

**PITKIN COUNTY, COLORADO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**Year ended December 31, 2001**

**Prepared by  
Finance Department**

**Debe Nelson  
Finance Director**

THIS PAGE LEFT BLANK INTENTIONALLY

# CONTENTS

	Page
Table of Contents .....	i
<b>INTRODUCTORY SECTION</b>	
Organization Chart and List of Officials .....	iii
Letter of Transmittal .....	v
Certificate of Achievement .....	xxi
<b>FINANCIAL SECTION</b>	
Report of Independent Certified Public Accountants .....	1
Combined Statements - Overview ("Liftable" General Purpose Financial Statements)	
Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Units .....	4
Combined Statement of Revenue, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Discretely Presented Component Units .....	8
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types and Discretely Presented Component Units .....	10
Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances - All Proprietary Funds .....	16
Combined Statement of Cash Flows - All Proprietary Funds .....	17
Statement of Changes in Plan Net Assets – Retirement Trust Fund .....	18
Notes to Financial Statements - All Fund Types and Account Groups and Component Units .....	19
Supplemental Information - Combining and Account Group Statements and Schedules	
Special Revenue Funds	
Combining Balance Sheet .....	48
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	50
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual .....	52
Debt Service Funds	
Combining Balance Sheet .....	60
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	62
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual .....	64
Enterprise Funds	
Combining Balance Sheet .....	70
Combining Statement of Revenues, Expenses and Changes in Retained Earnings .....	71
Combining Statement of Cash Flows .....	72
Fiduciary Funds	
Combining Balance Sheet .....	74
Combining Statement of Changes in Assets and Liabilities - Agency Funds .....	75
General Fixed Assets and Account Groups	
Schedule of General Fixed Assets by Function and Activity .....	78
Schedule of General Fixed Assets by Function .....	79
Schedule of Changes in General Fixed Assets by Function .....	80
Combined Schedule of Cash and Investments .....	82
Combined Schedule of Governmental Revenue by Source .....	86
Schedule of Receipts and Expenditures for Roads, Bridges and Streets .....	92

**STATISTICAL SECTION**

General Government - Expenditures by Function .....	96
General Revenues by Source .....	98
Tax Revenues by Source .....	98
Property Tax Levies and Collections .....	99
Special Assessment Collections .....	100
Assessed and Estimated Actual Value of Taxable Property .....	101
Property Tax Rates - All Direct and Overlapping Governments .....	102
Revenue Bond Coverage	
Airport Revenue Bonds .....	104
Sales Tax Revenue Bonds.....	104
Computation of Legal Debt Margin .....	105
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita .....	105
Ratio of Annual Debt Service Expenditures for General Bonded	
Debt to Total General Expenditures .....	105
Computation of Direct and Overlapping General Obligation Debt .....	106
Demographic Statistics .....	107
Principal Property Taxpayers .....	108
Construction, Bank Deposits and Property Value .....	109
General Miscellaneous Statistics .....	110
Sales Tax Collections .....	112
Retail Sales by Standard Industrial Classification .....	114
Annual Skier Days by Area .....	116
Airport Operations and Enplaned Passengers .....	117
Percentage of Total Enplanments by Carrier .....	118
Transit Statistics - Roaring Fork Transit Agency .....	119

**SINGLE AUDIT SECTION**

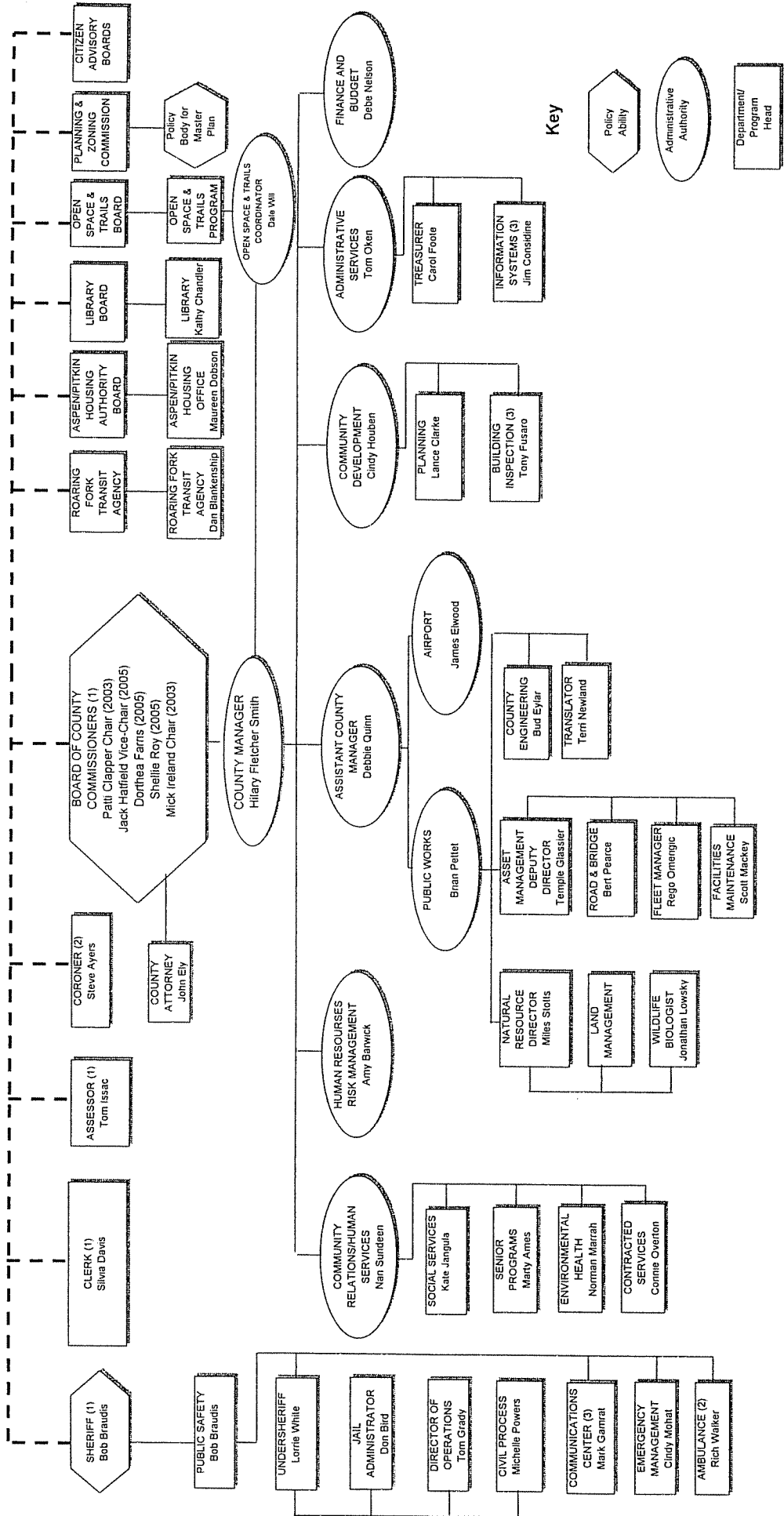
Schedule of Federal Financial Awards .....	122
Schedule of Multi-Year Federal Financial Awards .....	124
Notes to Supplementary Schedule of Expenditures of Federal Awards .....	126
Report on Compliance and on Internal Control Over Financial Reporting	
Based on an Audit of the General-Purpose Financial Statements	
Performed in Accordance with <i>Government Auditing Standards</i> .....	127
Report on Compliance with Requirements Applicable to each Major Program and on	
Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	128
Schedule of Findings and Questioned Costs .....	130
Summary of Schedule of Prior Year Audit Findings .....	132

**2001  
Annual Financial Report**

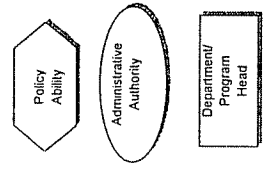
**INTRODUCTORY SECTION**



# People of Pitkin County, Colorado



### Key



- Solid line: Direct Reporting  
 Dashed line: Advisory  
 (1) Elected Officials  
 (2) Contract Services  
 (3) Joint Department

THIS PAGE LEFT BLANK INTENTIONALLY

June 22, 2002

To the Citizens of Pitkin County, Colorado:

The comprehensive annual financial report of Pitkin County, Colorado (the "County") and its component units for the year ended December 31, 2001, is hereby submitted as mandated by state statutes. The statutes require that Pitkin County issue annually a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. This report was prepared by the County's Finance Department. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data are accurate in all material aspects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds, account groups and component units of Pitkin County. All disclosures necessary to enable the reader to gain an understanding of the County's activities for both the primary government and its component units have been included in this comprehensive report.

The report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section, which is unaudited, includes this transmittal letter, an organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and the combining and individual fund and account group statements and schedules for the primary government and its component units, as well as the auditor's report on the financial statements and schedules. The unaudited statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

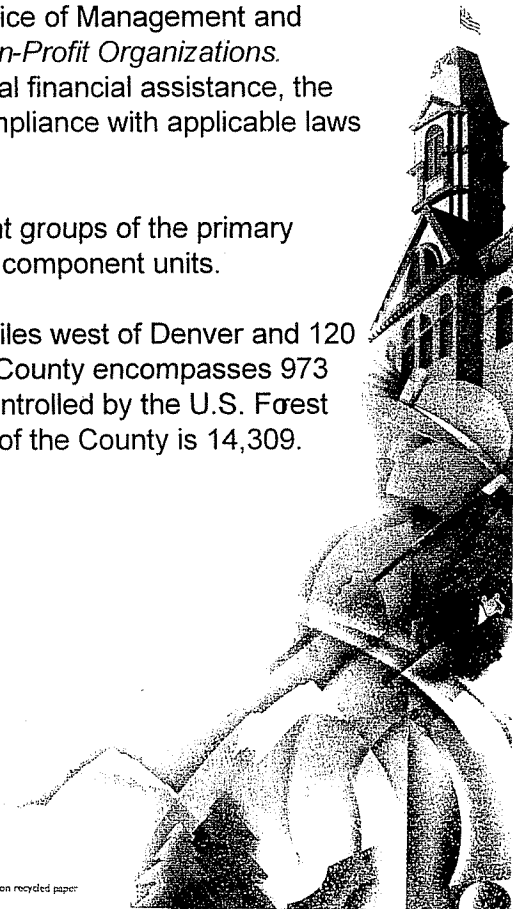
Pitkin County is required to undergo an annual single audit in conformity with the provisions of the Federal Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget's Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Information related to this single audit, including the schedule of federal financial assistance, the independent auditor's reports on the internal control structure and compliance with applicable laws and regulations are included in the single audit section of this report.

The financial reporting entity includes all the funds and account groups of the primary government (i.e., Pitkin County as legally defined), as well as all of its component units.

Pitkin County, formed in 1881, is located approximately 210 miles west of Denver and 120 miles east of Grand Junction in the Colorado Rocky Mountains. The County encompasses 973 square miles, of which approximately 80% is publicly owned and is controlled by the U.S. Forest Service and the Bureau of Land Management. Estimated population of the County is 14,309.

---

Administration Suite 301 (970) 920-5200 fax 920-5198	County Commissioners Suite 301 (970) 920-5150	County Attorney Suite 302 (970) 920-5190	Finance and Use Tax Suite 201 (970) 920-5220 fax 920-5230
---	---	--	--



## Governmental Structure

The County is a quasi-municipal corporation and political subdivision of the State. The County exercises and provides all mandatory county powers and functions as provided by law, and has all rights and powers delegated under the constitution and laws of the State for exercise by counties, particularly Title 30, Colorado Revised Statutes, as amended. In addition, the County has adopted the Pitkin County Home Rule Charter, pursuant to Article XIV, Section 16 of the Colorado Constitution and the laws of the State. The County charter became effective on July 1, 1978, following an approving election, and establishes the organization and structure of County government.

The governing body of the County is the Board of County Commissioners (BOCC). All powers, duties, and functions of the County are vested in the BOCC, which may delegate all of such responsibilities except the legislative function. Policymaking and legislative authority are vested in the BOCC, which consists of a five-member board. The BOCC is responsible, among other things, for passing ordinances and resolutions, adopting the budget, appointing committees and hiring the County's manager and attorney. The County manager is responsible for carrying out the policies and ordinances of the BOCC, for overseeing the day-to-day operations of the County, and for appointing the department heads. The County Charter provides that the Board shall consist of five members who are qualified electors and have resided within the County for not less than one year prior to election. Commissioners reside in separate districts but are elected at large to serve for staggered four-year terms. Commissioners may serve only three consecutive terms.

The County provides the general government, public safety, road and bridge, and health and welfare services required by state statute. In addition, it provides the following services: airport, TV and FM translators, solid waste landfill and recycling, animal safety, ambulance, and open space. To promote greater efficiency, the City of Aspen (City) and Pitkin County provide several services through joint departments and agencies. These include the data processing, dispatch communications, and building inspection. The accompanying financial statements include the County's proportionate share, usually 50%, of the joint departments.

Component units are legally separate entities for which the primary government is financially accountable. Blended component entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, several road improvement districts and the Aspen Ambulance District, are reported as special revenue funds of the primary government. Also included as blended component entities are the Pitkin County Capital Leasing Corporation and the Pitkin County Public Employees Retirement Plan which are reported as debt service and pension trust funds respectively. The Roaring Fork Transit Agency, the Pitkin County Library District, and the Emergency 911 fund are reported as discretely presented component units. These component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial positions and results of operations from those of the primary government. In 2000, the voters approved the formation of a rural transportation district to serve transportation needs of the Roaring Fork Valley. 2001 was a transition year in which the Roaring Fork Transit Agency (old entity) and the Roaring Fork Transportation Authority both existed to allow time to transfer assets. The Roaring Fork Transportation Authority and the Aspen-Pitkin County Housing Authority are excluded from this report because they do not meet the established criteria for inclusion. Separate annual financial reports are issued by these entities.

## Local Economic Condition and Outlook

Historically, mining and agriculture formed the basis of the County's economy. Today, winter and summer tourism is the primary factor in the County's economy, which is noted for the resort communities Aspen and Snowmass Village. Pitkin County's tourist industry is among the largest and least seasonal of any Colorado ski county. In addition to skiers, tourists visiting the County's many scenic, historical and summer recreational areas make a significant contribution to the County's economy. Cultural activities in the County include the Aspen Institute for Humanistic Studies and Aspen Center for Physics, the nine-week Aspen Music Festival and School, the eight-week Dance Aspen Summer Festival, Jazz Aspen at Snowmass, the Aspen Food and Wine Classic, the International Design Conference, the Aspen Center for Environmental Studies, Aspen Theatre in the Park, Wheeler Opera House, Wheeler-Stallard House Museum, the Aspen Arts Museum and the Anderson Ranch Arts Center. Summer recreational activities in the County include rafting, horseback riding, backpacking and mountain climbing, mountain biking, hotair ballooning, hang-gliding, fishing, tennis, golf, the Aspen Ruggedfest, Motherlode Volleyball Classic and the International Outdoor Festival. The importance of the tourism sector is evidenced by 44% of total retail sales being generated by restaurants, lodging and a miscellaneous category that includes liquor, drug, ski, fishing, and bike stores.

Sales tax revenue is probably the best available measure of the overall County economy. The primary force is that County's economy and source of this sales tax revenue is both winter and summer tourism, especially within the County's resort communities of Aspen, Snowmass Village and Redstone. In the aftermath of the September 11<sup>th</sup> terrorist attacks there is understandable concern about the future strength of tourism-based economies and especially those that are dependent on air travel. Nevertheless, the county believes that (a) its economy has proved to be very resilient in the past under similar, though less severe, situations, (b) its tourist industry is the least seasonal of any county with substantial ski resort facilities, and (c) its economy has grown to be less than 50% dependent on tourism. The County's tourist industry is among the largest and least seasonal of any Colorado county with substantial ski resort facilities: sales tax collections in the six summer months account for nearly 41% of annual sales tax collections. The County believes that its economy is becoming less dependent on skiing because the rate of sales tax revenue growth has significantly outpaced the rate of growth in skier days. The County estimates that spending by area residents accounts for approximately 40% of total sales tax collections. The following table presents the percentage change in sales tax revenue and skier days. The recording periods for skier days include November and December of the previous sales tax year.

Sales Tax Year	1997	1998	1999	2000	2001	Winter 99-2000
Percent Change	7.9%	5.4%	.5%	4.0%	-3.0%	-7.4%
Ski season year	'96/97	'97/98	'98/99	'99/2000	'2000/2001	'2000/2001
Skier days (million)	1.434	1.559	1.432	1.324	1.349	1.269
Percent Change	6.9%	8.7%	-8.2%	-7.5%	1.9%	-6.0%

The county is taking a very conservative approach to the sales tax growth for the future. The county is currently reviewing the 2002 budget for savings and cutbacks to services to be implemented in the next several months.

Year	Inflation	Sales Tax Growth (Decline)	Increase (Decrease)	Expenditure Inflation
2002	2.5%	-9.20%	-6.70%	2.70%
2003	2.5%	-4.00%	-1.50%	2.50%
2004	2.5%	-0-%	2.50%	2.50%
2005	2.5%	2.50%	4.50%	2.50%
2006	2.5%	2.00%	4.50%	2.50%

## Major Events & Accomplishments

For 2001 Significant events and accomplishments include:

### COUNTY WIDE

- The **2002 budget process** was re-designed to focus around the County's strategic plan. This helped to streamline the process and to provide a higher level of review by the BOCC at the policy level.
- Pitkin County staff gained extensive experience in emergency response, public information and incident command following a fatal Gulfstream III crash on March 29<sup>th</sup>, and the national terrorism attack on September 11. Significant improvements were made to the countywide **emergency management plan** and a County recovery plan was initiated.
- A **revised procurement code** was adopted in 2000. The procurement code provides guidance for departments when purchasing goods and services for County operations. The limit for formal request for proposals was increased to \$50,000. This process also prompted the Public Works Division to work more cooperatively in organizing the County's annual project list. By combining similar projects that require similar services we hope to obtain more competition and to receive better pricing. Additionally, standard contracts were developed for construction, engineering and independent contractor services to protect the County's interests for these projects.
- **Fiber optics** was laid outside the Courthouse, Courthouse Plaza, City Hall and the Hospital potentially linking these local governments to each other and directly to digital cable. In addition, conduit was installed from the roundabout to the Airport and Public Works for future fiber optic connections.
- A small historic cabin was donated to Pitkin County and relocated next to the public works facility. Public Works restored the cabin and Pitkin County got approval to convert the cabin into a **Pitkin County Housing Unit**. The unit is currently occupied by one employee.

### ADMINISTRATIVE SERVICES

- The Board approved a task force group comprised of community members of varying diversity and expertise to work on the possible **replacement of the voting system**. The group was highly motivated and successful at making a recommendation to utilize the Global/Diebold precinct optical scan system for the November 2001 election and subsequent elections.
- The retirement of the Budget Director resulted in a **restructuring of the finance office** in which the budget and finance functions were combined to provide more efficient service to departments within the organization. A full-time payroll clerk was hired and the cost of this addition was offset with salary savings of two employees that wished to reduce their work schedule.
- The resignation of the **County Manager** resulted in the promotion of the Assistant County Manager. The Assistant County Attorney transferred to the position of Assistant County Manager. The changes in administration have resulted in positive changes in goals and ideas of the organization.
- The County's **strategic plan** was updated to include environmental protection as a new strategic issue. In addition, specific aspects of the plan were finalized including development of an action plan with timelines, identification of project managers for each of the 8 strategic issues and the development of a vision statement by the BOCC. The strategic plan is expected to focus the county work plan and funding priorities.
- Lower interest rate allowed for refunding of several outstanding issues of the **Sales Tax Revenue bonds** that provided a savings of \$405,500 in future debt service payments. This

issue also included new funding for local match for the acquisition of 5 new buses for the Roaring Fork Transportation Authority and the construction of a down-valley bus maintenance facility.

- A vendor was selected to enhance the usability of a new **joint City and County web page**. Both jurisdictions made a commitment to fund phase I of the web page development, which will include a data base structure for easy access to information.
- A part-time **Public Relations Specialist** was hired to promote accurate, timely and open communication with the public. This position is funded partially by charging work out to dedicated funds.
- Records management was enhanced by the expansion of **laser fiche imaging** by more departments including treasurer and finance.
- The Human Resource department initiated an on-going **supervisors training** to improve the quality of management within the organization.
- Section leaders began an extensive review of the **compensation plan** in order to ensure that fair, consistent and sustainable compensation practices are being administered.

### **PUBLIC WORKS**

- Pitkin County received reimbursement of \$4.8 million from the State of Colorado for the costs of the construction of the **roundabout at the Maroon Castle intersection**, which was originally funded from contributions from City of Aspen and County Use Tax Fund. The City and County paid for this improvement up front so that it would be completed earlier than the State project schedule would allow.
- A commitment for **state funding for State Highway 82** improvements from Basalt to Buttermilk was received in the amount of \$185 million through 2005. During 2000, significant improvements to Lower River Road, a County roadway, were made by the State in order to create a detour for the Hwy 82 Snowmass Canyon construction. The detour remains very successful and construction delays are less than expected.
- A **reorganization of the Public Works** Section resulted in the creation of a Natural Resources Division and an Asset Management Division. The Natural Resources Division combined weed management, landfill and water quality functions and the Asset Management Division combined building maintenance, road and bridge, fleet, and project management.
- A substantial amount of **Owl Creek Road** was paved. The project was completed with a \$377,780 congestion mitigation/air quality grant from the federal government.
- A \$50,000 grant was secured to preserve the **historic lime kilns** located up the Frying Pan above Meredith.

### **TV AND RADIO TRANSLATOR SYSTEM**

- In 2000, staff discovered that the FCC never licensed several **TV translators**. As a result, many residents lost partial television services via the translator system that is the primary TV service for rural areas, not having cable services available. To remedy this, staff applied for TV licenses with the FCC. None of these licenses were granted in 2001. The FCC reports that it is changing software and cannot begin issuing licenses until that transition is made.
- The Translator Department received significant community input through **neighborhood focus groups** that were designed to determine the value of the translator system as well as specific neighborhood preferences in TV and radio broadcasting. The Translator Advisory Board utilized this information to prioritize the pursuit of different broadcasting licenses.
- The **translator office** was relocated from Glenwood to Basalt resulting in the co-location of the system engineer and administrative staff.

- The translator department worked within FCC parameters to provide **WWFM** to most of Pitkin County including Redstone, Aspen, HWY 82 Corridor and the Airport Business Center. WWFM is a classical public radio station from New Jersey.
- A new **FM/TV translator engineer** was contracted for service and upgrades to the technical aspects of the system. Several have been made including new antennae's, replacing cables, rebuilding translators with old parts, registering the towers with the FAA and enhancing the safety of the translator sites.
- The FCC issued a new license to **broadcast PBS** in the Redstone area.

## **PUBLIC SAFETY**

- The last of the juveniles were tried from the youth crime spree in 1999 creating some closure for the community. Jail officers were responsible for an **increased level of security at trials** resulting from this crime spree.
- Several **capital projects were initiated at the jail** including a new HVAC system, a maximum-security unit remodel, and repair and replacement improvements.
- **Public safety responded** to unprecedented traumas and violent crime incidents and was applauded by the public and through the media.

## **OPEN SPACE AND TRAILS**

- The **North Star Preserve** property was expanded by the acquisition of the Joy Smith property, adding 83 acres to the 165-acre site.
- The **Hot Springs ranch** was acquired and the net expense of the property was reduced by reselling an unneeded 8.5 acre house parcel for \$950,000.
- The **Historic Wingo Trestle** was rehabilitated for pedestrian use with \$142,000 RFTA assistance.
- A "**Conserved Lands Map**" for Pitkin County was completed, which depicts all County Open Space, Aspen City Open Space, Aspen Valley Land Trust, Division of Wildlife, Aspen Center for Environmental Studies, and the Roaring Fork Conservancy.
- New full time staff positions were filled to protect Pitkin County's investment in open space including the **Open Space Land Steward** and the **Open Space Coordinator**.
- **Management Plans** were adopted for Emma Open Space, Moore Open Space, and Joy Smith North Star Preserve.
- Implemented **commercial use permitting system**.
- The Rio Grande Trail was completed and paved from Woody Creek Tavern to W/J Ranch.
- The long anticipated **Rio Grande "rail-trail"** was completed from Woody Creek to Old Snowmass. This trail, combined with the pre-existing Rio Grande and Basalt-Old Snowmass Trails, now connects Aspen to Basalt.

## **COMMUNITY DEVELOPMENT**

- Phase I of the **Crystal Area Master Plan** was completed, which involved a compilation of survey results and an existing conditions report.
- The **Snowmass/Capitol Area Master Plan** was initiated with a survey of all residents.
- The Board of County Commissioners initiated a **Land Use Code Rewrite** in order to simplify the code and align the amendments that have been made over time with their vision.
- Many staff hours were dedicated to a joint City/County Community Development **"Reengineering" Process**. Focus groups with customers and staff were held and management staff moved toward designing a system that would improve efficiency as well as the customer experience. Implementation of this plan is set for 2002.
- Community Development provided regular **staffing of down valley offices** in Basalt making access easier for some of their customers.

- A new **zoning tech position** resulted in increased zoning enforcement.
- Two grants were received from the NWCOG to study the **Basalt/Pitkin cross jurisdictional TDR program** and the **second home impacts**.

## HUMAN SERVICES

- Human Services Administration made strides in **enhancing accountability** by requiring non-profit agencies to establish outcome measures that support specific county goals.
- Human Services Administration was able to combine the Health and Human Services and other non-profit grant processes resulting in simplifying the work of the **citizen grant review committee**.
- A **regional adult protection team** was established to strengthen the regional response to the growing need for adult protection.
- Senior Services successfully installed a **sound proofing system** into their central meeting area, which has allowed them to better utilize that space for multiple activities.

## HOUSING

- The **Woody Creek Mobile Home Park** has moved closer to completion. The Park, which was purchased in 1998 by the Housing Authority, has submitted an application for a new onsite sewage treatment system and is currently in the process of submitting a final plan to the BOCC. Construction on the new wastewater system should begin sometime in late 2002 and the final site application should be approved in 2002.
- The **Stillwater property** moved closer to construction. The final plan was approved in 2001 for 17 units -- 13 three-bedroom units and 4 one-bedroom units. Construction will begin mid 2002.
- The 2001 **Housing Guidelines** were approved with the understanding that the Guidelines will be reviewed, as a whole, periodically, and policy issues will be discussed and amended within the Guidelines as they arise.

## LIBRARY

- In July, 2001, an open house was held to celebrate completion of the **Pitkin County Library remodel**. Work on the mezzanine and main level was completed in October of 2000. In the ensuing months, the children's room, music library, and meeting room were all expanded, re-carpeted, and repainted.
- A T-1 line was installed to speed response time on **public computers**.
- The library's **borrower registration policy** was liberalized to provide free borrowing privileges to all visitors.
- A **library station** was once again opened in Redstone.

## AIRPORT

- Several **safety enhancements** were made to the airport including the MALSF (medium intensity approach lighting system with sequence flashers) lights.
- Planning efforts were completed for the **east side development** of the airport.
- After a short time of managing the **airport restaurant**, Pitkin County was successful in contracting with an outside vendor to take over the business.
- A **general aviation ramp** was constructed on the south side of the airport.
- A plan for **patio shelters** was approved through the land use process and construction was initiated.
- The airport was successful in responding to the **new security standards** set by the FAA in response to September 11<sup>th</sup>.

## Special Focus

During 2001 three departments undertook efforts to look how their departments were structured in order to determine if there was a more efficient structure for the department. The finance office implemented changes in February, 2001, the Public Works Division changed their structure in fall 2001 and the Community Development Section implemented their change Spring of 2002.

**Finance Department Restructuring** - In an effort to improve efficiency and increase responsiveness to internal customers, the Finance Department undertook an organizational structure and process review. As a result of the study, key functions were realigned and a few positions were modified. The result of these changes should improve the department's operations as well as enhance Finance's role as information facilitator.

The central change was a realignment of staff into two-person "Fund Specialist" teams, and assignment of these teams along lines matching the County's fund structure. This provides internal customers with a single point of contact within Finance as well as allowing for the development of expectations and long-term relationships between the finance liaison and their customers.

In addition to this team approach, other changes include the merging of the Finance and Budget functions and the elevation of the Assistant Finance Director position to Controller.

**Public Works Reorganization** – The Public Works Section makes up eleven departments with clearly different focuses and disciplines. It is the largest and most diverse section of Pitkin County Government. The Public Works Director directly supervised each of the departments under his section. The changes to the section provides for the creation of two separate divisions with Public Works; the Natural Resources Division and the Asset Management Division. Under the new structure the Public Works Director supervises the two division directors, engineering and translator and administrative support functions.

The Natural Resources Division consolidates almost all of the environmental and natural resource efforts of the County under one organizational structure. The Natural Resources Division consists of the Solid Waste Department, the Vegetation Management Program and the Wildlife Biologist. The Vegetation Management Program is responsible for the management and maintenance of county lands not in the Open Space program (weeds and revegetation), and the Solid Waste Department implements several ordinances regulating waste management, and includes the landfill, recycling, composting, aggregate recovery and household hazardous waste programs. The Wildlife Biologist provides expertise to other County departments regarding impacts on wildlife and the environment from land use, and drafts management plans for County properties. In addition, the Natural Resource Division monitors water resource issues (quantity and quality), administers the Smuggler Superfund site and other mine waste sites, participates in the Local Emergency Planning Committee, and assists in the remediation of hazardous materials incidents.

The Project Management Divisions consists of the departments that manage the vast majority of capital and maintenance projects. The Road and Bridge Department, the Facilities Maintenance Department, and Project Management are located in this division. These departments were grouped together in order to form a more organized team for project management and to coordinate maintenance and capital replacement responsibilities together.

**Community Development Reengineering** - In order to improve efficient processing of community development workflow, a major process and organizational review was undertaken by a diverse

team of staff members and internal stakeholders. Several process improvements and organizational modifications were identified which should enhance the timeliness and effectiveness of processing.

Chief among the changes was the segregation of tasks according to risk/complexity and then the “fast-tracking” of low impact items. The fast track items were assigned to specialists whose emphasis is expediency and customer service. This allows the senior technicians’ time to be focused on high-complexity items.

In addition, in response to the difficulties associated with operating a joint building inspection department (a function shared with the City of Aspen), the entities decided to split the departments to each report directly to their respective organizations. This direct reporting relationship should improve the effectiveness of supervision as well as provide clarity on matter where differences in organizational philosophy previously existed.

## **Financial Information**

Pitkin County management is responsible for establishing and maintaining an internal control structure. That structure is designed to ensure government assets are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for preparation of financial statements in conformity with generally accepted accounting principles. The internal structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

Single Audit - As a recipient of federal and state financial assistance, the County also maintains an internal control structure to ensure compliance with applicable laws and regulations related to those programs. As a part of the single audit, described earlier, tests are made to determine the adequacy of the internal control structure and that the County has complied with applicable laws and regulations. The results of the County’s single audit for the fiscal year ended December 31, 2001, disclosed no reportable conditions concerning the internal control structure or significant violations of applicable laws and regulations.

Budgetary Controls - The County is legally required to adopt annual budgets for all governmental and proprietary funds. Expenditures may not legally exceed appropriations at the fund level, but administrative control of the budget is exercised at the “section” level. Approval by the Board of County Commissioners is required for changes in the total budget of any fund. Budget sufficiency is verified by the finance department for orders exceeding \$10,000 before release of the order to the vendor. Purchase orders and contracts are recorded as encumbrances in order to reserve that portion of the applicable appropriation. Encumbered amounts lapse at year-end. However, outstanding encumbrances generally are reappropriated as part of the following year’s budget. Budget appropriations lapse at the end of each year.

As part of its annual budget process, the County updates a five-year plan including review of a ten-year capital replacement schedule. In balancing its budget the Board of County Commissioners has adopted the following funding priority order: (1) debt service, (2) basic operations, (3) capital replacement, and (4) capital and service improvements.

Summary of 2001 Financial Operations - Governmental Funds - This section summarizes the financial operations of the primary government (the County’s general, special revenue, debt service funds), and its component units.

Revenues - Operating revenues in governmental funds of Pitkin County (including its component units) totaled \$56,757,125 in 2001, an increase of 44.7 percent from 2000. The amounts of revenue from various sources, and change from last year are shown in the following tabulation:

Revenue Source	Primary	Component	Percent	Increase (decrease)	
	Government	Units	of	from 2000	
	Amount	Amount	Total	Amount	Percent
Taxes and special assessments					
Property	\$ 10,732,046	1,605,255	21.7%	\$ 2,500,496	25.4%
Sales	14,223,157	-	25.1%	1,222,836	9.4%
Use	514,843	-	0.9%	(93,986)	-15.4%
Other	664,178	99,429	1.3%	122,480	19.1%
Total taxes & special assessments	26,134,224	1,704,684	49.0%	3,751,826	15.6%
Licenses and Permits	540,972	-	1.0%	(253,449)	-31.9%
Intergovernmental	7,963,382	10,403,112	32.4%	13,935,198	314.5%
Charges for services	2,748,256	4,825,203	13.3%	33,552	0.4%
Fines and Forfeits	14,143	15,484	0.1%	(3,917)	-11.7%
Miscellaneous	2,349,652	58,013	4.2%	68,999	3.0%
Total	<u>\$ 39,750,629</u>	<u>\$ 17,006,496</u>	<u>100.00%</u>	<u>\$ 17,532,209</u>	<u>44.7%</u>

Expenditures - Governmental funds' expenditures totaled \$64,280,419 an increase of 31.1 percent from 2000. Changes in levels of expenditure for major functions of the County are shown in the following tabulation:

Expenditure	Primary	Component	Percent	Increase (decrease)	
	Government	Units	of	from 2000	
	Amount	Amount	Total	Amount	Percent
General Government					
Legislative and Executive	\$ 1,153,883	-	1.8%	\$ 126,670	12.3%
Administrative and Elections	1,988,163	-	3.1%	102,948	5.5%
Judicial	4,028	-	0.0%	(3,004)	-42.7%
Other	1,716,218	-	2.7%	(93,305)	-5.2%
Capital	314,861	-	0.5%	(839,142)	-72.7%
Public Safety					
Sheriff and Other	4,077,402	188,949	6.6%	440,448	11.5%
Protective Inspection	405,261	-	0.6%	(28,722)	-6.6%
Capital	1,142,492	-	1.8%	578,808	102.7%
Public Works					
Highways and Streets	3,850,231	-	6.0%	133,663	3.6%
Transportation	7,903	12,310,143	19.2%	1,232,004	11.1%
TV and FM Translators	496,885	-	0.8%	38,369	8.4%
Capital	744,333	3,229,777	6.2%	2,932,226	281.4%
Health and Welfare					
Health	1,370,826	-	2.1%	96,110	7.5%
Welfare	327,873	-	0.5%	320	0.1%
Capital	993,322	-	1.5%	943,182	1881.1%
Culture and Recreation					
Parks and Trails	2,224,935	-	3.5%	(5,707,678)	-72.0%
Library	-	1,549,337	2.4%	120,073	8.4%
Capital	6,703,833	869,204	11.8%	683,551	9.9%
Conservation of Natural Resources	91,395	-	0.1%	(5,411)	-5.6%
Capital	5,017	-	0.1%	(5,016)	-50.0%
Housing	98,613	-	0.2%	86,178	693.0%
Capital	131,022	-	0.2%	91,353	230.3%
Intergovernmental	14,974,890	21,551	23.3%	13,633,125	1000.0%
Debt Service	3,272,390	15,682	5.1%	682,120	26.2%
Total Expenditures	<u>\$ 46,095,776</u>	<u>\$ 18,184,643</u>	<u>100.1%</u>	<u>\$ 15,238,870</u>	<u>31.1%</u>

Analysis of Revenues and Expenditures – The change in the allocation for the 1% sales taxes accounts for the majority of the increase for both the revenues and expenditures. A new intergovernmental agreement with the Pitkin County, City of Aspen (City), Town of Snowmass Village (Town), and the Roaring Fork Transportation Agency (RFTA) resulted in a change in the method for accounting for that tax. Under the new agreement, all taxes are recorded in the County Transportation Sales Tax Fund and then transferred to the entities; 48.131% to RFTA and 51.869% to the City and the Town based on the percentage of the taxes collected within their jurisdictions. This increased the sales tax revenues by \$1.4 million and the intergovernmental expenses by \$5 million. Previously, this \$5 million revenue source was recorded in the Roaring Fork Transportation Agency net of the amounts rescinded back to the City and the Town.

Property and general sales taxes provided 46.8% of the operating revenue for the County. Sales tax collections decreased \$162,973 (-3.0%) for the primary government and decreased \$157,195 for transit RFTA (-2.6%) after adjusting for the change in allocation described above. The 1% transit tax is not collected in Basalt, and accounts for the difference in the percentage of decrease. The property tax for the Open Space and Trails program was increased from 2.75 mills to 3.75 mills for the 2001 collection year. As a result, the property tax increased \$1.9 million for this program. The General Fund property tax increased \$409,000 and the Library property tax increased \$144,000. Current property tax collections continue to be strong (99.9% collection level) because delinquent taxes are sold annually as tax liens.

In 1999 and 2000 the County and the City of Aspen jointly funded a \$7.3 million improvement to State Highway 82 at the Maroon Creek intersection. A round-about and two pedestrian bridges were constructed to improve traffic flow and safety at the intersection. A \$4.8 million reimbursement from the State for this project was received by the state in 2001. RFTA received a federal grant to assist with the acquisition of three 60' articulated buses and four 4' buses for \$2.96 million and the change in distribution of the transit sales tax accounted for an \$8 increase of intergovernmental revenue for RFTA. This explains the increase in the intergovernmental revenue category.

On the expenditure side, the changes in the expenditures for the Open Space and Trails (in the culture and recreation category) and program were the most notable. Over \$10 million was spent in 2000 for the acquisition of five open space parcels of 550 acres added to the program. Two of the acquisitions were made in partnership with other non-profits and loans in the amount of \$4.6 million were classified as operating expenses, since the County does not have title to portions of land acquired. Also, \$1.6 million was spend on improvements to the Denver Rio Grande trail and another \$861,000 was spent on the Maroon Creek pedestrian bridge in 2000. Since infrastructure is not capitalized, these costs were recorded as operating. During 2001, the program acquired and additional 83 acres to add to the North Star Preserve (\$3.3 million) and the Hot Springs Ranch (\$3 million).

Other significant capital expenditures included the expansion of improvements to the HVAC's for the Health and Human Service Building (\$940,000), the Jail (\$440,000) and the courthouse plaza (\$360,000), the acquisition of seven buses by RFTA (\$2.8 million), two motorgraders for the road and bridge department (\$368,000) and a snowcat for the TV/FM Broadcasting department (\$85,000). Significant road projects not capitalized in road and bridge department included improvements to the Medicine Bow intersection at Brush Creek (\$779,000) and paving and intersection improvements to lower Owl Creek road (\$395,000).

Other Financing Sources - For the primary government, expenditures exceeded revenues by \$6,345,147 and other financing sources (uses) provided \$9,819,853 so fund

balances increased by \$3,474,706. This change represents sales of fixed assets of \$282,035 and \$4,250,000 Open Space General Obligation Notes and \$ 8,679,000 Sales Tax Revenue Refunding Bonds of which \$3,490,000 were used to fund an escrow to defease Sales Tax Revenue Bonds, and a \$98,818 transfer to Capital Leasing Fund from the Emergency Telephone Authority. Expenditures exceeded revenue by \$468,356 but other sources (uses) provided \$235,566 for RFTA reducing fund balance by \$232,790. For the Library District, expenditures exceeded revenues by \$862,244 and other financing sources provided \$7,188 so fund balances decreased \$855,056. For the Emergency Telephone Authority, revenues exceeded expenditures by \$152,453 and other financing sources (uses) used \$98,818 so fund balance increased \$53,635.

Fund Balance - Fund balance for governmental funds is the accumulated excess of revenues and other financing sources over expenditures and other uses, representing available spendable resources. The \$18,600,990 year-end fund balance in the special revenue and \$618,833 fund balance in the debt service funds may only be spent for the designated purposes of those funds. The \$8,193,008 unreserved fund balance in the general fund is designated for expenditures in 2001 and for other purposes as detailed in note III.F.2. to the financial statements. This includes a \$866,672 minimum balance in excess of that required by the State Constitution to provide for working capital, interfund loans, and unpredictable revenue shortfalls, natural disasters and uninsured losses.

The County's component units, the Roaring Fork Transit Agency, the Library District and the Emergency 911 Fund had unreserved/undesignated fund balance of \$567,498, \$67,837 and \$227,011, respectively. The Library District also has \$3,043,128 in designated fund balance for future capital projects.

General Obligation Debt - As of December 31, 2001, the County had \$22,320,000 aggregate principal amount of general obligation debt outstanding, consisting of \$2,675,000 aggregate principal amount of Series 1991 General Obligation Housing and Refunding Bonds, \$85,000 aggregate principal amount of Series 1992 General Obligation Housing Bonds, \$5,460,000 aggregate principal amount of Series 1994 General Obligation Open Space Refunding and Improvement Bonds, \$9,850,000 aggregate principal amount of Series 2000 General Obligation Refunding and Open Space Acquisition Bonds and \$4,250,000 aggregate principal amount of Open Space Acquisition Note. The Series 1992 and Series 1994 Open Space and the 1992 GO Housing Bonds carry a Moodys rating of "A". The 1991 Housing Bonds and the Series 2000 Open Space Bonds are insured by AMBAC and carry a Moodys rating of "AAA" and a Standard and Poors rating of "Aaa". In addition, as of December 31, 2001, the County has voter authorization to issue up to \$4,716,169 of additional general obligation debt to finance the acquisition of open space.

The County's general obligation bonded debt is limited by law to three percent of its' assessed valuation or \$53,147,320. After deducting the outstanding general obligation bonds, the remaining available debt margin is \$30,827,320.

Some other useful debt ratios are listed below:

	2000	2001
Direct debt per capita	\$ 1,284	\$ 1,544
Direct and overlapping debt per capita	\$ 6,900	\$ 8,520
Direct debt to assessed valuation	1.32 %	1.25 %
Direct and overlapping debt to assessed valuation	7.07 %	6.88 %

Long-term Financial Obligations - As of December 31, 2001, long-term financial obligations of the County, other than general obligation debt and accrued liabilities for vacation and sick leave, include airport revenue bonds outstanding in the aggregate principal amount of \$2,640,000; sales tax revenue bonds outstanding in the aggregate principal amount of \$10,150,000; lease certificates of participation outstanding in the aggregate principal amount of \$3,480,000 and special assessment bonds outstanding in the aggregate principal amount of \$45,000. In addition, there is a lease-purchase agreement outstanding in the aggregate principal amount of \$50,421 for the Library component unit. Except for an unrated 1995 Series of Sales Tax Revenue Bonds, the sales tax revenue and airport revenue bonds are insured and carry a Moodys "AAA" rating and a Standard and Poors rating of "Aaa". The lease purchase certificates of participation are rated "BBB+" by Standard and Poors. The total of such long-term financial obligations as of December 31, 2001 was \$16,365,421. The County has remaining voter authorization to issue up to \$13,330,000 of sales tax revenue bonds to finance transit system improvements.

### **Summary of Financial Operations - Enterprise Operations**

The County has two enterprise funds, the Airport and the Solid Waste Center. The following discussion describes the highlights of each of these fund's activities during 1999, and for the future.

#### Airport Fund

As an enterprise fund, all operating, debt service, capital replacement and improvement expenses of the Airport are paid from revenues generated directly or indirectly from users of the Airport. Furthermore, all revenues generated at the Airport are only spent on the operations, planning and improvement of the Airport. The following table compares the Airport's operating results and activities for the last two years.

	<u>2001</u>	<u>2000</u>	<u>Percent change</u>
Operating revenues	\$3,653,404	\$3,115,093	17.3%
Operating expenses	\$4,096,140	\$3,551,435	15.3%
Net non-operating revenues	\$ 357,345	\$ 339,942	5.1%
Net operating loss before federal capital grants and other contributions	\$ (85,391)	\$ (96,400)	11.4%
Net revenue available for debt service	\$1,222,817	\$1,236,010	-1.1%
Annual debt service	\$ 421,492	\$ 417,830	0.9%
Debt service coverage ratio	2.90	2.96	-2.0%
Operations (take-offs and landings)	\$ 45,972	48,489	-5.2%
Signatory airline landing fee (per 1,000 pounds)	\$ 1.49	\$ 0.62	140.3%
Signatory airline rent (per square foot)	\$ 33.66	\$ 31.24	7.7%
Enplaned passengers	187,622	214,816	-12.7%
Airline cost per enplaned passenger	\$ 5.58	\$ 3.71	50.5%

2001 began tragically with the fatal crash of a chartered Gulfstream III aircraft in March. All 18 people aboard were killed in the crash that occurred just short of the runway as the aircraft was attempting to land in inclement weather at nightfall. The National Transportation Safety Board determined that pilot error was the primary cause of the crash.

The national tragedy of September 11<sup>th</sup> caused a significant reduction in airline passenger trips nationally and at the Airport. The number of enplaned passengers at the Airport fell by 13% in 2001 to the lowest level in more than a decade. However, this was due more to a decline in tourism for the entire year that was a result of the worsening national economy.

Calendar year 2000–2001 showed a decline in passenger enplanements of 12.7%. Although United Express, the dominant carrier at the Airport, did not significantly cut its winter season flights from Denver to Aspen, passenger traffic was diminished by United Airline’s more than 30% reduction of national flights into Denver after September 11<sup>th</sup>.

The East Side Infrastructure Development Program (“ESID”) was begun in 2001 with \$1.2 million of general aviation ramp construction. ESID is a \$26 million capital improvement program that is driven by Federal Aviation Administration requirements to provide greater separation between the runway, taxiway and aircraft parking areas. Funding for the program was expected from increases in FAA discretionary and entitlement grants, passenger facility charges, and Airport net operating income.

With the intention of generating funding for ESID, the Airport increased landing fees and rents substantially in 2001 by changing from a “residual” method of rate setting, under which airline fees were subsidized from other Airport revenues, to a “compensatory” method in which airline and general aviation users pay the full cost of their use of Airport facilities. With declining passenger traffic and increased costs for additional security measures after September 11<sup>th</sup>, the fee increases only served to keep net operating income and net revenue available for debt service stable in 2001. Consequently ESID will be accomplished in smaller annual increments over an extended time period.

#### Solid Waste Center

Summary comparative data for the Solid Waste Center is presented below:

	2001	2000	Percent Change
Operating revenues	\$ 2,952,095	\$ 2,897,307	1.9%
Operating expenses (excluding depreciation and postclosure expense)	\$ 2,408,265	\$ 2,282,089	5.5%
Current postclosure accrual	\$ 122,904	\$ -	100.0%
Operating income	\$ 236,912	\$ 443,295	-46.6%
Postclosure liability on balance sheet	\$ 1,466,228	\$ 1,842,995	-20.4%
Current postclosure expenses	\$ 499,671	\$ -	-
Capital expenditures	\$ 132,809	\$ 144,070	-7.8%

State and federal laws and regulations require the County to place a final cover on the landfill when it stops accepting waste and then to perform certain maintenance and monitoring functions at the site for 30 years after closure. Closure and postclosure costs are estimated to be \$2,528,931 and the estimated use of the landfill is 58%. Accordingly, the County has booked a postclosure obligation in the amount of \$1,466,228. A phased operating plan has been completed that identifies the sequence of filling for the remaining life of the site. During 2001, the landfill closed the second of the six phases resulting in increased expenses in 2001.

Operating revenues increased slightly, primarily as a result of increased topsoil and aggregate sales. Waste volumes declined slightly, due to waste being transported to out of county landfills that have lower tipping fees. We have implemented measures to increase the volume and quality of topsoil and aggregate products available for sale, and have contracted for recycling transportation services.

#### Other significant accomplishments of the landfill

- Groundwater contamination has been identified in several monitoring wells but there is no evidence that the contamination has left the landfill site. A Corrective Action Plan, approved by the Colorado Department of Health and Environment, is being implemented.

Landfill gas may be the source of the problem, and a series of gas testing wells will refine our remediation plans.

- Approximately six acres of the landfill area has reached final elevation and was permanently closed and re-vegetated in the summer and fall of 2001.
- Fencing and asphalt will be installed this summer to enhance the viability of the Household Hazardous Waste program, which is expanding for electronics/computer recycling.

## Cash Management

The Finance Department strives to keep abreast of current trends and procedures for cash management and investment in order to attain the most efficient and profitable use of the County's cash resources. Except when otherwise required by trust agreements, the operating cash of all funds is pooled into one bank account to simplify the investment of all idle funds. To facilitate investment decisions, the County adopted an investment policy in December 1985, establishing objectives in the following priority: safety, liquidity, and yield. All deposits are collateralized as specified by the Colorado Public Deposit Protection Act. Except for cash on hand in the Treasurer's office, all funds were fully invested during the year in investment pools (COLOTRUST and C-Safe), U.S. Treasury securities, time deposits, or money market funds. The average rate of return on these investments was 4.3 percent for 2001, generating \$1,577,796 income for the primary government and \$20,775, 28,737, and \$9,760 for RFTA, Library and the Emergency Telephone Authority, the County's component units, respectively. In addition, the Library District lost \$213,470 on funds held exclusively by the Library District and invested in various mutual funds. See note III A to the financial statements for additional details pertaining to the County's investments.

## Summary of Financial Operations - Pension Trust Fund

The County withdrew from Social Security and the Colorado County Officials and Employees Retirement Association in 1983 and formed a replacement retirement plan, the Pitkin County Public Employees Retirement Plan (PCPERP). Beginning in 1994, the Pitkin County Retirement Board restructured the retirement plan to offer employees four investment options: Short-term Bond, Balanced, Equity, and Aggressive Equity. These options are comprised of a mix of mutual funds, which were selected to meet the objectives of each option. 1st Trust Corporation, in Denver, acts as the custodian for these investments. PCPERP is a defined contribution plan and all liabilities are funded. The following table lists the allocation of investments for each investment option and the annual investment return.

	Investment Options				
	Conservative Growth	Moderate Growth	Growth	Aggressive Growth	Money Market
Short-term Bond Mutual Funds	100%				
Balanced Mutual Funds		100%			
Large Company Stock Funds			50%	15%	
Small Company Stock Funds			25%	50%	
Foreign Stock Funds			25%	35%	
Money Market Funds					100%
2001 annual investment return	1.3%	-3.1%	-7.7%	-12.5%	4.1%

## Risk Management

As of July 1, 1996, the County and RFTA cooperatively purchased insurance for motor vehicle, property and general liability exposures. The program provided for the County and RFTA to assume a portion of self-insured losses up to an annual aggregate of \$600,000 for 2001. Effective January 1, 1993, the County was issued a self-insurance permit by the State Insurance Commissioner for purposes of workers' compensation insurance. The Colorado counties County Health Pool provides employee health insurance. The County continues to purchase insurance for airport general liability and useful public service volunteers. The County maintains a proactive approach to loss prevention as the most cost-effective method to manage insurance costs. The County's claim experience has a direct impact on premiums and losses paid, making it necessary to adequately control claims through heightened safety training, aggressive claims management and a philosophy of preventive safety throughout the organization.

## Litigation

The County is a party to litigation under which it may be required to pay certain moneys depending on court decision. The County Attorney reports numerous possible contingent liabilities. In most cases, the County's liability in these cases will, as a practical manner, be far less than the amount demanded and/or will be covered by insurance. At this time, no provision has been made in the financial statements for these contingent liabilities.

## Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pitkin County, Colorado, for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2000. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Pitkin County, Colorado has received a Certificate of Achievement for the last nineteen consecutive years ended December 31. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

We thank the entire staff of the Finance Department for their dedicated work on this report and acknowledge their significant accomplishment in earning another Certificate of Achievement.

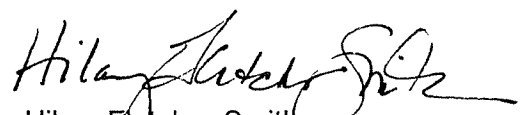
Respectfully submitted,



Debe Nelson  
Finance Director



Tom Oken  
Administrative Services Director



Hilary Fletcher Smith  
County Manager

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Pitkin County,  
Colorado

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2000

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Thomas A. Brewer*  
President

*Jeffrey L. Esser*  
Executive Director

THIS PAGE LEFT BLANK INTENTIONALLY

**2001  
Annual Financial Report**

**FINANCIAL SECTION**



REPORT OF INDEPENDENT  
CERTIFIED PUBLIC ACCOUNTANTS

Board of County Commissioners  
Pitkin County, Colorado

We have audited the accompanying general-purpose financial statements of Pitkin County, Colorado as of and for the year ended December 31, 2001. These general-purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements present fairly, in all material respects, the financial position of Pitkin County, Colorado as of December 31, 2001, and the results of its operations and cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles.

During the year ended December 31, 2001, the County adopted Governmental Accounting Standards Board Statement No. 33 (GASB 33), Accounting and Financial Reporting for Nonexchange Transactions. GASB 33 establishes accounting and financial reporting standards for nonexchange transactions involving financial and capital resources, such as capital grants.

In accordance with Government Auditing Standards, we have also issued a report dated May 16, 2002, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of Pitkin County, Colorado. The schedules of federal awards as listed in the table of contents are presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and are not a required part of the general-purpose financial statements. Such information has been subjected to the audit procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general-purpose financial statements taken as a whole.



Denver, Colorado  
May 16, 2002

THIS PAGE LEFT BLANK INTENTIONALLY

**COMBINED FINANCIAL STATEMENTS - OVERVIEW**  
(“Liftable” General Purpose Financial Statements)

Pitkin County, Colorado

COMBINED BALANCE SHEET - ALL FUND TYPES,  
ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS

December 31, 2001

ASSETS AND OTHER DEBITS	Governmental Fund Types			Proprietary Fund Type	Fiduciary Fund Type
	General	Special Revenue	Debt Service	Enterprise Funds	Trust and Agency
<b>ASSETS:</b>					
Equity in pooled cash and investments	\$ 11,154,303	\$14,307,633	\$ 216,354	\$ 6,943,748	\$ 3,765,218
Other cash and investments	-	-	-	-	17,380,745
Accounts receivable	197,085	66,769	35,798	780,149	27,201
Due from other funds	192,008	-	-	-	-
Due from component units	397,747	-	-	-	-
Receivable from other governments	2,096,398	1,064,829	130,492	504,033	-
Employee retirement loans receivable	-	-	-	-	532,166
Inventories	-	-	-	-	-
Property taxes and special assessments receivable	5,467,087	7,214,422	564,189	-	-
Other assets	36,080	5,555,000	-	-	-
Restricted assets					
Equity in pooled cash and investments	-	-	250,689	504,000	-
Other cash and investments	480,205	4,353,963	-	-	-
Buildings and improvements	-	-	-	6,034,572	-
Improvements other than buildings	-	-	-	16,190,759	-
Equipment	-	-	-	4,913,055	-
Accumulated depreciation	-	-	-	(12,659,960)	-
Construction in progress	-	-	-	5,000,737	-
Land	-	-	-	10,527,630	-
Unamortized bond issuance costs	-	-	-	121,054	-
<b>OTHER DEBITS:</b>					
Amount available in general fund	-	-	-	-	-
Amount available in debt service funds	-	-	-	-	-
Amount to be provided for future compensated absences	-	-	-	-	-
Amount to be provided by future special assessment levies	-	-	-	-	-
Amount to provided for retirement of long-term obligations	-	-	-	-	-
<b>Total Assets and Other Debits</b>	<b>\$ 20,020,913</b>	<b>\$32,562,616</b>	<b>\$1,197,522</b>	<b>\$38,859,777</b>	<b>\$21,705,330</b>

The accompanying notes are an integral part of this statement.

Account Groups		Primary Government Totals (Memorandum only)	Component Units			Reporting Entity Totals (Memorandum only)
General Fixed Assets	General Long-term Debt		Roaring Fork Transit Agency	Pitkin County Library District	Emergency Telephone Authority	
\$ -	\$ -	\$ 36,387,256	\$ -	\$ 393,797	\$ 202,667	\$ 36,983,720
-	-	17,380,745	-	2,892,409	-	20,273,154
-	-	1,107,002	638,921	-	53,732	1,799,655
-	-	192,008	-	-	-	192,008
-	-	397,747	-	-	-	397,747
-	-	3,795,752	1,422,784	-	-	5,218,536
-	-	532,166	-	-	-	532,166
-	-	-	605,981	-	-	605,981
-	-	13,245,698	-	1,706,386	-	14,952,084
-	-	5,591,080	300	-	-	5,591,380
-	-	754,689	-	-	-	754,689
-	-	4,834,168	-	-	-	4,834,168
14,318,626	-	20,353,198	7,665,955	5,794,691	-	33,813,844
856,773	-	17,047,532	187,106	50,818	-	17,285,456
7,970,567	-	12,883,622	21,785,289	2,129,823	686,382	37,485,116
-	-	(12,659,960)	-	-	-	(12,659,960)
3,292,003	-	8,292,740	-	-	-	8,292,740
46,038,435	-	56,566,065	359,661	144,263	-	57,069,989
-	-	121,054	-	-	-	121,054
-	456,493	456,493	-	-	-	456,493
-	593,732	593,732	-	-	-	593,732
-	217,844	217,844	159,285	8,708	-	385,837
-	25,101	25,101	-	-	-	25,101
-	34,919,674	34,919,674	-	50,421	-	34,970,095
<u>\$72,476,404</u>	<u>\$36,212,844</u>	<u>\$ 223,035,406</u>	<u>\$ 32,825,282</u>	<u>\$ 13,171,316</u>	<u>\$ 942,781</u>	<u>\$ 269,974,785</u>

(Continued)

Pitkin County, Colorado

COMBINED BALANCE SHEET - ALL FUND TYPES,  
ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

December 31, 2001

LIABILITIES AND FUND EQUITY	Governmental Fund Types			Proprietary Fund Type	Fiduciary Fund Type
	General	Special Revenue	Debt Service	Enterprise Funds	Trust and Agency
<b>LIABILITIES:</b>					
Accounts payable	\$ 948,485	\$ 316,861	\$ 14,500	\$ 855,614	\$ 13,979
Contracts payable	51,098	77,653	-	193,671	-
Accrued liabilities					
Current portion	1,786,837	82,636	-	143,857	312,979
Non-current portion	-	-	-	-	-
Payable from restricted assets					
Airport revenue bonds	-	-	-	23,750	-
Interest	-	-	-	11,066	-
Due to other funds	-	192,008	-	-	-
Due to primary government	-	-	-	-	-
Due to other governments	1,310,592	523,046	-	9,767	433,640
Funds held in trust	262,315	-	-	24,065	3,287,339
Deferred revenues	5,470,777	12,769,422	564,189	52,112	-
Claims payable	586,502	-	-	-	-
Postclosure obligation	-	-	-	1,466,228	-
Capital lease obligations	-	-	-	-	-
Lease certificates of participation	-	-	-	-	-
General obligation bonds payable	-	-	-	-	-
Sales tax revenue bonds payable	-	-	-	-	-
Airport revenue bonds					
Current portion	-	-	-	261,250	-
Noncurrent portion	-	-	-	2,355,000	-
Special assessment bonds payable	-	-	-	-	-
Unamortized bond discount	-	-	-	(47,146)	-
Total liabilities	<u>10,416,606</u>	<u>13,961,626</u>	<u>578,689</u>	<u>5,349,234</u>	<u>4,047,937</u>
<b>EQUITY AND OTHER CREDITS:</b>					
Contributed capital from County	-	-	-	879,992	-
Contributed capital from other governments and individuals	-	-	-	18,276,721	-
Investment in general fixed assets	-	-	-	-	-
Net investment of assets in joint venture	-	-	-	-	-
Reserved for					
Revenue bond retirement	-	-	-	264,000	-
Airport renewal and replacement	-	-	-	240,000	-
Unreserved	-	-	-	13,849,830	-
Net assets held in trust for pension benefits	-	-	-	-	17,657,393
Fund balances					
Reserved for various purposes	1,411,299	638,613	618,833	-	-
Unreserved					
Designated for subsequent year's expenditures	1,251,838	1,033,012	-	-	-
Designated for other purposes	6,941,170	1,937,365	-	-	-
Undesignated	-	14,992,000	-	-	-
Total fund equity and other credits	<u>9,604,307</u>	<u>18,600,990</u>	<u>618,833</u>	<u>33,510,543</u>	<u>17,657,393</u>
Contingencies	-	-	-	-	-
Total liabilities, equity and other credits	<u>\$20,020,913</u>	<u>\$32,562,616</u>	<u>\$1,197,522</u>	<u>\$38,859,777</u>	<u>\$21,705,330</u>

The accompanying notes are an integral part of this statement.

Account Groups		Primary Government Totals (Memorandum only)	Component Units			Reporting Entity Totals (Memorandum only)
General Fixed Assets	General Long-term Debt		Roaring Fork Transit Agency	Pitkin County Library District	Emergency Telephone Authority	
\$ -	\$ -	\$ 2,149,439	\$ 184,328	\$ 76,521	\$ 11,790	\$ 2,422,078
-	-	322,422	-	5,000	-	327,422
-	-	2,326,309	430,180	47,169	-	2,803,658
-	217,844	217,844	159,285	8,708	-	385,837
-	-	23,750	-	-	-	23,750
-	-	11,066	-	-	-	11,066
-	-	192,008	-	-	-	192,008
-	-	-	397,747	-	-	397,747
-	-	2,277,045	845	248	7,097	2,285,235
-	-	3,573,719	-	-	-	3,573,719
-	-	18,856,500	7,153	1,706,386	-	20,570,039
-	-	586,502	90,739	-	-	677,241
-	-	1,466,228	-	-	-	1,466,228
-	-	-	-	50,421	-	50,421
-	3,480,000	3,480,000	-	-	-	3,480,000
-	22,320,000	22,320,000	-	-	-	22,320,000
-	10,150,000	10,150,000	-	-	-	10,150,000
-	-	261,250	-	-	-	261,250
-	-	2,355,000	-	-	-	2,355,000
-	45,000	45,000	-	-	-	45,000
-	-	(47,146)	-	-	-	(47,146)
-	36,212,844	70,566,936	1,270,277	1,894,453	18,887	73,750,553
-	-	879,992	-	-	-	879,992
-	-	18,276,721	-	-	-	18,276,721
72,476,404	-	72,476,404	29,998,011	8,119,595	686,382	111,280,392
-	-	-	-	-	-	-
-	-	264,000	-	-	-	264,000
-	-	240,000	-	-	-	240,000
-	-	13,849,830	-	-	-	13,849,830
-	-	17,657,393	-	-	-	17,657,393
-	-	2,668,745	989,496	46,303	10,501	3,715,045
-	-	2,284,850	-	-	-	2,284,850
-	-	8,878,535	-	3,043,128	-	11,921,663
-	-	14,992,000	567,498	67,837	227,011	15,854,346
72,476,404	-	152,468,470	31,555,005	11,276,863	923,894	196,224,232
-	-	-	-	-	-	-
<u>\$72,476,404</u>	<u>\$ 36,212,844</u>	<u>\$223,035,406</u>	<u>\$32,825,282</u>	<u>\$ 13,171,316</u>	<u>\$ 942,781</u>	<u>\$269,974,785</u>

Pitkin County, Colorado

COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNITS

For the year ended December 31, 2001

	Governmental Fund Types		
	General	Special Revenue	Debt Service
<b>Revenues</b>			
Taxes and special assessments	\$ 9,303,521	\$ 15,488,299	\$ 1,342,404
Licenses and permits	523,008	17,964	-
Intergovernmental	847,172	7,116,210	-
Charges for services	2,747,578	678	-
Fines and forfeits	14,143	-	-
Miscellaneous	1,235,643	1,040,958	73,051
Total revenues	<u>14,671,065</u>	<u>23,664,109</u>	<u>1,415,455</u>
<b>Expenditures</b>			
Current			
General government	5,177,153	-	-
Public safety	5,579,837	45,318	-
Public works	700,489	4,391,486	7,377
Health and welfare	2,343,429	348,592	-
Culture and recreation	35,223	8,893,545	-
Conservation of natural resources	70,453	25,959	-
Housing	229,635	-	-
Intergovernmental	822,551	8,897,137	5,255,202
Debt service			
Principal retirement	-	245,000	1,260,000
Interest and fiscal charges	-	845,104	922,286
Total expenditures	<u>14,958,770</u>	<u>23,692,141</u>	<u>7,444,865</u>
Excess (deficiency) of revenues over (under) expenditures	(287,705)	(28,032)	(6,029,410)
<b>Other financing sources (uses)</b>			
Proceeds of general long-term debt	-	4,250,000	8,679,000
Proceeds of general fixed asset dispositions	179,547	102,488	-
Escrow to defease debt	-	-	(3,490,000)
Operating transfers in	-	1,602,535	531,831
Operating transfers out	(600,749)	(1,533,617)	-
Transfers (to) from component units	-	-	98,818
Total other financing sources (uses)	<u>(421,202)</u>	<u>4,421,406</u>	<u>5,819,649</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(708,907)	4,393,374	(209,761)
Fund balances at January 1, 2001	<u>10,313,214</u>	<u>14,207,616</u>	<u>828,594</u>
Fund balances at December 31, 2001	<u>\$ 9,604,307</u>	<u>\$ 18,600,990</u>	<u>\$ 618,833</u>

The accompanying notes are an integral part of this statement.

Primary Government Total (Memorandum only)	Component Units			Reporting Entity Total (Memorandum only)
	Roaring Fork Transit Agency	Pitkin County Library District	Emergency Telephone Authority	
\$ 26,134,224	\$ -	\$ 1,704,684	\$ -	\$ 27,838,908
540,972	-	-	-	540,972
7,963,382	10,403,112	-	-	18,366,494
2,748,256	4,476,944	7,997	340,262	7,573,459
14,143	-	15,484	-	29,627
2,349,652	204,439	(156,186)	9,760	2,407,665
<u>39,750,629</u>	<u>15,084,495</u>	<u>1,571,979</u>	<u>350,022</u>	<u>56,757,125</u>
5,177,153	-	-	-	5,177,153
5,625,155	-	-	188,949	5,814,104
5,099,352	15,539,920	-	-	20,639,272
2,692,021	-	-	-	2,692,021
8,928,768	-	2,418,541	-	11,347,309
96,412	-	-	-	96,412
229,635	-	-	-	229,635
14,974,890	12,931	-	8,620	14,996,441
1,505,000	-	11,203	-	1,516,203
1,767,390	-	4,479	-	1,771,869
<u>46,095,776</u>	<u>15,552,851</u>	<u>2,434,223</u>	<u>197,569</u>	<u>64,280,419</u>
(6,345,147)	(468,356)	(862,244)	152,453	(7,523,294)
12,929,000	-	-	-	12,929,000
282,035	235,566	7,188	-	524,789
(3,490,000)	-	-	-	(3,490,000)
2,134,366	-	-	-	2,134,366
(2,134,366)	-	-	-	(2,134,366)
98,818	-	-	(98,818)	-
<u>9,819,853</u>	<u>235,566</u>	<u>7,188</u>	<u>(98,818)</u>	<u>9,963,789</u>
3,474,706	(232,790)	(855,056)	53,635	2,440,495
<u>25,349,424</u>	<u>1,789,784</u>	<u>4,012,324</u>	<u>183,877</u>	<u>31,335,409</u>
<u>\$ 28,824,130</u>	<u>\$ 1,556,994</u>	<u>\$ 3,157,268</u>	<u>\$ 237,512</u>	<u>\$ 33,775,904</u>

Pitkin County, Colorado

COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -  
ALL GOVERNMENTAL FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNITS

For the year ended December 31, 2001

	General Fund		Variance - favorable (unfavorable)
	Final budget	Actual	
<b>Revenues</b>			
Taxes and special assessments	\$ 9,064,066	\$ 9,303,521	\$ 239,455
Licenses and permits	520,598	523,008	2,410
Intergovernmental	845,515	847,172	1,657
Charges for services	2,804,265	2,747,578	(56,687)
Fines and forfeits	6,100	14,143	8,043
Miscellaneous	998,007	1,235,643	237,636
Total revenues	14,238,551	14,671,065	432,514
<b>Expenditures</b>			
Current			
General government	6,630,793	5,177,153	1,453,640
Public safety	6,338,812	5,579,837	758,975
Public works	769,274	700,489	68,785
Health and welfare	2,518,940	2,343,429	175,511
Culture and recreation	59,912	35,223	24,689
Conservation of natural resources	86,101	70,453	15,648
Housing	536,766	229,635	307,131
Intergovernmental	838,250	822,551	15,699
Debt service			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	17,778,848	14,958,770	2,820,078
Excess (deficiency) of revenues over (under) expenditures	(3,540,297)	(287,705)	3,252,592
<b>Other financing sources (uses)</b>			
Proceeds of general long-term debt	-	-	-
Proceeds of general fixed asset dispositions	185,000	179,547	(5,453)
Escrow to defease debt	-	-	-
Operating transfers in	-	-	-
Operating transfers out	(600,389)	(600,749)	(360)
Transfers (to) from component units	-	-	-
Total other financing sources (uses)	(415,389)	(421,202)	(5,813)
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>\$ (3,955,686)</u>	<u>(708,907)</u>	<u>\$ 3,246,779</u>
Fund balances at January 1, 2001		10,313,214	
Fund balances at December 31, 2001		<u>\$ 9,604,307</u>	

The accompanying notes are an integral part of this statement.

Special Revenue Funds			Debt Service Funds		
Final budget	Actual	Variance - favorable (unfavorable)	Final budget	Actual	Variance - favorable (unfavorable)
\$15,818,597	\$15,488,299	\$ (330,298)	\$ 1,312,452	\$ 1,342,404	\$ 29,952
20,000	17,964	(2,036)	-	-	-
7,739,404	7,116,210	(623,194)	-	-	-
-	678	678	-	-	-
-	-	-	-	-	-
893,208	1,040,958	147,750	60,117	73,051	12,934
<u>24,471,209</u>	<u>23,664,109</u>	<u>(807,100)</u>	<u>1,372,569</u>	<u>1,415,455</u>	<u>42,886</u>
-	-	-	-	-	-
47,657	45,318	2,339	-	-	-
5,793,690	4,391,486	1,402,204	13,850	7,377	6,473
468,131	348,592	119,539	-	-	-
14,419,466	8,893,545	5,525,921	-	-	-
38,394	25,959	12,435	-	-	-
-	-	-	-	-	-
9,084,550	8,897,137	187,413	5,255,500	5,255,202	298
245,000	245,000	-	1,260,000	1,260,000	-
845,104	845,104	-	932,225	922,286	9,939
<u>30,941,992</u>	<u>23,692,141</u>	<u>7,249,851</u>	<u>7,461,575</u>	<u>7,444,865</u>	<u>16,710</u>
(6,470,783)	(28,032)	6,442,751	(6,089,006)	(6,029,410)	59,596
4,250,000	4,250,000	-	8,679,000	8,679,000	-
96,500	102,488	5,988	-	-	-
-	-	-	(3,490,000)	(3,490,000)	-
1,602,535	1,602,535	-	531,471	531,831	360
(1,533,617)	(1,533,617)	-	-	-	-
-	-	-	98,818	98,818	-
<u>4,415,418</u>	<u>4,421,406</u>	<u>5,988</u>	<u>5,819,289</u>	<u>5,819,649</u>	<u>360</u>
<u>\$ (2,055,365)</u>	4,393,374	<u>\$ 6,448,739</u>	<u>\$ (269,717)</u>	(209,761)	<u>\$ 59,956</u>
	14,207,616			828,594	
	<u>\$18,600,990</u>			<u>\$ 618,833</u>	

(Continued)

Pitkin County, Colorado

COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -  
ALL GOVERNMENTAL FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNITS ( CONTINUED)

For the year ended December 31, 2001

	Combined totals (Memorandum only)		
	Primary Government		
	Final budget	Actual	Variance - favorable (unfavorable)
Revenues			
Taxes and special assessments	\$ 26,195,115	\$ 26,134,224	\$ (60,891)
Licenses and permits	540,598	540,972	374
Intergovernmental	8,584,919	7,963,382	(621,537)
Charges for services	2,804,265	2,748,256	(56,009)
Fines and forfeits	6,100	14,143	8,043
Miscellaneous	1,951,332	2,349,652	398,320
Total revenues	<u>40,082,329</u>	<u>39,750,629</u>	<u>(331,700)</u>
Expenditures			
Current			
General government	6,630,793	5,177,153	1,453,640
Public safety	6,386,469	5,625,155	761,314
Public works	6,576,814	5,099,352	1,477,462
Health and welfare	2,987,071	2,692,021	295,050
Culture and recreation	14,479,378	8,928,768	5,550,610
Conservation of natural resources	124,495	96,412	28,083
Housing	536,766	229,635	307,131
Intergovernmental	15,178,300	14,974,890	203,410
Debt service			
Principal retirement	1,505,000	1,505,000	-
Interest and fiscal charges	1,777,329	1,767,390	9,939
Total expenditures	<u>56,182,415</u>	<u>46,095,776</u>	<u>10,086,639</u>
Excess (deficiency) of revenues over (under) expenditures	(16,100,086)	(6,345,147)	9,754,939
Other financing sources (uses)			
Proceeds of general long-term debt	12,929,000	12,929,000	-
Proceeds of general fixed asset dispositions	281,500	282,035	535
Escrow to defease debt	(3,490,000)	(3,490,000)	-
Operating transfers in	2,134,006	2,134,366	360
Operating transfers out	(2,134,006)	(2,134,366)	(360)
Transfers (to) from component units	98,818	98,818	-
Total other financing sources (uses)	<u>9,819,318</u>	<u>9,819,853</u>	<u>535</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ (6,280,768)</u>	3,474,706	<u>\$ 9,755,474</u>
Fund balances at January 1, 2001		<u>25,349,424</u>	
Fund balances at December 31, 2001		<u>\$ 28,824,130</u>	

The accompanying notes are an integral part of this statement.

Roaring Fork Transit Agency			Pitkin County Library District		
Final budget	Actual	Variance - favorable (unfavorable)	Final budget	Actual	Variance - favorable (unfavorable)
\$ -	\$ -	\$ -	\$ 1,717,896	\$ 1,704,684	\$ (13,212)
-	-	-	-	-	-
10,378,097	10,403,112	25,015	-	-	-
4,836,568	4,476,944	(359,624)	13,400	7,997	(5,403)
-	-	-	21,900	15,484	(6,416)
281,517	204,439	(77,078)	442,957	(156,186)	(599,143)
<u>15,496,182</u>	<u>15,084,495</u>	<u>(411,687)</u>	<u>2,196,153</u>	<u>1,571,979</u>	<u>(624,174)</u>
-	-	-	-	-	-
-	-	-	-	-	-
15,759,797	15,539,920	219,877	-	-	-
-	-	-	-	-	-
-	-	-	2,545,986	2,418,541	127,445
-	-	-	-	-	-
-	-	-	-	-	-
13,000	12,931	69	-	-	-
-	-	-	27,211	11,203	16,008
-	-	-	4,672	4,479	193
<u>15,772,797</u>	<u>15,552,851</u>	<u>219,946</u>	<u>2,577,869</u>	<u>2,434,223</u>	<u>143,646</u>
(276,615)	(468,356)	(191,741)	(381,716)	(862,244)	(480,528)
-	-	-	-	-	-
284,995	235,566	(49,429)	-	7,188	7,188
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>284,995</u>	<u>235,566</u>	<u>(49,429)</u>	<u>-</u>	<u>7,188</u>	<u>7,188</u>
<u>\$ 8,380</u>	(232,790)	<u>\$ (241,170)</u>	<u>\$ (381,716)</u>	(855,056)	<u>\$ (473,340)</u>
	<u>1,789,784</u>			<u>4,012,324</u>	
	<u>\$ 1,556,994</u>			<u>\$ 3,157,268</u>	

(Continued)

Pitkin County, Colorado

COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -  
ALL GOVERNMENTAL FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

For the year ended December 31, 2001

	Emergency Telephone Authority		
	Final budget	Actual	Variance - favorable (unfavorable)
Revenues			
Taxes and special assessments	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	320,775	340,262	19,487
Fines and forfeits	-	-	-
Miscellaneous	8,551	9,760	1,209
Total revenues	<u>329,326</u>	<u>350,022</u>	<u>20,696</u>
Expenditures			
Current			
General government	-	-	-
Public safety	200,486	188,949	11,537
Public works	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Conservation of natural resources	-	-	-
Housing	-	-	-
Intergovernmental	8,700	8,620	80
Debt service			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>209,186</u>	<u>197,569</u>	<u>11,617</u>
Excess (deficiency) of revenues over (under) expenditures	120,140	152,453	32,313
Other financing sources (uses)			
Proceeds of general long-term debt	-	-	-
Proceeds of general fixed asset dispositions	-	-	-
Escrow to defease debt	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Transfers (to) from component units	<u>(98,818)</u>	<u>(98,818)</u>	<u>-</u>
Total other financing sources (uses)	<u>(98,818)</u>	<u>(98,818)</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ 21,322</u>	53,635	<u>\$ 32,313</u>
Fund balances at January 1, 2001		<u>183,877</u>	
Fund balances at December 31, 2001		<u>\$ 237,512</u>	

The accompanying notes are an integral part of this statement.

Combined totals (Memorandum only)  
Reporting Entity

Final budget	Actual	Variance - favorable (unfavorable)
\$ 27,913,011	\$ 27,838,908	\$ (74,103)
540,598	540,972	374
18,963,016	18,366,494	(596,522)
7,975,008	7,573,459	(401,549)
28,000	29,627	1,627
<u>2,684,357</u>	<u>2,407,665</u>	<u>(276,692)</u>
<u>58,103,990</u>	<u>56,757,125</u>	<u>(1,346,865)</u>
6,630,793	5,177,153	1,453,640
6,586,955	5,814,104	772,851
22,336,611	20,639,272	1,697,339
2,987,071	2,692,021	295,050
17,025,364	11,347,309	5,678,055
124,495	96,412	28,083
536,766	229,635	307,131
15,200,000	14,996,441	203,559
1,532,211	1,516,203	16,008
<u>1,782,001</u>	<u>1,771,869</u>	<u>10,132</u>
<u>74,742,267</u>	<u>64,280,419</u>	<u>10,461,848</u>
(16,638,277)	(7,523,294)	9,114,983
12,929,000	12,929,000	-
566,495	524,789	(41,706)
(3,490,000)	(3,490,000)	-
2,134,006	2,134,366	360
(2,134,006)	(2,134,366)	(360)
-	-	-
<u>10,005,495</u>	<u>9,963,789</u>	<u>(41,706)</u>
<u>\$ (6,632,782)</u>	2,440,495	<u>\$ 9,073,277</u>
	<u>31,335,409</u>	
	<u>\$ 33,775,904</u>	

Pitkin County, Colorado

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN RETAINED EARNINGS/FUND BALANCES - ALL PROPRIETARY FUNDS

For the year ended December 31, 2001

	Proprietary Fund Types
	<u>Enterprise Funds</u>
Operating revenues	
Charges for services	\$ 4,067,320
Rents and franchises	2,522,740
Unclassified	<u>15,439</u>
Total operating revenues	6,605,499
Operating expenses	
Personal services	2,012,170
Purchased services	3,005,265
Materials and supplies	382,278
Amortization of postclosure costs	122,904
Depreciation	<u>1,288,706</u>
Total operating expenses	<u>6,811,323</u>
Operating income (loss)	(205,824)
Non-operating revenues (expenses)	
Interest revenue	385,352
Intergovernmental revenue	385,115
Interest expense and fiscal charges	(145,409)
Amortization of debt issuance costs	(25,017)
Net (loss) on disposition of fixed assets	<u>(48,537)</u>
Total non-operating revenues	<u>551,504</u>
Net income(loss) before Federal capital grants and other contributions	345,680
Federal capital grants and other contributions	<u>2,552,806</u>
NET INCOME (LOSS)	<u>2,898,486</u>
Add depreciation on fixed assets acquired by contributions that reduce contributed capital	384,109
Retained earnings at January 1, 2001	<u>11,071,235</u>
Retained earnings at December 31, 2001	<u>\$ 14,353,830</u>

The accompanying notes are an integral part of this statement.

Pitkin County, Colorado

COMBINED STATEMENT OF CASH FLOWS-  
ALL PROPRIETARY FUNDS

For the year ended December 31, 2001

	<u>Proprietary Fund Types</u>
	<u>Enterprise Funds</u>
Cash flows from operating activities	
Operating income	\$ (205,824)
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	1,288,706
Amortization of postclosure costs	122,904
Change in assets and liabilities	
Increase in accounts receivable	(153,310)
Decrease in due from other governments	507,547
Increase in accounts payable	147,197
Increase in contracts payable	7,964
Increase in accrued liabilities	16,813
Decrease in due to other governments	(25,814)
Increase in funds held in trust	1,200
Increase in deferred revenues	51,112
Total adjustments	<u>1,964,319</u>
Net cash provided by operating activities	1,758,495
Cash flows from non-capital financing activities	
Intergovernmental revenue	385,115
Cash flows from capital and related financing activities	
Proceeds from sale of fixed assets	76,530
Acquisition and construction of capital assets	(5,250,606)
Principal paid on debt	(275,000)
Payment of postclosure expense	(499,671)
Capital contributed by Federal government	2,061,864
Capital contributed from PFC's	465,712
Capital contributed by individuals	25,230
Interest paid on revenue bonds	(146,492)
Net cash used for capital and related financing activities	<u>(3,542,433)</u>
Cash flows from investing activities	
Interest received on investments	<u>385,352</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,013,471)
Cash and cash equivalents at beginning of year	8,461,219
Cash and cash equivalents at end of year	<u>\$ 7,447,748</u>
Equity in pooled cash and investments	6,943,748
Restricted cash and investments	504,000
Cash and cash equivalents at end of year	<u>\$ 7,447,748</u>

Noncash financing activities: For the year ended December 31, 2001, amortization of debt issuance costs totaled \$25,017, and assets with a net book value of \$58,106 were disposed of in the Airport Fund. Assets with a net book value of \$66,960 were disposed of and postclosure liabilities were decreased by \$376,767 in the Solid Waste Center Fund.

The accompanying notes are an integral part of this statement.

Pitkin County, Colorado

STATEMENT OF CHANGES IN PLAN NET ASSETS  
RETIREMENT TRUST FUND

For the year ended December 31, 2001

ADDITIONS	
Employer Contributions	\$ 2,048,754
Employee forfeitures	<u>58,965</u>
	2,107,719
Investment Income	
Investment Appreciation in Fair value of investments	(1,643,886)
Dividends and interest	<u>617,613</u>
Total Investment Income	<u>(1,026,273)</u>
TOTAL ADDITIONS	<u>1,081,446</u>
DEDUCTIONS	
Benefits to plan members	1,780,887
Administrative expenses	74,888
Forfeitures	<u>58,965</u>
TOTAL DEDUCTIONS	<u>1,914,740</u>
NET INCREASE IN PLAN ASSETS	(833,294)
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS January 1	<u>18,490,687</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS December 31	<u>\$17,657,393</u>

The accompanying notes are an integral part of this statement.

**NOTES TO THE FINANCIAL STATEMENTS  
ALL FUND TYPES AND ACCOUNT GROUPS**

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2001

Pitkin County (the "County") is located approximately 210 miles west of Denver and 120 miles east of Grand Junction in the Colorado Rocky Mountains. The County encompasses 973 square miles, of which approximately 80% is publicly owned and is controlled by the U.S. Forest Service and the Bureau of Land Management. Estimated population of the County is 14,309. Tourism is the primary factor in the county's economy, which is noted for such resort communities as the City of Aspen and Town of Snowmass Village.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The general-purpose financial statements of Pitkin County, Colorado have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant principles:

**A. Financial Reporting Entity**

Pitkin County was formed in 1881 and subsequently became a home rule county on July 1, 1978. The governing body of the County is the five-member Board of County Commissioners ("the Board"). The County provides the following services directly; general administration, sheriff, jail, coroner, roads and bridges, solid waste landfill and recycling center, airport, TV and FM translators, social and health services, trails and open space. The County provides several additional services through other governmental organizations that are excluded or included in the report according to the following criteria.

As required by generally accepted accounting principles, these financial statements present the County (primary government) government and its component units, i.e., entities for which the County is considered to be financially accountable. Blended component units are, in substance, part of the County's operations, and so data from these units are combined with data of the County. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the County and to differentiate their financial position, and results of operations from those of the primary government. Each blended and discretely presented component unit has a December 31 year-end. The component units adopt Financial and personnel management policies and procedures of the County. For this reason, these entities do not prepare separate audited financial statements, but are fully integrated within this report.

**Blended Component Unit.** The Pitkin County Capital Leasing Corporation is a not-for-profit corporation formed to finance the construction of a fleet maintenance facility, the acquisition of certain buses, and the acquisition of the County's administrative office building, all which are leased back to the County and its component units. The operations of the Leasing Corporation are reported as a debt service fund and within the general fixed asset and general long-term debt account groups.

The Pitkin County Ambulance District exists by virtue of the Pitkin County Home Rule Charter and is governed by the Pitkin County Board of County Commissioners. The district levies property taxes annually and serves the majority of citizens of Pitkin County. The operations of the District are reported as special revenue fund and within the general fixed asset account group.

Pitkin County Public Employees Retirement Plan (PCPERP) functions for the benefit of the County's employees. PCPERP is governed by a five-member board which consists of the Administrative Services Director, two employees elected by the participants, and two citizens appointed by the Board of County Commissioners. PCPERP is reported as a pension trust fund.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2001

**IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**A. Financial Reporting Entity (continued)**

**Blended Component Units (continued)**

The County has five General Improvement Districts that were formed upon presentation of a petition of the citizens of the proposed district to the Board of County Commissioners under the authorization of Colorado Revised Statutes. After formation of the district, an election was held to approve annual property tax levy on the properties in the District to fund capital improvement or ongoing maintenance, or both, for the roads within the District. The Board of County Commissioners acts as the Board and issues debt for the District. The Redstone Ranch Acres and Twining Flats Improvement Districts are reported as special revenue funds and the Brush Creek Village, West Buttermilk, and Holland Hills Improvement Districts are reported as debt service funds and as part of the general long-term debt account group.

**Discretely Presented Component Units.** The Roaring Fork Transit Agency was formed at the end of 1983 to provide bus services within the Roaring Fork Valley. Its Board of Directors is comprised of one City of Aspen (the "City") Council member, one County Commissioner and three members of the general public, one of which is appointed by the City Council, one by the County Commissioners and one appointed jointly. The City Council and the Board of County Commissioners must approve the Agency's budget annually. Neither the City nor the County provides any operating assistance to the Agency. The full operations of the Transit Agency are included in this report for several reasons: the Agency's service area is county-wide and the County has obtained federal grants and issued bonds to finance Transit Agency transit services. The Transit Agency is a governmental fund type. Following is a summary of combining financial information for the Roaring Fork Transit Agency:

	Governmental Fund Types		Account Groups	
	Special Revenue	Capital Project	General Fixed Assets	General Long-Term Obligations
Assets	<u>\$2,551,723</u>	<u>\$ 116,263</u>	<u>\$29,998,011</u>	<u>\$ 159,285</u>
Liabilities	\$ 950,081	\$ 160,911	\$ -	\$ 159,285
Equity	<u>1,601,642</u>	<u>(44,648)</u>	<u>29,998,011</u>	<u>-</u>
	<u>\$2,551,723</u>	<u>\$ 116,263</u>	<u>\$29,998,011</u>	<u>\$ 159,285</u>

	Governmental Fund Types	
	Special Revenue	Capital Project
Revenues	\$ 11,783,145	\$ 3,301,350
Expenditures	12,154,851	3,398,000
Excess of revenues over (under) expenditures	(371,706)	(96,650)
Other financing sources (net)	-	235,566
Net increase (decrease) in fund balance	<u>\$ (371,706)</u>	<u>\$ 138,916</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2001

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**A. Financial Reporting Entity (continued)**

**Discretely Presented Component Units (continued)**

A 7-member board that is appointed by the Board of County Commissioners governs the Pitkin County Library District. The Pitkin County Board of County Commissioners approves the District's budget, tax levy and debt issuance. The District is presented as a governmental fund type. Following is a summary of combining financial information for the Library District.

	Governmental Fund Types	Account Groups	
	Special Revenue	General Fixed Assets	General Long- term Obligations
Assets	<u>\$ 4,992,592</u>	<u>\$ 8,119,595</u>	<u>\$ 59,129</u>
Liabilities	\$ 1,835,324	\$ -	\$ 59,129
Equity	<u>3,157,268</u>	<u>8,119,595</u>	<u>-</u>
	<u>\$ 4,992,592</u>	<u>\$ 8,119,595</u>	<u>\$ 59,129</u>
			Governmental Fund Types Special Revenue
Revenues			\$ 1,571,979
Expenditures			<u>2,434,223</u>
Excess of revenues over (under) expenditures			(862,244)
Other financing sources (net)			<u>7,188</u>
Net increase (decrease) in fund balance			<u>\$ (855,056)</u>

Colorado state statute allows for local governmental agencies to fund emergency telephone through a surcharge on residential and business phones. Pitkin County and either other governmental agencies have entered into an intergovernmental agreement to create the Emergency Telephone Authority to provide 911 services to dispatch emergency services. The Authority is included in the financial statements of the County as a discretely presented component since the service area encompasses the entire County and small portions of adjacent counties and the County has assisted with the financing of capital acquisitions. For these reasons the Authority is considered fiscally dependant on the County and the financial activity is included in the financial report of Pitkin County.

	Governmental Fund Types Special Revenue	Account Groups General Fixed Assets		Governmental Fund Types Special Revenue
Assets	<u>\$ 256,399</u>	<u>\$ 686,382</u>	Revenues	\$ 350,022
Liabilities	\$ 18,887	\$ -	Expenditures	<u>197,569</u>
Equity	<u>237,512</u>	<u>686,382</u>	Excess of revenues under expenditures	152,453
	<u>\$ 256,399</u>	<u>\$ 686,382</u>	Other financing sources (net)	(98,818)
			Net decrease in fund balance	<u>\$ 53,635</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2001

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Joint Ventures**

Formed in 1982, the Aspen-Pitkin County Housing Authority is governed by a seven-member Board of Directors. The Board of County Commissioners and Aspen City Council appoint three directors each and one director jointly. The purpose of the Authority is to manage and construct projects that are deed restricted as to the amount rent charged or amount of appreciation on the for-sale units. The Authority's Board reports to the County and City governing bodies, the County and City share operating costs equally subject to annual appropriation. The County's proportionate share (50%) of net operating expenditures (\$65,223) is reported in Pitkin County's financial statements in the General Fund and the City's share is reported in its financial statements. The majority of the equity in the Authority is the temporary acquisition of a trailer court, which will be sold back to the current renters in the next year of two after subdivision approval from the County is obtained.

The annual financial report for the Housing Authority may be obtained from the Authority at 530 East Main Street, Garden Level, Aspen Colorado 81611. Following is a summary of financial information for the Housing Authority operating fund from its 2001 financial statements:

Assets	\$ 618,998	Revenues	\$ 577,782
Liabilities	257,913	Expenses	1,008,298
Equity	\$ <u>361,085</u>	Net loss	\$ <u>430,516</u>

**C. Measurement Focus, Basis of Accounting and Basis of Presentation**

The accounts of the County are organized and operated using funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

The County has the following fund types and account groups:

**Governmental funds** are used to account for the County's general government activities. Governmental fund types use the flow-of-current-financial-resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, interest and special assessments are susceptible to accrual. Sales taxes collected and held by the State of Colorado and by local businesses at year-end on behalf of the county are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the County and are recognized as revenue at that time.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2001

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Governmental funds include the following fund types:

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

The *special revenue funds* account for revenue sources that are legally restricted to expenditure for specific purposes.

The *debt service funds* account for the servicing of general long-term debt not being financed by proprietary funds.

**Proprietary funds** are accounted for on the flow-of-economic-resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The County applies all applicable Governmental Accounting Standards Board pronouncements and Financial Accounting Standards Board Pronouncements issued on or before November 31, 1989 in accounting and reporting for its proprietary operations. Proprietary funds include the following fund type:

*Enterprise funds* are used to account for those operations that are financed and operated in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

**Fiduciary funds** account for assets held by the County in trustee capacity or as an agent on behalf of others.

*Trust funds* account for assets held by the County under the terms of a formal trust agreement. The *pension trust fund* is accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting. This fund accounts for the assets of the County's public employees' pension plan.

*Agency funds* are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the County holds for others in an agency capacity.

**Account Groups.** The *general fixed assets account group* is used to account for fixed assets not accounted for in proprietary or trust funds. The *general long-term debt account group* is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2001

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Assets, Liabilities and Equity**

1. Cash and Cash Equivalents

The County's cash and cash equivalents are considered to be its cash on hand and demand deposits with a maturity of three months or less when purchased.

Except when otherwise required by trust agreements, the operating cash of all funds, including component units, is pooled within the County's portfolio of pooled cash and investments not specifically identified with any particular fund. Cash in excess of daily operating requirements is invested. Investment earnings are prorated among the contributing funds. Under GASB 31, the County carries investments at fair value.

2. Interfund Receivables and Payables

Transactions that constitute reimbursements to a fund for expenditure/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. Major transactions that fall into this category include insurance, computer support, copying, office supply, postage, radio, building maintenance and fleet maintenance charges allocated to all funds, and administrative charges by the General Fund to the Airport, Use Tax, and Open Space funds and to Library and RFTA component units.

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivable/payables" (i.e., the non-current portion of interfund loans) or "advances to/from the primary government" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available resources.

3. Property Taxes and Special Assessments

Property taxes and special assessments are levied on December 15 and attach as a lien on property for the following January 1. They are payable in full by April 30 or in two equal installments due February 28 and June 15. The County bills and collects its own property taxes as well as those for the other taxing districts in the County. Collections for other districts are accounted for in the agency funds. Property taxes and special assessments are reported as a receivable and a deferred revenue when levied and as a revenue when due for collection in the following year.

4. Sales Taxes

Pitkin County has levied a two-percent sales tax since 1970. As approved by the electorate, 43% of the sales tax revenues are retained by the county general fund, and the remaining 57% is distributed to the City of Aspen and the Towns of Snowmass Village and Basalt based on a formula taking into account the sales tax revenues produced by each of the municipalities for the two previous years.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2001

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Assets, Liabilities and Equity (continued)**

4. Sales Taxes (continued)

On July 1, 1995, Pitkin County levied an additional one-percent sales tax for the purpose of funding the Roaring Fork Transit Agency and to secure the payment of principal and interest on bonds issued for transit purposes. Since at that time the total sales tax imposed by any county and city could not exceed four percent, Aspen and Snowmass Village reduced their sales tax levies to 1% from 2%, and the additional County tax was not imposed on the portion of Basalt in Pitkin County.

The 1% transit sales tax is distributed 48.131% to the Roaring Fork Transportation Authority and 51.869% to the City of Aspen and Snowmass Village. The allocations to the City of Aspen and the Town of Snowmass Village are to be divided between the two on the basis of the actual collections within the municipal limits of each. Payments to the Authority, Aspen and Snowmass Village are subordinate to any obligation the County has for any debt service secured by the 1% Transit Sales Tax.

Beginning in 1995, the County levied an additional one-half percent sales and use tax to fund mass transportation improvements. The proceeds of the use tax were first used for the acquisition of the Denver and Rio Grande Railroad right-of-way, and then for other public mass transportation system improvements. The additional sales and use tax revenues may only be spent on projects approved by the Aspen City Council, Town of Snowmass Village Council, and the County Commissioners.

5. Inventories

Inventories are valued at cost using the first-in/first-out method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

6. Restricted Assets

Certain proceeds from the issuance of bonds, along with other resources, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Bond accounts are used to segregate resources accumulated for debt service payments for the next twelve months. Reserve accounts are used to report resources set aside to make up potential future deficiencies in the bond account. Renewal and replacement accounts are used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements. Project accounts are used to segregate resources for specific projects.

The airport revenue bonds require a bond account, a reserve account, a project account, and a renewal and replacement account. The general obligations bonds require a project account. The sales tax revenue bonds require a bond account, a reserve account and a project account. The lease certificates of participation requires a project account, a certificate account and a reserve account.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2001

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Assets, Liabilities and Equity (continued)**

7. Fixed Assets

Fixed assets used in governmental fund types are recorded in the general fixed assets account group at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. Assets in the general fixed assets account group are not depreciated. Interest incurred during construction is not capitalized on general fixed assets. Public domain general fixed assets (e.g., infrastructure, roads, bridges, trails and other assets that are immovable and of value only to the County) are not capitalized.

Property and equipment in the Proprietary type funds are stated at original cost or estimated original cost, except for donations which are stated at their estimated market value at the time received. Depreciation on these assets is computed using the straight-line method based on estimated useful lives as follows:

<u>Item</u>	<u>Years</u>
Buildings and improvements	10-25
Improvements other than buildings	3-25
Equipment	3-10

In accordance with generally accepted accounting principles, major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund fixed assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. There was no capitalized interest in 2001.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not included in the general fixed assets account group or capitalized in the proprietary funds.

8. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Employees earn one day of sick leave per month with no maximum accumulation. At termination, employees are paid for one-third of their accumulated sick leave in excess of 80 hours and up to 480 hours. Employees earn twenty-two days of vacation leave annually up to five years of service and twenty-eight days thereafter. This vacation leave accrual includes paid holidays. At termination, employees are paid for any accumulated vacation leave.

The proprietary fund records an expense and liability for vacation and sick leave as it is earned. Governmental funds record only the current portion of the vacation and sick leave liability. The remainder is shown in the general long-term debt account group.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2001

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Assets, Liabilities and Equity (continued)**

9. Long-term Obligations

The County reports long-term debt of governmental funds at face value in the general long-term debt account group. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the general long-term debt account group. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in those funds.

For governmental fund types, bond premiums, discounts, and issuance costs are recognized during the current period. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs are reported as expenditures. For proprietary fund types, bond premiums, discounts, and issuance costs, are deferred and amortized over the life of the bonds using the straight-line basis. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

10. Fund Equity

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Reservations of retained earnings are limited to outside third-party restrictions. Designations of fund balance represent tentative management plans that are subject to change. The proprietary fund's contributed capital represents equity acquired through capital grants and capital contributions from developers, customers or other funds up through December 31, 2000, at which time the county adopted GASB Statement #33.

11. Memorandum Only – Total Columns

Total columns on the general-purpose financial statements are captioned "memorandum only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. Annual appropriation lapse at fiscal year end. Budgeted amounts included in the accompanying financial statements are based on the budget as finally revised by the Board of County Commissioners. The original budget was adopted in December 2000 but was revised during the year through supplemental appropriations.

Budgets are required by state law for all governmental and proprietary funds. In June, all departments submit annual revenue and expenditure estimates to the Budget Director. During July, the County manager and section heads review the budget requests and incorporate changes into the five year budget model based on economic assumptions, recommended changes to service levels and capital schedules given available financing resources to develop a countywide proposed budget. By October 15, the County manager submits the proposed budget recommendation to the Board of County Commissioners for the fiscal year commencing the following January 1. Public hearings are conducted by the Commissioners to obtain taxpayer comments. Prior to December 15, the budget is adopted by formal resolution.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2001

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)**

**A. Budgetary Information (continued)**

Management can make transfers within a "section" within a fund without board approval. Therefore, the legal level of control is at the fund level, except for the general fund that is at the "section" level. The *Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual* presented in the supplemental statements demonstrate budget compliance with the exception of the general fund which contain multiple "sections". Compliance within the general fund is demonstrated in the following table.

General Fund Section	Budget	Actual	Variance
Administration Facilities	\$ 1,044,661	\$ 606,000	\$ 438,661
Administrative Services	3,624,920	3,155,059	469,861
Clerk and Elections	960,764	624,221	336,543
Environmental Quality	2,038,385	1,553,711	484,674
Housing	536,766	229,635	307,131
Human Services	2,120,975	2,037,809	83,166
Public Safety	5,758,752	5,158,841	599,911
Public Works	855,375	770,943	84,432
	<u>\$16,940,598</u>	<u>\$14,136,219</u>	<u>\$2,804,379</u>

Significant changes enacted by these resolutions are as follows:

	Revenues and other financing sources - budget		Expenditures and other financing uses - budget	
	Original	Revised	Original	Revised
Primary Government				
General Fund	\$ 15,279,529	\$ 14,423,551	\$ 15,473,629	\$ 18,379,237
Special Revenue Funds				
Road and Bridge	2,059,353	2,387,533	2,059,353	2,387,533
Use Tax	326,798	5,510,553	685,977	6,337,924
Transportation Sales and Use Tax	7,071,589	11,420,823	4,123,963	7,089,975
Open Space	5,808,603	10,290,053	1,752,822	15,799,570
Debt Service Funds				
Transit Debt Service Fund	752,093	9,431,093	784,340	9,689,840
Component Units				
RFTA	14,588,269	15,781,177	15,230,717	15,772,797
Library	2,077,153	2,196,153	1,854,044	2,577,869
Emergency 911 fund	316,999	329,326	276,004	308,004

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2001

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)**

**B. Encumbrances**

Encumbrance accounting, under which significant purchase orders, contracts and construction commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation, is employed for budgetary control.

Encumbrances are not reported as expenditures until the goods and services are received and the liability therefore incurred. The amount of encumbrances outstanding as of December 31, 2001 is as follows:

General Fund	\$	13,921
Special Revenue Funds		311,913
Enterprise Funds		825,792
Component Units		8,535

The 2001 budget provides authority to complete these transactions.

**C. Budget/GAAP Reconciliations**

The budget for Proprietary funds is adopted on a basis that is not consistent with generally accepted accounting principles (GAAP) but, instead, adopts the spending measurement focus of the governmental funds. The following is a budgetary comparison for each of the enterprise funds and a summary of the adjustments necessary to convert to the budgetary basis from GAAP:

Airport Fund

	<u>Original Budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
<b>Revenues</b>				
GAAP-based operating revenues			\$ 3,653,404	
GAAP-based interest revenues			177,733	
GAAP-based non-operating revenue			385,115	
Add contributions from federal government and others			2,552,806	
Total budgetary-based revenues	<u>\$ 7,744,059</u>	<u>\$ 9,991,009</u>	<u>\$ 6,769,058</u>	<u>\$ (3,221,951)</u>
<b>Expenditures</b>				
GAAP-based operating expenses			4,096,140	
GAAP-based interest expense and fiscal charges			170,426	
Deduct depreciation			(1,104,692)	
Deduct amortization of bond discount and issuance costs			(25,017)	
Add acquisition of property and equipment			5,117,797	
Add debt principal retirement			275,000	
Total budgetary-based expenditures	<u>\$ 8,518,059</u>	<u>\$ 12,333,946</u>	<u>\$ 8,529,654</u>	<u>\$ 3,804,292</u>
<b>Other financing sources</b>				
Add proceeds from sale of fixed assets			23,030	
Total budgetary-based other financing sources	<u>\$ 24,000</u>	<u>\$ 24,000</u>	<u>\$ 23,030</u>	<u>\$ (970)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2001

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)**

**C. Budget/GAAP Reconciliations (continued)**

Solid Waste Center Fund

	Original Budget	Final budget	Actual	Variance - favorable (unfavorable)
<b>Revenues</b>				
GAAP-based operating revenues			\$ 2,952,095	
GAAP-based interest revenue			207,619	
Total budgetary-based revenues	<u>\$ 3,033,000</u>	<u>\$ 3,033,000</u>	<u>\$ 3,159,714</u>	<u>\$ 126,714</u>
<b>Expenditures</b>				
GAAP-based operating expenses			2,715,183	
Deduct depreciation			(184,014)	
Deduct postclosure accrual			(122,904)	
Add postclosure expense			499,671	
Add acquisition of property and equipment			132,809	
Total budgetary-based expenditures	<u>\$ 3,205,991</u>	<u>\$ 3,943,911</u>	<u>\$ 3,040,745</u>	<u>\$ 903,166</u>
<b>Other financing sources</b>				
Add proceeds from sale of fixed assets			53,500	
Total budgetary-based other financing sources	<u>\$ 79,000</u>	<u>\$ 79,000</u>	<u>\$ 53,500</u>	<u>\$ (25,500)</u>

**D. Legal Restriction**

In November 1992, voters approved an amendment to the State constitution that specifies various revenue and debt requirements for all governmental entities in Colorado. For example, voter approval is necessary to increase a governments' property tax revenue or overall revenue and spending from one year to the next in excess of the rate of inflation plus a "growth factor" and requires that any revenue collected, kept or spent in violation of these provisions must be refunded, with interest. Local voters have approved ballot questions authorizing the County, the Library District and the Roaring Fork Transit Agency to retain all revenues received. Any new tax, tax rate increase, mill levy increase, or extension of an expiring tax which causes a net tax revenue gain requires voter approval. New long-term financial obligations also require voter approval. In addition, the amendment requires governments establish an emergency reserve equal to 3% of revenues. At December 31, 2001 fund balances of \$ 468,921 in the General Fund, \$ 159,203 in the Use Tax Fund, \$ 12,535 in the Social Services Fund, \$268,370 in the Transportation Sales and Use Tax Fund, \$188,583 in the Open Space Fund, \$ 8,541 in the Ambulance District, \$ 191 in the Redstone Ranch Acres Improvement District, \$60 in the Twining Flats Improvement District, \$ 1,130 in Ruedi Water and Power Authority, \$ 383,515 in the Roaring Fork Transit Agency, \$ 46,303 in the Library District, and \$ 10,501 in Emergency 911 Fund, have been reserved to meet the "emergency reserve" requirement.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2001

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**A. Deposits and Investments**

State statutes authorizes the County to invest in obligations of the United States and certain agencies, bankers acceptances, commercial paper, municipal bonds, repurchase agreements, money market funds, guaranteed investment contracts, and Colorado local government investment pools. However, the County has established a formal investment policy which limits eligible investments to direct U.S. Treasury obligations, U.S. Agencies and Instrumentalities, local government investment pools, money market funds rated in the highest category, and time certificates of deposit or deposit accounts in institutions insured by FDIC, approved as public fund depositories by the State of Colorado Banking Commissioner and rated average or better. Pursuant to the County's investment policy, funds are invested to accomplish the following objectives in the following priority: safety, liquidity, and then yield. A separate policy governs the investment of the Pitkin County Public Employee's Retirement Plan (PCPERP). It is implemented through several mutual funds selected by the Retirement Board and with the Charles Schwab Trust Company, as custodian. In addition, separate policies govern the investment of the Library Endowment and debt reserve funds.

The detail for total cash and investments reported in the accompanying financial statements is as follows:

	Equity in pooled cash and Investments		Other cash and investments		Fair Value
	Unrestricted	Restricted	Unrestricted	Restricted	
Cash	\$ 49,039	\$ -	\$ -	\$ -	\$ 49,039
Deposits	52,361	-	-	23,711	76,072
Investments					
U.S. Treasury Bonds	150,699	-	-	-	150,699
U.S. Government Securities	8,199,086	-	-	4,398,342	12,597,428
Pension investment funds	-	-	17,380,745	-	17,380,745
Money Market Funds	21,226,787	-	-	412,115	21,638,902
Mutual Funds	-	-	2,892,409	-	2,892,409
Local investment pools	7,305,748	754,689	-	-	8,060,437
Total investments	<u>36,882,320</u>	<u>754,689</u>	<u>20,273,154</u>	<u>4,810,457</u>	<u>62,720,620</u>
Total cash and investments	<u>\$36,983,720</u>	<u>\$ 754,689</u>	<u>\$20,273,154</u>	<u>\$4,834,168</u>	<u>\$62,845,731</u>

\$62,845,731

**Deposits** – Colorado state statutes govern the County's deposit of cash. The Colorado Public Deposit Protections Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

Deposits are categorized to give an indication of risk related to custody of assets assumed by the County at the end of the year. Category 1 included deposits that are insured, Category 2 includes collateralized deposits held by the pledging institution's trust department or agent in Pitkin County's name, and Category 3 includes uncollateralized, uninsured deposits. At December 31, 2001, the carrying amount of the County's deposits was \$76,072 and the bank balance was \$3,058,937 that can be categorized as follows:

Deposits covered by federal depository insurance – category 1	\$ 100,000
Deposits covered by single institution collateral pools – category 2	\$ 2,958,937

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2001

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)**

**A. Deposits and Investments (continued)**

**Investments** – The County's investments are categorized in the following table to give an indication of the level of credit risk related to custody of assets assumed by the County. Category 1 includes investments that are insured or registered or for which the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by their agent but not in the County's name.

	CATEGORY			Fair Value
	1	2	3	
U.S. government securities	\$ 12,748,127	\$ -	\$ -	\$ 12,748,127
Not subject to categorization				
Pension investment funds				17,380,745
Money market funds				21,638,902
Mutual funds				2,892,409
Local Investment Pools				8,060,437
				<u>\$ 62,720,620</u>

At December 31, 2001, the County has \$ 8,060,437 in a local investment pool, COLOTRUST, which is an investment vehicle authorized by state statute for local governmental entities in Colorado to pool surplus funds. Due to significantly higher cash flows at certain times of the year, the County had invested up to \$11,154,000 in COLOTRUST and \$ 8,130,000 in C-SAFE, a similar local investment pool. Local investment pools operate similarly to a money market fund and each share is equal in value to \$1.00. Investments in local investment pools, money market mutual funds, and pension investment funds are not evidenced by a physical or book entry security; they are not categorized in the table above.

The Roaring Fork Transit Agency, the Library Fund and the Emergency 911 Fund have balances of \$0 (0%), \$393,797 (1.1%), and \$202,667 (.5%) respectively in pooled cash and investments which is categorized in the same proportionate share of the County's pooled investments.

**B. Fixed Assets**

Activity in the general fixed assets account group for Pitkin County, Colorado for the year ended December 31, 2001 was as follows:

	Balance January 1, 2001	Additions	Deletions	Balance December 31, 2001
Buildings and improvements	\$ 13,621,244	\$ 727,953	\$ 30,571	\$ 14,318,626
Improvements other than buildings	777,915	86,444	7,586	856,773
Equipment	7,466,279	1,158,948	654,660	7,970,567
Construction in progress	1,732,573	2,151,190	591,760	3,292,003
Land and mining claims	39,477,890	7,091,490	530,945	46,038,435
Total property and equipment	<u>\$ 63,075,901</u>	<u>\$ 11,216,025</u>	<u>\$ 1,815,522</u>	<u>\$ 72,476,404</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2001

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)****B. Fixed Assets (continued)**

Activity in the general fixed assets account group for the Roaring Fork Transit Agency for the year ended December 31, 2001 was as follows:

	Balance January 1, 2001	Additions	Deletions	Balance December 31, 2001
Buildings and improvements	\$ 7,507,771	\$ 158,184	\$ -	\$ 7,665,955
Improvements other than buildings	368,506	-	181,400	187,106
Equipment	20,714,302	3,071,592	2,000,605	21,785,289
Land and mining claims	359,661	-	-	359,661
Total property and equipment	<u>\$ 28,950,240</u>	<u>\$ 3,229,776</u>	<u>\$ 2,182,005</u>	<u>\$ 29,998,011</u>

Activity in the general fixed assets account group for the Pitkin County Library District for the year ended December 31, 2001 was as follows:

	Balance January 1, 2001	Additions	Deletions	Balance December 31, 2001
Buildings and improvements	\$ 3,628,705	\$ 2,165,986	\$ -	\$ 5,794,691
Improvements other than buildings	50,818	-	-	50,818
Equipment	2,027,349	152,565	50,091	2,129,823
Construction in progress	1,449,346	-	1,449,346	-
Land and mining claims	144,263	-	-	144,263
Total property and equipment	<u>\$ 7,300,481</u>	<u>\$ 2,318,551</u>	<u>\$ 1,499,437</u>	<u>\$ 8,119,595</u>

Activity in the general fixed assets account group for the Emergency Telephone Authority for the year ended December 31, 2001 was as follows:

	Balance January 1, 2001	Additions	Deletions	Balance December 31, 2001
Equipment	<u>\$ 662,992</u>	<u>\$ 23,390</u>	<u>\$ -</u>	<u>\$ 686,382</u>

The following is a summary of proprietary fund type fixed assets for Pitkin County at December 31, 2001:

	Balance January 1, 2001	Additions	Deletions	Balance December 31, 2001
Buildings and improvements	\$ 5,590,828	\$ 461,742	\$ 17,998	\$ 6,034,572
Improvement other than buildings	11,365,410	4,831,939	6,590	16,190,759
Equipment	3,492,774	1,555,276	134,995	4,913,055
Total property and equipment	20,449,012	6,848,957	159,583	27,138,386
Accumulated depreciation	<u>(11,405,771)</u>	<u>(1,288,705)</u>	<u>(34,516)</u>	<u>(12,659,960)</u>
Net depreciable assets	9,043,241	5,560,252	125,067	14,478,426
Construction in progress	8,155,728	3,312,193	6,467,184	5,000,737
Land	8,970,991	1,556,639	-	10,527,630
Net property, plant, and equipment	<u>\$ 26,169,960</u>	<u>\$ 10,429,084</u>	<u>\$ 6,592,251</u>	<u>\$ 30,006,793</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2001

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)****C. Interfund Receivables, Payables and Advances**

The composition of interfund receivables, payables and advances between the primary government and component units follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Due to/from other funds		
General Fund	Road and Bridge Fund	\$ 192,008
Due to/from component units		
General Fund	RFTA	\$ 397,747

**D. Interfund transfers**

Significant operating transfers during 2001 for the primary government include the transfers from the General Fund to the Open Space Fund (\$ 68,918); from the General Fund to the Pitkin County Capital Leasing Corporation (\$531,831); and from the Transportation Sales and Use Tax Fund to the Use Tax Fund (\$1,533,617). In addition, transfers between the primary government and its component units included a transfer from the Emergency 911 Fund to the Capital Leasing Fund (\$98,818).

**E. Long-Term Obligations****1. Changes in Long-term Obligations**

The following is a summary of changes in long-term obligations for the year ended December 31, 2001:

	Balance January 1, 2001	Additions	Deletions	Balance December 31, 2001
Primary Government				
Accrued liabilities for vacation and sick leave	\$ 214,456	\$ 3,388	\$ -	\$ 217,844
Lease certificates of participation	3,955,000	-	475,000	3,480,000
General obligation bonds and notes	18,590,000	4,250,000	520,000	22,320,000
Sales tax revenue bonds	5,670,000	8,460,000	3,980,000	10,150,000
Special assessment bonds with governmental commitment	65,000	-	20,000	45,000
Changes in General Long- Term Debt Account Group	28,494,456	12,713,388	4,995,000	36,212,844
Airport revenue bonds	2,915,000	-	275,000	2,640,000
Component Units				
Accrued liabilities for vacation and sick leave	147,194	21,642	843	167,993
Capital lease obligations	61,624	-	11,203	50,421
Changes for component units	208,818	21,642	12,046	218,414
Total Changes in long-term debt	<u>\$ 31,618,274</u>	<u>\$ 12,735,030</u>	<u>\$ 5,282,046</u>	<u>\$ 39,071,258</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2001

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)**

**E. Long-Term Obligations (continued)**

2. Lease Certificates of Participation

\$4,905,000 Master Lease Refunding and Improvement Certificates of Participation, dated December 29, 1998, were issued to provide funding together with other funds of the County to 1) currently refund \$955,000 outstanding principal balance of Pitkin County, Colorado Master Lease Purchase Agreement Certificates of Participation, Series 1988, 2) advance refund \$3,045,000 outstanding principal amount of the Pitkin County, Colorado Lease Purchase Agreement Certificates of Participation, Series 1991, and 3) defray the costs of certain upgrades and improvements to the County's Emergency 911 System. Proceeds of the Refunded Series 1988 Certificates were issued by the Corporation to finance the acquisition of approximately 9.1 acres of real property and finance the construction of the County Fleet Maintenance Facility. Proceeds of the Refunded Series 1991 Certificates were issued by the Corporation to finance the acquisition of an administrative office building. The County has entered into cancelable long-term lease agreements with the Pitkin County Capital Leasing Corporation, a non-profit corporation for these acquisitions. These leases provide for annual base rental payments in amounts sufficient to meet the annual debt service requirements issued by the non-profit corporation. The leases are financing arrangements which transfer the ownership of the assets to the County at the end of the lease term.

The lease certificates of participation agreement expire in 2011 and bear interest rates ranging from 3.5% to 4.85%. A schedule by years of future minimum lease payments under the lease certificates of participation, December 31, 2001, is shown at Note III E 9. The principal balance outstanding as of December 31, 2001 is \$3,480,000.

The following is an analysis of the leased property under lease certificates of participation as included in the general fixed asset account group for the County.

<u>Classes of property</u>	<u>General Fixed Assets</u>
Land	\$ 461,881
Fleet Maintenance Facility	1,720,198
Emergency 911 Equipment	600,000
Administration office building	3,099,688
	<u>\$ 5,881,767</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2001

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)**

**E. Long-Term Obligations (continued)**

3. Capital Lease Obligations

The County has also entered into capital lease agreements with private municipal finance companies for the purchase of various equipment. These agreements are subject to annual appropriation by the County. The capital lease purchase payment arrangements are structured so that upon final lease payments, the County has full ownership of the equipment. If the County opts to not renew the leases at any time, the equipment is returned to the lessor. The capital lease agreement for the Library District bears interest at 7% and matures in 2005. The principal balance outstanding as of December 31, 2001 is \$ 50,421.

The following is an analysis of the leased property under capital leases as included in the General Fixed Asset Account Groups for the County by major classes:

<u>Classes of property</u>	<u>General Fixed Assets</u>
Land Library District	<u>\$ 144,263</u>

4. General Obligation Bonds and Notes

In May 1989, the voters authorized the issuance of general obligation bonds totaling \$6,000,000 for the purpose of providing affordable housing for County residents. \$4,490,000 of Pitkin County General Obligation Housing and Refunding Bonds were issued April 1, 1991, of which \$4,145,000 were issued under the authorization for housing purposes. The balance refunded the outstanding 1982 jail bonds. The bonds bear interest rates from 4.75% to 7.05% and mature at various dates through December 1, 2011. The principal balance outstanding at December 31, 2001 was \$2,675,000.

\$1,855,000 of Pitkin County General Obligation Housing Bonds, Series 1992 were issued September 16, 1992. This issue utilized the remainder of the voter authorization for affordable housing purposes. These bonds bear interest at rates from 2.8% to 6.4%, and mature in various amounts through December 1, 2012. The principal amount outstanding at December 31, 2001 was \$ 85,000.

In November 1990, the voters of the County authorized the issuance of up to \$12 million of general obligation debt for the acquisition of open space and trails. In 1992, a note in the amount of \$2,692,132 was authorized to purchase a parcel for open space. In 1994, the County issued \$6,100,000 of General Obligation Open Space Refunding and Improvement Bonds for the purpose of defeasing and refunding the outstanding general obligation note issued by the County in 1992 and to provide funding for future open space acquisitions. The bonds bear interest at rates from 4.1% to 6.875% and mature in various amounts through December 1, 2024. The principal amount outstanding at December 31, 2001 was \$5,460,000.

\$10,000,000 of Pitkin County General Obligation Refunding and Open Space Acquisition Bonds were issued December 1, 2000, of which \$8,795,000 were issued under the authorization for open space purposes. The bonds bear interest rates from 5.25% to 5.375% and mature at various dates through December 1, 2011. The principal balance outstanding at December 31, 2001 was \$9,850,000.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2001

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)**

**E. Long-Term Obligations (continued)**

4. General Obligation Bonds and Notes (continued)

A note in the amount of \$4,250,000 was accepted for the purchase of open space on September 25, 2001 under the authorization for open space purposes. The notes bear an interest rate from of 5% at interest only with the principal amount due on September 25, 2021.

These bonds are voter approved and are supported by a pledge of the County's full faith and credit. Payments for all general obligation bonds and notes are to be made from a collection of a tax without limitation as to rate or amount on all property subject to taxation by the County sufficient to pay the principal and interest on such bonds as they become due.

5. Legal Debt Margin

The County's general obligation bonded debt is limited by law to three percent of its assessed valuation. At December 31, 2001, the limit was \$53,147,320, providing a debt margin of \$30,827,320 after deducting \$22,320,000 of outstanding general obligation bonds.

6. Sales Tax Revenue Bonds

\$1,960,000 of Sales Tax Revenue Bonds, dated November 1, 1998, were issued to acquire additional buses for the Roaring Fork Transit Agency and to pay costs associated with the issuance of the bonds. The Series 1998 bonds bear interest at rates from 3.5% to 5.0% and mature annually through 2014 in amounts from \$85,000 to \$170,000. The principal amount was outstanding at December 31, 2001 was \$1,690,000.

\$8,460,000 of Sales Tax Revenue Refunding and Improvement Bonds, dated December 1, 2001, were issued to finance the acquisition of three new articulated inter-city transit coaches and five new intra-city coaches and related equipment; the construction and equipping of a bus maintenance and storage facility in the City of Glenwood Springs, and the acquisition of the perpetual right to rent 1- two-bedroom apartments in the city of Aspen's Burlingame affordable housing project for use by Authority employees. In addition, bond proceeds includes premium of \$219,000. A portion of the proceeds from the sale of the Series 2001 Bonds were used to call and repay the principal outstanding of the 1992 Sales Tax Improvement and Refunding Revenue Bonds (\$1,405,000), the principal outstanding of the 1993 Sales Tax Revenue Bonds (\$1,355,000), and the principal outstanding of the 1995 Sales Tax Revenue Bonds (\$1,125,000). The refunded bonds were called for redemption at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, as of December 1, 2001. As a result, these maturities of the bonds are considered to be paid in full and the liability for those bonds have been removed from the general long-term debt account group. The principal amount was outstanding at December 31, 2001 was \$8,460,000.

The County advance refunded the 1992, 1993 and 1995 Series bonds to reduce its total debt service payments from 2003 through 2014 by \$405,500. The transaction resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$349,887 and were sold at a premium of \$219,000.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2001

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (continued)**

**E. Long-Term Obligations (continued)**

6. Sales Tax Revenue Bonds (continued)

All Sales Tax Revenue Bonds are special, limited revenue obligations of the County, secured by a pledge of its 1% sales tax for transit purposes. Payment of principal and interest on the bonds is also secured by a reserve fund equaling the lessor of the maximum annual principal and interest payment for the 1993, 1995 and 1998 issues or 10 percent of the principal amount outstanding. Accordingly, a reserve of \$250,689 representing 10% of the principal amount outstanding is reserved for this purpose. Payment of principal and interest on the 2001 Sales Tax Revenue Bonds is secured by a municipal bond insurance policy issued by Municipal Bonds Investors Assurance Association.

7. Special Assessment Debt with Governmental Commitment

Special assessment bonds have been issued to improve several subdivision roads. These are general obligation bonds of the district and are payable from a property tax levy assessed against property in the road improvement district. \$210,000 of 1988 Holland Hills General Improvement District serial bonds mature annually in amounts from \$20,000 to \$25,000 through December 1, 2003; interest rates ranging from 8.25 to 8.4%; \$45,000 principal outstanding at December 31, 2001.

8. Airport Revenue Bonds

\$1,140,000 of Airport Refunding Revenue Bonds, dated October 15, 1994, were issued to call and retire \$1,140,000 of Airport Refunding Revenue Bonds, dated June 1, 1983. The refunding bonds mature annually in amounts from \$110,000 to \$125,000 through December 1, 2004 and bear interest at rates between 3.8% and 5.5%. The purpose of the refunding was to lower borrowing costs. The principal amount outstanding as of December 31, 2001 was \$350,000.

\$2,925,000 of Airport Refunding Revenue Bonds, dated December 1, 1997 were issued to call and retire \$2,850,000 of Airport Revenue Bonds, dated October 15, 1989. The refunding bonds mature annually in amounts from \$175,000 to \$290,000 through December 1, 2011 and bear interest at rates between 3.9% and 5.3%. The purpose of the refunding was to lower borrowing costs. The principal amount outstanding as of December 31, 2001 was \$2,290,000.

The airport revenue bond resolutions require that the bonds be repaid from the net income of the Airport fund and that certain amounts be restricted for airport renewal and replacement expenditures and payment of bond principal and interest.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2001

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**E. Long-Term Obligations (continued)**

9. Summary of Debt Service Requirements

The following summarized debt service requirements of the primary government and its discretely presented component units to maturity:

Year	Airport Revenue Bonds		Capital Leases and Lease Certificates of Participation supported by Governmental Funds Revenues		General Obligation Notes and Bonds		Sales Tax Revenue Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2002	285,000	132,790	512,013	156,952	545,000	1,375,533	530,000	450,275	20,000	3,760
2003	300,000	119,020	537,882	135,833	485,000	1,271,983	550,000	432,300	25,000	2,100
2004	315,000	104,237	343,814	113,114	515,000	1,243,254	575,000	413,533	-	-
2005	215,000	88,368	421,712	98,100	540,000	1,212,071	590,000	393,800	-	-
2006	225,000	77,970	255,000	79,905	580,000	1,179,157	610,000	373,475	-	-
2007	235,000	66,870	265,000	68,430	610,000	1,143,466	625,000	351,205	-	-
2008	245,000	55,157	280,000	56,373	650,000	1,104,769	350,000	328,310	-	-
2009	260,000	42,823	290,000	43,493	690,000	1,063,486	365,000	314,310	-	-
2010	270,000	29,470	305,000	30,007	740,000	1,019,619	380,000	298,968	-	-
2011	290,000	15,332	320,000	15,520	780,000	990,129	395,000	282,858	-	-
2012	-	-	-	-	445,000	922,034	410,000	265,970	-	-
2013	-	-	-	-	470,000	895,771	430,000	245,695	-	-
2014	-	-	-	-	500,000	867,872	455,000	224,275	-	-
2015	-	-	-	-	530,000	838,172	475,000	201,525	-	-
2016	-	-	-	-	565,000	806,671	500,000	177,775	-	-
2017	-	-	-	-	600,000	773,109	525,000	152,775	-	-
2018	-	-	-	-	640,000	777,059	550,000	125,213	-	-
2019	-	-	-	-	680,000	698,584	580,000	96,338	-	-
2020	-	-	-	-	720,000	657,684	610,000	65,888	-	-
2021	-	-	-	-	5,015,000	614,169	645,000	33,863	-	-
2022	-	-	-	-	810,000	342,326	-	-	-	-
2023	-	-	-	-	860,000	297,938	-	-	-	-
2024	-	-	-	-	915,000	240,488	-	-	-	-
2025	-	-	-	-	495,000	184,631	-	-	-	-
2026	-	-	-	-	525,000	158,025	-	-	-	-
2027	-	-	-	-	555,000	129,806	-	-	-	-
2028	-	-	-	-	585,000	99,975	-	-	-	-
2029	-	-	-	-	620,000	68,531	-	-	-	-
2030	-	-	-	-	655,000	35,206	-	-	-	-
	<u>\$2,640,000</u>	<u>\$ 732,037</u>	<u>\$3,530,421</u>	<u>\$ 797,727</u>	<u>\$22,320,000</u>	<u>\$21,011,518</u>	<u>\$ 10,150,000</u>	<u>\$5,228,347</u>	<u>\$ 45,000</u>	<u>\$ 5,860</u>

10. Conduit Debt Obligations

From time to time, the County has issued Mortgage Revenue Bonds and Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of affordable housing projects or industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the individual or private-sector entity served by the bonds issuance. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2001, there were three series Mortgage Revenue Bonds outstanding with an aggregate principal amount payable of \$ 1,549,329 and there were two series of Industrial Revenue bonds outstanding with an aggregate principal amount payable of \$ 50,250,000.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2001

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**F. Fund Balances**

1. Reserved Fund Balances

	Primary Government		Component Units		
	General Fund	Other funds	Roaring Fork Transit Agency	Pitkin County Library	Emergency Telephone Authority
Reserved for debt service	\$ 392,378	\$ 618,833	-	-	-
Reserved for transit inventory	-	-	605,981	-	-
Reserved for insurance claims payable	550,000	-	-	-	-
Reserved for emergencies	468,921	638,613	383,515	46,303	10,501
	<u>\$ 1,411,299</u>	<u>\$ 1,257,446</u>	<u>\$ 989,496</u>	<u>\$ 46,303</u>	<u>\$ 10,501</u>

2. Designated Fund Balances

To facilitate its financial planning, the Board of County Commissioners has designated accumulated fund balances for the following purposes:

	Primary Government		Component Units
	General Fund	Other funds	Units
Appropriated for expenditures in the 2002 budget as of May 21, 2002	\$ 1,251,838	\$ 1,033,012	\$ -
Designated to fund discretionary projects in 2002	-	-	-
Fund balance designated for subsequent year's expenditures	<u>\$ 1,251,838</u>	<u>\$ 1,033,012</u>	<u>\$ -</u>
Designated to complete projects begun but not completed in 2001	2,382,205	-	-
Designated to balance 5 year budget	431,047	-	-
Revenues from sale of County open space have been designated for future purchase of other open space property	193,983	-	-
A minimum fund balance for contingencies has been designated, in excess of that required by the State Constitution, to provide for working capital, interfund loans, unpredictable revenue shortfalls, natural disasters and uninsured losses.	866,672	-	-
State lottery funds to be spent in 2002 for open space or recreation	40,479	-	-
The excess of contributions over expenditures for Topsy Taxi program	224,186	-	-
Public contributions for a Viet Nam Veteran Memorial are designated for maintenance of the monument	6,561	-	-
Translator capital project funds derived from unspent translator property tax mill levy	121,617	-	-
State of Colorado landfill fees collected by Solid Waste Center retained by the County to remediate any State designated hazardous waste site	156,933	-	-
Developer payments in-lieu-of housing are designated for affordable housing purposes	2,103,092	-	-
Asset replacements for information services, dispatch and office services	414,395	-	-
Balance of 3% use tax proceeds which are dedicated for improvement to State Highway 82.	-	1,937,365	-
A contribution to the library has been designated for future capital projects for library improvements	-	-	3,043,128
	<u>\$ 6,941,170</u>	<u>\$ 1,937,365</u>	<u>\$ 3,043,128</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2001

**IV. OTHER INFORMATION**

**A. Risk Management**

1. County Workers' Compensation Self Insurance Program

The County is exposed to various risks of loss related to injuries of employees while on the job. Effective January 1, 1993, the County instituted a limited self-insurance program for workers compensation losses. Premiums are paid into the general fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. A risk retention of \$275,000 per accident is maintained and funded through the general fund based on annual estimated claims costs. An excess coverage insurance policy covers individual claims in excess of \$275,000. There has been no significant reduction in insurance coverage from the prior year and no settlements exceeding insurance coverage in any of the last three years. Claims administration and medical services are provided through contract and the County's Risk Manager is responsible for overall program management.

The State of Colorado has a strict application and annual renewal process which includes funding verification, excess insurance coverage verification, claims data review and provision of a comprehensive loss prevention and control program as well as self insurer's bond with a bond sum of \$535,000 to cover the County's risk retention portion.

All operating funds of the County, including its component units, participate in the program and make payments to the General Fund based on actuarial estimates of the amounts needed to pay current year claims and to establish a reserve for catastrophic losses. The County reserves fund balance in the general fund for workers' compensation in the amount of \$550,000. The County's liability for the unpaid claims includes an amount for claims that have been incurred by not reported (IBNR's). Changes in the liability during the past two years are as follows:

	2000	2001
Unpaid claims, January 1	\$ 469,812	\$ 539,804
Incurred claims (including IBNR's)	346,170	317,823
Claims payments	(276,178)	(365,257)
Unpaid claims, December 31	<u>\$ 539,804</u>	<u>\$ 492,370</u>

2. County General Liability Insurance Program

The County is exposed to risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. For 2001, the County's deductible for general liability claims was \$25,000 per occurrence and \$100,000 per occurrence for auto liability for the Roaring Fork Transit Agency with an aggregate limit of \$600,000 annually. Excess insurance coverage is purchased to cover claims above these limits. The County funds all claim settlements up to the deductible limit from general fund resources. The County currently accounts for all risk management activities in its general fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonable estimated. These losses included an estimate of claims that have been incurred but not reported. At December 31, 2001, the amount of these liabilities was \$94,132 for the County and \$90,739 for the Roaring Fork Transit Agency.

3. County Health Pool

The County is exposed to various risks of loss related to covered health expenses. During 1984, the County joined together with other Counties in the State of Colorado to form the Colorado counties County Health Pool (CHP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays a monthly contribution to CHP for its health, life and accidental death and dismemberment coverage. The intergovernmental agreement of formation of CHP provides that the pool will be financially self-sustaining through member contributions, and the Pool will purchase stop loss insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2001

**IV. OTHER INFORMATION (continued)**

**B. Segment Information for Enterprise Funds**

Presented below is segment information for the County's two enterprise funds:

	<u>Airport Fund</u>	<u>Solid Waste Center Fund</u>	<u>Total</u>
Operating revenues	\$ 3,653,404	\$ 2,952,095	\$6,605,499
Current year postclosure reduction	-	376,767	376,767
Depreciation expense	1,104,692	184,014	1,288,706
Operating expenses, excluding depreciation and post closure expense	2,991,448	2,408,265	5,399,713
Operating income (loss)	(442,736)	236,912	(205,824)
Non-operating income (expenses)	357,345	194,159	551,504
Intergovernmental revenue, included in non-operating revenues (expenses)	385,115	-	385,115
Net income	(85,391)	431,071	345,680
Net working capital	1,749,684	4,937,910	6,687,594
Current capital contributed	2,087,094	-	2,087,094
Property, plant and equipment purchases	5,117,797	132,809	5,250,606
Total assets (net)	32,224,603	6,635,174	38,859,777
Bonds and other long-term liabilities			

**C. Landfill Closure and Postclosure Costs**

State and federal laws and regulations require the County to place a final cover on its Solid Waste Center landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County is required to report a portions of these closure and postclosure care costs as an operating expense in each period based on landfill capacity. The \$1,466,228 reported as landfill closure and postclosure care liability at December 31, 2001 represents the cumulative amount reported as to date based on the use of 58% of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$1,062,703 as the remaining estimated capacity is filled. Postclosure care of \$843,171 is included in these estimated costs. These amounts are based on what it would cost to perform all closure and postclosure care in 2001. The County expects to close the landfill in the year 2015. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The County has complied with State and Federal Laws and regulations that require annual certification of updated closure and postclosure estimates and that it meets the requirements of the local governmental financial test as specified in the regulations pertaining to Solid Waste Disposal Sites and Facilities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2001

**IV. OTHER INFORMATION (continued)**

**D. Pension Plan**

Effective January 1, 1983, the County withdrew from Social Security and the Colorado County Officials and Employees Retirement Association (CCOERA) and formed a replacement retirement plan, the Pitkin County Public Employees Retirement Plan (PCPERP). Both CCOERA and PCPERP are defined contributions plans. In a defined contribution plan benefits depend solely on amounts contributed and earnings allocated to the participant's account. A defined contribution plan has no unfunded liabilities and actuarial valuations are not required.

CCOERA, a multiple employer defined contributions plan, is not included in the County's financial statements since the County has no fiduciary responsibility for the plan. Employees participating in the plan on January 1, 1983 are 100% vested and will receive contributions and interest earnings upon termination.

PCPERP, a single employer defined contribution plan, was formed under the provisions of Colorado Revised Statutes, 24-51-901. All full-time employees of the County, the RFTA, and the Library participate in the plan after six months of employment. The County contributed 13% of participants' compensation to the plan during 2001 and purchased replacement insurance coverage for Social Security's life, disability and survivor benefits at a cost of 1% of participants' compensation. Participants vest immediately in 50% of the County's contribution and thereafter at the rate of an additional 10% per year of employment. Upon termination of employment a participant's unvested share is forfeited back to the County to fund plan administrative expenses. The PCPERP is included in the accompanying financial statements as the Pension Trust Fund using the accrual basis of accounting. Employer contributions are recognized as revenues in the period in which employee services are performed, assets are reported at market value, investment income is recognized as earned, and gains and losses on sales are recognized on the transaction date.

The County's total payroll in 2001 was \$18,590,488. During 2001, the County contributed \$2,048,754 to PCPERP, which is 13% of eligible salaries totaling \$15,759,646. Employee contributions are not allowed under the plan.

**E. Contingent Liability**

1. Litigation

The County is party to litigation under which it may suffer uninsured losses upon the decision of the courts. However, sufficient information to determine the ultimate outcome of these cases is not available. Accordingly, no provision has been made in the financial statements for this contingent liability.

2. Grants

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. County management believes disallowance, if any, will be immaterial.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2001

**IV. OTHER INFORMATION (continued)**

**F. Accounting Changes**

During the year ended December 31, 2001, the County adopted Statement No. 33 of the Governmental Accounting Standards Board (GASB). GASB 33, *Accounting and Financial Reporting for Nonexchange Transactions*, establishes accounting and financial reporting standards for nonexchange transactions involving financial or capital resources. Under GASB 33, certain of these nonexchange transactions, such as federal capital grants, should be recognized as revenue in the statement of revenues, expenses, and changes in retained earnings.

Under the provisions of GASB 33, contributed capital arising from period prior to implementation of this statement is not restated. Accordingly, the restated 2000 revenues for contributed capital for the adoption of GASB 33 have been closed to contributions in aid of construction and the restatement has no effect on retained earnings as of December 31, 2000. For 2001, the County recognized \$2,552,806 of other income as a result of adopting GASB 33.

**G. Future Effect of Recently Issued Accounting Pronouncements**

The Governmental Accounting Standards Board (GASB) has issued Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*. GASB 34 and 37 will be applicable to the County's December 31, 2003 financial statements. GASB 34 and 37 establish the basic financial statements and required supplementary information for governments which should consist of management's discussion and analysis, government-wide financial statements, consisting of a statement of net assets and a statement of activities using the accrual basis of accounting, fund financial statements that report governmental fund financial statement using the modified accrual basis of accounting and that report proprietary fund financial statements using the accrual basis of accounting, notes to the financial statements, and the required supplementary information.

THIS PAGE LEFT BLANK INTENTIONALLY

## Special Revenue Funds

Road and Bridge Fund - State law empowers the County to levy property tax for the purpose of construction and maintenance of County roads and bridges. This tax and all state and federal payments to the County for road and bridge purposes are accounted for in the Road and Bridge Fund.

Use Tax Fund - The voters of Pitkin County approved a 3% use tax which became effective for ten years beginning January 1, 1989. The proceeds of this tax will be used solely for county road and State Highway 82 improvements. The use tax is collected on building materials and fixtures, and motor vehicles purchased outside of Pitkin County for use within the County. Although this tax was not reauthorized, the county still has balances from funds collected from this funding source.

Social Services Fund - The County is required to levy property tax to defray its share of state welfare programs and associated administrative costs. The full cost of these programs, state share and County tax are accounted for in the Social Services Fund.

Transportation Sales and Use Tax Fund - In 1993, the voters approved a 1/2 cent sales and use tax to provide funding to increase and improve the public mass transportation system.

Open Space Fund - A property tax supports acquisition, improvement and management of open space and trails programs. A 2.5 mill levy was approved in 1990 and the voters reauthorized a levy of 3.75 in 1999. Authority to issue up to \$12 million of general obligation indebtedness for the purpose of maintaining and acquiring open space and trails was approved in 1990 and another \$12 million was approved in 1999. General obligation debt in the amount of \$6.1 million was issued in 1992, and another \$10 million general obligation bonds were issued in 2000, of which \$8.795 million were issued under the open space authorization. General Obligation Open Space Refunding and Improvement Bonds for the purpose of defeasing and refunding the outstanding general obligation notes and bonds issued by the County and to provide funding for future open space acquisitions.

Ambulance District - Formed in 1982, ambulance service is provided by this District to the area in and around the City of Aspen. The District has contracted with Aspen Valley Hospital to provide these services. The Board of County Commissioners acts as the board of directors for the district and sets the supporting property tax levy.

Redstone Ranch Acres and Twining Flats Improvement District - These Districts were formed to improve roads and provide maintenance. The Twining Flats Improvement District has repaid the debt which was issued in 1984 to improve roads in the District and continues to collect property tax to maintain the roads. There is insufficient support in the Redstone Ranch Acres Improvement District for the issuance of special assessment bonds so only minor improvement have been completed. The Board of County Commissioners acts as the board of directors for these Districts and sets the supporting property tax levy.

Ruedi Water and Power Authority - RWAPA is an entity created by intergovernmental agreement in 1984. RWAPA consists of five cities and three counties in the Roaring Fork Valley, of which Pitkin County is a member. RWAPA was created to manage the sale or lease of water, promote hydroelectric power, and manage recreational activities in and on Ruedi Reservoir.

Pitkin County, Colorado  
Special Revenue Funds  
COMBINING BALANCE SHEET  
December 31, 2001

	<u>Combined total</u>	<u>Road and Bridge Fund</u>	<u>Use Tax Fund</u>	<u>Social Services Fund</u>
<b>ASSETS</b>				
Equity in pooled cash and investments	\$ 14,307,633	\$ -	\$ 3,079,795	\$ 209,623
Accounts receivable	66,769	452	-	-
Due from component units	-	-	-	-
Receivable from other governments	1,064,829	383,214	89,780	17,370
Property taxes and special assessments receivable	7,214,422	288,767	-	-
Other assets	5,555,000	-	-	-
Restricted assets				
Other cash and investments	4,353,963	-	-	-
	<u>\$ 32,562,616</u>	<u>\$ 672,433</u>	<u>\$ 3,169,575</u>	<u>\$ 226,993</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 316,861	\$ 122,666	\$ 84,829	\$ 178
Contracts payable	77,653	-	45,802	-
Accrued liabilities	82,636	67,234	1,505	7,614
Due to other funds	192,008	192,008	-	-
Due to other governments	523,046	1,758	45,451	21,903
Deferred revenues	12,769,422	288,767	-	-
Total liabilities	<u>13,961,626</u>	<u>672,433</u>	<u>177,587</u>	<u>29,695</u>
<b>Fund balances</b>				
Reserved for various purposes	638,613	-	159,203	12,535
Unreserved				
Designated for subsequent year's expenditures	1,033,012	-	895,420	50,810
Designated for other purposes	1,937,365	-	1,937,365	-
Undesignated	14,992,000	-	-	133,953
	<u>18,600,990</u>	<u>-</u>	<u>2,991,988</u>	<u>197,298</u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 32,562,616</u></u>	<u><u>\$ 672,433</u></u>	<u><u>\$ 3,169,575</u></u>	<u><u>\$ 226,993</u></u>

<u>Transportation Sales and Use Tax Fund</u>	<u>Open Space Fund</u>	<u>Ambulance District</u>	<u>Redstone Ranch Acres Improvement District</u>	<u>Twining Flats Improvement District</u>	<u>Ruedi Water and Power Authority</u>
\$ 8,114,658	\$ 2,284,539	\$ 566,744	\$ 13,015	\$ 2,955	\$ 36,304
57,834	8,483	-	-	-	-
-	-	-	-	-	-
498,691	-	75,774	-	-	-
-	6,657,588	259,645	6,421	2,001	-
-	5,555,000	-	-	-	-
-	4,353,963	-	-	-	-
<u>\$ 8,671,183</u>	<u>\$ 18,859,573</u>	<u>\$ 902,163</u>	<u>\$ 19,436</u>	<u>\$ 4,956</u>	<u>\$ 36,304</u>
\$ 480	\$ 100,122	\$ -	\$ 7,500	\$ 254	\$ 832
-	31,851	-	-	-	-
-	6,283	-	-	-	-
-	-	-	-	-	-
117,523	336,411	-	-	-	-
-	12,212,588	259,645	6,421	2,001	-
<u>118,003</u>	<u>12,687,255</u>	<u>259,645</u>	<u>13,921</u>	<u>2,255</u>	<u>832</u>
268,370	188,583	8,541	191	60	1,130
-	-	86,782	-	-	-
-	-	-	-	-	-
<u>8,284,810</u>	<u>5,983,735</u>	<u>547,195</u>	<u>5,324</u>	<u>2,641</u>	<u>34,342</u>
<u>8,553,180</u>	<u>6,172,318</u>	<u>642,518</u>	<u>5,515</u>	<u>2,701</u>	<u>35,472</u>
<u>\$ 8,671,183</u>	<u>\$ 18,859,573</u>	<u>\$ 902,163</u>	<u>\$ 19,436</u>	<u>\$ 4,956</u>	<u>\$ 36,304</u>

Pitkin County, Colorado

Special Revenue Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

For the year ended December 31, 2001

	Combined total	Road and Bridge Fund	Use Tax Fund	Social Services Fund
<b>Revenues</b>				
Taxes and special assessments	\$ 15,488,299	\$ 778,851	\$ 1,299	\$ 82,989
Licenses and permits	17,964	17,964	-	-
Intergovernmental	7,116,210	1,260,506	5,177,780	327,332
Charges for services	678	637	-	-
Miscellaneous	1,040,958	12,615	268,758	7,863
<b>Total revenues</b>	<b>23,664,109</b>	<b>2,070,573</b>	<b>5,447,837</b>	<b>418,184</b>
<b>Expenditures</b>				
<b>Current</b>				
Public safety	45,318	-	-	-
Public works	4,391,486	2,072,259	2,055,130	-
Health and welfare	348,592	-	-	348,592
Culture and recreation	8,893,545	-	-	-
Conservation of natural resources	25,959	-	-	-
Intergovernmental	8,897,137	96,145	1,626,387	43,366
<b>Debt service</b>				
Principal retirement	245,000	-	-	-
Interest and fiscal charges	845,104	-	-	-
<b>Total expenditures</b>	<b>23,692,141</b>	<b>2,168,404</b>	<b>3,681,517</b>	<b>391,958</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(28,032)</b>	<b>(97,831)</b>	<b>1,766,320</b>	<b>26,226</b>
<b>Other financing sources</b>				
Proceeds of general long-term debt	4,250,000	-	-	-
Proceeds of general fixed asset dispositions	102,488	97,831	-	4,657
Operating transfers in	1,602,535	-	-	-
Operating transfers out	(1,533,617)	-	(1,533,617)	-
<b>Total other financing sources</b>	<b>4,421,406</b>	<b>97,831</b>	<b>(1,533,617)</b>	<b>4,657</b>
<b>EXCESS OF (DEFICIENCY) REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>4,393,374</b>	<b>-</b>	<b>232,703</b>	<b>30,883</b>
<b>Fund balances at January 1, 2001</b>	<b>14,207,616</b>	<b>-</b>	<b>2,759,285</b>	<b>166,415</b>
<b>Fund balances at December 31, 2001</b>	<b>\$ 18,600,990</b>	<b>\$ -</b>	<b>\$ 2,991,988</b>	<b>\$ 197,298</b>

Transportation Sales and Use Tax Fund	Open Space Fund	Ambulance District	Redstone Ranch Acres Improvement District	Twining Flats Improvement District	Ruedi Water and Power Authority
\$ 8,720,255	\$ 5,637,343	\$ 259,808	\$ 5,865	\$ 1,889	\$ -
-	-	-	-	-	-
165,000	147,950	-	-	-	37,642
-	33	-	-	-	8
225,419	500,787	24,908	496	112	-
9,110,674	6,286,113	284,716	6,361	2,001	37,650
-	-	45,318	-	-	-
253,675	-	-	9,284	1,138	-
-	-	-	-	-	-
-	8,893,545	-	-	-	-
-	-	-	-	-	25,959
6,663,659	293,804	168,776	-	-	5,000
-	245,000	-	-	-	-
-	845,104	-	-	-	-
6,917,334	10,277,453	214,094	9,284	1,138	30,959
2,193,340	(3,991,340)	70,622	(2,923)	863	6,691
-	4,250,000	-	-	-	-
-	-	-	-	-	-
1,533,617	68,918	-	-	-	-
-	-	-	-	-	-
1,533,617	4,318,918	-	-	-	-
3,726,957	327,578	70,622	(2,923)	863	6,691
4,826,223	5,844,740	571,896	8,438	1,838	28,781
<u>\$ 8,553,180</u>	<u>\$ 6,172,318</u>	<u>\$ 642,518</u>	<u>\$ 5,515</u>	<u>\$ 2,701</u>	<u>\$ 35,472</u>

Pitkin County, Colorado

Special Revenue Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL

For the year ended December 31, 2001

	Combined total		Variance - favorable (unfavorable)
	Final budget	Actual	
<b>Revenues</b>			
Taxes and special assessments	\$ 15,818,597	\$ 15,488,299	\$ (330,298)
Licenses and permits	20,000	17,964	(2,036)
Intergovernmental	7,739,404	7,116,210	(623,194)
Charges for services	-	678	678
Miscellaneous	893,208	1,040,958	147,750
<b>Total revenues</b>	<b>24,471,209</b>	<b>23,664,109</b>	<b>(807,100)</b>
<b>Expenditures</b>			
<b>Current</b>			
Public safety	47,657	45,318	2,339
Public works	5,793,690	4,391,486	1,402,204
Health and welfare	468,131	348,592	119,539
Culture and recreation	14,419,466	8,893,545	5,525,921
Conservation of natural resources	38,394	25,959	12,435
Intergovernmental	9,084,550	8,897,137	187,413
<b>Debt service</b>			
Principal retirement	245,000	245,000	-
Interest and fiscal charges	845,104	845,104	-
<b>Total expenditures</b>	<b>30,941,992</b>	<b>23,692,141</b>	<b>7,249,851</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(6,470,783)</b>	<b>(28,032)</b>	<b>6,442,751</b>
<b>Other financing sources</b>			
Proceeds of general long-term debt	4,250,000	4,250,000	-
Proceeds of general fixed asset dispositions	96,500	102,488	5,988
Operating transfers in	1,602,535	1,602,535	-
Operating transfers out	(1,533,617)	(1,533,617)	-
<b>Total other financing sources</b>	<b>4,415,418</b>	<b>4,421,406</b>	<b>5,988</b>
<b>EXCESS OF (DEFICIENCY) REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>\$ (2,055,365)</b>	<b>4,393,374</b>	<b>\$ 6,448,739</b>
Fund balances at January 1, 2001		14,207,616	
Fund balances at December 31, 2001		<u>\$ 18,600,990</u>	

Road and Bridge Fund			Use Tax Fund		
Final budget	Actual	Variance - favorable (unfavorable)	Final budget	Actual	Variance - favorable (unfavorable)
\$ 1,035,915	\$ 778,851	\$ (257,064)	\$ -	\$ 1,299	\$ 1,299
20,000	17,964	(2,036)	-	-	-
1,239,118	1,260,506	21,388	5,183,755	5,177,780	(5,975)
-	637	637	-	-	-
-	12,615	12,615	326,798	268,758	(58,040)
2,295,033	2,070,573	(224,460)	5,510,553	5,447,837	(62,716)
-	-	-	-	-	-
2,287,533	2,072,259	215,274	3,154,307	2,055,130	1,099,177
-	-	-	-	-	-
-	-	-	-	-	-
100,000	96,145	3,855	1,650,000	1,626,387	23,613
-	-	-	-	-	-
-	-	-	-	-	-
2,387,533	2,168,404	219,129	4,804,307	3,681,517	1,122,790
(92,500)	(97,831)	(5,331)	706,246	1,766,320	1,060,074
-	-	-	-	-	-
92,500	97,831	5,331	-	-	-
-	-	-	(1,533,617)	(1,533,617)	-
-	-	-	(1,533,617)	(1,533,617)	-
92,500	97,831	5,331	(1,533,617)	(1,533,617)	-
<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ (827,371)</u>	232,703	<u>\$ 1,060,074</u>
-	-	-	-	2,759,285	-
-	<u>\$ -</u>	-	-	<u>\$ 2,991,988</u>	-

(continued)

Pitkin County, Colorado

Special Revenue Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL (CONTINUED)

For the year ended December 31, 2000

	Social Services Fund		
	Final budget	Actual	Variance - favorable (unfavorable)
Revenues			
Taxes and special assessments	\$ 81,838	\$ 82,989	\$ 1,151
Licenses and permits	-	-	-
Intergovernmental	385,081	327,332	(57,749)
Charges for services	-	-	-
Miscellaneous	7,316	7,863	547
<b>Total revenues</b>	<b>474,235</b>	<b>418,184</b>	<b>(56,051)</b>
Expenditures			
Current			
Public safety	-	-	-
Public works	-	-	-
Health and welfare	468,131	348,592	119,539
Culture and recreation	-	-	-
Conservation of natural resources	-	-	-
Intergovernmental	45,000	43,366	1,634
Debt service			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
<b>Total expenditures</b>	<b>513,131</b>	<b>391,958</b>	<b>121,173</b>
Excess (deficiency) of revenues over (under) expenditures	(38,896)	26,226	65,122
Other financing sources			
Proceeds of general long-term debt	-	-	-
Proceeds of general fixed asset dispositions	4,000	4,657	657
Operating transfers in	-	-	-
Operating transfers out	-	-	-
<b>Total other financing sources</b>	<b>4,000</b>	<b>4,657</b>	<b>657</b>
<b>EXCESS OF (DEFICIENCY) REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>\$ (34,896)</b>	<b>30,883</b>	<b>\$ 65,779</b>
Fund balances at January 1, 2001		166,415	
Fund balances at December 31, 2001		<u>\$ 197,298</u>	

Transportation Sales and Use Tax Fund			Open Space Fund		
Final budget	Actual	Variance - favorable (unfavorable)	Final budget	Actual	Variance - favorable (unfavorable)
\$ 8,858,206	\$ 8,720,255	\$ (137,951)	\$ 5,579,849	\$ 5,637,343	\$ 57,494
-	-	-	-	-	-
665,000	165,000	(500,000)	231,450	147,950	(83,500)
-	-	-	-	33	33
364,000	225,419	(138,581)	159,836	500,787	340,951
9,887,206	9,110,674	(776,532)	5,971,135	6,286,113	314,978
-	-	-	-	-	-
339,975	253,675	86,300	-	-	-
-	-	-	-	-	-
-	-	-	14,419,466	8,893,545	5,525,921
-	-	-	-	-	-
6,750,000	6,663,659	86,341	290,000	293,804	(3,804)
-	-	-	245,000	245,000	-
-	-	-	845,104	845,104	-
7,089,975	6,917,334	172,641	15,799,570	10,277,453	5,522,117
2,797,231	2,193,340	(603,891)	(9,828,435)	(3,991,340)	5,837,095
-	-	-	4,250,000	4,250,000	-
-	-	-	-	-	-
1,533,617	1,533,617	-	68,918	68,918	-
-	-	-	-	-	-
1,533,617	1,533,617	-	4,318,918	4,318,918	-
<u>\$ 4,330,848</u>	3,726,957	<u>\$ (603,891)</u>	<u>\$ (5,509,517)</u>	327,578	<u>\$ 5,837,095</u>
	4,826,223			5,844,740	
	<u>\$ 8,553,180</u>			<u>\$ 6,172,318</u>	

(continued)

Pitkin County, Colorado

Special Revenue Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL (CONTINUED)

For the year ended December 31, 2001

	Ambulance District		
	Final budget	Actual	Variance - favorable (unfavorable)
Revenues			
Taxes and special assessments	\$ 254,811	\$ 259,808	\$ 4,997
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Miscellaneous	27,685	24,908	(2,777)
Total revenues	282,496	284,716	2,220
Expenditures			
Current			
Public safety	47,657	45,318	2,339
Public works	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Conservation of natural resources	-	-	-
Intergovernmental	244,550	168,776	75,774
Debt service			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	292,207	214,094	78,113
Excess (deficiency) of revenues over (under) expenditures	(9,711)	70,622	80,333
Other financing sources			
Proceeds of general long-term debt	-	-	-
Proceeds of general fixed asset dispositions	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources	-	-	-
EXCESS OF (DEFICENCY) REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ (9,711)</u>	70,622	<u>\$ 80,333</u>
Fund balances at January 1, 2001		<u>571,896</u>	
Fund balances at December 31, 2001		<u><u>\$ 642,518</u></u>	

Redstone Ranch Acres Improvement District			Twining Flats Improvement District		
Final budget	Actual	Variance - favorable (unfavorable)	Final budget	Actual	Variance - favorable (unfavorable)
\$ 6,091	\$ 5,865	\$ (226)	\$ 1,887	\$ 1,889	\$ 2
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
445	496	51	67	112	45
6,536	6,361	(175)	1,954	2,001	47
-	-	-	-	-	-
9,786	9,284	502	2,089	1,138	951
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
9,786	9,284	502	2,089	1,138	951
(3,250)	(2,923)	327	(135)	863	998
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ (3,250)</u>	(2,923)	<u>\$ 327</u>	<u>\$ (135)</u>	863	<u>\$ 998</u>
	8,438			1,838	
	<u>\$ 5,515</u>			<u>\$ 2,701</u>	

(continued)

Pitkin County, Colorado

Special Revenue Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL (CONTINUED)

For the year ended December 31, 2001

	Ruedi Water and Power Authority		
	Final budget	Actual	Variance - favorable (unfavorable)
Revenues			
Taxes and special assessments	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	35,000	37,642	2,642
Charges for services	-	8	8
Miscellaneous	7,061	-	(7,061)
<b>Total revenues</b>	<b>42,061</b>	<b>37,650</b>	<b>(4,411)</b>
Expenditures			
Current			
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Conservation of natural resources	38,394	25,959	12,435
Intergovernmental	5,000	5,000	-
Debt service			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
<b>Total expenditures</b>	<b>43,394</b>	<b>30,959</b>	<b>12,435</b>
Excess (deficiency) of revenues over (under) expenditures	(1,333)	6,691	8,024
Other financing sources			
Proceeds of general long-term debt	-	-	-
Proceeds of general fixed asset dispositions	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXCESS OF (DEFICIENCY) REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b><u>\$ (1,333)</u></b>	<b>6,691</b>	<b><u>\$ 8,024</u></b>
Fund balances at January 1, 2001		<u>28,781</u>	
Fund balances at December 31, 2001		<u><u>\$ 35,472</u></u>	

## DEBT SERVICE FUNDS

County General Obligation Debt Service Fund - This fund is used to account for the payment of principal and interest on all general obligation debt of the County other than that for open space. In May, 1989, the voters approved the issuance of general obligation bonds totaling \$6,000,000 for the purpose of providing affordable housing for County residents. During 1991 the County issued \$4,590,000 of Pitkin County General Obligation Housing and Refunding Bonds. \$4,145,000 of these bonds were issued under the 1989 authorization for general obligation housing bonds and \$445,000 was used to refund the outstanding balance of the 1982 general obligation bonds issued to finance the construction of a jail facility. During 1992, the County issued \$1,855,000 general obligation housing bonds which exhausted the County's authorization under the 1989 approval. Funding for the principal and interest payments is provided by a specific annual property tax levy and by interest earned on tax collections for debt service payments. Revenues generated in excess of actual requirements are legally restricted to servicing this debt.

Transit Debt Service Fund - This fund is used to account for the accumulation of resources and payment of principal and interest on Sales Tax Revenue Bonds (Series 1998, \$1,960,000 and Series 2001, \$8,460,000). These bonds were issued to acquire buses and improve certain facilities for the Roaring Fork Transit Agency and to refund existing sales tax revenue debt. Funding is provided by a 1% County sales tax implemented on July 1, 1985, and by interest earned by the fund.

Pitkin County Capital Leasing Corporation - The Pitkin County Capital Leasing Corporation (the "Corporation") is a not-for-profit corporation formed to finance the construction and acquisition of assets which are leased back to the County and its component units. In 1988, the Corporation issued \$2,990,000 of lease certificates of participation for the construction of the County Fleet Maintenance Facility and the acquisition of five buses for the Roaring Fork Transit Agency. In 1991, the Corporation issued \$3,900,000 lease certificates of participation for the acquisition of an administrative office building. The County refunded the Series 1988 Certificates and advanced refunded the Series 1991 Certificates with \$4,905,000 of Series 1998 lease certificates to reduce its total debt service payments over the next thirteen years by \$446,000. The general fund transfers base rental payments in an amount sufficient to meet annual debt service payments.

Improvement District - The Holland Hills Improvement District was formed to improve and maintain roads and bridges within their subdivisions. Financing for improvements was provided by the issuance of special assessment bonds. Special assessment taxes are collected to finance these public improvements which primarily benefit the properties against which the special assessments are levied. The special assessments are levied annually to cover the costs of the district and are allocated based on assessed valuations of the properties. The Board of County Commissioners acts as the board of directors for the district.

Pitkin County, Colorado  
Debt Service Funds  
COMBINING BALANCE SHEET  
December 31, 2001

	<u>Combined total</u>	<u>County GO Debt Service Fund</u>	<u>Transit Debt Service Fund</u>
<b>ASSETS</b>			
Equity in pooled cash and investments	\$ 216,354	\$ 189,885	\$ -
Accounts receivable	35,798	35,798	-
Receivable from other governments	130,492	-	130,492
Property taxes and special assessments receivable	564,189	549,189	-
Restricted assets			
Equity in pooled cash and investments	<u>250,689</u>	<u>-</u>	<u>250,689</u>
Total assets	<u><u>\$ 1,197,522</u></u>	<u><u>\$ 774,872</u></u>	<u><u>\$ 381,181</u></u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 14,500	\$ 575	\$ 12,557
Deferred revenues	<u>564,189</u>	<u>549,189</u>	<u>-</u>
Total liabilities	578,689	549,764	12,557
<b>Fund balances</b>			
Reserved for debt service	<u>618,833</u>	<u>225,108</u>	<u>368,624</u>
Total fund balances	<u>618,833</u>	<u>225,108</u>	<u>368,624</u>
Total liabilities and fund balances	<u><u>\$ 1,197,522</u></u>	<u><u>\$ 774,872</u></u>	<u><u>\$ 381,181</u></u>

<u>Pitkin County Capital Leasing Corporation</u>	<u>Holland Hills Improvement District</u>
\$ -	\$ 26,469
-	-
-	-
-	15,000
-	-
<u>\$ -</u>	<u>\$ 41,469</u>
\$ -	\$ 1,368
-	15,000
-	16,368
-	25,101
-	25,101
<u>\$ -</u>	<u>\$ 41,469</u>

Pitkin County, Colorado

Debt Service Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

For the year ended December 31, 2001

	Combined total	County GO Debt Service Fund	Transit Debt Service Fund
<b>Revenues</b>			
Taxes and special assessments	\$ 1,342,404	\$ 557,886	\$ 747,211
Miscellaneous	73,051	21,440	31,448
<b>Total revenues</b>	<b>1,415,455</b>	<b>579,326</b>	<b>778,659</b>
<b>Expenditures</b>			
<b>Current</b>			
Public works	7,377	-	797
Intergovernmental	5,255,202	-	5,255,202
<b>Debt service</b>			
Principal retirement	1,260,000	275,000	490,000
Interest and fiscal charges	922,286	291,460	450,765
<b>Total expenditures</b>	<b>7,444,865</b>	<b>566,460</b>	<b>6,196,764</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(6,029,410)</b>	<b>12,866</b>	<b>(5,418,105)</b>
<b>Other financing sources (uses)</b>			
Proceeds of general long-term debt	8,679,000	-	8,679,000
Escrow to defease debt	(3,490,000)	-	(3,490,000)
Operating transfers in	531,831	-	-
Transfers (to) from component units	98,818	-	-
<b>Total other financing sources (uses)</b>	<b>5,819,649</b>	<b>-</b>	<b>5,189,000</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(209,761)</b>	<b>12,866</b>	<b>(229,105)</b>
<b>Fund balances at January 1, 2001</b>	<b>828,594</b>	<b>212,242</b>	<b>597,729</b>
<b>Fund balances at December 31, 2001</b>	<b>\$ 618,833</b>	<b>\$ 225,108</b>	<b>\$ 368,624</b>

<u>Pitkin County Capital Leasing Corporation</u>	<u>Holland Hills Improvement District</u>
\$ -	\$ 37,307
<u>18,427</u>	<u>1,736</u>
18,427	39,043
-	6,580
-	-
475,000	20,000
<u>174,076</u>	<u>5,985</u>
<u>649,076</u>	<u>32,565</u>
(630,649)	6,478
-	-
-	-
531,831	-
98,818	-
<u>630,649</u>	<u>-</u>
-	6,478
-	18,623
<u>\$ -</u>	<u>\$ 25,101</u>

Pitkin County, Colorado

Debt Service Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL

For the year ended December 31, 2001

	Combined Total		Variance - favorable (unfavorable)
	Final budget	Actual	
Revenues			
Taxes and special assessments	\$ 1,312,452	\$1,342,404	\$ 29,952
Miscellaneous	60,117	73,051	12,934
Total revenues	<u>1,372,569</u>	<u>1,415,455</u>	<u>42,886</u>
Expenditures			
Current			
Public works	13,850	7,377	6,473
Intergovernmental	5,255,500	5,255,202	298
Debt service			
Principal retirement	1,260,000	1,260,000	-
Interest and fiscal charges	932,225	922,286	9,939
Total expenditures	<u>7,461,575</u>	<u>7,444,865</u>	<u>16,710</u>
Excess (deficiency) of revenues over (under) expenditures	(6,089,006)	(6,029,410)	59,596
Other financing sources (uses)			
Proceeds of general long-term debt	8,679,000	8,679,000	-
Escrow to defease debt	(3,490,000)	(3,490,000)	-
Operating transfers in	531,471	531,831	360
Transfers (to) from component units	98,818	98,818	-
Total other financing sources (uses)	<u>5,819,289</u>	<u>5,819,649</u>	<u>360</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ (269,717)</u>	<u>(209,761)</u>	<u>\$ 59,956</u>
Fund balances at January 1, 2001		<u>828,594</u>	
Fund balances at December 31, 2001		<u>\$ 618,833</u>	

County GO Debt Service Fund			Transit Debt Service Fund		
Final budget	Actual	Variance - favorable (unfavorable)	Final budget	Actual	Variance - favorable (unfavorable)
\$ 547,569	\$ 557,886	\$ 10,317	\$ 727,506	\$ 747,211	\$ 19,705
11,993	21,440	9,447	24,587	31,448	6,861
559,562	579,326	19,764	752,093	778,659	26,566
-	-	-	797	797	-
-	-	-	5,255,500	5,255,202	298
275,000	275,000	-	490,000	490,000	-
295,532	291,460	4,072	453,543	450,765	2,778
570,532	566,460	4,072	6,199,840	6,196,764	3,076
(10,970)	12,866	23,836	(5,447,747)	(5,418,105)	29,642
-	-	-	8,679,000	8,679,000	-
-	-	-	(3,490,000)	(3,490,000)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	5,189,000	5,189,000	-
<u>\$ (10,970)</u>	12,866	<u>\$ 23,836</u>	<u>(258,747)</u>	(229,105)	<u>\$ 29,642</u>
	212,242			597,729	
	<u>\$ 225,108</u>			<u>\$ 368,624</u>	

(continued)

Pitkin County, Colorado

Debt Service Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL (CONTINUED)

For the year ended December 31, 2001

	Pitkin County Capital Leasing Corporation		
	Final budget	Actual	Variance - favorable (unfavorable)
Revenues			
Taxes and special assessments	\$ -	\$ -	\$ -
Miscellaneous	21,876	18,427	(3,449)
Total revenues	21,876	18,427	(3,449)
Expenditures			
Current			
Public works	-	-	-
Intergovernmental	-	-	-
Debt service			
Principal retirement	475,000	475,000	-
Interest and fiscal charges	177,165	174,076	3,089
Total expenditures	652,165	649,076	3,089
Excess (deficiency) of revenues over (under) expenditures	(630,289)	(630,649)	(360)
Other financing sources (uses)			
Proceeds of general long-term debt	-	-	-
Escrow to defease debt	-	-	-
Operating transfers in	531,471	531,831	360
Transfers (to) from component units	98,818	98,818	-
Total other financing sources (uses)	630,289	630,649	360
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	-	\$ -
Fund balances at January 1, 2001		-	
Fund balances at December 31, 2001		\$ -	

Holland Hills Improvement District		
<u>Final budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
\$ 37,377	\$ 37,307	\$ (70)
1,661	1,736	75
39,038	39,043	5
13,053	6,580	6,473
-	-	-
20,000	20,000	-
5,985	5,985	-
<u>39,038</u>	<u>32,565</u>	<u>6,473</u>
-	6,478	6,478
-	-	-
-	-	-
-	-	-
-	-	-
<u>\$ -</u>	6,478	<u>\$ 6,478</u>
	<u>18,623</u>	
	<u>\$ 25,101</u>	

THIS PAGE LEFT BLANK INTENTIONALLY

## ENTERPRISE FUNDS

Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation and postclosure costs) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The County has two enterprise funds:

Airport Fund - The Airport Fund accounts for the activities of the County's airport.

Solid Waste Center Fund - The Solid Waste Center Fund accounts for the County's landfill and recycling operations, including postclosure liabilities, which are primarily funded by site collections and the sale of recyclables.

Pitkin County, Colorado

Enterprise Funds

COMBINING BALANCE SHEET

December 31, 2001

ASSETS	Totals	Airport	Solid Waste Center
Equity in pooled cash and investments	\$ 6,943,748	\$ 2,265,157	\$ 4,678,591
Accounts receivable	780,149	364,678	415,471
Receivable from other governments	504,033	504,033	-
Restricted assets			
Equity in pooled cash and investments	504,000	504,000	-
Buildings and improvements	6,034,572	5,531,397	503,175
Improvements other than buildings	16,190,759	15,069,229	1,121,530
Equipment	4,913,055	4,040,162	872,893
Accumulated depreciation	(12,659,960)	(11,640,633)	(1,019,327)
Construction in progress	5,000,737	4,987,896	12,841
Land	10,527,630	10,477,630	50,000
Unamortized bond issuance costs	121,054	121,054	-
Total assets and other debits	<u>\$ 38,859,777</u>	<u>\$ 32,224,603</u>	<u>\$ 6,635,174</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts payable	\$ 855,614	\$ 754,534	\$ 101,080
Contracts payable	193,671	186,282	7,389
Accrued liabilities	143,857	105,831	38,026
Payable from restricted assets			
Airport revenue bonds	23,750	23,750	-
Interest	11,066	11,066	-
Due to other governments	9,767	110	9,657
Funds held in trust	24,065	24,065	-
Deferred revenues	52,112	52,112	-
Postclosure obligations	1,466,228	-	1,466,228
Airport revenue bonds			
Current portion	261,250	261,250	-
Noncurrent portion	2,355,000	2,355,000	-
Unamortized bond discount	(47,146)	(47,146)	-
Total liabilities	<u>5,349,234</u>	<u>3,726,854</u>	<u>1,622,380</u>
EQUITY AND OTHER CREDITS			
Contributed capital from County	879,992	800,282	79,710
Contributed capital from other governments and individuals	18,276,721	18,276,721	-
Retained earnings			
Reserved for			
Revenue bond retirement	264,000	264,000	-
Airport renewal and replacement	240,000	240,000	-
Unreserved	13,849,830	8,916,746	4,933,084
Total fund equity and other credits	<u>33,510,543</u>	<u>28,497,749</u>	<u>5,012,794</u>
Contingencies	-	-	-
Total liabilities and fund equity	<u>\$ 38,859,777</u>	<u>\$ 32,224,603</u>	<u>\$ 6,635,174</u>

Pitkin County, Colorado

Enterprise Funds

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

For the year ended December 31, 2001

	Combined total	Airport	Solid Waste Center
Operating revenues			
Charges for services	\$ 4,067,320	\$ 1,115,225	\$ 2,952,095
Rents and franchises	2,522,740	2,522,740	-
Unclassified	15,439	15,439	-
	<u>6,605,499</u>	<u>3,653,404</u>	<u>2,952,095</u>
Total operating revenues			
Operating expenses			
Personal services	2,012,170	1,418,548	593,622
Purchased services	3,005,265	1,238,546	1,766,719
Materials and supplies	382,278	334,354	47,924
Amortization of postclosure costs	122,904	-	122,904
Depreciation	1,288,706	1,104,692	184,014
	<u>6,811,323</u>	<u>4,096,140</u>	<u>2,715,183</u>
Total operating expenses			
Operating income	(205,824)	(442,736)	236,912
Non-operating revenues (expenses)			
Interest revenue	385,352	177,733	207,619
Intergovernmental revenue	385,115	385,115	-
Interest expense and fiscal charges	(145,409)	(145,409)	-
Amortization of debt issuance costs	(25,017)	(25,017)	-
Net gain (loss) on disposition of fixed assets	(48,537)	(35,077)	(13,460)
	<u>551,504</u>	<u>357,345</u>	<u>194,159</u>
Total non-operating revenues			
Net income (loss) before Federal capital grants and other contributions	345,680	(85,391)	431,071
Federal capital grants and other contributions	2,552,806	2,552,806	-
	<u>2,898,486</u>	<u>2,467,415</u>	<u>431,071</u>
NET INCOME			
Add depreciation on fixed assets acquired by contributions that reduce contributed capital	384,109	364,484	19,625
Retained earnings at January 1, 2001	11,071,235	6,588,847	4,482,388
Retained earnings at December 31, 2001	<u>\$ 14,353,830</u>	<u>\$ 9,420,746</u>	<u>\$ 4,933,084</u>

Pitkin County, Colorado

Enterprise Funds

COMBINING STATEMENT OF CASH FLOWS

For the year ended December 31, 2001

	Combined Total	Airport	Solid Waste Center
Cash flows from operating activities			
Operating income (loss)	\$ (205,824)	\$ (442,736)	\$ 236,912
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	1,288,706	1,104,692	184,014
Amortization of postclosure costs	122,904	-	122,904
Change in assets and liabilities			
(Increase) decrease in accounts receivable	(153,310)	623	(153,933)
Decrease in due from other governments	507,547	507,547	-
Increase (decrease) in accounts payable	147,197	173,697	(26,500)
Increase in contracts payable	7,964	7,964	-
Increase in accrued liabilities	16,813	13,343	3,470
Increase (decrease) in due to other governments	(25,814)	(31,824)	6,010
Increase in funds held in trust	1,200	1,200	-
Increase in deferred revenues	51,112	51,112	-
Total adjustments	<u>1,964,319</u>	<u>1,828,354</u>	<u>135,965</u>
Net cash provided by operating activities	1,758,495	1,385,618	372,877
Cash flows from noncapital financing activities			
Intergovernmental revenue	385,115	385,115	-
Cash flows from capital and related financing activities			
Proceeds from sale of fixed assets	76,530	23,030	53,500
Acquisition and construction of capital assets	(5,250,606)	(5,117,797)	(132,809)
Principal paid on debt	(275,000)	(275,000)	-
Payment of postclosure expenses	(499,671)	-	(499,671)
Capital contributed by Federal government	2,061,864	2,061,864	-
Capital contributed from PFC's	465,712	465,712	-
Capital contributed by individuals	25,230	25,230	-
Interest paid on revenue bonds	(146,492)	(146,492)	-
Net cash used for capital and related financing activities	<u>(3,542,433)</u>	<u>(2,963,453)</u>	<u>(578,980)</u>
Cash flows from investing activities			
Interest received on investments	<u>385,352</u>	<u>177,733</u>	<u>207,619</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,013,471)	(1,014,987)	1,516
Cash and cash equivalents at beginning of year	8,461,219	3,784,144	4,677,075
Cash and cash equivalents at end of year	<u>\$ 7,447,748</u>	<u>\$ 2,769,157</u>	<u>\$ 4,678,591</u>
Equity in pooled cash and investments	6,943,748	2,265,157	4,678,591
Restricted cash and investments	504,000	504,000	-
Cash and cash equivalents at end of year	<u>\$ 7,447,748</u>	<u>\$ 2,769,157</u>	<u>\$ 4,678,591</u>

Noncash financing activities: For the year ended December 31, 2001, amortization of debt issuance costs totaled \$25,017, and assets with a net book value of \$58,106 were disposed of in the Airport Fund. Assets with a net book value of \$66,960 were disposed of and post closure liabilities were decreased by \$376,767 in the Solid Waste Center Fund.

## FIDUCIARY FUNDS

### PENSION TRUST FUND

Pitkin County Public Employees Retirement Plan - This fund is used to account for the accumulation of resources to provide retirement benefits for County employees. The County contributes 12.1% of employees' compensation to the plan. This is a "defined contribution" plan which means that the employee's retirement benefit is equal to the amount contributed by the County plus investment earnings.

### AGENCY FUNDS

County Clearing Funds - These funds are used to temporarily hold property tax and other collections until the proper allocation to other governmental units, funds or individuals can be determined.

Taxing Districts - The County treasurer collects property taxes for all of the taxing entities in the County. These transactions are accounted for in separate agency funds for each district, but are combined for financial reporting purposes.

Housing Funds - The County finance department acts as trustee for the Aspen/Pitkin County Housing Authority Mortgage Revenue notes.

Other Clearing Funds - This category includes an account used to account for transactions of the County treasurer as paying agent for Aspen Valley Hospital bonds and a fund used to account for funds collected and disbursed for the Roaring Fork Railroad Holding Authority that are attributable to other participating governments.

Pitkin County, Colorado  
 Fiduciary Funds  
 COMBINING BALANCE SHEET  
 December 31, 2001

	Combined total	Pension Trust Fund	Agency Funds			Other Clearing Funds
		Employees' Retirement Plan	County Clearing Funds	Taxing Districts	Housing Funds	
<b>ASSETS</b>						
Equity in pooled cash and investments	\$ 3,765,218	\$ 44,239	\$ 642,400	\$ 180,851	\$ 1,135,089	\$ 1,762,639
Other cash and investments	17,380,745	17,380,745	-	-	-	-
Accounts receivable	27,201	27,201	-	-	-	-
Employee retirement loans receivable	532,166	532,166	-	-	-	-
<b>Total assets</b>	<b>\$ 21,705,330</b>	<b>\$ 17,984,351</b>	<b>\$ 642,400</b>	<b>\$ 180,851</b>	<b>\$ 1,135,089</b>	<b>\$ 1,762,639</b>
<b>LIABILITIES AND NET ASSETS</b>						
<b>Liabilities</b>						
Accounts payable	\$ 13,979	\$ 13,979	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	312,979	312,979	-	-	-	-
Due to other governments	433,640	-	60,766	180,851	192,023	-
Funds held in trust	3,287,339	-	581,634	-	943,066	1,762,639
<b>Total liabilities</b>	<b>4,047,937</b>	<b>326,958</b>	<b>642,400</b>	<b>180,851</b>	<b>1,135,089</b>	<b>1,762,639</b>
<b>Net Assets</b>						
Net assets held in trust for pension benefits	17,657,393	17,657,393	-	-	-	-
<b>Total liabilities and net assets</b>	<b>\$ 21,705,330</b>	<b>\$ 17,984,351</b>	<b>\$ 642,400</b>	<b>\$ 180,851</b>	<b>\$ 1,135,089</b>	<b>\$ 1,762,639</b>

Pitkin County, Colorado

Fiduciary Funds

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS

For the year ended December 31, 2001

	Balance January 1, 2001	Additions	Deductions	Balance December 31, 2001
<b>County Clearing Funds</b>				
ASSETS				
Equity in pooled cash and investments	\$ 195,937	\$ 56,979,789	\$ 56,533,326	\$ 642,400
LIABILITIES				
Due to other governments	73,244	896,303	908,781	60,766
Funds held in trust	122,693	56,083,486	55,624,545	581,634
	<u>\$ 195,937</u>	<u>\$ 56,979,789</u>	<u>\$ 56,533,326</u>	<u>\$ 642,400</u>
<b>Taxing Districts</b>				
ASSETS				
Equity in pooled cash and investments	\$ 177,933	\$ 39,352,226	\$ 39,349,308	\$ 180,851
LIABILITIES				
Due to other governments	\$ 177,933	\$ 39,352,226	\$ 39,349,308	\$ 180,851
<b>Housing Funds</b>				
ASSETS				
Equity in pooled cash and investments	\$ 1,064,488	\$ 146,716	\$ 76,115	\$ 1,135,089
LIABILITIES				
Due to other governments	\$ 164,819	\$ 83,581	\$ 56,377	\$ 192,023
Funds held in trust	899,669	63,134	19,737	943,066
	<u>\$ 1,064,488</u>	<u>\$ 146,715</u>	<u>\$ 76,114</u>	<u>\$ 1,135,089</u>
<b>Other Clearing Funds</b>				
ASSETS				
Equity in pooled cash and investments	\$ 413,240	\$ 10,622,339	\$ 9,272,940	\$ 1,762,639
LIABILITIES				
Funds held in trust	\$ 413,240	\$ 10,622,339	\$ 9,272,940	\$ 1,762,639
<b>Totals - All Agency Funds</b>				
ASSETS				
Equity in pooled cash and investments	\$ 1,851,598	\$ 107,101,070	\$ 105,231,689	\$ 3,720,979
LIABILITIES				
Due to other governments	\$ 415,996	\$ 40,332,110	\$ 40,314,466	\$ 433,640
Funds held in trust	1,435,602	66,768,959	64,917,222	3,287,339
Total liabilities	<u>\$ 1,851,598</u>	<u>\$ 107,101,069</u>	<u>\$ 105,231,688</u>	<u>\$ 3,720,979</u>

THIS PAGE LEFT BLANK INTENTIONALLY

## **GENERAL FIXED ASSETS ACCOUNT GROUP**

The General Fixed Assets Account Group accounts for the inventoriable fixed assets of Pitkin County and its discretely presented component units which are not accounted for in the Proprietary Funds.

Pitkin County, Colorado

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY

December 31, 2001

General Fixed Assets	Primary Government	Roaring Fork Transit Agency	Pitkin County Library District	Emergency Telephone Authority	Total Reporting Entity
Buildings	\$ 14,318,626	\$ 7,665,955	\$ 5,794,691	\$ -	\$ 27,779,272
Improvements other than Buildings	856,773	187,106	50,818	-	1,094,697
Equipment	7,970,567	21,785,289	2,129,823	686,382	32,572,061
Construction in Progress	3,292,003	-	-	-	3,292,003
Land	46,038,435	359,661	144,263	-	46,542,359
<b>Total General Fixed Assets</b>	<b>\$ 72,476,404</b>	<b>\$ 29,998,011</b>	<b>\$ 8,119,595</b>	<b>\$ 686,382</b>	<b>\$ 111,280,392</b>

Investments in General Fixed Assets From:

Sales Tax Revenue Bonds	\$ -	\$ 8,600,976	\$ -	\$ -	\$ 8,600,976
General Obligation Bonds	17,141,626	-	-	-	17,141,626
Certificates of Participation	5,120,495	772,271	-	600,000	6,492,766
Proceeds from Lease	1,069,568	501,544	144,263	-	1,715,375
Federal Grants	3,568,903	13,964,271	-	-	17,533,174
State Grants	1,764,994	1,000,000	-	-	2,764,994
General Fund Revenues	17,226,331	-	-	-	17,226,331
Special Revenue Fund Revenues	19,286,520	-	-	-	19,286,520
Component Units	-	5,158,949	7,699,731	86,382	12,945,062
Gifts (Donations)	7,297,967	-	275,601	-	7,573,568
<b>Total Investments in General Fixed Assets</b>	<b>\$ 72,476,404</b>	<b>\$ 29,998,011</b>	<b>\$ 8,119,595</b>	<b>\$ 686,382</b>	<b>\$ 111,280,392</b>

Pitkin County, Colorado

SCHEDULED OF GENERAL FIXED ASSETS BY FUNCTION

December 31, 2001

Function	Buildings and Improvements	Improvements other than Buildings	Equipment	Land	Total
Primary Government					
General Government	\$ 5,710,042	\$ 64,934	\$ 2,209,575	\$ 10,800	\$ 7,995,351
Public Safety	3,238,911	7,840	2,031,104	392,694	5,670,549
Public Works	2,504,794	456,190	3,462,543	8,100,824	14,524,351
Health & Welfare	1,954,623	79,770	76,131	-	2,110,524
Cultural & Recreation	10,256	215,477	64,529	32,320,427	32,610,689
Conservation of Natural Resources	-	-	126,685	-	126,685
Housing	900,000	32,562	-	5,213,690	6,146,252
Total	14,318,626	856,773	7,970,567	46,038,435	69,184,401
Component Units					
Roaring Fork Transit Agency	7,665,955	187,106	21,785,289	359,661	29,998,011
Pitkin County Library District	5,794,691	50,818	2,129,823	144,263	8,119,595
Emergency Telephone Authority	-	-	686,382	-	686,382
	<u>\$ 27,779,272</u>	<u>\$ 1,094,697</u>	<u>\$ 32,572,061</u>	<u>\$ 46,542,359</u>	<u>\$ 107,988,389</u>
Construction in Progress					
Primary Government					3,292,003
Component Units					-
					<u>3,292,003</u>
Total Entity General Fixed Assets					<u>\$ 111,280,392</u>

Pitkin County, Colorado

SCHEDULE OF CHANGES IN GENERAL  
FIXED ASSETS BY FUNCTION

For the year ended December 31, 2001

FUNCTION	General Fixed Assets January 1, 2001	Additions	Deletions	General Fixed Assets December 31, 2001
Primary Government				
General Government	\$ 7,397,705	\$ 674,868	\$ 77,222	\$ 7,995,351
Public Safety	5,627,837	437,891	395,179	5,670,549
Public Works	13,967,453	744,189	187,291	14,524,351
Health & Welfare	2,086,277	40,944	16,697	2,110,524
Cultural & Recreation	26,239,137	6,907,734	536,182	32,610,689
Conservation of Natural Resources	131,702	5,017	10,034	126,685
Housing	5,893,217	254,192	1,157	6,146,252
Construction in Progress	1,732,573	2,151,190	591,760	3,292,003
Total General Fixed Assets Primary Government	63,075,901	11,216,025	1,815,522	72,476,404
Component Units				
Roaring Fork Transit Agency Public Works	28,950,240	3,229,776	2,182,005	29,998,011
Pitkin County Library District Cultural & Recreation	5,851,135	2,318,551	50,091	8,119,595
Construction in Progress	1,449,346		1,449,346	-
Emergency Telephone Authority Public Safety	662,992	23,390	-	686,382
Total Entity General Fixed Assets	<u>\$ 99,989,614</u>	<u>\$ 16,787,742</u>	<u>\$ 5,496,964</u>	<u>\$ 111,280,392</u>

Note: Additions and deletions each include transfers of \$ 611,226 between functions, excluding construction in progress.

COMBINED SCHEDULE OF CASH AND INVESTMENTS

Pitkin County, Colorado

COMBINED SCHEDULE OF CASH AND INVESTMENTS

December 31, 2001

	Interest Rate	Maturity Date	Fair Value
<b>Pooled cash and investments</b>			
U. S. Treasury Bonds			
Par value \$ 150,000	8.296%	15-Feb-02	\$ 150,699
Total U.S. Treasuries			<u>150,699</u>
U.S. Agency and Instrumentalities			
Federal Home Loan Mortgage Corp.			
Par Value \$2,000,000	3.255%	15-Sep-03	2,008,126
Par Value \$2,000,000	3.490%	15-Feb-04	2,071,268
Federal National Mortgage Assoc.			
Par Value \$1,000,000	3.360%	14-Nov-03	1,025,070
Federal Home Loan Bank			
Par Value \$1,000,000	3.290%	24-Feb-04	1,043,096
Par Value \$2,000,000	3.680%	16-Apr-04	2,051,526
Total U.S. Agency and Instrumentalities			<u>8,199,086</u>
Money Market Demand Deposits			
Alpine Bank, Aspen	1.752%	-	3,612,558
COLOTRUST	2.220%	-	8,060,437
Fidelity Money Market Portfolio Class I	2.210%	-	5,079,390
Vanguard Prime Institutional	2.280%	-	8,022,742
Solomon Smith Barney Citi Inst. Liquid Reserves Class A	2.160%	-	8,124,655
Petty cash			9,200
Cash on hand			39,839
Less outstanding warrants			<u>(3,560,197)</u>
Total pooled cash and investments			<u>\$ 37,738,409</u>
Total pooled cash and investments			
Unrestricted			
Primary Government			\$ 36,387,256
Component Units			
Roaring Fork Transit Agency			-
Pitkin County Library District			393,797
Emergency 911 Authority			202,667
Restricted - Primary government			754,689
Restricted - Component Unit			-
			<u>\$ 37,738,409</u>

Pitkin County, Colorado

COMBINED SCHEDULE OF CASH AND INVESTMENTS (CONTINUED)

December 31, 2001

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Fair Value</u>
<b>Other Cash and Investments</b>			
Institutional Mutual Funds held for Library District			
Mutual Funds			
Berger			\$ 233,281
Davis New York Venture			352,136
Dresdner Large Cap Value			347,511
Liberty Acorn International			117,000
Scudder International			297,997
Strong Advantage			264,498
T. Rowe Price International Stock			296,774
T. Rowe Price Mid-cap			235,061
Vanguard Short Term Corporate Bond			281,180
Vanguard Total Stock			<u>466,971</u>
Total library cash and investments			2,892,409
Pension Trust Fund			
Managed Pension Funds			
Charles Schwab Trust Company			<u>\$ 17,380,745</u>
Total other cash and investments			<u><u>\$ 20,273,154</u></u>

**Restricted Cash and Investments**

1998 Certificates of Participation			
Money Market Demand Deposits			
U. S. Bank of Denver	1.900%	-	\$ 412,115
Other Government Agencies			
Resolution Trust Strips	5.000%	-	44,379
1998 Open Space Jerome Park			
Other Government Agencies			
Resolution Trust Strips	5.03% - 5.12%	-	4,353,963
Public Trustee funds held in trust			
Savings account			
Alpine Bank Aspen	1.000%	-	<u>23,711</u>
Total restricted cash and investments			<u><u>\$ 4,834,168</u></u>

THIS PAGE LEFT BLANK INTENTIONALLY

COMBINED SCHEDULE OF GOVERNMENTAL REVENUE BY SOURCE

Pitkin County, Colorado

COMBINED SCHEDULE OF GOVERNMENTAL REVENUE BY SOURCE

For the year ended December 31, 2001

	GENERAL		SPECIAL	
	General Fund	Road & Bridge Fund	Use Tax Fund	Social Services Fund
<b>Taxes and special assessments</b>				
Property	\$ 4,250,189	\$ 282,126	\$ -	\$ 78,162
Specific ownership	251,188	16,680	-	4,628
General sales tax	4,765,546	479,241	-	-
Selective sales and use tax	24,448	-	1,299	-
Penalties and interest	12,150	804	-	199
Total taxes	<u>9,303,521</u>	<u>778,851</u>	<u>1,299</u>	<u>82,989</u>
<b>Licenses and Permits</b>				
Business	65,938	-	-	-
Nonbusiness	457,070	17,964	-	-
Total licenses and permits	<u>523,008</u>	<u>17,964</u>	<u>-</u>	<u>-</u>
<b>Intergovernmental revenue</b>				
Federal	490,374	304,114	-	-
State	158,747	865,448	5,177,780	316,252
Other governmental	198,051	90,944	-	11,080
Total intergovernmental revenue	<u>847,172</u>	<u>1,260,506</u>	<u>5,177,780</u>	<u>327,332</u>
<b>Charges for services</b>				
General government	2,012,215	-	-	-
Public safety	499,947	-	-	-
Public works	1,034	-	-	-
Health and welfare	72,303	-	-	-
Culture and recreation	-	-	-	-
Conservation of natural resources	10,900	-	-	-
Refunds	151,179	637	-	-
Total charges for services	<u>2,747,578</u>	<u>637</u>	<u>-</u>	<u>-</u>
<b>Fines and forfeits</b>				
Courts	14,143	-	-	-
Library	-	-	-	-
Total fines and forfeits	<u>14,143</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Miscellaneous</b>				
Earnings on deposits and investments	638,051	-	127,699	7,523
Rents and royalties	245,150	-	-	-
Contributions	316,443	-	141,059	340
Other	35,999	12,615	-	-
Total miscellaneous	<u>1,235,643</u>	<u>12,615</u>	<u>268,758</u>	<u>7,863</u>
<b>TOTAL REVENUES</b>	<u>\$ 14,671,065</u>	<u>\$ 2,070,573</u>	<u>\$ 5,447,837</u>	<u>\$ 418,184</u>

REVENUE FUNDS

Transportation Sales and Use Tax Fund	Open Space Fund	Ambulance District	Redstone Ranch Acres Improvement District	Twining Flats Improvement District	Ruedi Water and Power Authority
\$ -	\$ 5,309,199	\$ 244,656	\$ 5,525	\$ 1,772	\$ -
-	314,181	14,496	349	117	-
8,231,159	-	-	-	-	-
489,096	-	-	-	-	-
-	13,963	656	(9)	-	-
<u>8,720,255</u>	<u>5,637,343</u>	<u>259,808</u>	<u>5,865</u>	<u>1,889</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
165,000	-	-	-	-	-
-	-	-	-	-	-
-	147,950	-	-	-	37,642
<u>165,000</u>	<u>147,950</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,642</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	33	-	-	-	8
<u>-</u>	<u>33</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
225,419	480,537	24,908	496	112	-
-	20,250	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>225,419</u>	<u>500,787</u>	<u>24,908</u>	<u>496</u>	<u>112</u>	<u>-</u>
<u>\$ 9,110,674</u>	<u>\$ 6,286,113</u>	<u>\$ 284,716</u>	<u>\$ 6,361</u>	<u>\$ 2,001</u>	<u>\$ 37,650</u>

(continued)

Pitkin County, Colorado

COMBINED SCHEDULE OF GOVERNMENTAL REVENUE BY SOURCE (CONTINUED)

For the year ended December 31, 2001

	DEBT SERVICE FUNDS				Primary Government Combined Total
	County GO Debt Service Fund	Transit Debt Service Fund	Pitkin County Capital Leasing Corporation	Holland Hills Improvement District	
Taxes and special assessments					
Property	\$ 525,321	\$ -	\$ -	\$ 35,096	\$ 10,732,046
Specific ownership	31,031	-	-	2,067	634,737
General sales tax	-	747,211	-	-	14,223,157
Selective sales and use tax	-	-	-	-	514,843
Penalties and interest	1,534	-	-	144	29,441
Total taxes	<u>557,886</u>	<u>747,211</u>	<u>-</u>	<u>37,307</u>	<u>26,134,224</u>
Licenses and Permits					
Business	-	-	-	-	65,938
Nonbusiness	-	-	-	-	475,034
Total licenses and permits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>540,972</u>
Intergovernmental revenue					
Federal	-	-	-	-	959,488
State	-	-	-	-	6,518,227
Other governmental	-	-	-	-	485,667
Total intergovernmental revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,963,382</u>
Charges for services					
General government	-	-	-	-	2,012,215
Public safety	-	-	-	-	499,947
Public works	-	-	-	-	1,034
Health and welfare	-	-	-	-	72,303
Culture and recreation	-	-	-	-	-
Conservation of natural resources	-	-	-	-	10,900
Refunds	-	-	-	-	151,857
Total charges for services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,748,256</u>
Fines and forfeits					
Courts	-	-	-	-	14,143
Library	-	-	-	-	-
Total fines and forfeits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,143</u>
Miscellaneous					
Earnings on deposits and investments	21,440	31,448	18,427	1,736	1,577,796
Rents and royalties	-	-	-	-	265,400
Contributions	-	-	-	-	457,842
Other	-	-	-	-	48,614
Total miscellaneous	<u>21,440</u>	<u>31,448</u>	<u>18,427</u>	<u>1,736</u>	<u>2,349,652</u>
TOTAL REVENUES	<u>\$ 579,326</u>	<u>\$ 778,659</u>	<u>\$ 18,427</u>	<u>\$ 39,043</u>	<u>\$ 39,750,629</u>

Component Units			
Roaring Fork Transit Authority	Pitkin County Library District	Emergency Telephone Authority	Reporting Entity Combined Total
\$ -	\$ 1,605,255	\$ -	\$ 12,337,301
-	94,810	-	729,547
-	-	-	14,223,157
-	-	-	514,843
-	4,619	-	34,060
-	1,704,684	-	27,838,908
-	-	-	65,938
-	-	-	475,034
-	-	-	540,972
2,288,063	-	-	3,247,551
9,200	-	-	6,527,427
8,105,849	-	-	8,591,516
10,403,112	-	-	18,366,494
-	-	-	2,012,215
-	-	340,262	840,209
4,396,172	-	-	4,397,206
-	-	-	72,303
-	7,981	-	7,981
-	-	-	10,900
80,772	16	-	232,645
4,476,944	7,997	340,262	7,573,459
-	-	-	14,143
-	15,484	-	15,484
-	15,484	-	29,627
-	-	-	-
20,775	(184,733)	9,760	1,423,598
115,125	-	-	380,525
12,615	28,547	-	499,004
55,924	-	-	104,538
204,439	(156,186)	9,760	2,407,665
<u>\$ 15,084,495</u>	<u>\$ 1,571,979</u>	<u>\$ 350,022</u>	<u>\$ 56,757,125</u>

THIS PAGE LEFT BLANK INTENTIONALLY

ROAD AND BRIDGE REPORT

The public report burden for this information collection is estimated to average 380 hours annually.

**LOCAL HIGHWAY FINANCE REPORT**

City or County:

Pitkin County

YEAR ENDING :

December 2001

This Information From The Records Of (example - City of \_ or County of \_):  
County of Pitkin

Prepared By: Thomas J. Jagow  
Phone: (970) 920-5225

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

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

**II. RECEIPTS FOR ROAD AND STREET PURPOSES**

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	316,163
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	2,234,956
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	140,177
2. General fund appropriations (Note 1)	394,065	b. Snow and ice removal	648,623
3. Other local imposts (from page 2)	897,091	c. Other	3,290
4. Miscellaneous local receipts (from page 2)	400,150	d. Total (a. through c.)	792,090
5. Transfers from toll facilities		4. General administration & miscellaneous	323,042
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	390,775
a. Bonds - Original Issues		6. Total (1 through 5)	4,057,027
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	5,410
7. Total (1 through 6)	1,691,306	b. Redemption	20,000
<b>B. Private Contributions</b>		c. Total (a. + b.)	25,410
<b>C. Receipts from State government</b>		2. Notes:	
(from page 2)	5,634,402	a. Interest	
<b>D. Receipts from Federal Government</b>		b. Redemption	
(from page 2)	304,114	c. Total (a. + b.)	0
<b>E. Total receipts (A.7 + B + C + D)</b>	7,629,821	3. Total (1.c + 2.c)	25,410
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	4,082,437

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>	65,000		20,000	45,000
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>				0

**Notes and Comments:**

Note 1 General Fund Appropriation	
Transfer from General Fund	390,775
Sheriff expenditures for traffic	3,290
Less Amount used for Non-Highway	394,065



THIS PAGE LEFT BLANK INTENTIONALLY

**2001  
Annual Financial Report**

**STATISTICAL SECTION**

Pitkin County, Colorado

GENERAL GOVERNMENT - EXPENDITURES BY FUNCTION (1)

Last ten years

	1992	1993	1994	1995
Current				
General government				
Legislative and executive	\$ 635,012	\$ 551,786	\$ 575,580	\$ 1,090,153
Administrative and elections	1,749,155	1,399,883	1,555,549	1,370,240
Judicial	3,602	4,729	4,858	2,910
Other	1,035,787	1,005,176	1,213,754	1,040,571
Capital outlays	205,103	485,036	439,139	689,742
Public safety				
Sheriff and other	2,998,937	2,799,615	3,061,970	3,170,503
Protective inspection	254,560	244,016	267,954	288,699
Capital outlays	258,872	299,404	296,903	474,296
Public works				
Highways and streets	2,665,904	3,281,247	3,606,255	3,979,683
Transportation	4,290,198	4,579,947	7,628,496	8,067,041
TV and FM translators	222,529	229,436	224,601	261,880
Sanitation	740,716	867,158	-	-
Capital outlays	708,637	-	7,470,984	1,587,533
Health and welfare				
Health	847,264	856,115	928,808	1,199,940
Welfare	300,377	306,106	318,078	336,459
Capital outlays	208,508	21,644	33,562	39,015
Culture and recreation				
Parks and trails	563,709	1,224,386	490,154	523,346
Library	662,631	715,346	854,018	967,692
General	-	-	-	-
Capital outlays	3,758,275	517,404	1,143,793	1,766,420
Conservation of natural resources	107,947	76,504	121,643	143,235
Capital outlays	33,122	860,680	-	11,325
Housing	400,583	572,260	623,452	668,666
Capital outlays	336,227	-	550	-
Intergovernmental	934,936	859,152	1,288,510	848,624
Debt service	5,330,100	2,673,774	2,289,212	2,672,878
	<u>\$29,252,691</u>	<u>\$24,430,804</u>	<u>\$34,437,823</u>	<u>\$31,200,851</u>

(1) Includes all governmental funds of the primary government and component units.

<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
\$ 688,342	\$ 869,350	\$ 861,061	\$ 858,249	\$ 1,027,213	\$ 1,153,883
1,699,330	1,572,439	1,766,404	1,591,103	1,885,215	1,988,163
416	4,966	4,996	1,655	7,032	4,028
1,229,325	1,208,263	1,446,799	1,379,537	1,809,523	1,716,218
591,143	375,337	374,753	508,028	1,154,003	314,861
3,021,691	3,201,236	3,414,136	3,507,132	3,825,903	4,242,960
261,890	308,014	333,009	385,253	433,983	405,261
854,686	712,199	421,567	890,942	563,684	1,165,883
3,261,535	4,033,581	3,308,902	7,974,452	3,716,568	3,850,231
8,615,962	8,992,298	11,509,562	11,838,798	11,086,042	12,318,046
237,120	268,126	317,546	388,144	458,516	496,885
-	-	-	-	-	-
716,927	8,607,749	6,580,027	1,761,820	1,041,884	3,974,110
1,031,926	1,054,365	1,405,304	1,245,476	1,274,716	1,370,826
283,764	375,558	377,224	339,108	327,553	327,873
17,237	11,804	84,705	16,957	50,140	993,322
659,400	569,036	647,905	512,007	7,932,613	2,224,935
957,853	1,111,486	1,239,093	1,263,164	1,429,264	1,549,337
-	-	-	-	-	-
910,538	2,316,687	3,747,164	2,433,743	6,889,486	7,573,037
164,262	184,201	275,011	129,390	96,806	91,395
54,460	12,365	27,922	19,454	10,033	5,017
258,030	68,616	105,037	75,519	12,435	98,613
4,574	101,157	501,462	125,906	39,669	131,022
995,820	1,321,760	1,502,757	1,534,665	1,363,316	14,996,441
2,649,867	2,649,844	3,556,536	2,534,053	2,605,952	3,288,072
<u>\$29,166,098</u>	<u>\$39,930,437</u>	<u>\$43,808,882</u>	<u>\$41,314,555</u>	<u>\$49,041,549</u>	<u>\$64,280,419</u>

Pitkin County, Colorado  
GENERAL REVENUES BY SOURCE (1)

Last ten years

Year	Taxes	Licenses and permits	Inter-governmental	Charges for services	Fines and forfeitures	Miscellaneous	Total
1992	\$ 14,410,963	\$270,696	\$2,112,621	\$3,496,816	\$ 19,822	\$2,494,480	\$22,805,398
1993	15,210,360	298,664	2,388,748	4,047,589	19,916	1,530,417	23,495,694
1994	18,750,486	280,246	5,895,730	5,691,551	23,825	1,126,646	31,768,484
1995	19,736,134	349,089	2,856,147	5,619,174	29,331	1,601,931	30,191,806
1996	20,785,763	382,404	3,157,398	6,223,389	26,736	1,973,699	32,549,389
1997	22,740,251	503,733	7,913,817	6,378,385	28,939	6,125,953	43,691,078
1998	24,835,072	617,874	8,537,774	7,276,536	26,928	2,975,393	44,269,577
1999	23,231,055	873,367	7,787,305	7,243,034	26,358	4,528,762	43,689,881
2000	24,087,082	794,421	4,431,296	7,539,907	33,544	2,338,666	39,224,916
2001	27,838,908	540,972	18,366,494	7,573,459	29,627	2,407,665	56,757,125

Pitkin County, Colorado  
TAX REVENUES BY SOURCE (1)

Last ten years

Year	Property taxes	Special assessments	General sales tax (2) (4)	Selective sales and use tax (3) (4)	Motor vehicle taxes	Miscellaneous other	Total
1992	\$ 5,914,001	\$275,883	\$6,397,703	\$1,518,610	\$ 277,223	\$ 27,543	\$14,410,963
1993	5,934,941	261,769	7,165,465	1,502,778	316,449	28,958	15,210,360
1994	6,381,065	276,327	9,758,251	1,954,206	357,366	23,271	18,750,486
1995	6,516,522	272,418	10,395,401	2,149,271	379,135	23,387	19,736,134
1996	7,077,554	273,638	10,887,078	2,139,656	383,090	24,747	20,785,763
1997	7,867,531	278,558	11,688,828	2,416,594	467,915	20,825	22,740,251
1998	8,505,111	347,426	12,619,551	2,765,378	526,412	71,194	24,835,072
1999	8,650,805	253,101	12,550,566	1,136,982	623,587	16,014	23,231,055
2000	9,571,783	265,022	13,000,321	608,829	622,159	18,968	24,087,082
2001	12,050,252	287,049	14,223,157	514,843	729,547	34,060	27,838,908

- (1) Includes all governmental funds of the primary government and component units.
- (2) Effective July 1, 1985, the County implemented an additional 1% general sales tax for transit purposes.
- (3) Effective January 1, 1989, the voters approved a 3% use tax on motor vehicles and building materials purchased outside of Pitkin County for use within the County. The tax was be used solely for county road and State Highway 82 Improvements and lapsed in 1999.
- (4) Effective January 1, 1994 voters approved an additional 1/2 % sales and use tax for transit purposes.

Pitkin County, Colorado

PROPERTY TAX LEVIES AND COLLECTIONS (1)

Last ten years

Levy Year (3)	Collection year	Total tax levy	Current tax collection	Percent of levy collected	Delinquent tax collections (2)	Total tax collections	Percent of total tax collections to tax levy
1991	1992	\$ 6,064,087	\$ 5,914,001	97.53%	\$ 26,338	\$ 5,940,339	97.96%
1992	1993	5,957,577	5,907,487	99.16%	27,454	5,934,941	99.62%
1993	1994	6,412,867	6,359,766	99.17%	21,299	6,381,065	99.50%
1994	1995	6,550,068	6,519,424	99.53%	(2,902)	6,516,522	99.49%
1995	1996	7,140,894	7,071,965	99.03%	669	7,072,634	99.04%
1996	1997	7,929,833	7,874,282	99.30%	(6,748)	7,867,534	99.21%
1997	1998	8,465,727	8,440,156	99.70%	64,955	8,505,111	100.47%
1998	1999	8,689,639	8,650,805	99.55%	15,776	8,666,581	99.73%
1999	2000	9,742,781	9,571,783	98.24%	18,417	9,590,200	98.43%
2000	2001	12,059,664	12,050,252	99.92%	33,269	12,083,521	100.20%

(1) Includes all governmental funds and Pitkin County Library District, except general improvement districts and the ambulance district.

(2) Delinquent taxes are reported in the year collected, not the year levied.

(3) Property taxes levied on the valuation for the year indicated are collected in the following year.

Pitkin County, Colorado

SPECIAL ASSESSMENT COLLECTIONS (1)

Last ten years

<u>Levy Year (3)</u>	<u>Collection Year</u>	<u>Current assessments due</u>	<u>Assessment collections (2)</u>	<u>Ratio of collections to amount due</u>
1991	1992	\$ 281,361	\$ 277,088	98.48%
1992	1993	262,216	261,769	99.83%
1993	1994	276,959	276,327	99.77%
1994	1995	273,943	272,418	99.44%
1995	1996	276,820	347,426	125.51%
1996	1997	279,661	278,558	99.61%
1997	1998	347,298	347,426	100.04%
1998	1999	255,917	253,101	98.90%
1999	2000	268,379	265,573	98.95%
2000	2001	287,917	287,840	99.97%

- (1) Includes Redstone Acres, Twining Flats, Holland Hills General Improvement Districts and the Ambulance District. Several Districts have been desloved upon retirement of debt. They are Highlands (through 1992), Brush Creek (through 1997), Crystal River County Estates (through 199) and West Buttermilk (for 1998 only).
- (2) Includes current tax and delinquent taxes paid.
- (3) Property taxes levied on the valuation for the year indicated are collected in the following year.

Pitkin County, Colorado

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last ten years

In thousands of dollars

Levy Year (1)	Valuation base year (2)	Improved property assessment ratio (3)	Real property assessed value (4)	Personal property assessed value (5)	State assessed property value (6)	Total assessed value	Estimated statutory actual value (2)
1992	1990	14.34%	\$ 796,073	\$ 21,777	\$ 10,858	\$ 828,708	\$4,767,327
1993	1992	12.86%	814,921	24,704	11,161	850,786	5,285,281
1994	1992	12.86%	832,709	24,462	12,326	869,497	5,337,918
1995	1994	10.86%	915,028	30,349	12,925	958,302	6,589,897
1996	1994	10.36%	924,326	29,243	14,884	968,453	6,758,643
1997	1996	9.74%	1,076,931	32,731	18,921	1,128,583	7,976,563
1998	1996	9.74%	1,058,914	31,094	17,423	1,107,431	8,212,975
1999	1998	9.74%	1,330,147	30,028	18,753	1,378,928	10,217,341
2000	1998	9.74%	1,343,381	34,964	18,800	1,397,145	10,543,639
2001	2000	915%	1,717,845	33,721	20,011	1,771,577	14,458,229

1. Property taxes levied on the valuation for the for the year indicated are collected in the following year.
2. Statutory actual value was reappraised biennially from sales that occurred in the twenty-four month period ending June 30 of the indicated valuation base year.
3. The assessed value of residential and manufactured homes is calculated as the percentage indicated multiplied by statutory actual value. All other property is assessed at 29% of actual value.
4. Residential property is valued at 100% of market value; all other property is valued considering the three approaches to appraisal (income, cost and market).
5. Personal property is based on depreciated value of property declared.
6. The State assessed properties are valued by the State Department of Property Taxation.

Source: Pitkin County Assessor's Office

Pitkin County, Colorado

PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS (1)

Last ten years

	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>
County-Wide Levies					
County Government	3.40	3.41	3.41	3.44	3.44
Special Revenue Funds	2.15	2.14	2.14	2.08	2.82
Debt Service Funds	<u>0.68</u>	<u>0.64</u>	<u>0.64</u>	<u>0.62</u>	<u>0.61</u>
Total County	<u>6.23</u>	<u>6.19</u>	<u>6.19</u>	<u>6.14</u>	<u>6.87</u>
Miscellaneous County-Wide					
Colorado Mt. Jr. College	4.00	4.00	4.00	4.00	3.79
Colorado River Conservancy	0.39	0.39	0.39	0.38	0.34
Pitkin County Library District (2)	1.01	1.44	1.44	1.40	1.40
Aspen Valley Hospital (3)	<u>0.31</u>	<u>-</u>	<u>-</u>	<u>1.50</u>	<u>1.50</u>
Total County-Wide Levies	<u>11.94</u>	<u>12.02</u>	<u>12.02</u>	<u>13.42</u>	<u>13.90</u>
School Districts					
Aspen School District RE-1	10.74	10.79	10.67	11.58	11.53
Roaring Fork School District RE -1	47.14	45.57	54.79	52.96	51.21
Municipalities					
Aspen	5.40	5.40	5.40	5.40	5.40
Snowmass Village	5.21	5.21	5.21	4.90	4.90
Basalt	6.15	6.15	5.97	5.38	5.38
Fire Protection and Ambulance Districts					
Several, range from high of	5.28	5.28	5.28	6.98	6.94
to low of	0.29	0.29	0.29	0.28	0.28
Water and Sanitation Districts					
Several, range from high of	21.85	31.75	33.29	31.91	34.22
to low of	0.31	0.31	0.31	0.29	0.29
Total Mill Levy for Districts					
Range					
High	82.24	79.93	85.85	91.22	89.91
Low	22.68	22.81	22.69	25.00	25.44
Average	47.98	46.77	51.18	50.87	54.41

- (1) Tax rates are per \$1,000 of assessed valuation.
- (2) The district is currently supported by 93.3% of the total valuation for the County.
- (3) The levy supported General Obligation bonds which were fully repaid in 1992.

Source: Pitkin County Assessor's Office

<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
3.26	3.43	2.83	3.04	3.09
2.79	2.73	2.79	4.06	3.92
<u>0.45</u>	<u>0.47</u>	<u>0.37</u>	<u>0.38</u>	<u>0.31</u>
6.50	6.63	5.99	7.48	7.32
3.94	3.54	3.66	4.00	3.98
0.31	0.31	0.28	0.28	0.25
1.32	1.37	1.16	1.24	1.04
<u>1.34</u>	<u>1.50</u>	<u>1.50</u>	<u>1.50</u>	<u>1.50</u>
<u>13.41</u>	<u>13.35</u>	<u>12.59</u>	<u>14.50</u>	<u>14.09</u>
10.64	10.23	8.26	9.87	8.95
43.42	43.62	41.44	41.33	34.81
5.40	5.37	5.40	5.39	5.40
4.32	4.43	9.29	9.42	9.11
4.53	4.31	3.90	3.90	6.62
6.01	5.93	5.34	5.28	4.45
0.27	0.27	0.23	0.25	0.20
29.99	33.33	27.90	30.26	14.60
0.28	0.29	0.23	0.25	0.21
79.33	78.66	82.57	76.01	109.86
24.04	23.58	20.85	24.36	23.05
44.91	42.02	39.85	42.85	42.60

Pitkin County, Colorado

REVENUE BOND COVERAGE

AIRPORT REVENUE BONDS

Last ten years

Year	Operating revenues	Operating expenses excluding depreciation	Net non-operating revenues (expenses) (1)	Net revenue available for debt service	Debt Service Requirements			Times coverage (2)
					Principal	Interest	Total	
1992	\$ 2,371,806	\$ 1,382,433	\$ 318,075	\$ 1,307,448	\$ 199,000	\$ 364,701	\$ 563,701	2.32
1993	2,451,867	1,596,744	165,531	1,020,654	215,000	350,254	565,254	1.81
1994	2,454,538	1,530,141	387,321	1,311,718	235,000	334,389	569,389	2.30
1995	2,296,875	1,641,597	396,776	1,052,054	255,000	270,405	525,405	2.00
1996	2,571,384	1,874,934	431,622	1,128,072	195,000	258,450	453,450	2.49
1997	2,653,400	1,780,408	454,071	1,327,063	170,000	248,025	418,025	3.17
1998	3,013,739	1,920,182	492,286	1,585,843	240,000	179,495	419,495	3.78
1999	3,107,038	2,117,303	784,683	1,774,418	250,000	169,145	419,145	4.23
2000	3,115,093	2,583,833	704,750	1,236,010	260,000	157,830	417,830	2.96
2001	3,653,404	2,991,448	560,861	1,222,817	275,000	146,492	421,492	2.90

- (1) Net non-operating revenues excludes interest expense on external debt, book value of disposed fixed assets, and the amortization of bond discount and issuance costs. It includes proceeds from the sale of fixed assets.
- (2) Coverage for each year is calculated by dividing net revenue available for debt service by the total debt service requirements. Airport revenue bond covenants require coverage of at least 1.25.

SALES TAX REVENUE BONDS

Last ten years

Year	Interest income	County 1% sales tax	Net revenue available for debt service (1)	Debt Service Requirements			Times coverage (2)
				Principal	Interest	Total	
1992	\$ 10,105	\$ 2,828,352	\$ 2,838,457	\$ 135,000	\$ 180,371	\$ 315,371	9.0
1993	6,325	3,220,795	3,227,120	105,000	146,596	251,596	12.8
1994	22,155	3,406,041	3,428,196	130,000	219,243	349,243	9.8
1995	37,680	3,464,806	3,502,486	275,000	300,321	575,321	6.1
1996	30,291	3,696,623	3,726,914	315,000	287,206	602,206	6.2
1997	16,799	3,953,832	3,970,631	330,000	275,231	605,231	6.6
1998	29,055	4,293,497	4,322,552	345,000	260,124	605,124	7.1
1999	35,613	4,284,611	4,320,224	445,000	341,787	786,787	5.5
2000	45,409	4,419,034	4,464,443	465,000	313,973	778,973	5.7
2001	31,448	3,834,354	3,865,802	490,000	450,765	940,765	4.1

- (1) The additional 1% County sales tax, implemented on July 1, 1985 and interest earned in the debt service fund are pledged as security for these bonds.
- (2) The bond covenants do not require a specific coverage factor. However, before additional parity bonds can be issued, historical coverage of existing and proposed debt service must be at least 2 times.

Pitkin County, Colorado

COMPUTATION OF LEGAL DEBT MARGIN

December 31, 2001

Total assessed value	<u>\$1,771,577,340</u>
General obligation bonded debt for home rule counties limited to 3% of assessed value per Colorado Revised Statutes, Section 30-35-201 (6b)	53,147,320
Amount of debt applicable to debt limit	<u>22,320,000</u>
Legal debt margin	<u>\$ 30,827,320</u>

RATIO OF NET GENERAL BONDED DEBT TO  
ASSESSED VALUE AND NET BONDED DEBT PER CAPITA

Last ten years

Year	Population (1)	Assessed value	Gross bonded debt (3)	Debt service Moneys available	Net bonded debt	Ratio of net bonded debt to assessed value	Net bonded debt per capita
1992	13,539	\$ 828,708,170	\$ 8,547,132	\$ 17,552	\$ 8,529,580	1.03%	630.00
1993	14,042	850,785,730	8,207,003	25,715	8,181,288	0.96%	582.63
1994	14,264	869,497,470	11,595,000	39,225	11,555,775	1.33%	810.14
1995	14,203	958,302,150	11,325,000	76,813	11,248,187	1.17%	791.96
1996	14,259	968,453,460	11,040,000	147,574	10,892,426	1.12%	763.90
1997	14,371	1,095,853,363	10,745,000	224,243	10,520,757	0.96%	732.08
1998	14,342	1,107,431,060	10,430,000	212,385	10,217,615	0.92%	712.43
1999	14,394	1,378,927,680	10,100,000	210,713	9,889,287	0.72%	687.04
2000	14,309	1,397,145,280	18,590,000	212,242	18,377,758	1.32%	1,284.35
2001	14,309 (2)	1,771,577,340	22,320,000	225,108	22,094,892	1.25%	1,544.13

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR  
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES

Last ten years

Year	Principal	Interest	Total debt service	Total general expenditures (3)	Ratio of debt service to total general expenditures
1992	\$ 320,000	\$ 309,274	\$ 629,274	\$ 29,252,691	2.2%
1993	340,129	622,091	962,220	24,430,804	3.9%
1994	220,812	536,594	757,406	34,437,823	2.2%
1995	270,000	778,443	1,048,443	31,200,851	3.4%
1996	285,000	763,497	1,048,497	29,166,098	3.6%
1997	295,000	749,391	1,044,391	39,930,437	2.6%
1998	315,000	730,071	1,045,071	43,808,882	2.4%
1999	330,000	722,070	1,052,070	41,314,555	2.5%
2000	345,000	764,309	1,109,309	49,041,549	2.3%
2001	520,000	1,136,564	1,656,564	64,280,419	2.6%

(1) Source: Demographics Statistics, page 107.

(2) 2001 is latest population amount available.

(3) Includes General, Special Revenue, and Debt Service Funds of the reporting entity.

Pitkin County, Colorado

COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT

December 31, 2001

	Total General Obligation Debt <u>Outstanding</u>	Self-Supporting Debt <u>Outstanding</u>	Net Debt <u>Outstanding</u>	Percentage applicable to Pitkin County	Amount applicable to Pitkin County
<b>Overlapping Debt</b>					
Aspen School District RE-1	\$ 44,750,000	\$ -	\$ 44,750,000	100.0%	\$ 44,750,000
Aspen Fire Protection	291,225	-	291,225	100.0%	291,225
Aspen Highlands Residential Metro	14,217,897	-	14,217,897	100.0%	14,217,897
Basalt and Rural Fire Protection Dist	4,105,135	-	4,105,135	79.6%	3,266,921
Basalt Sanitation District	2,870,000	-	2,870,000	57.0%	1,635,900
Brush Creek Water District	1,740,000	-	1,740,000	100.0%	1,740,000
Carbondale Fire Protection District	1,611,660	-	1,611,660	11.3%	182,919
City of Aspen	23,275,002	21,065,002	2,210,000	100.0%	2,210,000
Redstone Water and Sanitation	460,085	-	460,085	100.0%	460,085
Roaring Fork School District	43,514,628	-	43,514,628	22.4%	9,768,148
Snowmass Water and Sanitation	5,425,000	-	5,425,000	100.0%	5,425,000
Snowmass Wildcat Fire Protection	308,690	-	308,690	100.0%	308,690
Starwood Water and Sanitation	1,260,000	-	1,260,000	100.0%	1,260,000
Town of Basalt	3,000,000	-	3,000,000	41.7%	1,249,800
Town of Snowmass Village	<u>28,855,000</u>	<u>16,070,000</u>	<u>12,785,000</u>	100.0%	<u>12,785,000</u>
Total Overlapping Debt	175,684,322	37,135,002	138,549,320		99,551,586
<b>Direct Debt</b>					
Pitkin County					22,320,000
General Improvement Districts					
Holland Hills Road Improvement District					<u>45,000</u>
Total Direct Debt					<u>22,365,000</u>
Net overlapping debt					<u>\$ 121,916,586</u>

Source: Information obtained from individual entities.

Pitkin County, Colorado

DEMOGRAPHIC STATISTICS

Last ten years (5)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Population (1)	13,076	13,539	14,042	14,264	14,203	14,259	14,371	14,342	14,394	14,309
Percent change	2.1%	3.5%	3.7%	1.6%	-0.4%	0.4%	0.8%	-0.2%	0.4%	-0.6%
Births	155	139	165	157	136	141	145	135	169	156
Deaths	30	22	48	23	39	35	33	31	23	39
Net migration	146	346	386	88	(158)	(50)	-	(133)	(94)	(202)
Population change	271	463	503	222	(61)	56	112	(29)	52	(85)
School enrollment (2)	1,315	1,381	1,396	1,442	1,477	1,503	1,529	1,538	1,527	1,488
Percent change	8.2	5.0	1.1	3.3	2.4	1.8	1.7	0.6	-0.7	-2.6
Labor force (3)	7,609	7,739	8,370	8,880	8,927	8,892	9,157	9,309	8,968	8,757
Percent change	-6.8	1.7	8.2	6.1	0.5	-0.4	3.0	1.7	-3.7	-2.4
Unemployment rate in %	7.3	8.1	5.9	4.7	4.8	4.6	4.0	4.4	3.3	2.6
Auto registration (4)	19,293	18,500	15,642	16,393	16,393	16,383	17,006	17,213	17,912	17,791
Percent change	-8.9	-4.1	-15.4	4.8	0.0	-0.1	3.8	1.2	4.1	-0.7
Per capita income	\$32,111	\$36,073	\$37,255	\$38,839	\$40,942	\$44,535	N/A	N/A	N/A	N/A
Percent change	0.8	12.3	3.3	4.3	5.4	8.8	N/A	N/A	N/A	N/A

N/A = Information not available

All information was compiled by the Demographic Section of the Colorado Division of Local Government, except for school enrollment which was obtained directly from the schools, and automobile registration provided by the Pitkin County Clerk's Office.

1. Estimate of the permanent population as of December 31. A very wide seasonal fluctuation in the general population occurs because of Pitkin County's resort economy and the associated second home market. As a general rule, the County's permanent population represents approximately one-third of the total County population.
2. School enrollment in Aspen School District RE-1, Aspen County Day School, and Aspen Community School.
3. Calendar year average monthly labor force estimates.
4. Calendar year automobile registration provided by the Pitkin County Clerk's Office.
5. 2001 information is not available.

Pitkin County, Colorado  
 PRINCIPAL PROPERTY TAXPAYERS  
 December 31, 2001

<u>Taxpayer</u>	<u>Type of business</u>	<u>2001 assessed valuation</u>	<u>Percent of total assessed valuation</u>
Sheridan Luxury Trust, Aspen Dean Street LLC	Hotel/lodging	\$ 22,740,210	1.28%
Silvertree Hotel/Wildwood	Hotel/lodging	10,619,140	0.60%
Little Nell Hotel	Hotel/lodging	9,915,100	0.56%
Holy Cross Electric	Electric utility	8,433,200	0.48%
Aspen Skiing Co.	Skiing	8,296,310	0.47%
Maroon Creek, LLC	Golf and tennis club management and development	8,185,190	0.46%
Hotel Jerome Partners, Cortina, North Star	Hotel/lodging	5,848,700	0.33%
Roaring Fork Club, LP	Golf Course and Club	6,008,650	0.34%
Hines Highland Ltd. Partnership	Developer	5,702,980	0.32%
Snowmass Club	Hotel/lodging	<u>5,258,630</u>	0.30%
Total assessed valuation for 10 largest taxpayers		91,008,110	5.14%
Total assessed valuation for all other taxpayers		<u>1,680,562,230</u>	<u>94.86%</u>
		<u>\$ 1,771,570,340</u>	<u>100.00%</u>

Source: Pitkin County Assessor's Office

Pitkin County, Colorado

CONSTRUCTION, BANK DEPOSITS AND PROPERTY VALUE

Last ten years

Levy Year	Non-residential construction (1)		Residential Construction (1)		Bank deposits (2)
	Number of units	Value	Number of units	Value	
1992	31	\$ 13,619,631	127	\$ 47,740,808	\$ 357,891
1993	44	9,684,280	176	72,259,601	437,055
1994	28	5,119,300	189	74,735,551	361,962
1995	26	11,824,719	136	73,429,006	343,547
1996	24	7,457,450	184	86,461,025	391,982
1997	35	3,431,718	176	103,314,909	428,505
1998	33	10,929,579	232	104,827,494	579,588
1999	25	28,723,194	284	166,200,873	522,315
2000	8	991,201	281	180,068,967	456,746
2001	22	7,704,771	285	70,855,772	543,190

Levy Year	Valuation base year (3)	Property Value (3)			
		Commercial (4)	Residential (4)	Miscellaneous (5)	Exempt (6)
1992	1990	\$167,439,650	\$ 544,477,110	\$116,791,410	\$ 40,206,980
1993	1992	178,455,840	532,559,000	139,770,810	51,417,890
1994	1992	182,126,560	551,783,750	135,587,160	72,075,640
1995	1994	243,772,510	538,562,900	175,966,740	84,874,580
1996	1994	242,232,320	560,071,560	166,149,580	81,830,170
1997	1996	264,783,543	627,480,710	203,589,110	84,609,900
1998	1996	267,722,290	654,847,710	184,861,060	81,830,170
1999	1998	326,927,210	811,350,080	241,250,390	88,010,600
2000	1998	322,636,800	852,105,170	222,403,310	87,759,250
2001	2000	368,226,640	1,126,973,880	276,376,820	78,419,900

- (1) New construction in Pitkin County including additions, alterations and conversions.  
Source: Aspen/Pitkin County Building Department and Town of Snowmass Village Building Department.
- (2) Shown in thousands of dollars.  
Sources: Wells Fargo Bank (all years), U.S. Bank (all years), Alpine Bank of Snowmass (all years), Vectra Bank (all years), Alpine Bank of Aspen (all years), Alpine Bank AABC (beginning September 1994), Community Bank (beginning 1998), Westar Bank (2000) and Mesa National Bank (2000).
- (3) Assessed value. Statutory actual value was reappraised biennially from sales that occurred in the twenty-four month period ending June 30 of the indicated valuation base year. Residential property is valued at 100% of market value; all other property is valued considering the three approaches to appraisal (income, cost and market).
- (4) The assessed value of commercial property is 29% of the actual value. The assessed value of residential improved property is 14.34 % of actual value in 1991 and 1992; 12.86% of actual value in 1993 and 1994; 10.36% of actual value in 1995 and 1996; 9.74% of actual value in 1997, 1998, 1999, and 2000; and 9.15% for 2001 & 2002.
- (5) Includes public utility, industrial, mineral, agricultural valuations and vacant land.
- (6) This category includes an estimate of actual valuation for churches, schools, and charitable, land, improvements, and personal property. The value for government property is excluded.
- (7) Property taxes levied on the valuation for the year indicated are collected in the following year.

Source: Pitkin County Assessor's office.

Pitkin County, Colorado

GENERAL MISCELLANEOUS STATISTICS

December 31, 2001

Date of formation	1881
Form of government	Home Rule County July, 1978
Area	973 square miles
Miles of roads maintained	
Primary roads	140
Secondary Roads	130

Police protection

	County Sheriff	Aspen Police	Snowmass Police
Number of Officers			
Patrol	21	25	9
Detention	14	-	-
Number of Vehicles	25	13	6
Number of crimes reported/cleared			
Murder	0/0	0/0	0/0
Rape	4/2	0/0	0/0
Robbery	1/1	0/0	0/0
Assault	14/8	43/18	8/7
Burglary	30/2	60/6	12/0
Larceny	46/4	135/27	118/9
Auto theft	20/8	20/8	21/1
Detention facility	1	none	none
Average population of facility	18 per day		
Average work release	4 per day		

Education (through High School)

	<u>Aspen RE -1</u>	<u>Aspen Country Day</u>	<u>Aspen Community</u>	<u>Total</u>
Number of buildings	4	8	2	14
Number of classrooms	93	21	10	124
Number of teachers	110	36	12	158
Number of students	1,411	170	103	1,684

Culture and recreation

Miles of trails	
Paved	17.67
Unpaved	14.95
Acres of open space	
owned	1,554
easements	6,796
Number of libraries	2
Number of volumes	84,901

Solid Waste Facility

Acres	225
Usage rate	152,000 cubic yards/year
Estimated useful life	15 - 18 years

Translators

Sites	9
TV channels	5
FM radio channels	8
Community repeater systems	13

Number of County employees

	<u>Roaring Fork Transit Authority</u>	<u>Pitkin County Library</u>	<u>County Other</u>	<u>Total</u>
Regular full-time	171	15	208	394
Regular part-time	2	7	5	14
Seasonal	39	-	-	39
Part time seasonal	5	-	-	5
Temporary	-	1	18	19

Pitkin County, Colorado  
SALES TAX COLLECTIONS

	1992 (5)	1993	1994	1995
2-Percent sales tax (2)	<u>\$8,196,635</u>	<u>\$9,173,651</u>	<u>\$9,806,728</u>	<u>\$ 10,002,409</u>
Seasonal composition				
Winter	62.2%	61.5%	62.0%	61.7%
Summer	37.8%	38.5%	38.0%	38.3%
Percentage increase (decrease)	9.4%	11.9%	6.9%	2.0%
1-Percent Transit sales tax (3) (4)	\$4,054,342	\$4,547,764	\$4,837,394	\$ 4,924,511
Percentage increase (decrease)	8.8%	12.2%	6.4%	1.8%
Less payments				
To City of Aspen	355,443	401,047	433,681	487,000
To Snowmass Village	<u>870,547</u>	<u>925,922</u>	<u>997,672</u>	<u>972,705</u>
Total Deductions	1,225,990	1,326,969	1,431,353	1,459,705
Net payments to RFTA	<u>\$2,828,352</u>	<u>\$3,220,795</u>	<u>\$3,406,041</u>	<u>\$ 3,464,806</u>
Percentage increase (decrease)	7.9%	13.9%	5.8%	1.7%
1/2 Percent Transit Sales and Use Tax (6)				
Sales tax	\$ -	\$ -	\$2,135,317	\$ 2,526,855
Use Tax	-	-	<u>208,982</u>	<u>335,456</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,344,299</u>	<u>\$ 2,862,311</u>
Percentage increase	-	-	-	22.1%

1. Sales tax collections are reported on an annual basis from December 1 to the following November 30, for the purposes of this table, the winter season is December through May and the summer season is June through November. Beginning in 1995, the County implemented GASB Statement 22, whereby sales tax collections are reported on a calendar year basis.
2. The two-percent County-wide sales tax is distributed 43% to Pitkin County and 57% to the municipalities of Aspen, Snowmass Village, and Basalt.
3. Effective July 1, 1985 through December 31, 2000, the County implemented an additional 1% sales tax for transit purposes. Since at that time the total sales tax imposed by any county and city could not exceed four percent, Aspen and Snowmass Village reduced their sales tax levies to one percent from two, and the additional County tax was not imposed on the portion of Basalt in Pitkin County. The additional one percent County sales tax is distributed to the following entities:
  - a. City of Aspen - of that portion of the additional tax collected within the city limits:
    - i. 12.1% for maintenance and construction of Aspen Mall.
    - ii. up to 5.4% for food tax refunds due City residents.
    - iii. the amount required for debt service on the City's Sales Tax Refunding Revenue Bonds, Series December 1, 1982. These bonds were repaid in 1990.
  - b. Town of Snowmass Village - that portion of the additional tax collected within the town limits.
  - c. Transit Capital Projects and Debt Service Funds - \$300,000 to provided public transportation facilities and to pay related debt service.
  - d. Roaring Fork Transit Agency - the remainder of the tax, to operate and maintain its public transportation fleet and related facilities.

1996	1997	1998 (7)	1999 (5)	2000	2001
<u>\$10,579,244</u>	<u>\$11,414,721</u>	<u>\$ 12,031,988</u>	<u>\$12,095,299</u>	<u>\$12,576,184</u>	<u>\$12,200,976</u>
60.9%	61.1%	60.2%	59.0%	57.7%	59.0%
39.1%	38.9%	39.8%	41.0%	42.3%	41.0%
5.8%	7.9%	5.4%	0.5%	4.0%	-3.0%
\$ 5,187,040	\$ 5,586,314	\$ 5,884,015	\$ 5,880,626	\$ 6,048,422	\$ 5,891,227
5.3%	7.7%	5.3%	-0.1%	2.9%	-2.6%
475,947	507,875	530,618	554,742	561,362	2,445,633
<u>1,014,470</u>	<u>1,124,607</u>	<u>1,176,254</u>	<u>1,090,335</u>	<u>1,068,026</u>	<u>610,088</u>
1,490,417	1,632,482	1,706,872	1,645,077	1,629,388	3,055,721
<u>\$ 3,696,623</u>	<u>\$ 3,953,832</u>	<u>\$ 4,177,143</u>	<u>\$ 4,235,549</u>	<u>\$ 4,419,034</u>	<u>\$ 2,835,506</u>
6.7%	7.0%	5.6%	1.4%	4.3%	-35.8%
\$ 2,641,380	\$ 2,826,666	\$ 2,994,057	\$ 3,022,783	\$ 3,173,527	\$ 3,087,143
<u>299,414</u>	<u>341,193</u>	<u>391,128</u>	<u>510,498</u>	<u>493,570</u>	<u>489,096</u>
<u>\$ 2,940,794</u>	<u>\$ 3,167,859</u>	<u>\$ 3,385,185</u>	<u>\$ 3,533,281</u>	<u>\$ 3,667,097</u>	<u>\$ 3,576,239</u>
2.7%	7.7%	6.9%	4.4%	3.8%	-2.5%

4. The formation of a regional transportation district in 2001, resulted in the formation of the Roaring Fork Transportation Authority. This resulted in a change to the intergovernmental agreement between Pitkin County, the City of Aspen, Town of Snowmass Village and the Authority for the distribution of the 1% sales tax. Under the new agreement, the tax is distributed 48.131% to the Authority and 51.869% to the City of Aspen and Snowmass Village. The allocations to the City and Town are to be divided between the two on the basis of the actual collections within the municipal limits of each.
5. Excludes one time sales tax distributions made by the State of Colorado due to enforcement activities.
6. In 1993, the voters approved an additional 1/2 percent sales and use tax to fund mass transportation improvements. The proceeds of the use tax are to be utilized first for the acquisition of the Denver and Rio Grande Railroad right-of-way, unless an acceptable purchase agreement cannot be reached, and then for other public mass transportation system improvements.
7. Excludes extraordinary one time sales tax transaction due to the sale of the Ritz Hotel totaling \$407,230.

Pitkin County, Colorado

RETAIL SALES BY STANDARD INDUSTRIAL CLASSIFICATION

Last ten years

(amounts are in thousands)

Type of business	1992	1993	1994	1995
Building materials	\$ 6,441	\$ 6,331	\$ 7,023	\$ 18,684
General merchandise	3,803	3,222	4,051	3,294
Food stores	36,975	37,566	40,695	39,540
Automotive	10,517	12,191	14,237	16,440
Apparel and accessory	50,986	59,927	64,172	66,472
Furniture	15,642	18,519	19,377	16,847
Eating and drinking	96,650	88,538	99,156	93,327
Miscellaneous	80,118	88,901	94,949	104,165
Financial insurance and real estate	38,986	43,430	38,219	42,042
Hotels and lodging	53,887	80,224	101,017	101,549
Other services	83,207	72,773	80,797	81,866
Wholesales trade	7,786	6,365	6,294	6,575
Agriculture	2,131	7,713	4,669	3,530
Mining	1,614	1,676	-	-
Contract construction	10,180	15,192	9,350	21,019
Manufacturing	5,274	7,268	9,226	8,227
Transportation, communications and public utilities	33,962	40,503	49,023	54,588
Unclassified	2,587	3,611	5,808	8,151
	<u>\$540,746</u>	<u>\$593,950</u>	<u>\$648,063</u>	<u>\$686,316</u>
Percentage Increase	1.9%	9.8%	9.1%	5.9%

Source: Information provided by the Colorado Department of Revenue.

<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
\$ 19,162	\$ 18,469	\$ 21,071	\$ 26,561	\$ 28,831	\$ 23,722
4,381	3,985	5,462	6,145	12,299	15,838
39,203	43,293	45,673	48,875	51,012	49,408
20,012	20,680	21,626	20,192	16,176	15,218
64,889	67,624	65,537	57,665	58,350	53,361
19,555	20,735	27,669	31,542	28,271	29,508
113,341	106,641	114,210	97,798	96,996	92,366
118,189	126,687	135,665	137,313	149,300	150,888
41,845	46,989	50,002	40,239	36,881	33,132
95,966	112,626	107,930	113,639	122,498	116,985
69,501	83,297	95,369	94,987	104,623	94,204
6,251	7,466	8,335	9,833	8,074	11,506
4,085	7,864	5,684	5,089	6,818	5,525
3,523	4,720	6,639	-	-	-
29,141	18,430	24,796	28,163	29,248	29,834
9,688	9,519	12,598	12,939	13,464	16,682
60,509	60,338	65,271	67,194	72,871	81,186
5,636	5,853	5,851	-	-	-
<u>\$724,877</u>	<u>\$765,216</u>	<u>\$819,388</u>	<u>\$798,174</u>	<u>\$835,712</u>	<u>\$819,363</u>
5.6%	5.6%	7.1%	-2.6%	4.7%	-2.0%

Pitkin County, Colorado

ANNUAL SKIER DAYS BY AREA (1)

Last ten years

Year	Aspen Mountain	Buttermilk	Snowmass	Total Aspen Ski Co.	Aspen Highlands	Grand Total	Percent Increase (Decrease)
1992/1993	394,568	161,463	825,722	1,381,753	145,364	1,527,117	5.7%
1993/1994	359,846	172,948	814,882	1,347,676	106,197	1,453,873	-4.8%
1994/1995	329,535	168,439	767,509	1,265,483	159,288	1,424,771	-2.0%
1995/1996	322,338	175,940	690,067	1,188,345	153,764	1,342,109	-5.8%
1996/1997	334,512	154,028	788,620	1,277,160	157,053	1,434,213	6.9%
1997/1998 (2)	345,351	180,006	884,066	1,409,423	149,963	1,559,386	8.7%
1998/1999	333,215	177,476	777,378	1,288,069	143,785	1,431,854	-8.2%
1999/2000	331,121	158,194	707,600	1,196,915	127,389	1,324,304	-7.5%
2000/2001	319,343	148,826	740,241	1,208,410	140,640	1,349,050	1.9%
2001/2002	310,381	145,683	676,505	1,132,569	136,136	1,268,705	-6.0%

(1) A skier day is a lift ticket issued to a child or adult for a full or half day of skiing.

(2) The 1997/1998 ski season was the first year that the Aspen Ski Company used a new electronic ticketing system which recorded employees along with visitors. As a result, a true comparison cannot be drawn against previous skier-day totals.

Sources: Aspen Ski Company and Aspen Highlands

Pitkin County, Colorado

AIRPORT OPERATIONS AND ENPLANED PASSENGERS

Aspen-Pitkin County Airport

Last ten years

Year	Itinerant operations (1)			Local Operations (2)		Percent Change	Enplaned Passengers	Percent Change
	Air Carrier	General Aviation	Total	General Aviation	Total Operations			
1992	14,312	24,819	39,131	9,125	48,256	2.7%	243,907	12.4%
1993	14,114	23,450	37,564	9,375	46,939	-2.7%	251,914	3.3%
1994	12,644	25,767	38,411	6,457	44,868	-4.4%	239,050	-5.1%
1995	9,281	26,564	35,845	8,532	44,377	-1.1%	200,685	-16.0%
1996	10,517	25,185	35,702	5,678	41,380	-6.8%	210,672	5.0%
1997	15,180	24,890	40,070	3,894	43,964	6.2%	224,815	6.7%
1998	15,708	27,546	43,254	2,633	45,887	4.4%	248,510	10.5%
1999	11,227	31,724	42,951	3,074	46,025	0.3%	213,903	-13.9%
2000	14,831	30,016	44,847	3,642	48,489	5.4%	214,816	0.4%
2001	15,996	27,978	43,974	1,998	45,972	-5.2%	187,622	-12.7%

Source: Pitkin County Airport Manager

(1) A landing or takeoff when aircraft enters into or leaves Aspen airspace.

(2) A landing or takeoff when aircraft remains in Aspen airspace.

Pitkin County, Colorado

Percentage of Total Enplanements by Carrier

Aspen-Pitkin County Airport

Last ten years

Carrier	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
United Express (1)	69%	71%	77%	99%	90%	83%	79.5%	88.0%	85.4%	85.2%
Continental Express (2)	33%	31%	29%	23%	-	-	-	-	-	-
Aspen Mountain Air (3)	-	-	-	-	4%	12.5%	11.0%	-	-	-
Mountain Air Express (4)	-	-	-	-	-	4.0%	0.3%	-	-	-
Business Express (5)	-	-	-	-	4%	-	-	-	-	-
Tri Star (6)	-	-	-	-	4%	-	-	-	-	-
Northwest (7)	-	-	-	-	-	0.3%	5.7%	7.4%	7.2%	7.9%
America West Express (7)	-	-	-	-	-	0.2%	3.5%	4.6%	7.4%	6.9%

Source: Pitkin County Airport Manager

1. According to representative of Air Wisconsin Airline Corporation ("Air Wisconsin"), Air Wisconsin is a privately-held subchapter S corporation, formed on December 29, 1993, when its six investors purchased the regional jet airline division of Air Wisconsin, Inc., the a subsidiary of United Airlines Corporation ("United"). Concurrently Air Wisconsin entered into a seven-year agreement with United (with a right to renew for five years at Air Wisconsin's option) to code-share and operate as United Express. Under the agreement, United handles scheduling, fare-setting, and reservations and pays Air Wisconsin a fee per flight hour to operated its schedule, Air Wisconsin provides management, flight crews, and ground/ticketing agents and leases a fleet of 18 British Aerospace 146-100, 146-200, and 146-300 jet aircraft. These are narrow body aircraft with gross landing weights of approximately 77,000-83,000 pounds, and configured to carry between 86 and 100 passengers. Air Wisconsin currently operates out of four hubs, Denver , Chicago, Los Angeles, and Washington/Dulles, offering flights to 44 cities. It provides year-round daily flights between Aspen and Denver. For 2001 Air Wisconsin reported operating profits of approximately \$10 million on revenue of approximately \$409 million compared to \$11 million on revenue of approximately \$367 million for 2000, \$9 million on revenue of approximately \$260 million for 1999, \$6.0 million on revenue of approximately \$197 million for 1998, \$4.0 million on revenues of approximately \$150 million for 1997, \$3.9 million on \$130 million for 1996, \$3.5 million on \$120 for 1995 and
2. Discontinued service to Airport in October 1995.
3. Period of service at the Airport December 1995 through October 1998.
4. Period of service at the Airport was December 1996 through February 1998.
5. Period of service at the Airport was December 1995 through March 1996.
6. Period of service at the Airport was December 1995 through September 1996, except for May 1996.
7. Began service at the airport in December 1997.

Pitkin County, Colorado

TRANSIT STATISTICS

Roaring Fork Transit Agency

Last ten years (1)

<u>Year</u>	<u>Miles</u>	<u>Number passengers</u>	<u>Operating expenditures</u>	<u>Passengers per mile</u>	<u>Cost per mile</u>
1992	1,448,103	2,167,411	\$ 4,281,000	1.50	\$ 2.96
Percent change	-2.0%	1.1%	6.2%	3.2%	8.4%
1993	1,663,836	2,441,620	\$ 4,706,772	1.47	\$ 2.83
Percent change	14.9%	12.7%	9.9%	-2.0%	-4.4%
1994	2,412,707	3,032,337	\$ 6,154,538	1.26	\$ 2.55
Percent change	45.0%	24.2%	30.8%	-14.4%	-9.9%
1995	3,138,244	3,549,720	\$ 7,781,266	1.13	\$ 2.48
Percent change	30.1%	17.1%	26.4%	-10.0%	-2.7%
1996	3,180,985	3,717,807	\$ 8,118,666	1.17	\$ 2.55
Percent change	1.4%	4.7%	4.3%	3.3%	2.8%
1997	3,157,500	3,697,283	\$ 8,360,207	1.17	\$ 2.65
Percent change	-0.7%	-0.6%	3.0%	0.2%	3.9%
1998	3,278,360	3,687,702	\$ 9,844,972	1.12	\$ 3.00
Percent change	3.8%	-0.3%	17.8%	-3.9%	13.2%
1999	3,155,172	3,602,390	\$ 9,886,142	1.14	\$ 3.13
Percent change	-3.8%	-2.3%	0.4%	1.5%	4.3%
2000	3,218,143	3,687,407	\$ 10,726,659	1.15	\$ 3.33
Percent change	2.0%	2.4%	8.5%	0.4%	6.4%
2001	3,408,880	3,567,821	\$ 12,154,960	1.05	\$ 3.57
Percent change	5.9%	-3.2%	13.3%	-8.7%	7.2%

THIS PAGE LEFT BLANK INTENTIONALLY

**2001  
Annual Financial Report**

**SINGLE AUDIT SECTION**

Pitkin County, Colorado

SCHEDULE OF FEDERAL FINANCIAL AWARDS

Year ended December 31, 2001

Federal Grantor/Pass-through Grantor/Program title	Federal CFDA number	Grant identifying number	Grant award amount
<b>Department of Agriculture</b>			
<b>Pass through Colorado Department of Human Services</b>			
Food Assistance coupons & EBT COUPONS	10.551		-
Food Stamp Admin	10.561		-
			<u>-</u>
<b>Department of Transportation</b>			
<b>Direct Programs</b>			
Federal Aviation Administration			
Rehabilitate Taxiway, install Distance-to-GO signs	20.106	03-08-0003-17	1,575,117
Rehabilitate air carrier apron, relocate portion of air car	20.106	03-08-0003-18	1,814,537
Acquire Snowremoval equipment	20.106	03-08-0003-19	306,964
Relocate North GA parking and Rehab GA Apron	20.106	03-08-0003-20	2,530,000
Land Acquisiton - Runway Protection Zone	20.106	03-08-0003-21	540,000
East Side Infrastructure Improvement	20.106	03-08-0003-22	1,141,500
			<u>7,908,118</u>
Federal Transit Administration			
Conduct Corridor Study and DEIS	20.509 *	CO-03-0082-01	1,200,000
Bus Acquisition - 4 5 ft. buses	20.509 *	CO-03-0099-00	1,160,254
Bus Acquisition - 3 60 ft. buses	20.509 *	CO-03-0111-00	948,910
			<u>3,309,164</u>
<b>Pass through Colorado Department of Transportation</b>			
Highway planning and construction			
Division of Transportation Development			
Section 5313 (b) Transportation Development	20.509 *	99-HTD00025	17,500
Section 18 operating	20.509 *	99-HTD00027	161,200
			<u>178,700</u>
Colorado Transportation Commission			
Congestion Mitigation Air Quality	20.205 *	00 HA3 00045	<u>377,780</u>
<b>Department of Health and Human Services</b>			
<b>Pass through Colorado Department of Human Services</b>			
CO Works	93.558	-	-
Title IV-D Admin	93.563	-	-
LEAP	93.568	-	-
CCDF Mand & Matc	93.596	-	-
Title IV-D Child Care	93.645	-	-
Title IV-IV-E FC	93.658	-	-
CCDF Discretionary	93.575	-	-
Adoption	93.659	-	-
Title XX Block Grant	93.667	-	-
Title XIX MEDICAID	93.778	-	-
Other Federal assistance	93.XXX	-	-
			<u>-</u>
<b>Pass through Colorado Department of Local Affairs</b>			
Community Service Block Grant 01-02	93.569	KCS1032	9,299
Community Service Block Grant 00-01	93.569	KCS032	8,150
			<u>17,449</u>
<b>Pass through Northwest Colorado Council of Governments</b>			
Title III of the Older American Act 2000	93.045	12-Z84	7,075
Title III of the Older American Act 2001		12Z-84/SGF	7,358
			<u>14,433</u>
<b>TOTAL</b>			<u><u>\$ 11,805,644</u></u>

\* Major program

Federal Grant receipts	Less grants receivable (payable) January 1, 2001	Add grants receivable (payable) December 31, 2001	Grant revenue earned	Local match and programs revenue	State Match	Program expenditures
39,200	-	-	39,200	-	-	39,200
6,856	-	-	6,856	-	-	6,856
<u>46,056</u>	<u>-</u>	<u>-</u>	<u>46,056</u>	<u>-</u>	<u>-</u>	<u>46,056</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
282,830	253,470	-	29,360	4,067	-	33,427
1,334,676	535,713	122,542	921,505	613,314	-	1,534,819
282,403	-	1,397	283,800	31,534	-	315,334
594,761	-	232,438	827,199	94,987	-	922,186
<u>2,494,670</u>	<u>789,183</u>	<u>356,377</u>	<u>2,061,864</u>	<u>743,902</u>	<u>-</u>	<u>2,805,766</u>
240,000	240,000	165,000	165,000	-	-	165,000
1,110,980	-	49,674	1,160,654	297,295	-	1,457,949
948,910	-	-	948,910	417,242	-	1,366,152
<u>2,299,890</u>	<u>240,000</u>	<u>214,674</u>	<u>2,274,564</u>	<u>714,537</u>	<u>-</u>	<u>2,989,101</u>
17,299	-	-	17,299	7,414	-	24,713
161,200	-	-	161,200	161,200	-	322,400
<u>178,499</u>	<u>-</u>	<u>-</u>	<u>178,499</u>	<u>168,614</u>	<u>-</u>	<u>347,113</u>
300,000	307,337	77,780	70,443	325,064	-	395,507
27,374	-	-	27,374	-	-	27,374
13,129	-	-	13,129	-	-	13,129
9,761	-	-	9,761	-	-	9,761
36,763	-	-	36,763	-	-	36,763
671	-	-	671	-	-	671
25,727	-	-	25,727	-	-	25,727
9,604	-	-	9,604	-	-	9,604
5,690	-	-	5,690	-	-	5,690
14,404	-	-	14,404	-	-	14,404
6,808	-	-	6,808	-	-	6,808
1,165	-	-	1,165	-	-	1,165
<u>151,095</u>	<u>-</u>	<u>-</u>	<u>151,095</u>	<u>-</u>	<u>-</u>	<u>151,095</u>
4,650	-	-	4,650	-	-	4,650
4,075	-	-	4,075	-	-	4,075
<u>8,725</u>	<u>-</u>	<u>-</u>	<u>8,725</u>	<u>-</u>	<u>-</u>	<u>8,725</u>
7,075	7,075	-	-	-	-	-
-	-	7,358	7,358	25,503	-	32,861
<u>7,075</u>	<u>7,075</u>	<u>7,358</u>	<u>7,358</u>	<u>25,503</u>	<u>-</u>	<u>32,861</u>
<u>\$ 5,486,011</u>	<u>\$ 1,343,595</u>	<u>\$ 656,189</u>	<u>\$ 4,798,605</u>	<u>\$ 1,977,620</u>	<u>\$ -</u>	<u>\$ 6,776,225</u>

Pitkin County, Colorado

SCHEDULE OF MULTI YEAR FEDERAL FINANCIAL AWARDS

Year ended December 31, 2001

Federal Grantor/Pass-through Grantor/Program title	Federal CFDA number	Grant identifying number	Grant award amount
<b>Direct Programs</b>			
<b>Department of Transportation</b>			
Federal Aviation Administration			
Rehabilitate Taxiway, install Distance-to-GO	20.106	03-08-0003-17	\$ 1,575,117
Rehabilitate and relocate air carrier apron	20.106	03-08-0003-18	1,814,537
Acquire snowremoval equipment	20.106	03-08-0003-19	306,964
Relocate North GA parking and Rehab GA Apron	20.106	03-08-0003-20	2,530,000
Land Acquisiton - Runway Protection Zone	20.106	03-08-0003-21	540,000
East Side Infrastructure Improvement	20.106	03-08-0003-22	<u>1,141,500</u>
			<u>7,908,118</u>
Federal Transit Administration			
Conduct corridor study and DEIS	20.509	CO-03-0082-01	1,993,530
Bus Acquisition - 4 5 ft. buses	20.509	CO-03-0099-00	1,160,254
Bus Acqitision - 3 60 ft. buses	20.509	CO-03-0111-00	<u>948,910</u>
			<u>4,102,694</u>
<b>Pass through Colorado Department of Transportation</b>			
Division of Transportation Development			
Section 18 operating	20.509	99-HTD-00027	<u>161,200</u>
Colorado Transportation Commission			
Congestion Mitigation Air Quality	20.205	00 HA3 00045	<u>377,780</u>
<b>Pass through Colorado Department of Local Affairs</b>			
<b>Department of Health and Human Services</b>			
Community Service Block Grant 00-01	93.569	KCS032	8,150
Community Service Block Grant 99-00	93.569	KCS032	<u>7,737</u>
			<u>15,887</u>
<b>TOTAL</b>			<u>\$ 12,565,679</u>

Grant revenue earned	Local match and programs revenue	Program expenditures
\$ 1,575,117	\$ 175,013	\$ 1,750,130
1,814,537	466,814	2,281,351
282,830	39,166	321,996
2,288,755	801,537	3,090,292
283,800	31,534	315,334
827,199	94,987	922,186
<u>7,072,238</u>	<u>1,609,051</u>	<u>8,681,289</u>
1,365,000	300,000	1,665,000
1,160,654	297,295	1,457,949
948,910	417,242	1,366,152
<u>3,474,564</u>	<u>1,014,537</u>	<u>4,489,101</u>
<u>161,200</u>	<u>161,200</u>	<u>322,400</u>
<u>377,780</u>	<u>388,953</u>	<u>766,733</u>
4,075	-	4,075
7,737	-	7,737
<u>11,812</u>	<u>-</u>	<u>11,812</u>
<u>\$ 11,097,594</u>	<u>\$ 3,173,741</u>	<u>\$ 14,271,335</u>

PITKIN COUNTY, COLORADO

NOTES TO SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended December 31, 2001

**General**

The accompanying Schedule of Expenditures of Federal awards presents the activity of all federal financial assistance programs of the Pitkin County, Colorado primary government (the County). The County's reporting entity is defined in Note I A to the County's general purpose financial statements. All federal financial assistance received by the reporting entity directly from federal agencies, as well as federal financial assistance passed through other government agencies, including the State of Colorado, is included on the schedule. In addition, federal financial assistance awarded directly to eligible County Social Services recipients via Electronic Benefits Transfer (EBT) is also included in the schedule. The State of Colorado issues EBT to the eligible County recipients. Both the federal share and county share of pass-through awards and EBT is included on the schedule.

**Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note I D to general purpose financial statements. The information in this schedule is presented in accordance with the requirements of OMB circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the (general-purpose or basic) financial statements. Federal financial assistance provided to sub-recipients is treated as an expenditure when it is paid to the sub-recipient. Numerous sub-recipients receive financial assistance through Colorado Department of Human Services grants and it is not practical to list these individuals in Schedule of Expenditures of Federal Awards.

**County Social Services Programs**

Pitkin County operates the following programs in delivering public assistance services to its' residents:

Colorado Works (Temporary Assistance to Needy Families)	\$ 1,633
Child Care Services	36,323
Child Welfare	299
Child Youth and Family Services	444
Alternative Foster Care Services	22,953
Child Support Enforcement	4,097
Assisted Living Care in Client's Home	5,586
Aid to Needy Disabled	5,836
Old Age Pension Benefits	20,628
Food Assistance Benefits	39,157
Low Income Energy Assistance	11,671
Social Services Administrative Costs	<u>247,582</u>
Total social services electronic benefit authorizations and warrants issued	<u><u>\$396,209</u></u>

**CFDA and Contract Numbers**

Certain programs do not contain CFDA and/or State or Federal contract numbers because they have not been assigned these numbers or the numbers were not obtainable.

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF GENERAL-PURPOSE FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

Board of County Commissioners  
Pitkin County, Colorado

We have audited the general-purpose financial statements of Pitkin County, Colorado, as of and for the year ended December 31, 2001, and have issued our report thereon dated May 16, 2002. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Pitkin County, Colorado's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Pitkin County, Colorado's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the Board of County Commissioners, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Denver, Colorado  
May 16, 2002

REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of County Commissioners  
Pitkin County, Colorado

Compliance

We have audited the compliance of Pitkin County, Colorado, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2001. Pitkin County, Colorado's, major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Pitkin County, Colorado's management. Our responsibility is to express an opinion on Pitkin County, Colorado's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Pitkin County, Colorado'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. Our audit does not provide a legal determination of Pitkin County, Colorado's, compliance with those requirements.

In our opinion, Pitkin County, Colorado complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2001.

Internal Control Over Compliance

The management of Pitkin County, Colorado, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Pitkin County, Colorado's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the Board of County Commissioners, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Grant Thornton LLP*

Denver, Colorado  
May 16, 2002

Pitkin County, Colorado  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Year ended December 31, 2001

**Section I — Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued:

- Unqualified
- Qualified
- Adverse
- Disclaimer

Internal control over financial reporting:  
 Material weakness(es) identified?  
 Reportable condition(s) identified that are not  
 considered to be material weaknesses?

- Yes     No
- Yes     None reported

Noncompliance material to financial  
 statements noted?

- Yes     No

**Federal Awards**

Internal control over major programs:  
 Material weakness(es) identified?  
 Reportable condition(s) identified that are not  
 considered to be material weaknesses?

- Yes     No
- Yes     None reported

Type of auditors' report issued on  
 compliance for major programs

- Unqualified
- Qualified
- Adverse
- Disclaimer

Any audit findings disclosed that are  
 required to be reported in accordance  
 with Circular A-133, Section .510(a)?

- Yes     No

Identification of major programs:

<u>CFDA number</u>	<u>Name of federal program or cluster</u>
20.205	Highway Planning and Construction Grants
20.509	Federal Transit – Formula Grants

Dollar threshold used to distinguish  
 between Type A and Type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

- Yes     No

Pitkin County, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year ended December 31, 2001

**Section II – Financial Statement Findings**

No matters were reported.

**Section III – Federal Award Findings and Questioned Costs**

No matters were reported.

Pitkin County, Colorado

SUMMARY OF SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

Year ended December 31, 2001

There were no prior year audit findings.