Year			<u>192,527</u>		<u>200,733</u>
Fund Balances - End of Year			<u>1,220,541</u>		<u>192,527</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, 2018
(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	<u>2018</u>			<u>Final Budget</u>	<u>2017</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:					
Marketing and promotion tax	1,958,078	1,958,078	2,115,150	157,072	1,894,302
Fines and forfeitures	10,000	10,000	13,451	3,451	13,483
Earnings on investments	4,000	4,000	12,092	8,092	7,569
Miscellaneous	9,000	9,000	4,332	(4,668)	-
Total Revenues	<u>1,981,078</u>	<u>1,981,078</u>	<u>2,145,025</u>	<u>163,947</u>	<u>1,915,354</u>
Expenditures:					
General Government:					
Contracted services	1,946,525	1,998,525	1,980,788	17,737	1,728,025
Other	27,977	30,977	29,596	1,381	23,948
Total Expenditures	<u>1,974,502</u>	<u>2,029,502</u>	<u>2,010,384</u>	<u>19,118</u>	<u>1,751,973</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>6,576</u>	<u>(48,424)</u>	<u>134,641</u>	<u>183,065</u>	<u>163,381</u>
Other Financing Sources (Uses):					
Transfers (out)	<u>(6,576)</u>	<u>(6,576)</u>	<u>(6,576)</u>	<u>-</u>	<u>(15,611)</u>
Total Other Financing Sources (Uses)	<u>(6,576)</u>	<u>(6,576)</u>	<u>(6,576)</u>	<u>-</u>	<u>(15,611)</u>
Net Change in Fund Balances	<u>-</u>	<u>(55,000)</u>	<u>128,065</u>	<u>183,065</u>	<u>147,770</u>
Fund Balances - Beginning of Year			<u>1,235,520</u>		<u>1,087,750</u>
Fund Balances - End of Year			<u>1,363,585</u>		<u>1,235,520</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, 2018
(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	<u>2018</u>			Final Budget Variance Positive (Negative)	<u>2017</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Federal grants	285,986	285,986	287,216	1,230	291,057
Earnings on investments	415	415	1,233	818	1,275
Total Revenues	<u>286,401</u>	<u>286,401</u>	<u>288,449</u>	<u>2,048</u>	<u>292,332</u>
Expenditures:					
Debt Service:					
Principal	710,000	710,000	710,000	-	695,000
Interest	1,279,868	1,279,868	1,279,868	-	1,299,788
Other debt service	4,000	4,000	3,500	500	3,500
Total Expenditures	<u>1,993,868</u>	<u>1,993,868</u>	<u>1,993,368</u>	<u>500</u>	<u>1,998,288</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,707,467)</u>	<u>(1,707,467)</u>	<u>(1,704,919)</u>	<u>2,548</u>	<u>(1,705,956)</u>
Other Financing Sources (Uses):					
Transfers in	<u>1,707,467</u>	<u>1,707,467</u>	1,694,650	<u>(12,817)</u>	<u>1,735,069</u>
Total Other Financing Sources (Uses)	<u>1,707,467</u>	<u>1,707,467</u>	1,694,650	<u>(12,817)</u>	<u>1,735,069</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	(10,269)	<u>(10,269)</u>	29,113
Fund Balances - Beginning of Year			158,939		129,826
Fund Balances - End of Year			<u>148,670</u>		<u>158,939</u>

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

Gunnison County, Colorado
Enterprise Funds
Airport Operations Fund
Schedule of Revenues, Expenditures and Available Resources
Budget (Non-GAAP Basis) and Actual
For the Year Ended December 31, 2018
(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	<u>2018</u>			<u>Final Budget</u>	<u>2017</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Operating Revenues:					
Airport fees	517,200	517,200	475,896	(41,304)	350,395
Terminal & hanger rent	443,089	443,089	448,331	5,242	510,233
Parking fees & fines	75,100	75,100	94,799	19,699	81,991
Grants	35,000	35,000	82,011	47,011	79,209
Other	267,800	267,800	317,006	49,206	310,746
Total Operating Revenues	<u>1,338,189</u>	<u>1,338,189</u>	<u>1,418,043</u>	<u>79,854</u>	<u>1,332,574</u>
Operating Expenditures:					
Operational support	218,980	218,980	220,774	(1,794)	191,464
Strategic development	67,134	67,134	60,407	6,727	47,199
Airside	817,991	817,991	702,214	115,777	633,925
Landside	254,910	254,910	218,891	36,019	181,896
Terminal operations	-	-	-	-	9,838
Capital outlay	9,000	9,000	25,000	(16,000)	-
Total Operating Expenditures	<u>1,368,015</u>	<u>1,368,015</u>	<u>1,227,286</u>	<u>140,729</u>	<u>1,064,322</u>
Operating Income (Loss)	<u>(29,826)</u>	<u>(29,826)</u>	<u>190,757</u>	<u>220,583</u>	<u>268,252</u>
Non-operating Revenues (Expenditures):					
Transfers (out)	(103,151)	(103,151)	(103,151)	-	(306,434)
Investment revenue	4,500	4,500	19,270	14,770	10,068
Total Non-operating Revenues (Expenditures)	<u>(98,651)</u>	<u>(98,651)</u>	<u>(83,881)</u>	<u>14,770</u>	<u>(296,366)</u>
Change in Net Position - Budget Basis	<u>(128,477)</u>	<u>(128,477)</u>	<u>106,876</u>	<u>235,353</u>	<u>(28,114)</u>
Available Resources - Beginning of Year			<u>1,399,082</u>		<u>1,427,196</u>
Available Resources - End of Year			<u>1,505,958</u>		<u>1,399,082</u>
Available resources at year-end is computed as follows:					
Current assets			1,790,080		1,593,265
Current liabilities			(178,204)		(104,901)
Accrued compensated absences			(105,918)		(89,282)
			<u>1,505,958</u>		<u>1,399,082</u>

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

Gunnison County, Colorado
Enterprise Funds
Gunnison County Sewer Fund
Schedule of Revenues, Expenditures and Available Resources
Budget (Non-GAAP) Basis and Actual
For the Year Ended December 31, 2018
(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	2018			2017	
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Dos Rios Division:					
Tap fees	5,000	5,000	5,500	500	-
User fees	291,520	291,520	266,247	(25,273)	187,626
Late fees	1,000	1,000	1,456	456	1,896
Other revenue	16,000	16,000	23,762	7,762	11,911
Total Dos Rios Division	<u>313,520</u>	<u>313,520</u>	<u>296,965</u>	<u>(16,555)</u>	<u>201,433</u>
Somerset Division:					
User fees	21,070	21,070	21,076	6	21,076
Late fees	350	350	398	48	390
Other revenue	-	-	75	75	106
Total Somerset Division	<u>21,420</u>	<u>21,420</u>	<u>21,549</u>	<u>129</u>	<u>21,572</u>
Antelope Hills Division:					
Tap fees	5,500	5,500	3,000	(2,500)	5,500
User fees	49,480	49,480	51,533	2,053	44,626
Late fees	400	400	805	405	819
Other revenue	-	-	755	755	559
Total Antelope Hills Division	<u>55,380</u>	<u>55,380</u>	<u>56,093</u>	<u>713</u>	<u>51,504</u>
North Gunnison Division:					
Tap fees	12,000	12,000	30,000	18,000	28,500
User fees	318,220	318,220	338,116	19,896	270,166
Late fees	1,000	1,000	1,996	996	1,397
Other revenue	200	200	117	(83)	70
Total North Gunnison Division	<u>331,420</u>	<u>331,420</u>	<u>370,229</u>	<u>38,809</u>	<u>300,133</u>
Tomichi Division:					
User fees	18,136	18,136	16,560	(1,576)	14,139
Total Tomichi Division	<u>18,136</u>	<u>18,136</u>	<u>16,560</u>	<u>(1,576)</u>	<u>14,139</u>
Total Revenues	<u>739,876</u>	<u>739,876</u>	<u>761,396</u>	<u>21,520</u>	<u>588,781</u>
Expenditures:					
Dos Rios Division:					
Operations	242,035	242,035	191,576	50,459	148,225
Transfers to other funds	36,091	36,091	36,091	-	30,042
Capital outlay	40,000	40,000	4,000	36,000	14,272
Total Dos Rios Division	<u>318,126</u>	<u>318,126</u>	<u>231,667</u>	<u>86,459</u>	<u>192,539</u>
Somerset Division:					
Operations	-	-	-	-	5,738
Transfers to other funds	-	-	-	-	870
Total Somerset Division	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,608</u>
Antelope Hills Division:					
Operations	50,810	50,810	44,896	5,914	39,520
Transfers to other funds	8,224	8,224	8,224	-	6,268
Capital outlay	-	-	6,022	(6,022)	-
Total Antelope Hills Division	<u>59,034</u>	<u>59,034</u>	<u>59,142</u>	<u>(108)</u>	<u>45,788</u>
North Gunnison Division:					
Operations	169,440	190,940	199,541	(8,601)	103,523
Transfers to other funds	19,611	19,611	19,611	-	16,543
Capital outlay	1,000	1,000	9,592	(8,592)	-
Debt service	114,973	114,973	114,789	184	114,810
Total North Gunnison Division	<u>305,024</u>	<u>326,524</u>	<u>343,533</u>	<u>(17,009)</u>	<u>234,876</u>
Tomichi Division:					
Operations	17,074	17,074	12,409	4,665	6,778
Transfers to other funds	1,062	1,062	1,062	-	870
Total Tomichi Division	<u>18,136</u>	<u>18,136</u>	<u>13,471</u>	<u>4,665</u>	<u>7,648</u>
Total Expenditures	<u>700,320</u>	<u>721,820</u>	<u>647,813</u>	<u>74,007</u>	<u>487,459</u>
Change in Net Position - Budget Basis	<u>39,556</u>	<u>18,056</u>	<u>113,583</u>	<u>95,527</u>	<u>101,322</u>
Available Resources - Beginning of Year			<u>1,205,221</u>		<u>1,103,899</u>
Available Resources - End of Year			<u>1,318,804</u>		<u>1,205,221</u>
Available resources at year-end is computed as follows:					
Current assets			1,996,804		1,503,488
Current liabilities			(728,411)		(346,484)
Current portion of long-term obligations			50,411		48,217
			<u>1,318,804</u>		<u>1,205,221</u>

Gunnison County, Colorado
Enterprise Funds
Gunnison County Water Fund
Schedule of Revenues, Expenditures and Available Resources
Budget (Non-GAAP) Basis and Actual
For the Year Ended December 31, 2018
(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	<u>2018</u>			Final Budget Variance Positive (Negative)	<u>2017</u>
	Original Budget	Final Budget	Actual		Actual
Operating Revenues:					
User fees	326,990	326,990	324,921	(2,069)	320,401
Availability fees	8,320	8,320	7,198	(1,122)	7,425
Contributions	6,000	6,000	3,000	(3,000)	12,000
Grants	-	-	-	-	34,450
Earnings on investments	1,500	1,500	1,141	(359)	1,272
Other	34,216	34,216	1,949	(32,267)	5,404
Total Operating Revenues	<u>377,026</u>	<u>377,026</u>	<u>338,209</u>	<u>(38,817)</u>	<u>380,952</u>
Operating Expenditures:					
Dos Rios Division:					
Operating expenses	170,382	170,382	146,047	24,335	143,486
Capital outlay	35,000	35,000	-	35,000	-
Somerset Division:					
Debt service	8,024	8,024	1,817	6,207	2,113
Antelope Hills Division:					
Operating expenses	46,915	46,915	22,542	24,373	19,838
Debt service	42,940	42,940	49,019	(6,079)	48,751
Utilities Administration:					
Operating expenses	89,286	89,286	86,668	2,618	74,674
Capital outlay	-	-	71,746	(71,746)	-
Total Operating Expenditures	<u>392,547</u>	<u>392,547</u>	<u>377,839</u>	<u>14,708</u>	<u>288,862</u>
Operating Income (Loss)	<u>(15,521)</u>	<u>(15,521)</u>	<u>(39,630)</u>	<u>(24,109)</u>	<u>92,090</u>
Non-operating Revenues (Expenditures):					
Transfers in	42,729	42,729	42,729	-	29,729
Transfers (out)	(22,871)	(22,871)	(22,871)	-	(26,952)
Total Non-operating Revenues (Expenditures)	<u>19,858</u>	<u>19,858</u>	<u>19,858</u>	<u>-</u>	<u>2,777</u>
Change in Net Position - Budget Basis	<u>4,337</u>	<u>4,337</u>	<u>(19,772)</u>	<u>(24,109)</u>	<u>94,867</u>
Available Resources - Beginning of Year			<u>602,370</u>		<u>507,503</u>
Available Resources - End of Year			<u>582,598</u>		<u>602,370</u>
Available resources at year-end is computed as follows:					
Current assets			672,549		613,412
Current liabilities			(107,247)		(30,099)
Current portion of long-term obligations			27,120		26,380
Accrued compensated absences			(9,824)		(7,323)
			<u>582,598</u>		<u>602,370</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, 2018
(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	2018			Final Budget Variance Positive (Negative)	2017
	Original Budget	Final Budget	Actual		Actual
Operating Revenues:					
Landfill:					
Disposal fees	940,809	940,809	1,176,276	235,467	814,412
Other	33,140	33,140	52,604	19,464	45,766
Total Landfill Revenues	<u>973,949</u>	<u>973,949</u>	<u>1,228,880</u>	<u>254,931</u>	<u>860,178</u>
Recycling:					
Recycled material sales	80,000	80,000	114,110	34,110	157,147
Total Recycling Revenues	<u>80,000</u>	<u>80,000</u>	<u>114,110</u>	<u>34,110</u>	<u>157,147</u>
Total Operating Revenues	<u>1,053,949</u>	<u>1,053,949</u>	<u>1,342,990</u>	<u>289,041</u>	<u>1,017,325</u>
Operating Expenditures:					
Landfill Expenditures:					
Closure and postclosure	4,118	4,118	-	4,118	-
Operations and maintenance	570,187	601,662	518,345	83,317	537,037
Capital outlay	5,000	5,000	3,849	1,151	88,399
Total Landfill Expenditures	<u>579,305</u>	<u>610,780</u>	<u>522,194</u>	<u>88,586</u>	<u>625,436</u>
Recycling Expenditures:					
Operations	365,384	382,045	362,597	19,448	463,098
Capital outlay	-	-	-	-	370,781
Total Recycling Expenditures	<u>365,384</u>	<u>382,045</u>	<u>362,597</u>	<u>19,448</u>	<u>833,879</u>
Total Operating Expenditures	<u>944,689</u>	<u>992,825</u>	<u>884,791</u>	<u>108,034</u>	<u>1,459,315</u>
Operating Income (Loss)	<u>109,260</u>	<u>61,124</u>	<u>458,199</u>	<u>397,075</u>	<u>(441,990)</u>
Non-operating Revenues (Expenditures):					
Grant revenue	-	-	16,197	16,197	379,447
Transfers in	-	-	-	-	205,178
Transfers (out)	(65,507)	(65,507)	(65,507)	-	(72,276)
Investment revenue	8,520	8,520	18,766	10,246	6,646
Total Non-operating Revenues (Expenditures)	<u>(56,987)</u>	<u>(56,987)</u>	<u>(30,544)</u>	<u>26,443</u>	<u>518,995</u>
Change in Net Position - Budget Basis	<u>52,273</u>	<u>4,137</u>	<u>427,655</u>	<u>423,518</u>	<u>77,005</u>
Available Resources - Beginning of Year			<u>1,174,212</u>		<u>1,097,207</u>
Available Resources - End of Year			<u>1,601,867</u>		<u>1,174,212</u>
Available resources at year-end is computed as follows:					
Current assets			1,676,377		1,232,485
Current liabilities			(42,138)		(33,180)
Accrued compensated absences			(32,372)		(25,093)
			<u>1,601,867</u>		<u>1,174,212</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, 2018
(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	2018			Final Budget Variance Positive (Negative)	2017
	Original Budget	Final Budget	Actual		Actual
Operating Revenues:					
Palisade Assisted Living:					
Donations and debt service reimbursements	36,488	36,488	36,488	-	36,751
 Total Operating Revenues	36,488	36,488	36,488	-	36,751
Operating Expenditures:					
Principal payments	22,517	22,517	22,182	335	21,535
Interest payments	13,971	13,971	14,306	(335)	15,216
 Total Operating Expenditures	36,488	36,488	36,488	-	36,751
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			(23,386)		(22,442)
Current portion of long-term obligations			23,386		22,442
			<u>3,051</u>		<u>3,051</u>

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

Gunnison County, Colorado
Enterprise Funds
Gunnison County Housing Authority - Mountain View
Schedule of Revenues, Expenditures and Available Resources
Budget (Non-GAAP Basis) and Actual
For the Year Ended December 31, 2018
(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	<u>2018</u>			Final Budget Variance Positive (Negative)	<u>2017</u>
	Original Budget	Final Budget	Actual		Actual
Operating Revenues:					
Mountain View Apartments:					
Tenant payments	100,000	100,000	98,164	(1,836)	96,601
Assistance payment	139,987	139,987	141,772	1,785	143,153
Vacancies	(8,600)	(8,600)	(9,181)	(581)	(7,626)
Other revenue	4,100	4,100	3,816	(284)	11,916
Total Operating Revenues	<u>235,487</u>	<u>235,487</u>	<u>234,571</u>	<u>(916)</u>	<u>244,044</u>
Operating Expenditures:					
Mountain View Apartments:					
Operations	134,267	134,267	159,207	(24,940)	145,976
Principal on debt	15,423	15,423	87,771	(72,348)	68,471
Interest on debt	28,348	28,348	27,004	1,344	28,542
Total Operating Expenditures	<u>178,038</u>	<u>178,038</u>	<u>273,982</u>	<u>(95,944)</u>	<u>242,989</u>
Operating Income (Loss)	<u>57,449</u>	<u>57,449</u>	<u>(39,411)</u>	<u>(96,860)</u>	<u>1,055</u>
Non-operating Revenues (Expenditures):					
Investment revenue	695	695	419	(276)	662
Total Non-operating Revenues (Expenditures)	<u>695</u>	<u>695</u>	<u>419</u>	<u>(276)</u>	<u>662</u>
Change in Net Position - Budget Basis	<u>58,144</u>	<u>58,144</u>	<u>(38,992)</u>	<u>(97,136)</u>	<u>1,717</u>
Available Resources - Beginning of Year			<u>102,723</u>		<u>101,006</u>
Available Resources - End of Year			<u>63,731</u>		<u>102,723</u>
Available resources at year-end is computed as follows:					
Current assets			151,756		189,049
Current liabilities			(104,241)		(101,638)
Current portion of long-term obligations			16,216		15,312
			<u>63,731</u>		<u>102,723</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, 2018

	Internal Service Fund I	Internal Service Fund II	Internal Service Fund III	Total
Current Assets:				
Cash	1,580,587	957,290	2,157,186	4,695,063
Accounts receivable, net of allowance for uncollectible accounts, where applicable	2,240	4,144	139,569	145,953
Due from other governments	46,982	-	-	46,982
Prepaid expenses	138	42,835	-	42,973
Due from other funds	189,042	-	5,258	194,300
Inventory, at cost	602,977	5,786	-	608,763
Total Current Assets	<u>2,421,966</u>	<u>1,010,055</u>	<u>2,302,013</u>	<u>5,734,034</u>
Non-current Assets:				
Land, property and equipment	19,232,928	1,794,293	-	21,027,221
Less: Accumulated depreciation	(10,731,834)	(1,649,437)	-	(12,381,271)
Total Non-current Assets	<u>8,501,094</u>	<u>144,856</u>	<u>-</u>	<u>8,645,950</u>
Total Assets	<u>10,923,060</u>	<u>1,154,911</u>	<u>2,302,013</u>	<u>14,379,984</u>
Liabilities:				
Current Liabilities:				
Accounts payable	70,360	6,111	2,409	78,880
Accrued liabilities	21,263	-	157,970	179,233
Due to other funds	-	203,665	-	203,665
Total Current Liabilities	<u>91,623</u>	<u>209,776</u>	<u>160,379</u>	<u>461,778</u>
Non-current Liabilities:				
Accrued compensated absences	58,871	32,916	2,218	94,005
Total Non-current Liabilities	<u>58,871</u>	<u>32,916</u>	<u>2,218</u>	<u>94,005</u>
Total Liabilities	<u>150,494</u>	<u>242,692</u>	<u>162,597</u>	<u>555,783</u>
Net Position:				
Net investment in capital assets	8,501,094	144,856	-	8,645,950
Restricted	603,115	48,621	-	651,736
Unrestricted	1,668,357	718,742	2,139,416	4,526,515
Total Net Position	<u>10,772,566</u>	<u>912,219</u>	<u>2,139,416</u>	<u>13,824,201</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, 2018

	<u>Internal Service Fund I</u>	<u>Internal Service Fund II</u>	<u>Internal Service Fund III</u>	<u>Total</u>
Operating Revenues:				
Rent, net	1,702,504	-	-	1,702,504
Charges and fees	2,759	632	243,840	247,231
Other	159,900	814,935	2,425,622	3,400,457
Total Operating Revenues	<u>1,865,163</u>	<u>815,567</u>	<u>2,669,462</u>	<u>5,350,192</u>
Operating Expenses:				
Operations and maintenance	1,483,533	533,902	2,634,525	4,651,960
Administration	109,813	102,631	-	212,444
Depreciation and amortization	647,993	60,039	-	708,032
Total Operating Expenses	<u>2,241,339</u>	<u>696,572</u>	<u>2,634,525</u>	<u>5,572,436</u>
Operating Income (Loss)	<u>(376,176)</u>	<u>118,995</u>	<u>34,937</u>	<u>(222,244)</u>
Non-operating Revenues (Expenses):				
Gain (loss) on disposal of capital assets	53,353	-	-	53,353
Grant revenue	75,575	-	-	75,575
Investment revenue	19,346	11,539	26,049	56,934
Total Non-operating Revenues (Expenses)	<u>148,274</u>	<u>11,539</u>	<u>26,049</u>	<u>185,862</u>
Income (Loss) Before Transfers	<u>(227,902)</u>	<u>130,534</u>	<u>60,986</u>	<u>(36,382)</u>
Transfers In	126,696	11,000	-	137,696
Transfers (Out)	<u>(72,204)</u>	<u>(78,107)</u>	<u>(4,740)</u>	<u>(155,051)</u>
Change in Net Position	(173,410)	63,427	56,246	(53,737)
Total Net Position - Beginning of Year	<u>10,945,976</u>	<u>848,792</u>	<u>2,083,170</u>	<u>13,877,938</u>
Total Net Position - End of Year	<u>10,772,566</u>	<u>912,219</u>	<u>2,139,416</u>	<u>13,824,201</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, 2018

	Internal Service Fund I	Internal Service Fund II	Internal Service Fund III	Total
Cash Flows from Operating Activities:				
Cash received from charges for services	1,815,051	814,137	2,447,574	5,076,762
Cash received from other sources	2,759	632	243,840	247,231
Cash payments to vendors for goods and services	(1,709,532)	(690,909)	(2,677,613)	(5,078,054)
Cash payments to employees for services	(1,070)	10,346	277	9,553
Net Cash Provided (Used) by Operating Activities	107,208	134,206	14,078	255,492
Cash Flows from Non-capital Financing Activities:				
Transfers from other funds	42,156	120,385	-	162,541
Transfers (to) other funds	-	-	(10,023)	(10,023)
Net Cash Provided (Used) by Non-capital Financing Activities	42,156	120,385	(10,023)	152,518
Cash Flows from Capital and Related Financing Activities:				
Capital grants	75,575	-	-	75,575
Purchase of capital assets	(661,124)	(85,665)	-	(746,789)
Cash from sale of assets	58,025	-	-	58,025
Net Cash Provided (Used) by Capital and Related Financing Activities	(527,524)	(85,665)	-	(613,189)
Cash Flows from Investing Activities:				
Cash from investment income	19,346	11,539	26,049	56,934
Net Cash Provided (Used) by Investing Activities	19,346	11,539	26,049	56,934
Net Increase (Decrease) in Cash	(358,814)	180,465	30,104	(148,245)
Cash - Beginning of Year	1,939,401	776,825	2,127,082	4,843,308
Cash - End of Year	1,580,587	957,290	2,157,186	4,695,063
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	(376,176)	118,995	34,937	(222,244)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation and amortization	647,993	60,039	-	708,032
Changes in Assets and Liabilities:				
(Increase) decrease in accounts receivable	(47,351)	(798)	21,952	(26,197)
(Increase) decrease in prepaid expenses	33	(30,190)	-	(30,157)
(Increase) decrease in inventory	(93,793)	1,166	-	(92,627)
Increase (decrease) in accounts payable	(43,691)	(25,352)	(32,907)	(101,950)
Increase (decrease) in accrued liabilities	21,263	-	(10,181)	11,082
Increase (decrease) in compensated absences	(1,070)	10,346	277	9,553
Net Cash Provided (Used) by Operating Activities	107,208	134,206	14,078	255,492

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, 2018
(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	<u>2018</u>			<u>Final Budget</u>	<u>2017</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Operating Revenues:					
Equipment rent	1,574,300	1,574,300	1,702,504	128,204	1,800,775
Material and gravel sales	267,150	267,150	150,797	(116,353)	303,408
Other revenues	800	800	11,862	11,062	33,558
Total Operating Revenues	<u>1,842,250</u>	<u>1,842,250</u>	<u>1,865,163</u>	<u>22,913</u>	<u>2,137,741</u>
Operating Expenditures:					
Gravel pit maintenance	45,609	45,609	-	45,609	-
Fleet maintenance	1,544,756	1,544,756	1,432,868	111,888	1,324,600
Materials	264,500	264,500	160,084	104,416	315,342
Property and equipment purchases	814,051	905,744	661,518	244,226	656,643
Equipment lease payments	-	-	-	-	7,779
Total Operating Expenditures	<u>2,668,916</u>	<u>2,760,609</u>	<u>2,254,470</u>	<u>506,139</u>	<u>2,304,364</u>
Operating Income (Loss)	<u>(826,666)</u>	<u>(918,359)</u>	<u>(389,307)</u>	<u>529,052</u>	<u>(166,623)</u>
Non-operating Revenues (Expenditures):					
Sale of capital assets	10,000	10,000	58,026	48,026	11,000
Grant revenue	70,482	70,482	75,575	5,093	76,890
Investment income	8,000	8,000	19,346	11,346	11,896
Transfers in	126,696	126,696	126,696	-	162,500
Transfers (out)	(72,204)	(72,204)	(72,204)	-	(70,321)
Total Non-operating Revenues (Expenditures)	<u>142,974</u>	<u>142,974</u>	<u>207,439</u>	<u>64,465</u>	<u>191,965</u>
Change in Net Position - Budget Basis	<u>(683,692)</u>	<u>(775,385)</u>	<u>(181,868)</u>	<u>593,517</u>	<u>25,342</u>
Available Resources - Beginning of Year			<u>2,453,340</u>		<u>2,427,998</u>
Available Resources - End of Year			<u>2,271,472</u>		<u>2,453,340</u>
Available resources at year-end is computed as follows:					
Current assets			2,421,966		2,627,331
Current liabilities			(91,623)		(114,050)
Accrued compensated absences			(58,871)		(59,941)
			<u>2,271,472</u>		<u>2,453,340</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, 2018
(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	2018			Final Budget Variance Positive (Negative)	2017
	Original Budget	Final Budget	Actual		Actual
Operating Revenues:					
Data processing	456,737	456,737	457,988	1,251	460,397
Mapping	179,674	179,674	179,674	-	179,674
Telephone system	80,875	80,875	88,015	7,140	71,092
Photocopy and postage	84,679	84,679	88,396	3,717	84,256
Other	1,500	1,500	1,494	(6)	1,989
Total Operating Revenues	803,465	803,465	815,567	12,102	797,408
Operating Expenditures:					
GIS Mapping:					
Operations	185,298	185,298	175,607	9,691	165,976
Telephone System:					
Operations	33,160	33,160	39,026	(5,866)	36,983
Capital outlay	3,000	3,000	2,089	911	-
Photocopy and Postage:					
Operations	82,129	82,129	82,006	123	78,516
Help Desk:					
Operations	125,917	125,917	105,896	20,021	92,930
Capital outlay	-	-	5,162	(5,162)	8,001
IT Infrastructure:					
Operations	296,522	296,522	235,476	61,046	228,359
Systems Development:					
Operations	57,875	57,875	60,382	(2,507)	54,954
Capital outlay	192	192	-	192	6,800
IT Training:					
Operations	15,380	15,380	16,552	(1,172)	14,185
Total Operating Expenditures	799,473	799,473	722,196	77,277	686,704
Operating Income (Loss)	3,992	3,992	93,371	89,379	110,704
Non-operating Revenues (Expenditures):					
Transfers in	11,000	11,000	11,000	-	11,000
Transfers (out)	(78,107)	(78,107)	(78,107)	-	(77,159)
Investment revenue	4,000	4,000	11,539	7,539	4,711
Total Non-operating Revenues (Expenditures)	(63,107)	(63,107)	(55,568)	7,539	(61,448)
Change in Net Position - Budget Basis	(59,115)	(59,115)	37,803	96,918	49,256
Available Resources - Beginning of Year			729,560		680,304
Available Resources - End of Year			767,363		729,560
Available resources at year-end is computed as follows:					
Current assets			1,010,055		799,768
Current liabilities			(209,776)		(47,638)
Accrued compensated absences			(32,916)		(22,570)
			767,363		729,560

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, 2018
(With Comparative Actual Amounts for the Year Ended December 31, 2017)

	<u>2018</u>			Final Budget Variance Positive (Negative)	<u>2017</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Operating Revenues:					
Premium contributions	2,626,000	2,626,000	2,636,195	10,195	2,609,606
Miscellaneous	23,500	23,500	33,266	9,766	26,137
Total Operating Revenues	<u>2,649,500</u>	<u>2,649,500</u>	<u>2,669,461</u>	<u>19,961</u>	<u>2,635,743</u>
Operating Expenditures:					
Operations	2,760,016	2,946,800	2,634,524	312,276	2,473,627
Total Operating Expenditures	<u>2,760,016</u>	<u>2,946,800</u>	<u>2,634,524</u>	<u>312,276</u>	<u>2,473,627</u>
Operating Income (Loss)	<u>(110,516)</u>	<u>(297,300)</u>	<u>34,937</u>	<u>332,237</u>	<u>162,116</u>
Non-operating Revenues (Expenditures):					
Transfers (out)	(4,740)	(4,740)	(4,740)	-	(2,035)
Investment revenue	17,000	17,000	26,049	9,049	12,883
Total Non-operating Revenues (Expenditures)	<u>12,260</u>	<u>12,260</u>	<u>21,309</u>	<u>9,049</u>	<u>10,848</u>
Change in Net Position - Budget Basis	<u>(98,256)</u>	<u>(285,040)</u>	<u>56,246</u>	<u>341,286</u>	<u>172,964</u>
Available Resources - Beginning of Year			<u>2,083,170</u>		<u>1,910,206</u>
Available Resources - End of Year			<u>2,139,416</u>		<u>2,083,170</u>
Available resources at year-end is computed as follows:					
Current assets			2,302,013		2,288,603
Current liabilities			(160,379)		(203,492)
Accrued compensated absences			(2,218)		(1,941)
			<u>2,139,416</u>		<u>2,083,170</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, 2018

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Assets:				
Cash	34,169,671			30,465,699
Less: Cash held for County funds	(29,163,351)	43,180,262	(44,046,087)	(26,325,204)
	}		{	
Total Assets	5,006,320	43,180,262	(44,046,087)	4,140,495
Liabilities:				
Due to other governments and agencies	5,006,320	43,180,262	(44,046,087)	4,140,495
Total Liabilities	5,006,320	43,180,262	(44,046,087)	4,140,495

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, 2018

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Assets:				
Cash	50,509	73,517	(89,257)	34,769
Total Assets	<u>50,509</u>	<u>73,517</u>	<u>(89,257)</u>	<u>34,769</u>
Liabilities:				
Due (from) to governmental funds	(4,144)	-	696	(3,448)
Held by Trustee	54,653	73,517	(89,953)	38,217
Total Liabilities	<u>50,509</u>	<u>73,517</u>	<u>(89,257)</u>	<u>34,769</u>

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

Gunnison County, Colorado
Schedule of Passenger Facility Charges Collected and Expended
For the Year Ended December 31, 2018

<u>Program Title</u>	<u>Amounts for Current Year</u>	<u>Unliquidated Balance</u>
Unliquidated PFC revenues, beginning of year		\$ 128,616
Revenues:		
Revenues collected from air carriers	128,575	
Interest Earned	-	
Total PFC Revenues	<u>128,575</u>	128,575
Project Expenditures:		
Construction	<u>(257,191)</u>	
Total PFC project expenditures	<u>(257,191)</u>	<u>(257,191)</u>
Unliquidated PFC revenues, end of year		<u>\$ -</u>

LOCAL HIGHWAY FINANCE REPORT





ANNUAL HIGHWAY FINANCE REPORT - CY18

Email address:

City/County:

II - RECEIPTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

A. Receipts from local sources	
2. General Fund Appropriations:	\$ <input type="text" value="0.00"/>
3. Other local imposts: <i>from A.3. 'Total' below</i>	\$ 315,123.75
4. Miscellaneous local receipts: <i>from A.4. 'Total' below</i>	\$ 220,622.86
5. Transfers from toll facilities	\$ <input type="text" value="0.00"/>
6. Proceeds of sale of bonds and notes	
a. Bonds - Original Issues:	\$ <input type="text" value="0.00"/>
b. Bonds - Refunding Issues:	\$ <input type="text" value="0.00"/>
c. Notes:	\$ <input type="text" value="0.00"/>
SubTotal:	\$ 535,746.61
B. Private Contributions	
	\$ <input type="text" value="0.00"/>

II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)

Please no commas or dollar signs for the input

A.3. Other local imposts

a. Property Taxes and Assessments	\$	0.00
b. Other Local Imposts		
1. Sales Taxes:	\$	0.00
2. Infrastructure and Impact Fees:	\$	0.00
3. Liens:	\$	0.00
4. Licenses:	\$	0.00
5. Specific Ownership and/or Other:	\$	315,123.75
Total: (a + b) carried to 'Other local imposts' above)		\$ 315,123.75

A.4. Miscellaneous local receipts

Please no commas or dollar signs for the input

a. Interest on Investments:	\$	38,504.77
b. Traffic fines & Penalties:	\$	0.00
c. Parking Garage Fees:	\$	0.00
d. Parking Meter Fees:	\$	0.00
e. Sale of Surplus Property:	\$	0.00
f. Charges for Services:	\$	44,015.29
g. Other Misc. Receipts:	\$	75,038.10
h. Other:	\$	63,064.70
Total: (a through h) carried to 'Misc local receipts' above)		\$ 220,622.86

C. Receipts from State Government

Please no commas or dollar signs for the input

1. Highway User Taxes:	\$	3,298,134.34
3. Other State funds:		
c. Motor Vehicle Registrations:	\$	52,360.48
d. Other (Specify):		
Comments: undefined	\$	0.00
e. Other (Specify):		
Comments: undefined	\$	0.00
Total: (1+3c,d,e)		\$ 3,350,494.82

b. Redemption \$

SubTotal: *(1+2)* \$ 0.00

Please no commas or dollar signs for the input

C. Payments to State for Highways: \$

D. Payments to Toll Facilities: \$

Total Disbursements: *(A+B+C+D)* \$ 5,517,591.33

Please no commas or dollar signs for the input

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES - (Detail)

Please no commas or dollar signs for the input

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
A.1. Capital Outlay			
a. Right-Of-Way Costs:	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="0.00"/>	\$ 0.
b. Engineering Costs:	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="1,470.00"/>	\$ 1,470.
c. Construction			
1. New Facilities:	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="0.00"/>	\$ 0.
2. Capacity Improvements:	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="128,653.50"/>	\$ 128,653.
3. System Preservation:	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="518,512.86"/>	\$ 518,512.
4. System Enhancement:	\$ <input type="text" value="0.00"/>	\$ <input type="text" value="15,448.61"/>	\$ 15,448.
5. Total Construction:			<u>\$ 662,614.</u>
d. Total Capital Outlay: <i>(Lines A.1.a. + 1.b. + 1.c.5)</i>			<u>\$ 664,084.</u>

IV. LOCAL HIGHWAY DEBT STATUS

Please no commas or dollar signs for the input

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DE
A. Bonds (Total)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.0
1. Bonds (Refunding Portion)		\$ 0.00	\$ 0.00	\$ 0.0
B. Notes (Total):	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.0

V - LOCAL ROAD AND STREET FUND BALANCE

Please no commas or dollar signs for the input

A. Beginning Balance	B. Total Receipts	C.Total Disbursements	D. Ending Balance	E. Reconciliati
\$ 2,209,040.46	\$ 5,533,238.75	\$ 5,517,591.33	\$ 2,224,687.88	\$ 0.0

Notes & Comments:

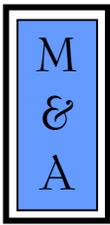
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Please enter your name: Linda Nienhueser

Please provide a telephone number where you may be reached: (980)641-7622

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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 24, 2019.

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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DANIEL R. CUDAHY, CPA, CGMA

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

Compliance and Other Matters

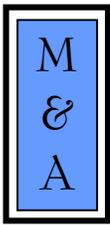
As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect 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.
July 24, 2019**



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, 2018 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, 2018. 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, 2018.

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 charges with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to 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.
July 24, 2019**

Gunnison County, Colorado
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2018

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:

Insured Loan Program	CFDA# 14.135
Lower Income Housing Assistance Payments	CFDA# 14.871
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, 2018

There were no findings for the fiscal year ended December 31, 2017.

Gunnison County, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

Program Title	Pass through Entity Identifying Number	Federal CFDA Number	Expenditures	
Passed through Colorado Department of Public Health and Environment:				
Women, Infant, Children	AB15L	10.557	56,170	C
Women, Infant, Children (non-cash vouchers)	AB15L	10.557	89,820	C
Passed through Colorado Department of Human Services:				
Food Assistance-Administration	Unidentified	10.561	<u>89,542</u>	
Total Department of Agriculture:			<u>235,532</u>	
Department of Health and Human Services:				
Drug-Free Communities Support Program	Unidentified	93.276	121,026	
Passed through Colorado Department of Human Services:				
Guardianship assistance	DHS - FFA	93.090	1,464	
TANF / CO Works	DHS - FFA	93.558	223,330	
Title IV-D - Administration	DHS - FFA	93.563	102,520	
Low-income Home Energy Assistance	DHS - FFA	93.568	455	
CCDF Discretionary	DHS - FFA	93.596	50,151	A
CCDF	DHS - FFA	93.575	108,661	A
Child Welfare Services IVB	DHS - FFA	93.645	3,749	
Foster Care-Title IV-E	DHS - FFA	93.658	197,710	
Adoption	DHS - FFA	93.659	16,752	
Social Services Block Grant	DHS - FFA	93.667	57,344	
Medicaid Assistance Program	DHS - FFA	93.778	109,828	B
Adjustments to Costs	DHS - FFA	93.XXX	45,296	
Hospital Preparedness Program	HW17J	93.074	25,627	
Family Planning	JA16L	93.217	70,057	
Immunizations	KA15H	93.268	981	
Prevention and Public Health Fund (Affordable Care Act)	JG15J	93.539	5,232	
Cancer prevention and control programs	JG15H	93.752	666	
Preventative Health and Health Services Block Grant	Unidentified	93.758	15,726	
Organized Approaches to Increase Colorectal Cancer Screening	Unidentified	93.800	600	
Sexually Transmitted Diseases	JG15CH	93.977	7,650	
Public Health Nurse - Maternal and Child Health Service	ND15L	93.994	<u>15,000</u>	
Total Department of Health and Human Services:			<u>1,179,825</u>	
Department of Transportation:				
Federal Aviation Administration:				
Airport Improvement Projects (total)	AIP 48-50	20.106	<u>785,564</u>	
Total Federal Aviation Administration:			<u>785,564</u>	
Subtotal			<u>2,200,921</u>	

Gunnison County, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018
(continued)

<u>Program Title</u>	<u>Pass through Entity Identifying Number</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
Department of Homeland Security:			
Emergency Food and Shelter National Board Program	Unidentified	97.024	75,000
Total Department of Homeland Security:			<u>75,000</u>
Department of Housing and Urban Development:			
Passed through Colorado Department Housing and Finance Authority:			
Insured Loan Program	Unidentified	14.135	591,383
Lower Income Housing Assistance Program	Unidentified	14.871	141,772
Total Department of Housing and Urban Development:			<u>733,155</u>
Total Federal Assistance:			<u>\$ 3,009,076</u>

<u>Additional Information for Clusters:</u>	<u>Amount</u>
A - Child Care Cluster (93.575 and 93.596)	158,812
B - Medicaid Cluster (93.778)	109,828
C - Women, Infant, Children Cluster (10.557)	145,990

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2018

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 did not have any sub-recipients for the year ended December 31, 2018.

Note 4. Loans Outstanding

The County participates in the HUD Insured Loan Program. The balance of the loans at December 31, 2018 is as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Balance of Direct Loans</u>
Insured Loan Program	14.135	\$ 591,383