

The Gabelli U.S. Treasury Money Market Fund



Ronald S. Eaker
With GAMCO Since 1987

Annual Report
September 30, 2011



Judith A. Raneri
With GAMCO Since 1989

To Our Shareholders,

The Sarbanes-Oxley Act's corporate governance regulations require a fund's principal executive and financial officers to certify the entire contents of the semi-annual and annual shareholder reports in a filing with the Securities and Exchange Commission on Form N-CSR. This certification covers the portfolio managers commentary and subjective opinions if they are attached to or a part of the financial statements.

Rather than ask our portfolio managers to eliminate their opinions and/or restrict their commentary to historical facts only, we separated their commentary from the financial statements and investment portfolio and sent it separately. We will continue to mail the portfolio managers' commentary separately from the investment portfolio to ensure that its content is complete and unrestricted. Both the commentary and the financial statements are also available on our website at www.gabelli.com.

Sincerely yours,

Bruce N. Alpert
President
The Gabelli U.S. Treasury Money Market Fund

November 18, 2011

Portfolio Holdings

The Gabelli U.S. Treasury Money Market Fund (the "Fund") makes available on a monthly basis, a complete schedule of portfolio holdings. Shareholders may obtain this information at www.gabelli.com or by calling the Fund at 800-GABELLI (800-422-3554).

Proxy Voting

The Fund files Form N-PX with its complete proxy voting record for the twelve months ended June 30th, no later than August 31st of each year. A description of the Fund's proxy voting policies, procedures, and how the Fund voted proxies relating to portfolio securities is available without charge, upon request, by (i) calling 800-GABELLI (800-422-3554); (ii) writing to The Gabelli Funds at One Corporate Center, Rye, NY 10580-1422; or (iii) visiting the SEC website at www.sec.gov.

The Gabelli U.S. Treasury Money Market Fund

Disclosure of Fund Expenses (Unaudited)

For the Six Month Period from April 1, 2011 through September 30, 2011 **Expense Table**

We believe it is important for you to understand the impact of fees and expenses regarding your investment. All mutual funds have operating expenses. As a shareholder of a fund, you incur ongoing costs, which include costs for portfolio management, administrative services, and shareholder reports (like this one), among others. Operating expenses, which are deducted from a fund's gross income, directly reduce the investment return of a fund. When a fund's expenses are expressed as a percentage of its average net assets, this figure is known as the expense ratio. The following examples are intended to help you understand the ongoing costs (in dollars) of investing in your Fund and to compare these costs with those of other mutual funds. The examples are based on an investment of \$1,000 made at the beginning of the period shown and held for the entire period.

The Expense Table below illustrates your Fund's costs in two ways:

Actual Fund Return: This section provides information about actual account values and actual expenses. You may use this section to help you to estimate the actual expenses that you paid over the period after any fee waivers and expense reimbursements. The "Ending Account Value" shown is derived from the Fund's **actual** return during the past six months, and the "Expenses Paid During Period" shows the dollar amount that would have been paid by an investor who started with \$1,000 in the Fund. You may use this information, together with the amount you invested, to estimate the expenses that you paid over the period.

To do so, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number given for your Fund under the heading "Expenses Paid During Period" to estimate the expenses you paid during this period.

Hypothetical 5% Return: This section provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio. It assumes a hypothetical annualized return of 5% before expenses during the period shown. In this case – because the hypothetical return used is **not** the Fund's actual return – the results do not apply to your investment and you cannot use the hypothetical account value and expense to estimate the actual ending account balance or expenses you paid for the period. This example is useful in making comparisons of the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs such as sales charges (loads), redemption fees, or exchange fees, if any, which would be described in the Prospectus. If these costs were applied to your account, your costs would be higher. Therefore, the 5% hypothetical return is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. The "Annualized Expense Ratio" represents the actual expenses for the last six months and may be different from the expense ratio in the Financial Highlights which is for the year ended September 30, 2011.

	Beginning Account Value 04/01/11	Ending Account Value 09/30/11	Annualized Expense Ratio	Expenses Paid During Period*
Gabelli U.S. Treasury Money Market Fund				
Actual Fund Return				
Class AAA	\$1,000.00	\$1,000.10	0.08%	\$0.40
Class A	\$1,000.00	\$1,000.10	0.08%	\$0.40
Class C	\$1,000.00	\$1,000.10	0.08%	\$0.40
Hypothetical 5% Return				
Class AAA	\$1,000.00	\$1,024.67	0.08%	\$0.41
Class A	\$1,000.00	\$1,024.67	0.08%	\$0.41
Class C	\$1,000.00	\$1,024.67	0.08%	\$0.41

* Expenses are equal to the Fund's annualized expense ratio for the last six months multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half year (183 days), then divided by 365.

Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of net assets as of September 30, 2011:

The U.S. Treasury Money Market Fund

U.S. Treasury Bills	94.8%	Other Assets and Liabilities (Net)	0.2%
U.S. Treasury Notes	5.0%	Net Assets	100.0%

The Gabelli U.S. Treasury Money Market Fund

Statement of Net Assets September 30, 2011

Principal Amount		Market Value
	U.S. GOVERNMENT OBLIGATIONS — 99.8%	
	U.S. Treasury Bills — 94.8%	
\$1,797,773,000	U.S. Treasury Bills, 0.000% to 0.115%†, 10/06/11 to 02/09/12	\$1,797,699,686
	U.S. Treasury Notes — 5.0%	
31,924,000	1.000%, 10/31/11	31,947,550
38,000,000	0.750%, 11/30/11	38,029,441
25,000,000	1.000%, 12/31/11	25,056,670
		95,033,661
	Total U.S. GOVERNMENT OBLIGATIONS	1,892,733,347
TOTAL INVESTMENTS (Cost \$1,892,733,347)	99.8%	1,892,733,347
Payable to Manager	(0.0)	(70,269)
Other Assets and Liabilities (Net)	0.2	3,731,086
NET ASSETS (applicable to 1,896,383,956 shares outstanding) ..	100.0%	\$1,896,394,164
Net Assets Consist of:		
Paid-in capital		\$1,896,384,607
Accumulated net investment income		7,272
Accumulated net realized gain on investments		2,285
TOTAL NET ASSETS		\$1,896,394,164

SHARES OF CAPITAL STOCK, each at \$0.001 par value; unlimited number of shares authorized:

Class AAA:

Net Asset Value, offering, and redemption price per share (\$1,886,961,624 ÷ 1,886,950,573 shares outstanding)

\$1.00

Class A:

Net Asset Value, offering, and redemption price per share (\$5,684,166 ÷ 5,684,702 shares outstanding)

\$1.00

Class C:

Net Asset Value, offering, and redemption price per share (\$3,748,374 ÷ 3,748,681 shares outstanding)

\$1.00

† Represents annualized yield at date of purchase.

Statement of Operations For the Year Ended September 30, 2011

Investment income:	
Interest	\$ 1,975,074
Expenses:	
Management fees	2,073,993
Custodian fees	113,250
Shareholder services fees	107,374
Registration expenses	61,754
Legal and audit fees	59,507
Shareholder communications expenses	41,638
Trustees' fees	24,072
Interest expense	41
Miscellaneous expenses	77,180
Total Expenses	2,558,809
Less:	
Fees waived by the Manager	(1,249,500)
Net Expenses	1,309,309
Net Investment Income	665,765
Net Realized Gain on Investments	55,293
Net Increase in Net Assets Resulting from Operations	\$ 721,058

See accompanying notes to financial statements.

The Gabelli U.S. Treasury Money Market Fund

Statement of Changes in Net Assets

	<u>Year Ended</u> <u>September 30, 2011</u>	<u>Year Ended</u> <u>September 30, 2010</u>
Operations:		
Net investment income	\$ 665,765	\$ 1,235,506
Net realized gain on investments	55,293	17,021
Net Increase in Net Assets Resulting from Operations	<u>721,058</u>	<u>1,252,527</u>
Distributions to Shareholders:		
Net investment income		
Class AAA	(654,267)	(1,234,219)
Class A	(1,318)	(748)
Class C	(486)	(539)
	<u>(656,071)</u>	<u>(1,235,506)</u>
Net realized gain		
Class AAA	(38,785)	(33,478)
Class A	(127)	(26)
Class C	(28)	(7)
	<u>(38,940)</u>	<u>(33,511)</u>
Total Distributions to Shareholders	<u>(695,011)</u>	<u>(1,269,017)</u>
Capital Share Transactions (\$1.00 per share):		
Proceeds from shares issued		
Class AAA	3,401,749,489	2,908,061,767
Class A	8,466,573	1,326,904
Class C	5,723,524	3,719,340
Total proceeds from shares issued	<u>3,415,939,586</u>	<u>2,913,108,011</u>
Proceeds from reinvestment of distributions		
Class AAA	691,018	1,270,615
Class A	1,310	631
Class C	404	471
Total proceeds from reinvestment of distributions	<u>692,732</u>	<u>1,271,717</u>
Cost of shares redeemed		
Class AAA	(3,157,879,048)	(2,883,565,628)
Class A	(3,969,197)	(1,378,646)
Class C	(3,875,009)	(2,233,840)
Total cost of shares redeemed	<u>(3,165,723,254)</u>	<u>(2,887,178,114)</u>
Net Increase in Net Assets from Capital Share Transactions	<u>250,909,064</u>	<u>27,201,614</u>
Net Increase in Net Assets	<u>250,935,111</u>	<u>27,185,124</u>
Net Assets:		
Beginning of period	<u>1,645,459,053</u>	<u>1,618,273,929</u>
End of period (including undistributed net investment income of \$7,272 and \$0, respectively)	<u>\$ 1,896,394,164</u>	<u>\$ 1,645,459,053</u>

See accompanying notes to financial statements.

The Gabelli U.S. Treasury Money Market Fund

Financial Highlights

Selected data for a share of beneficial interest outstanding throughout each period:

Period Ended September 30	Income from Investment Operations			Distributions		Ratios to Average Net Assets/ Supplemental Data						
	Net Asset Value, Beginning of Period	Net Investment Income(a)	Net Realized Gain on Investments	Total from Investment Operations	Net Realized Gain on Investments	Total Distributions	Net Asset Value, End of Period	Total Return†	Net Assets, End of Period (in 000's)	Net Investment Income	Operating Expenses Net of Fees Waived and Assumed by the Manager(b)	Operating Expenses Before Fees Waived and Assumed by the Manager
Class AAA												
2011	\$1.0000	\$0.0004	\$0.0000(c)	\$0.0004	\$(0.0000)(c)	\$(0.0004)	\$1.0000	0.04%	\$1,886,962	0.04%	0.08%	0.16%
2010	1.0000	0.0007	0.0000(c)	0.0007	(0.0000)(c)	(0.0007)	1.0000	0.08	1,642,373	0.07	0.08	0.33
2009	1.0000	0.0045	0.0001	0.0046	(0.0001)	(0.0046)	1.0000	0.51	1,616,623	0.45	0.09	0.37
2008	1.0000	0.0257	0.0015	0.0272	(0.0257)	(0.0272)	1.0000	2.78	1,010,798	2.57	0.08	0.34
2007	1.0000	0.0483	0.0002	0.0485	(0.0483)	(0.0485)	1.0000	5.01	1,039,247	4.83	0.08	0.35
Class A												
2011	\$1.0000	\$0.0004	\$0.0000(c)	\$0.0004	\$(0.0000)(c)	\$(0.0004)	\$1.0000	0.04%	\$ 5,684	0.04%	0.08%	0.16%
2010	1.0000	0.0007	0.0000(c)	0.0007	(0.0000)(c)	(0.0007)	1.0000	0.08	1,186	0.08	0.08	0.33
2009(d)	1.0000	0.0028	0.0001	0.0029	(0.0028)	(0.0029)	1.0000	0.33	1,237	0.31(e)	0.09(e)	0.36(e)
Class C												
2011	\$1.0000	\$0.0004	\$0.0000(c)	\$0.0004	\$(0.0000)(c)	\$(0.0004)	\$1.0000	0.04%	\$ 3,748	0.04%	0.08%	0.16%
2010	1.0000	0.0007	0.0000(c)	0.0007	(0.0000)(c)	(0.0007)	1.0000	0.08	1,900	0.07	0.08	0.33
2009(d)	1.0000	0.0023	0.0001	0.0024	(0.0023)	(0.0024)	1.0000	0.33	414	0.26(e)	0.09(e)	0.37(e)

† Total return represents aggregate total return of a hypothetical \$1,000 investment at the beginning of the period and sold at the end of the period including reinvestment of distributions. Total return for a period of less than one year is not annualized.

(a) Net investment income (loss) per share before fees waived by the Manager for the years ended September 30, 2011, 2010, 2009, 2008, and 2007 was \$(0.0004), \$(0.0018), \$0.0017, \$0.0231, and \$0.0456 (Class AAA), \$(0.0004), \$(0.0018) and \$0.0004 (Class A), and \$(0.0004), \$(0.0018) and \$(0.0002) (Class C), respectively.

(b) The Manager assumed certain expenses incurred from the U.S. Treasury Department's Temporary Guaranty Program during the year ended September 30, 2009. If these expenses had not been assumed by the Manager, the ratio of operating expenses net of fees waived and assumed by the Manager to average net assets would have been 0.11% for all classes.

(c) Amount represents less than \$0.00005 per share.

(d) From the commencement of offering Class A and Class C Shares on November 14, 2008 through September 30, 2009.

(e) Annualized.

See accompanying notes to financial statements.

The Gabelli U.S. Treasury Money Market Fund

Notes to Financial Statements

1. Organization. The Gabelli U.S. Treasury Money Market Fund (the “Fund”), a series of The Gabelli Money Market Funds (the “Trust”), was organized on May 21, 1992 as a Delaware statutory trust. The Fund is a diversified open-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”). The Fund’s primary objective is high current income consistent with the preservation of principal and liquidity. The Fund commenced investment operations on October 1, 1992.

2. Significant Accounting Policies. The Fund’s financial statements are prepared in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”), which may require the use of management estimates and assumptions. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

Security Valuation. The Fund values securities utilizing the amortized cost valuation method which approximates market value and is permitted under Rule 2a-7 under the 1940 Act. This method involves valuing a portfolio security initially at its cost and thereafter adjusting for amortization of premium or accretion of discount to maturity.

The inputs and valuation techniques used to measure fair value of the Fund’s investments are summarized into three levels as described in the hierarchy below:

- Level 1 – quoted prices in active markets for identical securities;
- Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.); and
- Level 3 – significant unobservable inputs (including the Fund’s determinations as to the fair value of investments).

A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input both individually and in the aggregate that is significant to the fair value measurement. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of the Fund’s investments in securities by inputs used to value the Fund’s investments as of September 30, 2011 is as follows:

<u>Valuation Inputs</u>	<u>Investments in Securities (Market Value) Assets</u>
Level 2 – Other Significant Observable Inputs*	\$1,892,733,347

* Portfolio holdings designated in Level 2 are disclosed individually in the Statement of Net Assets. Level 2 consists of U.S. Government Obligations.

The Gabelli U.S. Treasury Money Market Fund

Notes to Financial Statements (Continued)

The Fund did not have significant transfers between Levels 1 and Level 2 during the year ended September 30, 2011.

There were no Level 1 or Level 3 investments held at September 30, 2011 or September 30, 2010.

In May 2011, the FASB issued Accounting Standards Update (“ASU”) No. 2011-04 “Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards (“IFRS”).” ASU 2011-04 includes common requirements for measurement of and disclosure about fair value between U.S. GAAP and IFRS. ASU 2011-04 will require reporting entities to disclose the following information for fair value measurements categorized within Level 3 of the fair value hierarchy: quantitative information about the unobservable inputs used in the fair value measurement, the valuation processes used by the reporting entity, and a narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs and the interrelationships between those unobservable inputs. In addition, ASU 2011-04 will require reporting entities to make disclosures about amounts and reasons for all transfers into and out of Level 1 and Level 2 fair value measurements. The new and revised disclosures are effective for interim and annual reporting periods beginning after December 15, 2011. At this time, management is evaluating the implications of ASU 2011-04 and its impact on the financial statements.

Securities Transactions and Investment Income. Securities transactions are accounted for on the trade date with realized gain or loss on investments determined by using the identified cost method. Interest income (including amortization of premium and accretion of discount) is recorded on the accrual basis. Premiums and discounts on debt securities are amortized using the effective yield to maturity method.

Custodian Fee Credits and Interest Expense. When cash balances are maintained in the custody account, the Fund receives credits which are used to offset custodian fees. The gross expenses paid under the custody arrangement are included in custodian fees in the Statement of Operations with the corresponding expense offset, if any, shown as “Custodian fee credits.” When cash balances are overdrawn, the Fund is charged an overdraft fee equal to 2.00% above the federal funds rate on outstanding balances. This amount, if any, would be included in “interest expense” in the Statement of Operations.

Distributions to Shareholders. Distributions from investment income (including net short-term realized capital gains) are declared daily and paid monthly. Distributions from net long-term capital gains, if any, are paid annually. Book/tax differences of distributions are either temporary or permanent in nature. To the extent these differences are permanent, adjustments are made to the appropriate capital accounts in the period when the differences arise.

For the years ended September 30, 2011 and September 30, 2010, the tax character of distributions was all ordinary income.

Provision for Income Taxes. The Fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”). It is the policy of the Fund to comply with the requirements of the Code applicable to regulated investment companies and to distribute substantially all of its net investment company taxable income and net capital gains. Therefore, no provision for federal income taxes is required.

The Gabelli U.S. Treasury Money Market Fund

Notes to Financial Statements (Continued)

At September 30, 2011, the components of accumulated earnings/losses on a tax basis were as follows:

Undistributed ordinary income/losses (inclusive of short-term capital gains)	\$9,560
Net unrealized depreciation on investments	<u>(3)</u>
Total accumulated earnings/losses	<u>\$9,557</u>

Under the recently enacted Regulated Investment Company Modernization Act of 2010, the Fund will be permitted to carryforward capital losses incurred in taxable years beginning after December 22, 2010 for an unlimited period. Additionally, post-enactment capital losses that are carried forward will retain their character as either short-term or long-term capital losses rather than being considered all short-term as under previous law.

At September 30, 2011, the temporary difference between book basis and tax basis net unrealized depreciation on investments was primarily due to deferral of losses from wash sales for tax purposes.

The following summarizes the tax cost of investments and the related net unrealized depreciation at September 30, 2011:

	<u>Cost</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Depreciation</u>
Investments	\$1,892,733,350	\$—	\$(3)	\$(3)

The Fund is required to evaluate tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Income tax and related interest and penalties would be recognized by the Fund as tax expense in the Statement of Operations if the tax positions were deemed not to meet the more-likely-than-not threshold. For the year ended September 30, 2011, the Fund did not incur any income tax, interest, or penalties. As of September 30, 2011, the Gabelli Funds, LLC (the "Manager") has reviewed all open tax years and concluded that there was no impact to the Fund's net assets or results of operations. Tax years ended September 30, 2008 through September 30, 2011 remain subject to examination by the Internal Revenue Service and state taxing authorities. On an ongoing basis, the Manager will monitor the Fund's tax positions to determine if adjustments to this conclusion are necessary.

3. Line of Credit. The Fund participates in an unsecured line of credit of up to \$75,000,000 under which it may borrow up to 10% of its net assets from the custodian for temporary borrowing purposes. Borrowings under this arrangement bear interest at the higher of the sum of the overnight LIBOR rate plus 125 basis points or the sum of federal funds rate plus 125 basis points at the time of borrowing. This amount, if any, would be included in "interest expense" in the Statement of Operations. During the year ended September 30, 2011, there were no borrowings under the line of credit.

The Gabelli U.S. Treasury Money Market Fund

Notes to Financial Statements (Continued)

4. Shares of Beneficial Interest. The Fund offers three classes of shares – Class AAA Shares, Class A Shares, and Class C Shares. Class A Shares and Class C Shares are offered only as an exchange option for shareholders holding Class A or Class C Shares of other funds within the Gabelli Funds complex. Class A Shares and Class C Shares are not available for direct investment by shareholders.

5. Agreements with Affiliated Parties. The Trust has entered into a management agreement (the “Management Agreement”) with the Manager, which provides that the Trust will pay the Manager a fee, computed daily and paid monthly, at the annual rate of 0.08% of the value of the Fund’s average daily net assets. In accordance with the Management Agreement, the Manager provides a continuous investment program for the Fund’s portfolio, oversees the administration of all aspects of the Fund’s business and affairs, and pays the compensation of all Officers and Trustees of the Fund who are affiliated persons of the Manager. Through January 31, 2013, to the extent necessary, the Manager has contractually undertaken to assume certain expenses (excluding interest, taxes, and extraordinary expenses), of the Fund so that the total expenses do not exceed 0.08% of the Fund’s average daily net assets.

G.distributors, LLC, the successor “Distributor” to Gabelli & Company, Inc. effective August 1, 2011, and also an affiliate of the Fund, informed the Fund that it retained \$7,539 from investors on redemptions of shares that were exchanged into the Fund from other funds in the Gabelli/GAMCO fund complex.

The Fund pays each Trustee who is not considered an affiliated person an annual retainer of \$3,000 plus \$500 for each Board of Trustees (the “Board”) meeting attended. Each Trustee is reimbursed by the Fund for any out of pocket expenses incurred in attending meetings. All Board committee members receive \$500 per meeting attended and the Chairman of the Audit Committee and the Lead Trustee each receives an annual fee of \$1,000. A Trustee may receive a single meeting fee, allocated among the participating funds, for participation in certain meetings held on behalf of multiple funds. Trustees who are directors or employees of the Manager or an affiliated company receive no compensation or expense reimbursement from the Fund.

6. Significant Shareholder. As of September 30, 2011, 73.3% of the Fund was beneficially owned by the Manager and its affiliates, including managed accounts for which the affiliates of the Manager have voting control but disclaim pecuniary interest.

7. Indemnifications. The Fund enters into contracts that contain a variety of indemnifications. The Fund’s maximum exposure under these arrangements is unknown. However, the Fund has not had prior claims or losses pursuant to these contracts. Management has reviewed the Fund’s existing contracts and expects the risk of loss to be remote.

8. Other Matters. On April 24, 2008, the Manager entered into a settlement with the SEC to resolve an inquiry regarding prior frequent trading in shares of the GAMCO Global Growth Fund (the “Global Growth Fund”) by one investor who was banned from the Global Growth Fund in August 2002. Under the terms of the settlement, the Manager, without admitting or denying the SEC’s findings and allegations, paid \$16 million (which included a \$5 million civil monetary penalty). On the same day, the SEC filed a civil action in the U.S. District Court for the Southern District of New York against the Executive Vice President and Chief Operating Officer of the Manager, alleging violations of certain federal securities laws arising from the same matter. The officer, who also is an officer of the Global Growth Fund and other funds in the Gabelli/GAMCO complex, including this

The Gabelli U.S. Treasury Money Market Fund Notes to Financial Statements (Continued)

Fund, denies the allegations and is continuing in his positions with the Manager and the funds. The settlement by the Manager did not have, and the resolution of the action against the officer is not expected to have, a material adverse impact on the Manager or its ability to fulfill its obligations under the Management Agreement.

9. Subsequent Events. Management has evaluated the impact on the Fund of all subsequent events occurring through the date the financial statements were issued and has determined that there were no subsequent events requiring recognition or disclosure in the financial statements.

2011 TAX NOTICE TO SHAREHOLDERS (Unaudited)

For the year ended September 30, 2011, the Fund designates 100% of the ordinary income distribution as qualified interest income and as qualified short-term capital gain, pursuant to the American Jobs Creation Act of 2004.

U.S. Government Income:

The percentage of the ordinary income distribution paid by the Fund during the year ended September 30, 2011 which was derived from U.S. Treasury securities was 91.83%. Such income is exempt from state and local tax in all states. However, many states, including New York and California, allow a tax exemption for a portion of the income earned only if a mutual fund has invested at least 50% of its assets at the end of each quarter of the Fund's fiscal year in U.S. Government securities. The Gabelli U.S. Treasury Money Market Fund met this strict requirement in the year ended September 30, 2011. Due to the diversity in state and local tax law, it is recommended that you consult your personal tax adviser as to the applicability of the information provided to your specific situation.

All designations are based on financial information available as of the date of this annual report and, accordingly, are subject to change. For each item, it is the intention of the Fund to designate the maximum amount permitted under the Internal Revenue Code and the regulations thereunder.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Trustees of
The Gabelli U.S. Treasury Money Market Fund

We have audited the accompanying statement of net assets, of The Gabelli U.S. Treasury Money Market Fund (the “Fund”), a series of The Gabelli Money Market Funds as of September 30, 2011, and the related statements of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the period indicated therein. These financial statements and financial highlights are the responsibility of the Fund’s management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Fund’s internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of September 30, 2011, by correspondence with the Fund’s custodian. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of The Gabelli U.S. Treasury Money Market Fund, a series of The Gabelli Money Market Funds, at September 30, 2011, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and its financial highlights for each of the period indicated therein, in conformity with U.S. generally accepted accounting principles.

Ernst + Young LLP

Philadelphia, Pennsylvania
November 28, 2011

The Gabelli U.S. Treasury Money Market Fund

Additional Fund Information (Unaudited)

The business and affairs of the Fund are managed under the direction of the Fund's Board of Trustees. Information pertaining to the Trustees and officers of the Fund is set forth below. The Fund's Statement of Additional Information includes additional information about the Fund's Trustees and is available, without charge, upon request, by calling 800-GABELLI (800-422-3554) or by writing to The Gabelli Money Market Funds at One Corporate Center, Rye, NY 10580-1422.

<u>Name, Position(s) Address¹ and Age</u>	<u>Term of Office and Length of Time Served²</u>	<u>Number of Funds in Fund Complex Overseen by Trustee</u>	<u>Principal Occupation(s) During Past Five Years</u>	<u>Other Directorships Held by Trustee³</u>
<u>INTERESTED TRUSTEES⁴:</u>				
Mario J. Gabelli, CFA Trustee and Chief Investment Officer Age: 69	Since 1992	27	Chairman, Chief Executive Officer, and Chief Investment Officer—Value Portfolios of GAMCO Investors, Inc. and Chief Investment Officer—Value Portfolios of Gabelli Funds, LLC, and GAMCO Asset Management Inc.; Director/Trustee or Chief Investment Officer of other registered investment companies in the Gabelli/GAMCO Funds Complex; Chief Executive Officer of GGCP, Inc.	Director of Morgan Group Holdings, Inc. (holding company); Chairman of the Board and Chief Executive Officer of LICT Corp. (multimedia and communication services company); Director of CIBL, Inc. (broadcasting and wireless communications); Director of RLJ Acquisition Inc. (blank check company)
<u>INDEPENDENT TRUSTEES⁵:</u>				
Anthony J. Colavita Trustee Age: 75	Since 1992	35	President of the law firm of Anthony J. Colavita, P.C.	—
Vincent D. Enright Trustee Age: 67	Since 1992	17	Former Senior Vice President and Chief Financial Officer of KeySpan Corporation (public utility) (1994-1998)	Director of Echo Therapeutics, Inc. (therapeutics and diagnostics); Director of LGL Group, Inc. and until September 2006, Director of Apton Corporation (pharmaceuticals)
Robert C. Kolodny, MD Trustee Age: 67	Since 2006	2	Physician; Principal of KBS Management LLC (investment adviser) since 2006; General Partner of KBS Partnership, KBS II Investment Partnership, KBS III Investment Partnership, KBS IV Limited Partnership, KBS New Dimensions, L.P., KBS Global Opportunities, L.P., and KBS VII Limited Partnership (private investment partnerships) since 1981; Medical Director and Chairman of the Board of the Behavioral Medicine Institute since 1983	—
Anthonie C. van Ekris Trustee Age: 77	Since 1992	20	Chairman of BALMAC International, Inc. (commodities and futures trading)	—

The Gabelli U.S. Treasury Money Market Fund

Additional Fund Information (Unaudited) (Continued)

<u>Name, Position(s) Address¹ and Age</u>	<u>Term of Office and Length of Time Served²</u>	<u>Principal Occupation(s) During Past Five Years</u>
OFFICERS:		
Bruce N. Alpert President and Secretary Age: 59	Since 1992	Executive Vice President and Chief Operating Officer of Gabelli Funds, LLC since 1988; Officer of all of the registered investment companies in the Gabelli/GAMCO Funds Complex; Director of Teton Advisors, Inc. since 1998; Chairman of Teton Advisors, Inc. July 2008 to 2010; President of Teton Advisors, Inc., 1998 through 2008; Senior Vice President of GAMCO Investors, Inc. since 2008
Ronald S. Eaker Vice President and Portfolio Manager Age: 50	Since 1992	Senior Portfolio Manager of Gabelli Fixed Income LLC and its predecessors since 1987
Judith A. Raneri Vice President and Portfolio Manager Age: 43	Since 1997	Portfolio Manager of Gabelli Funds, LLC since April 1997; Former Senior Portfolio Manager, Secretary, and Treasurer of The Treasurer's Fund, Inc. and a member of its Investment and Credit Review Committees
Agnes Mullady Treasurer Age: 53	Since 2006	President and Chief Operating Officer of the Open-End Fund Division of Gabelli Funds, LLC since September 2010; Senior Vice President of GAMCO Investors, Inc. since 2009; Vice President of Gabelli Funds, LLC since 2007; Officer of all of the registered investment companies in the Gabelli/GAMCO Funds Complex
Peter D. Goldstein Chief Compliance Officer Age: 58	Since 2004	Director of Regulatory Affairs at GAMCO Investors, Inc. since 2004; Chief Compliance Officer of all of the registered investment companies in the Gabelli/GAMCO Funds complex

¹ Address: One Corporate Center, Rye, NY 10580-1422, unless otherwise noted.

² Each Trustee will hold office for an indefinite term until the earliest of (i) the next meeting of shareholders, if any, called for the purpose of considering the election or re-election of such Trustee and until the election and qualification of his or her successor, if any, elected at such meeting, or (ii) the date a Trustee resigns or retires, or a Trustee is removed by the Board of Trustees or shareholders, in accordance with the Trust's Amended and Restated By Laws and Agreement and Declaration of Trust. Each officer will hold office for an indefinite term until the date he or she resigns or retires or until his or her successor is elected and qualified.

³ This column includes only directorships of companies required to report to the SEC under the Securities Exchange Act of 1934, i.e., public companies, or other investment companies registered under the 1940 Act.

⁴ "Interested person" of the Fund as defined in the Investment Company Act of 1940. Mr. Gabelli is considered an "interested person" because of his affiliation with Gabelli Funds, LLC which acts as the Fund's investment adviser.

⁵ Trustees who are not interested persons are considered "Independent" Trustees.

Gabelli/GAMCO Funds and Your Personal Privacy

Who are we?

The Gabelli/GAMCO Funds are investment companies registered with the Securities and Exchange Commission under the Investment Company Act of 1940. We are managed by Gabelli Funds, LLC, which is affiliated with GAMCO Investors, Inc. GAMCO Investors, Inc. is a publicly held company that has subsidiaries that provide investment advisory or brokerage services for a variety of clients.

What kind of non-public information do we collect about you if you become a Fund shareholder?

If you apply to open an account directly with us, you will be giving us some non-public information about yourself. The non-public information we collect about you is:

- *Information you give us on your application form.* This could include your name, address, telephone number, social security number, bank account number, and other information.
- *Information about your transactions with us, any transactions with our affiliates, and transactions with the entities we hire to provide services to you.* This would include information about the shares that you buy or redeem. If we hire someone else to provide services—like a transfer agent—we will also have information about the transactions that you conduct through them.

What information do we disclose and to whom do we disclose it?

We do not disclose any non-public personal information about our customers or former customers to anyone other than our affiliates, our service providers who need to know such information, and as otherwise permitted by law. If you want to find out what the law permits, you can read the privacy rules adopted by the Securities and Exchange Commission. They are in volume 17 of the Code of Federal Regulations, Part 248. The Commission often posts information about its regulations on its website, www.sec.gov.

What do we do to protect your personal information?

We restrict access to non-public personal information about you to the people who need to know that information in order to provide services to you or the Fund and to ensure that we are complying with the laws governing the securities business. We maintain physical, electronic, and procedural safeguards to keep your personal information confidential.

GABELLI FAMILY OF FUNDS

VALUE

Gabelli Asset Fund

Seeks to invest primarily in a diversified portfolio of common stocks selling at significant discounts to their private market value. The Fund's primary objective is growth of capital. *(Multiclass) Team Managed*

Gabelli Blue Chip Value Fund

Seeks long term growth of capital through investment primarily in the common stocks of established companies which are temporarily out of favor. The fund's objective is to identify a catalyst or sequence of events that will return the company to a higher value. *(Multiclass)*

Portfolio Manager: Barbara G. Marcini, CFA

GAMCO Westwood Equity Fund

Seeks to invest primarily in the common stock of well seasoned companies that have recently reported positive earnings surprises and are trading below Westwood's proprietary growth rate estimates. The Fund's primary objective is capital appreciation. *(Multiclass)*

Portfolio Manager: Susan M. Byrne

FOCUSED VALUE

Gabelli Value Fund

Seeks to invest in securities of companies believed to be undervalued. The Fund's primary objective is long-term capital appreciation. *(Multiclass)*

Team Managed

SMALL CAP

Gabelli Small Cap Growth Fund

Seeks to invest primarily in common stock of smaller companies (market capitalizations at the time of investment of \$2 billion or less) believed to have rapid revenue and earnings growth potential. The Fund's primary objective is capital appreciation. *(Multiclass)*

Portfolio Manager: Mario J. Gabelli, CFA

GAMCO Westwood SmallCap Equity Fund

Seeks to invest primarily in smaller capitalization equity securities – market caps of \$2.5 billion or less. The Fund's primary objective is long-term capital appreciation. *(Multiclass)*

Portfolio Manager: Nicholas F. Galluccio

Gabelli Woodland Small Cap Value Fund

Seeks to invest primarily in the common stocks of smaller companies (market capitalizations generally less than \$3.0 billion) believed to be undervalued with shareholder oriented management teams that are employing strategies to grow the company's value. The Fund's primary objective is capital appreciation. *(Multiclass)*

Portfolio Manager: Elizabeth M. Lilly, CFA

GROWTH

GAMCO Growth Fund

Seeks to invest primarily in large cap stocks believed to have favorable, yet undervalued, prospects for earnings growth. The Fund's primary objective is capital appreciation. *(Multiclass)*

Portfolio Manager: Howard F. Ward, CFA

GAMCO International Growth Fund

Seeks to invest in the equity securities of foreign issuers with long-term capital appreciation potential. The Fund offers investors global diversification. *(Multiclass)*

Portfolio Manager: Caesar Bryan

AGGRESSIVE GROWTH

GAMCO Global Growth Fund

Seeks capital appreciation through a disciplined investment program focusing on the globalization and interactivity of the world's marketplace. The Fund invests in companies at the forefront of accelerated growth. The Fund's primary objective is capital appreciation. *(Multiclass) Team Managed*

MICRO-CAP

GAMCO Westwood Mighty MitesSM Fund

Seeks to invest in micro-cap companies that have market capitalizations of \$500 million or less. The Fund's primary objective is long-term capital appreciation. *(Multiclass) Team Managed*

EQUITY INCOME

Gabelli Equity Income Fund

Seeks to invest primarily in equity securities with above average market yields. The Fund pays monthly dividends and seeks a high level of total return with an emphasis on income. *(Multiclass)*

Portfolio Manager: Mario J. Gabelli, CFA

GAMCO Westwood Balanced Fund

Seeks to invest in a balanced and diversified portfolio of stocks and bonds. The Fund's primary objective is both capital appreciation and current income. *(Multiclass)*

*Co-Portfolio Managers: Susan M. Byrne
Mark R. Freeman, CFA*

GAMCO Westwood Income Fund

Seeks to provide a high level of current income as well as long-term capital appreciation by investing in income producing equity and fixed income securities. *(Multiclass)*

Portfolio Manager: Barbara G. Marcini, CFA

SPECIALTY EQUITY

GAMCO Vertumnus Fund (formerly GAMCO Global Convertible Securities Fund)

Seeks to invest principally in bonds and preferred stocks which are convertible into common stock of foreign and domestic companies. The Fund's primary objective is total return through a combination of current income and capital appreciation. *(Multiclass)*

Portfolio Manager: Mario J. Gabelli, CFA

GAMCO Global Opportunity Fund

Seeks to invest in common stock of companies which have rapid growth in revenues and earnings and potential for above average capital appreciation or are undervalued. The Fund's primary objective is capital appreciation. *(Multiclass) Team Managed*

Gabelli SRI Green Fund

Seeks to invest in common and preferred stocks meeting guidelines for social responsibility (avoiding defense contractors and manufacturers of alcohol, abortifacients, gaming, and tobacco products) and sustainability (companies engaged in climate change, energy security and independence, natural resource shortages, organic living, and urbanization). The Fund's primary objective is capital appreciation. *(Multiclass) Team Managed*

SECTOR

GAMCO Global Telecommunications Fund

Seeks to invest in telecommunications companies throughout the world – targeting undervalued companies with strong earnings and cash flow dynamics. The Fund's primary objective is capital appreciation. *(Multiclass) Team Managed*

GAMCO Gold Fund

Seeks to invest in a global portfolio of equity securities of gold mining and related companies. The Fund's objective is long-term capital appreciation. Investment in gold stocks is considered speculative and is affected by a variety of worldwide economic, financial, and political factors. *(Multiclass)*

Portfolio Manager: Caesar Bryan

Gabelli Utilities Fund

Seeks to provide a high level of total return through a combination of capital appreciation and current income. *(Multiclass)*

Portfolio Manager: Mario J. Gabelli, CFA

MERGER AND ARBITRAGE

Gabelli ABC Fund

Seeks to invest in securities with attractive opportunities for appreciation or investment income. The Fund's primary objective is total return in various market conditions without excessive risk of capital loss. *(No-load)*

Portfolio Manager: Mario J. Gabelli, CFA

Gabelli Enterprise Mergers and Acquisitions Fund

Seeks to invest in securities believed to be likely acquisition targets within 12–18 months or in arbitrage transactions of publicly announced mergers or other corporate reorganizations. The Fund's primary objective is capital appreciation. *(Multiclass)*

Portfolio Manager: Mario J. Gabelli, CFA

CONTRARIAN

GAMCO Mathers Fund

Seeks long-term capital appreciation in various market conditions without excessive risk of capital loss. *(No-load)*

Portfolio Manager: Henry Van der Eb, CFA

Comstock Capital Value Fund

Seeks capital appreciation and current income. The Fund may use either long or short positions to achieve its objective. *(Multiclass)*

*Portfolio Managers: Charles L. Minter
Martin Weiner, CFA*

FIXED INCOME

GAMCO Westwood Intermediate Bond Fund

Seeks to invest in a diversified portfolio of bonds with various maturities. The Fund's primary objective is total return. *(Multiclass)*

Portfolio Manager: Mark R. Freeman, CFA

CASH MANAGEMENT-MONEY MARKET

Gabelli U.S. Treasury Money Market Fund

Seeks to invest exclusively in short-term U.S. Treasury securities. The Fund's primary objective is to provide high current income consistent with the preservation of principal and liquidity. *(No-load)*

*Co-Portfolio Managers: Judith A. Raneri
Ronald S. Eaker*

An investment in the above Money Market Fund is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.

The Funds may invest in foreign securities which involve risks not ordinarily associated with investments in domestic issues, including currency fluctuation, economic, and political risks.

To receive a prospectus, call 800-GABELLI (800-422-3554). Investors should carefully consider the investment objectives, risks, charges, and expenses of a fund before investing. The prospectus contains more information about this and other matters and should be read carefully before investing. Distributed by G.distributors, LLC, One Corporate Center, Rye, NY 10580.

**The Gabelli U.S. Treasury
Money Market Fund**

One Corporate Center
Rye, New York 10580-1422

800-GABELLI

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e-mail: info@gabelli.com

Current Yield available daily by calling

800-GABELLI after 7:00 P.M.



Board of Trustees

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Executive Officer
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*Physician, Principal of KBS
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The Gabelli U.S. Treasury Money Market Fund

This report is submitted for the general information of the shareholders of The Gabelli U.S. Treasury Money Market Fund. It is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus.
