

PITKIN COUNTY, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year ended December 31, 2002

**Prepared by
Finance Department**

**Debe Nelson
Finance Director**

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**2002
Annual Financial Report**

INTRODUCTORY SECTION

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June 20, 2003

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, 2002, 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 14,591.

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
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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 information systems, dispatch communications, and the animal shelter. 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 (Roaring Fork Transportation Authority) to serve transportation needs of the Roaring Fork Valley. 2002 was a transition year in which the Roaring Fork Transit Agency (the "Agency") and the Roaring Fork Transportation Authority (the "Authority") both existed to allow time to transfer assets. The only activity reported in this report is the transfer of the Agency assets to the Authority. 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. 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 are extensive, including the Aspen Institute for Humanistic Studies, the 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 golf, river rafting, horseback riding, backpacking and mountain climbing, mountain and road biking, hot-air ballooning, hang-gliding and para-sailing, fishing, tennis, and sporting events such as the Aspen Ruggedfest, Motherlode Volleyball Classic and Snowmass Balloon Festival.

Sales tax revenue is probably the best available measure of the overall County economy. A significant source of this sales tax revenue is winter and summer tourism, especially within the County's resort communities of Aspen, Snowmass Village and Redstone. The importance of the tourism sector is evidenced by 38% of total retail sales being generated by restaurants and lodging. In the aftermath of the September 11th 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 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 and the six summer months now account for more than 40% of annual sales tax collections. The County also estimates that spending by area residents accounts for approximately 56% 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 year.

Sales Tax Year	1998	1999	2000	2001	2002	Winter 2002-03
Percent Change	5.4%	.5%	4.0%	-3.0%	-3.8%	0.8%
Ski season year	'97/98	'98/99	'99/2000	'00/01	'01/02	'02/03
Skier days (million)	1.559	1.432	1.324	1.349	1.269	1.313
Percent Change	8.7%	-8.2%	-7.5%	1.9%	-6.0%	3.5%

The County is taking a conservative approach to its economic outlook for the future as reflected in the following assumptions for the County's five-year financial plan.

Year	Property Tax Revenue Growth	Sales Tax Revenue Growth	Labor Expense Increase	Non-labor Expense Inflation
2003	4.2%	-5.0%	6.0%	2.3%
2004	4.3%	-0.0%	7.0%	2.5%
2005	4.3%	2.5%	7.0%	2.5%
2006	4.5%	2.5%	7.0%	2.5%
2007	4.5%	4.5%	7.0%	2.5%

Major Events & Accomplishments

For 2002 Significant events and accomplishments include:

COMMUNITY ISSUES

- The Colorado Department of Transportation announced that the Snowmass Canyon project is **one year ahead of schedule**. Road improvement on Highway 82 should enhance Pitkin County's accessibility and desirability as a destination resort.
- The **ESPN X games** brought in new revenues to our declining sales tax market with attendance of 48,000.
- Lack of snow along with the possibility of war resulted in significant decreases in skier days and sales tax revenue from January through November. However, due to an early snowfall **skier days were up in December**.

COUNTY WIDE

- Pitkin County was hit hard with a 21% **increase in health insurance premiums**. When added to other factors including decrease in sales tax revenue this created a budget crisis for the County.
- An **August Primary** presented a question about Pitkin County Home Rule Charter requirement to restrict property tax revenues to make it consistent with the State limitations. The question failed significantly.
- A November ballot question dedicating a small (\$4.20 per \$100,000 in property value) property tax funds to Health and Human Services and Community Non-Profits **passed by 71% of the vote** (63% of the voters voted). Community advocates for ballot question helped our successful venture. This new dedicated fund provides over \$800,000 to support services that are valued by the community but are not mandatory.
- Pitkin County and the Town of Snowmass Village were advised by **Holy Cross Energy of the need for a new substation and transmission line** to serve the Snowmass Village area. Discussions are ongoing.

ADMINISTRATION

- In order to create efficiencies in service for projects the **BOCC modified fiscal controls in procurement**.
- The County Manager worked with Public Works to establish new **County shop policies**.
- After several months of working with only one County attorney, **a new Attorney was hired** at the end of the summer.
- Pitkin County attorneys obtained several **favorable court rulings** on numerous litigation matters.
- The Human Resources department and Section Leaders implemented phase one of a **new compensation plan** that included reducing the number of pay grades and broadening the ranges of pay.
- The Clerks office had a **record year in recording**, and in fact collected \$316,594 in recording fees, which was \$86,000 over our budgeted amount. Much of this is credited to the huge volume of national mortgage refinancing.

AIRPORT

- Throughout the year the Aspen/Pitkin County Airport worked to respond to changing federal mandates for passenger security. By the end of December we were in **compliance with all regulations**.
- **Safety and security upgrades** amounting to \$5 million in capital improvements at the Airport were concluded resulting in the creation of a general aviation ramp, runway lighting enhancements, patio shelter construction, a wildlife perimeter fence and the installation of a localizer.

- The first comprehensive **Airport Master Plan** in over 20 years was initiated. The Plan seeks to establish a blueprint for the future of the airport.

BOCC

- The November election presented a variety of campaigns for elected positions. Commissioners Mick Ireland and Patti Clapper, Assessor Tom Isaac, County Clerk Sylvia Davis, and Sheriff Bob Braudis were all **re-elected**.
- The BOCC adopted a **standard of conduct** outlining ethical work practices of elected officials, key staff and appointed boards. This will serve to enhance and preserve the integrity of the work performed by these groups.

COMMUNITY DEVELOPMENT

- The BOCC held initial discussions to redrafting the **land use code**. After receiving public input the BOCC decided to step back and review the underlying policies of the Land Use Code before any major revisions are made.
- Pitkin County Zoning was busy with significant **land use violations** found on a property in Old Snowmass triggered by complaints from the neighboring Snowmass/ Capital Creek Caucus. The BOCC served as a hearing board in this case and ultimately levied fines and work orders to restore the land.
- After a year and a half of planning and negotiating with the City of Aspen, the Community Development **restructure was completed**. The third floor of City Hall was remodeled to reflect the new system with all Pitkin County services moving to the south side of the building. A positive response from the public was expressed immediately as services and service delivery became clearer, faster and more efficient.
- A new **Pitkin County Chief Building Official** was hired to oversee Pitkin County building inspections and an Intergovernmental Agreement was established to provide mutual aid between the City and the County during staff vacations and shortages to ensure continuity of service to the public.
- An **efficient building code** was adopted by the BOCC. This code promotes green building and requires more efficient energy saving techniques in construction.

EMERGENCY SERVICES

- The Emergency Management Coordinator and the Natural Resources Director implemented the **Local Emergency Planning Council (LEPC)**. The LEPC has the statutory requirement of overseeing the Community Right to Know Act.
- The drought resulted in two major fires in the valley but due to the professional, quick and tactical maneuvers of our emergency responders no loss of life occurred. In early June, the Coal Seam Fire in West Glenwood destroyed over 40 homes. Pitkin County staff provided **mutual aid to Garfield County** with over forty staff responding. Firefighters and RFTA were able to save buses and the new Glenwood bus barn during the fire. At the end of July a construction error resulted in the ignition of a large fire in the Panorama Subdivision of Missouri Heights. Two dwellings burned down in that fire and again Pitkin County staff provided substantial mutual aid to Garfield and Eagle Counties.
- The Pitkin County Communications Center **upgraded safety with Mountain Top Links**. These links serve to enhance communication in a variety of pockets in the valley that were historically under-served by radio communication.

FINANCE/ BUDGET

- With the economic crisis that followed September 11th, the finance staff anticipated a significant reduction in sales tax revenue (8%) and community development fees. As a result, the BOCC left the mill levy at a higher rate with the intention of going to the voters in the November election.

- Section Leaders worked early in the year to implement **budget and service efficiencies**. A range of ideas were implemented mid-year including: **annual contracts** for standard services, **programmatically cuts, hiring freeze, closed the Basalt office, elimination of three positions, elimination or reduction of benefits, reduction of 4 fleet vehicles, and fee increased**. Additionally, six unfilled positions were eliminated for the 2002 original budget.
- The Finance Department established a quarterly **economic trends analysis**, which is presented to BOCC, Section Leaders and Managers. This report will help us better forecast sales tax revenues and adjust the budget before we find ourselves in a crisis.
- Efficiencies in work and accounts payable were achieved through the implementation of a new **Purchase Card program**.
- Making our financial software work better for us resulted in efforts to **initiate an upgrade to the existing financial system**.
- The Financial Advisory Board reviewed the County's **contingency fund balance** and recommended that it be increased. Due to the efficiencies and surplus revenues realized in 2002, we were able to increase the funding of that reserve to the recommended 15% of operations or \$2.6 million.

HOUSING

- The joint City of Aspen and Pitkin County Housing department was restructured through a **new housing IGA**.
- A **new Housing Director** was found to fill the vacated position. Maureen Dobson's experience with Senior Housing in Boulder has resulted in tightening our efforts toward more efficient and effective property management.
- Pitkin County's effort to build affordable housing in the **Stillwater subdivision was stalled** due to legal complications.

HUMAN SERVICES

- The successful November ballot preserved funding for Community Non Profits and Health and Human Service Agencies.

INFORMATION SYSTEMS

- Pitkin County staff are now able to access Geographic Information Systems (GIS) mapping services from their own desktop through the implementation of a program called "**GISMO**."
- The Assessors office purchased and installed **mass appraisal web site software** allowing the public better, more accurate and faster access to countywide appraisals.
- Non-business use of city network made national news. As a result, **improved security and Internet standards** were implemented.

LIBRARY

- The Pitkin County Library began buying **audio books in CD format and motion pictures in DVD format**.
- Most of the Library's **public and staff computers** were replaced and new public **photocopy machines** were purchased.
- The Library established **two new partnerships**: one with Aspen Film Festival to host the Preschool Pix series and the other with the Aspen Historical Society and Aspen Valley Spellbinders to produce a series of story hours grounded in local history.

OPEN SPACE

- A coordinated effort began between Open Space and Trails and the Pitkin County Sheriff helped to rid some of the open space property from long time **illegal campers** citing a commitment to environmental protection.

- A contract for one of the most spectacular conservation easements was awarded to Pitkin County Open Space through the **Childs Ranch preservation** in Old Snowmass. Over 1,500 acres of land that abuts the United States Forest Service was preserved in perpetuity through the generous gift of long time Old Snowmass resident Bob Child and his family. The preservation of this land will benefit Pitkin County residents forever.
- Through a trade of responsibility the Redstone business district agreed to clean with bathrooms in exchange for Open Space and Trails constructing a **new public restroom facility** that is up to code, meets capacity and is ADA compliant.
- Pitkin County **cleaned up the Bayer parcel** on Smuggler Mountain. Vacant cars, trash and other waste were removed from the property turning it into a beautiful open space property.
- Several **Open Space acquisitions** were completed including the Brackett Parcel (40 acres in the Crown Area, surrounded on three sides by BLM and critical to adequate maintenance of the property), and the Wine Point parcel (65 acres on the Crystal River with high scenic and habitat value).
- Open Space and Trails built the **Aspen Mass Trail** connecting the Intercept Lot to Jaffee Park/ Rio Grande Trail.
- Open Space and Trails received **three major grants** in 2002 including \$150,000 State Trails Grant for the Wingo Junction Overpass, \$142,000 from RFTA to retrofit the railroad trestle, and \$235,000 from GOCO to purchase Filona Meadow.

PUBLIC INFORMATION AND COMMUNICATION

- In February a **County Wide Financial Newsletter** was published in the Aspen Times as a newspaper insert. This newsletter identified and explained our budget shortfall including information on where County revenues come from and how dollars are spent. This insert received a very positive response from the community and was reused in County presentations to Caucus, Neighborhood and business groups.
- A monthly **live radio show** was established in June. It is produced by the Public Relations Specialist and topics last year included the new voting system, the County's budget, BOCC profiles, landfill regulations and the Community Development restructure.
- The Aspen/Pitkin County Airport began using a vacant Public Access Television channel to air **the Flight Information Display System**. Channel 11 is solely dedicated to displaying up-to-the-minute flight information providing flight information to Pitkin County residents and visitors.
- A new joint **City of Aspen/Pitkin County Web-Site was launched** in September. With enhanced functionality this site offers the public extensive information about the two jurisdictions.
- The Community Relations Department boasts about their success getting press releases published by local papers with approximately 98% of the Press Releases published. **Good press coverage throughout the year** helps inform the public on critical issues facing the County so that public dialogue occurs at a higher, more informed level.
- The County initiated **centralized ads** to consolidate all information for current announcements including the BOCC meeting agenda, office closures announcements and requests for proposals.

PUBLIC WORKS

- Our oldest and most historic asset got some much needed attention as we implemented **structural improvements at Court House** including wiring, painting and plumbing. These improvements serve to protect our historic asset and assure it's future functionality and safety.
- The **replacement of a Woody Creek Culvert** was completed to enhance the safety of the traveling public.

- Maintaining the roads is a constant effort for the Road and Bridge crew. Various roads were chip and sealed in order to **preserve the road system**.
- A **storage building was constructed** to more efficiently utilize limited space.
- The **building grounds and maintenance (BGM) shop was relocated** to the Jail basement.
- Pitkin County Road and Bridge purchased a **natural gas van** to help keep our air clean.
- In order to create a safer intersection public works **realigned Medicine Bow Road**.
- As a result of City annexation, **Maroon Creek Road was paved and then transferred** to the City for more efficient operations.
- A **Lazy Glen flood plain study** was completed to protect residents from potential floods.
- A **bear awareness campaign** was completed to inform people of the needs of bears.
- A **stairway from Aspen Village Market to Aspen Village** was completed so residents can have a safer access to public transportation.
- A **Redstone water line** was repaired in order to preserve precious water resources.

RECYCLING

- Last year, the Landfill initiated an **aggregate recovery program** that produces topsoil, potting soil and some rock products for sale thus prolonging the life of the landfill.
- A new program was established at the Landfill for computer recycling which resulted in over **1,000 recycled computers**.
- The **purchase of a new recycling truck** resulted in more efficient operations.

SENIOR SERVICES

- Senior Services set records in **home delivered meals** and volunteerism resulting in more services to our over 60 population.
- The Senior Council Board of Directors **took a lead role** in helping promote the proposed dedicated tax for Health and Human Services.
- A dial-up network system was replaced at the **Senior Center with high speed Internet access** to help staff respond easier and faster.

Special Focus

Consistent with our prior year, the financial condition of the County reflects the difficult nature of the current economic uncertainty. We have continued to experience an economic slowdown through 2002. Compounding this national recession, our local economy was dramatically impacted by low precipitation resulting in extreme drought conditions followed by a high wildfire season. Throughout the year sales tax revenue projections developed in 2001 for the 2002 budget year were not sustained and continued to decline, for an anticipated overall shortfall of 8%. As national and global issues such as terrorism threats and military action continue to evolve, we must carefully monitor the financial condition of our community and the organization.

Our 2003 total budget is approximately \$48.5 million. The essential services (general fund and road operations and capital budgets) is only 36% of the total (\$17.4 million) and it is here that we are projecting a shortfall of \$2.5 million per year in our five-year financial plan. Significant portions of the balance (or non-general fund budget) are the airport, the library, open space and trails, transit, and landfill operations, each of which have dedicated revenue sources. The \$17.4 million budget for essential services supports public safety, road and bridge, elected offices, administrative support, health and human services and environmental quality. Supporting revenues for these services come primarily from three areas: sales tax (29%), property tax (28%), and other sources such as user fees, grants and interest income (43%). We have experienced a significant decline in two of our three funding sources: sales tax and

user fees. We can only solve part of our \$2.5 million problem with efficiencies and fee increases. In November of 2002, the voters of Pitkin County expressed their support for a dedicated property tax for health and human services functions to address the balance of our financial equation.

Since 1978, sales tax growth has provided the County flexibility to continue to provide quality services without a property tax increase. We realized that was no longer the case as we began the 2002 budget cycle last summer. We saw significant declines in sales tax, as well as planning and building fees. This decline, coupled with increases in utilities, increases in salaries based on market survey results (5% over the past three years), and increases in general liability and health insurance premiums (\$500,000 over the past three years), painted a bleak financial picture. This was then compounded by the events of September 11th that caused a dramatic decrease in our national tourist economy, and a further erosion of our sales tax base. It is important to realize that we are not the only organization facing these issues. Like many private and public sector companies, we took immediate steps last fall to implement drastic economic measures and adjust business practices. These steps included a significant reduction of our revenue projections, a 5% reduction of all non-labor budgets, a reduction in cost of living adjustments, a cap on market increases, and a 4% cap on merit increases. In addition, six unfilled positions were eliminated from our operations. These adjustments resulted in approximately \$700,000 in annual savings.

Unfortunately, we continued to face challenges to our economic condition with a winter season of low snowfall, a drought, and extreme wildfire conditions. These uncontrollable events forced us once again to revise our future financial projections and resulted in an annual deficit of approximately \$2.5 million. Our current sales tax projection for 2003 is 5% less than that of 2002. Section Leaders have not only examined expenditure changes, but also considered revenue adjustments through the reallocation of monies and increases to existing fees. These revenue changes decrease our shortfall by approximately \$850,000. June labor reductions totaled \$260,000, including three regular positions and a significant reduction of our temporary help budget. The reasons for reduction of these positions included duplication of function or services, potential for outsourcing, potential for consolidation, and change in service demands. In addition, Section Leaders proposed and implemented, with Board approval, non-labor reductions and efficiencies of \$590,000.

In September, the BOCC certified their financial question for voter approval and designated the funding for health and human service agencies and community non-profits. The question asks voters to allow the County to retain and spend \$800,000 for the sole purpose of providing stable funding for these non-profit agencies and our health and human services. In addition, the tax will expire in five years unless reauthorized by the voters. The question was successful, garnering over 70% support of our voters. Our current health and human service levels will be maintained and many of these agencies will receive further assistance from the County to offset funding reductions instituted by the State of Colorado.

As we continue evaluating our current budget and financial position, it is important to realize that we are making adjustments on a regular basis. As we watch the global and national news, we are reminded that things can change quickly and projections made three months ago may need to be re-evaluated. The critical issue is that any cuts or service reductions must be sustained for five years or more. The County Financial Advisory Board, along with other community financial consultants, have advised the County that it is unlikely that we will ever return to the level of sales tax revenue we experienced during the 1990s. This downturn is not a sole result of 9/11 events and low snowfall, but reflect a much deeper problem with a declining ski industry, an aging population, and an economic shift from tourism to construction and real estate.

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, 2002, disclosed no reportable conditions concerning the internal control structure or 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 \$25,000 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 2002 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. Since the oversight structure of the Roaring Fork Transportation Authority changed, we have reconciled the significant reporting changes that effect the variance calculations in the tables below. Previously, the Agency was included in the County's financial report as a component unit. A separate board of directors now governs the Authority so it is considered a separate entity. Currently the Authority contracts with the County for employee services to facilitate the transition. Thus the salaries are included in the County's financial report in a special revenue fund with intergovernmental revenue offsetting that expense. The only activity reported in the component unit column of the financial report is the transfer of fund balance to the new reporting entity.

Revenues - Operating revenues in governmental funds of Pitkin County (excluding the Transit adjustments explained above) totaled \$40,651,974 in 2002, a decrease of 2.5 percent from 2001. The amounts of revenue from various sources, and change from last year are shown in the following tabulation:

Revenue Source	Primary Government Amount	Component Units Amount	Percent of Total	Increase (decrease) from 2001	
				Amount	Percent
Taxes and special assessments					
Property	\$ 13,127,102	1,692,043	36.5%	\$ 2,481,844	20.1%
Sales	13,674,143	-	33.6%	(549,014)	-3.9%
Use	492,861	-	1.2%	(21,982)	-4.3%
Other	672,223	90,742	1.9%	(642)	-0.1%
Total taxes & special assessments	27,966,329	1,782,785	73.2%	1,910,206	6.9%
Licenses and Permits	785,076	-	1.9%	244,104	45.1%
Intergovernmental	3,629,793	-	8.9%	(4,333,589)	-54.4%
Charges for services	3,356,904	343,928	9.1%	604,317	19.5%
Fines and Forfeits	17,170	17,360	0.1%	4,903	16.6%
Miscellaneous	3,143,990	(391,361)	6.8%	549,403	24.9%
Total	38,899,262	1,752,712	100.00%	<u>\$ (1,020,656)</u>	<u>-2.5%</u>
RFTA	-	-			
Transit Salaries - Intergovernmental	9,335,893	-			
	<u>\$ 48,235,155</u>	<u>\$ 1,752,712</u>			

Expenditures - Governmental funds' expenditures (excluding the RFTA expenses explained above) totaled \$32,153,210 a decrease of 34.0 percent from 2001. Changes in levels of expenditure for major functions of the County are shown in the following tabulation:

Expenditure	Primary Government Amount	Component Units Amount	Percent of Total	Increase (decrease) from 2001	
				Amount	Percent
General Government					
Legislative and Executive	\$ 1,014,307	-	3.2%	\$ (139,576)	-12.1%
Administrative and Elections	1,745,767	-	5.4%	(242,396)	-12.2%
Judicial	9,165	-	0.0%	5,137	127.5%
Other	1,667,236	-	5.2%	(48,982)	-2.9%
Capital	594,067	-	1.8%	279,206	88.7%
Public Safety					
Sheriff and Other	4,220,817	164,009	13.6%	118,475	2.8%
Protective Inspection	444,201	-	1.4%	38,940	9.6%
Capital	606,806	19,218	1.8%	(516,468)	-45.2%
Public Works					
Highways and Streets	2,943,554	-	9.2%	(906,677)	-23.6%
Transportation	-	-	0.0%	(7,903)	N/A
TV and FM Translators	408,249	-	1.3%	(88,636)	-17.8%
Capital	320,330	-	1.0%	(424,003)	-57.0%
Health and Welfare					
Health	1,529,410	-	4.8%	158,584	11.6%
Welfare	306,518	-	1.0%	(21,355)	-6.5%
Capital	57,288	-	0.2%	(936,034)	-94.2%
Culture and Recreation					
Parks and Trails	2,737,900	-	8.5%	512,965	23.1%
Library	-	1,639,821	5.1%	90,484	N/A
Capital	139,605	154,116	0.9%	(7,279,316)	N/A
Conservation of Natural Resources	88,599	-	0.3%	(2,796)	-3.1%
Capital	5,017	-	0.1%	-	0.0%
Housing	140,058	-	0.4%	41,445	42.0%
Capital	293,858	-	0.9%	162,836	124.3%
Intergovernmental	7,373,715	2,494	22.9%	(7,607,301)	-50.8%
Debt Service	3,511,922	15,163	11.0%	239,013	7.3%
Total Expenditures	30,158,389	1,994,821	100.0%	<u>\$ (16,574,358)</u>	<u>-34.0%</u>
RFTA	-	1,556,994			
Transit Salaries - transportation	9,335,893	-			
	<u>\$ 39,494,282</u>	<u>\$ 3,551,815</u>			

Analysis of Revenues and Expenditures – Property and general sales taxes provided 73.2% of the operating revenue for the County. Sales tax collections decreased \$197,492 (-3.9%) for the primary government and decreased \$354,286 for transit RFTA (-3.9%) 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. \$800,000 of the property tax increase can be explained by a voter approved property tax increase to fund the Health and Human Services/Community Non profits programs of the County. The property tax supporting the Open Space and Trails program is based on a fixed levy, and since 2002 was a revaluation year, the valuation for all County property increased 26%. Therefore funding for the Open Space and Trails increased \$1,289,513 or 26%. The General Fund property tax increased \$367,743 and the Library property tax increased \$86,788. Current property tax collections continue to be strong (99.3% 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. There was also a \$377,781 grant for improvements to Owl Creek Road in 2001. The County also received a \$500,000 Colorado Great Outdoors (COGO) grant and \$270,642 grant from the Federal Transit Agency for the Corridor Investment Study (CEIS) in 2002. This explains the decrease in the intergovernmental Revenue category.

The increase in the charges for services category can be explained by several factors. They are more treasurer collections fees of \$260,000, increased refinancing activity increased public trustee fees by \$30,000 and clerks recording fees by \$60,000, and more building activity caused planning fees to go up by \$156,000 and building inspection fees to increased by \$126,600.

The expenditures reflect a decrease of \$16.6 million and is primarily caused by differences in capital expenditures and intergovernmental expenses. The \$7.6 million of reduced intergovernmental expenditures represent payments to other entities for reimbursement of the round-about (\$1.6 million) and payment of bond proceeds issued by the County to the Roaring Fork Transportation Authority (\$5.3 million) and \$300,000 contribution to the City of Aspen for construction of a pedestrian bridge at the Maroon Creek intersection. The total capital expenditures of \$2.2 million in 2002 were almost \$8.7 million less than capital items in 2001. Major capital items in 2002 included acquisition of new voting machines (\$94,500), courthouse bathroom remodels (\$80,000), courthouse structural improvements (\$144,000) courthouse plaza electrical improvements (\$46,000), fire detection upgrades for all public buildings (\$101,000) open space acquisitions of Bracket, Wine Point, and Filoha properties (\$1,020,000), and Jail basement remodel (\$96,000). In addition, 13 vehicles and a loader were replaced totaling \$542,000.

After deducting these major items, the total operating expenditures decreased \$492,000. A position was eliminated from the managers office in 2001 causing a reduction in the legislative and executive category (\$60,000) and a part time assistant attorney was eliminated and a full time assistant attorney position was vacant 8 months resulting in \$100,000 of salary savings in the administrative and elections category. Road improvements vary from year to year explaining the \$900,000 reduction in the highways and streets category. Resurfacing of the Aspen to Woody Creek portion of the Denver Rio Grande trail and construction of the down-valley portion of that trail explains the increase in the parts and trails category. The newly approved property tax for Health and Human Services added \$200,000 to that budget for assistance to agencies facing funding cuts from other sources. Finally the increase in debt service is additional principal and interest on the transit bonds issued in 2001.

Other Financing Sources - For the primary government, expenditures exceeded revenues by \$8,740,873 and other financing sources (uses) provided \$2,417,726 so fund balances increased by \$11,100,079. This change represents sales of fixed assets of \$1,126,804 and the repayment of a \$940,543 note receivable to the Open Space Fund, a \$100,382 transfer to Capital Leasing Fund from the Emergency Telephone Authority and a \$250,000 transfer from the Solid Waste Center to the General Fund. An affordable housing parcel was sold for \$1 million and the proceeds of that transaction are designated for future affordable housing projects. The \$1,556,994 expenditure in the Roaring Fork Transit Agency represents the fund balance that was transferred to the Roaring Fork Transportation Authority. Expenditures exceeded revenue by \$397,574 and other sources (uses) provided \$9,468 for Library District reducing fund balance by \$388,106. For the Emergency Telephone Authority, revenues exceeded expenditures by \$155,465 and other financing sources (uses) used \$100,382 so fund balance increased \$55,083.

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 \$26,004,740 year-end fund balance in the special revenue and \$677,859 fund balance in the debt service funds may only be spent for the designated purposes of those funds. The \$7,764,849 unreserved fund balance in the general fund is designated for expenditures in 2002 and for other purposes as detailed in note III.F.2. to the financial statements. This includes a \$2,106,505 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 Library District and the Emergency 911 Fund had unreserved/undesignated fund balance of \$114,644, and \$282,094, respectively. The Library District also has \$2,608,214 in designated fund balance for future capital projects.

General Obligation Debt - As of December 31, 2002, the County had \$21,775,000 aggregate principal amount of general obligation debt outstanding, consisting of \$2,480,000 aggregate principal amount of Series 1991 General Obligation Housing and Refunding Bonds, \$5,350,000 aggregate principal amount of Series 1994 General Obligation Open Space Refunding and Improvement Bonds, \$9,695,000 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, 2002, 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 \$53,999,623. After deducting the outstanding general obligation bonds, the remaining available debt margin is \$32,224,623.

Some other useful debt ratios are listed below:

	2001	2002
Direct debt per capita	\$ 1,514	\$ 1,475
Direct and overlapping debt per capita	\$ 8,520	\$ 9,010
Direct debt to assessed valuation	1.25 %	1.20 %
Direct and overlapping debt to assessed valuation	7.07 %	7.30%

Long-term Financial Obligations - As of December 31, 2002, long-term financial obligations of the County, other than general obligation debt and accrued liabilities for vacation and sick leave, include airport revenue bonds and loans outstanding in the aggregate principal amount of \$3,705,000; sales tax revenue bonds outstanding in the aggregate principal amount of \$9,620,000; lease certificates of participation outstanding in the aggregate principal amount of \$2,980,000 and special assessment bonds outstanding in the aggregate principal amount of \$25,000. In addition, there is a lease-purchase agreement outstanding in the aggregate principal amount of \$38,406 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, 2002 was \$16,368,406. 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 the year 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.

	2002	2001	Percent change
Operating revenues	\$3,628,775	\$3,653,404	-0.7%
Operating expenses	\$4,335,001	\$4,096,140	5.8%
Net non-operating revenues	\$ 669,037	\$ 357,345	87.2%
Net operating loss before federal capital grants and other contributions	\$ (37,189)	\$ (85,391)	56.4%
Net revenue available for debt service	\$1,453,332	\$1,222,817	18.9%
Annual debt service	\$ 417,790	\$ 421,492	-0.9%
Debt service coverage ratio	3.48	2.90	19.9%
Operations (take-offs and landings)	46,349	45,972	0.8%
Signatory airline landing fee (per 1,000 pounds)	\$ 1.53	\$ 1.49	2.7%
Signatory airline rent (per square foot)	\$ 35.71	\$ 34.67	3.0%
Enplaned passengers	183,704	187,622	-2.1%
Airline cost per enplaned passenger	\$ 6.45	\$ 5.58	15.6%

During 2002, the security expenses for the airport continued to increase in an effort to comply with new federal regulations and are reflected in the operating expenses explaining the 5.8 % increase in operating expenses. The increase security costs also explain the increase in the cost per enplaned passenger. Additionally, the airport received reimbursement from FAA for a portion of the costs incurred by the airport. This explains the increase in the non-operating revenues. Overall the decline of 2.1% of enplaned passengers is well below the national average.

Significant capital projects for the airport include the following:

- Safety and security upgrades amounting to approximately \$4 million in capital improvements at the Airport were concluded resulting in the creation of a general aviation ramp, runway lighting enhancements, patio shelter construction, and a wildlife perimeter fence.

- Installation of a medium intensity approach lighting system (MALS) which improved the operational efficiency of the airport during nighttime and poor weather conditions. This improvement has increased the airlines reliability throughout the year.
- The first comprehensive Airport Master Plan in over 20 years was initiated in 2002 with a completion date anticipated in 2004. The Plan seeks to establish a blueprint for the future of the airport.

Solid Waste Center

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

	2002	2001	Percent Change
Operating revenues	\$ 2,944,804	\$ 2,952,095	-0.2%
Operating expenses (excluding depreciation and postclosure expense)	\$ 2,663,727	\$ 2,408,265	10.6%
Current postclosure accrual	\$ 399,933	\$ 122,904	225.4%
Operating income	\$ (414,603)	\$ 236,912	-275.0%
Postclosure liability on balance sheet	\$ 1,866,161	\$ 1,466,228	27.3%
Current postclosure expenses	\$ -	\$ 499,671	-
Capital expenditures	\$ 101,862	\$ 132,809	-23.3%

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 \$3,183,281 and the estimated use of the landfill is 58%. Accordingly, the County has booked a postclosure obligation in the amount of \$1,866,181. A phased operating plan has been completed that identifies the sequence of filling for the remaining life of the site. During 2002 the closure cost estimates were increased to reflect the actual construction costs based on the costs based on actual work done in the last three years. Also the contract for closure was negotiated.

Operating revenues were stable in spite of the economic decline. Trash volume was flat over the previous year. However, brush and lumber volumes increased by almost 3,000 cubic yards; and soils volumes received increased by about 12,000 cubic yards.

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
- Aggregate recovery operations at the landfill have begun and diverted up to 70,000 cubic yards of incoming recyclable dirt and rock from disposal in the landfill since October 2002. Landfill reclamation has proceeded and reclaimed 20,000 cubic yards of airspace at the landfill in 2003. The aggregate recovery program has processed these materials into various aggregate products for sale to the local economy and use at the landfill. Historically these materials have been deposited in the landfill. Throughout 2003, up to a years worth of airspace is being created through this activity for future waste disposal.
- 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 and small quantity commercial generators.

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 April 2002, 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, U.S. Agency securities, time deposits, or money market funds. The average rate of return on these investments was 2.9 percent for 2002, generating \$1,696,638 income for the primary government and \$24,141, and \$7,752 for the Library and the Emergency Telephone Authority, the County's component units, respectively. In addition, the Library District lost \$428,158 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). The retirement plan offers employees four model portfolio and thirteen mutual fund investment choices. The portfolio options are comprised of a diversified mix of the mutual funds, which were selected to meet the objectives of each option. Charles Schwab Trust Company 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 portfolio option and the annual investment return.

	Model Portfolio Investment Options			
	Conservative Growth	Moderate Growth	Growth	Aggressive Growth
Core Bond Fund	60%	40%	20%	
Large Cap Stock Funds	20%	30%	40%	50%
Mid Cap Stock Funds	4%	6%	8%	10%
Small Cap Stock Funds	4%	6%	8%	10%
Foreign Stock Funds	12%	18%	24%	30%
2002 annual investment return	-1.8%	-7.6%	-13.4%	-19.0%

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 2002. Effective January 1, 1993, the County was issued a self-insurance permit by the State Insurance Commissioner for purposes of workers' compensation insurance. The 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, 2001. 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.

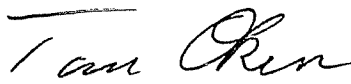
A Certificate of Achievement is valid for a period of one year only. Pitkin County, Colorado has received a Certificate of Achievement for the last twenty consecutive years ended December 31. We believe our current report continues to conform to the Certificate of Achievement program requirements, and 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, 2001

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.



William Patrick Barta

President

Jeffrey R. Emery

Executive Director

**2002
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, 2002. 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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, 2002, and the results of its operations and cash flows of its proprietary fund types for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated May 23, 2003, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, 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 23, 2003

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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, 2002

ASSETS AND OTHER DEBITS	Governmental Fund Types			Proprietary Fund Type	Fiduciary Fund Type
	General	Special Revenue	Debt Service	Enterprise Funds	Trust and Agency
ASSETS:					
Equity in pooled cash and investments	\$ 15,485,270	\$20,207,805	\$ 264,864	\$ 9,888,917	\$ 3,765,562
Other cash and investments	-	-	-	-	16,321,608
Accounts receivable	323,190	48,242	-	667,448	14,911
Due from other funds	216,022	-	-	-	-
Receivable from other governments	2,437,049	1,947,046	173,000	314,523	-
Employee retirement loans receivable	-	-	-	-	601,661
Property taxes and special assessments receivable	4,492,768	8,208,993	534,592	-	-
Other assets	36,080	4,615,000	-	-	-
Restricted assets					
Equity in pooled cash and investments	-	-	240,858	510,418	-
Other cash and investments	411,657	4,983,742	-	-	-
Buildings and improvements	-	-	-	6,048,764	-
Improvements other than buildings	-	-	-	16,775,506	-
Equipment	-	-	-	4,716,449	-
Accumulated depreciation	-	-	-	(13,643,249)	-
Construction in progress	-	-	-	8,222,305	-
Land	-	-	-	10,530,840	-
Unamortized bond issuance costs	-	-	-	102,118	-
OTHER DEBITS:					
Amount available in general fund	-	-	-	-	-
Amount available in debt service funds	-	-	-	-	-
Amount to be provided for future compensated absences	-	-	-	-	-
Amount to provided for retirement of long-term obligations	-	-	-	-	-
Total Assets and Other Debits	\$ 23,402,036	\$40,010,828	\$1,213,314	\$44,134,039	\$20,703,742

The accompanying notes are an integral part of this statement.

Account Groups		Primary Government	Component Units			Reporting Entity
General Fixed Assets	General Long-term Debt	Totals (Memorandum only)	Roaring Fork Transit Agency	Pitkin County Library District	Emergency Telephone Authority	Totals (Memorandum only)
\$ -	\$ -	\$ 49,612,418	\$ -	\$ 334,886	\$ 255,225	\$ 50,202,529
-	-	16,321,608	-	2,509,251	-	18,830,859
-	-	1,053,791	-	-	55,307	1,109,098
-	-	216,022	-	-	-	216,022
-	-	4,871,618	-	-	-	4,871,618
-	-	601,661	-	-	-	601,661
-	-	13,236,353	-	1,792,237	-	15,028,590
-	-	4,651,080	-	-	-	4,651,080
-	-	751,276	-	-	-	751,276
-	-	5,395,399	-	-	-	5,395,399
23,340,761	-	29,389,525	-	5,834,122	-	35,223,647
941,998	-	17,717,504	-	50,818	-	17,768,322
8,480,214	-	13,196,663	-	2,244,508	705,600	16,146,771
-	-	(13,643,249)	-	-	-	(13,643,249)
546,683	-	8,768,988	-	-	-	8,768,988
39,912,109	-	50,442,949	-	144,263	-	50,587,212
-	-	102,118	-	-	-	102,118
-	387,722	387,722	-	-	-	387,722
-	677,859	677,859	-	-	-	677,859
-	200,461	200,461	-	10,342	-	210,803
-	33,334,419	33,334,419	-	38,407	-	33,372,826
<u>\$73,221,765</u>	<u>\$34,600,461</u>	<u>\$237,286,185</u>	<u>\$-</u>	<u>\$12,958,834</u>	<u>\$1,016,132</u>	<u>\$251,261,151</u>

(Continued)

Pitkin County, Colorado

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

December 31, 2002

	Governmental Fund Types			Proprietary Fund Type	Fiduciary Fund Type
	General	Special Revenue	Debt Service	Enterprise Funds	Trust and Agency
LIABILITIES AND FUND EQUITY					
LIABILITIES:					
Accounts payable	\$ 371,989	\$ 499,067	\$ 863	\$ 542,888	\$ 21,149
Contracts payable	20,162	91,875	-	141,991	-
Accrued liabilities					
Current portion	1,865,128	84,075	-	137,033	151,328
Non-current portion	-	-	-	-	-
Payable from restricted assets					
Airport revenue bonds	-	-	-	25,000	-
Interest	-	-	-	9,918	-
Due to other funds	-	196,894	-	-	19,128
Due to other governments	2,175,501	307,484	-	22,065	1,868,944
Funds held in trust	538,906	-	-	22,915	1,896,618
Deferred revenues	4,501,550	12,826,693	534,592	4,597	-
Claims payable	628,670	-	-	-	-
Postclosure obligation	-	-	-	1,866,161	-
Capital lease obligations	-	-	-	-	-
Lease certificates of participation	-	-	-	-	-
General obligation bonds payable	-	-	-	-	-
Sales tax revenue bonds payable	-	-	-	-	-
Airport revenue bonds					
Current portion	-	-	-	398,290	-
Noncurrent portion	-	-	-	3,281,710	-
Special assessment bonds payable	-	-	-	-	-
Unamortized bond discount	-	-	-	(41,065)	-
Total liabilities	<u>10,101,906</u>	<u>14,006,088</u>	<u>535,455</u>	<u>6,411,503</u>	<u>3,957,167</u>
EQUITY AND OTHER CREDITS:					
Contributed capital from County	-	-	-	860,368	-
Contributed capital from other governments and individuals	-	-	-	17,937,510	-
Investment in general fixed assets	-	-	-	-	-
Retained earnings					
Reserved for					
Revenue bond retirement	-	-	-	235,500	-
Airport renewal and replacement	-	-	-	240,000	-
Unreserved	-	-	-	18,449,158	-
Net assets held in trust for pension benefits	-	-	-	-	16,746,575
Fund balances					
Reserved for various purposes	1,431,217	554,429	677,859	-	-
Unreserved					
Designated for subsequent year's expenditures	4,104,064	183,168	-	-	-
Designated for other purposes	7,764,849	1,952,088	-	-	-
Undesignated	-	23,315,055	-	-	-
Total fund equity and other credits	<u>13,300,130</u>	<u>26,004,740</u>	<u>677,859</u>	<u>37,722,536</u>	<u>16,746,575</u>
Contingencies	-	-	-	-	-
Total liabilities, equity and other credits	<u>\$ 23,402,036</u>	<u>\$ 40,010,828</u>	<u>\$ 1,213,314</u>	<u>\$ 44,134,039</u>	<u>\$ 20,703,742</u>

The accompanying notes are an integral part of this statement.

Account Groups		Primary Government	Component Units			Reporting Entity
General Fixed Assets	General Long-term Debt	Totals (Memorandum only)	Roaring Fork Transit Agency	Pitkin County Library District	Emergency Telephone Authority	Totals (Memorandum only)
\$ -	\$ -	\$ 1,435,956	\$ -	\$ 39,018	\$ 17,776	\$ 1,492,750
-	-	254,028	-	-	-	254,028
-	-	2,237,564	-	35,638	-	2,273,202
-	200,461	200,461	-	10,342	-	210,803
-	-	25,000	-	-	-	25,000
-	-	9,918	-	-	-	9,918
-	-	216,022	-	-	-	216,022
-	-	4,373,994	-	320	161	4,374,475
-	-	2,458,439	-	-	-	2,458,439
-	-	17,867,432	-	1,792,237	-	19,659,669
-	-	628,670	-	-	-	628,670
-	-	1,866,161	-	-	-	1,866,161
-	-	-	-	38,407	-	38,407
-	2,980,000	2,980,000	-	-	-	2,980,000
-	21,775,000	21,775,000	-	-	-	21,775,000
-	9,620,000	9,620,000	-	-	-	9,620,000
-	-	398,290	-	-	-	398,290
-	-	3,281,710	-	-	-	3,281,710
-	25,000	25,000	-	-	-	25,000
-	-	(41,065)	-	-	-	(41,065)
-	34,600,461	69,612,580	-	1,915,962	17,937	71,546,479
-	-	860,368	-	-	-	860,368
-	-	17,937,510	-	-	-	17,937,510
73,221,765	-	73,221,765	-	8,273,711	705,600	82,201,076
-	-	235,500	-	-	-	235,500
-	-	240,000	-	-	-	240,000
-	-	18,449,158	-	-	-	18,449,158
-	-	16,746,575	-	-	-	16,746,575
-	-	2,663,505	-	46,303	10,501	2,720,309
-	-	4,287,232	-	-	-	4,287,232
-	-	9,716,937	-	2,608,214	-	12,325,151
-	-	23,315,055	-	114,644	282,094	23,711,793
73,221,765	-	167,673,605	-	11,042,872	998,195	179,714,672
-	-	-	-	-	-	-
<u>\$73,221,765</u>	<u>\$ 34,600,461</u>	<u>\$237,286,185</u>	<u>\$ -</u>	<u>\$ 12,958,834</u>	<u>\$ 1,016,132</u>	<u>\$251,261,151</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, 2002

	Governmental Fund Types		
	General	Special Revenue	Debt Service
Revenues			
Taxes and special assessments	\$ 9,541,337	\$ 16,825,280	\$ 1,599,712
Licenses and permits	769,426	15,650	-
Intergovernmental	818,565	12,147,121	-
Charges for services	3,332,196	24,708	-
Fines and forfeits	17,170	-	-
Miscellaneous	1,397,693	1,713,497	32,800
Total revenues	<u>15,876,387</u>	<u>30,726,256</u>	<u>1,632,512</u>
Expenditures			
Current			
General government	5,030,542	-	-
Public safety	5,072,753	199,071	-
Public works	538,578	12,469,448	-
Health and welfare	916,206	977,010	-
Culture and recreation	33,705	2,843,800	-
Conservation of natural resources	60,902	32,714	-
Housing	433,916	-	-
Intergovernmental	811,419	6,533,263	29,033
Debt service			
Principal retirement	-	255,000	1,340,000
Interest and fiscal charges	-	1,057,297	859,625
Total expenditures	<u>12,898,021</u>	<u>24,367,603</u>	<u>2,228,658</u>
Excess (deficiency) of revenues over (under) expenditures	2,978,366	6,358,653	(596,146)
Other financing sources (uses)			
Payoff of note receivable	-	940,543	-
Proceeds of general fixed asset dispositions	1,062,136	64,665	-
Operating transfers in	341,311	366,003	554,790
Operating transfers out	(685,990)	(326,114)	-
Transfers (to) from component units	-	-	100,382
Total other financing sources (uses)	<u>717,457</u>	<u>1,045,097</u>	<u>655,172</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	3,695,823	7,403,750	59,026
Fund balances at January 1, 2002	<u>9,604,307</u>	<u>18,600,990</u>	<u>618,833</u>
Fund balances at December 31, 2002	<u>\$ 13,300,130</u>	<u>\$ 26,004,740</u>	<u>\$ 677,859</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	
\$ 27,966,329	\$ -	\$ 1,782,785	\$ -	\$ 29,749,114
785,076	-	-	-	785,076
12,965,686	-	-	-	12,965,686
3,356,904	-	11,054	332,874	3,700,832
17,170	-	17,360	-	34,530
3,143,990	-	(399,113)	7,752	2,752,629
<u>48,235,155</u>	<u>-</u>	<u>1,412,086</u>	<u>340,626</u>	<u>49,987,867</u>
5,030,542	-	-	-	5,030,542
5,271,824	-	-	183,227	5,455,051
13,008,026	-	-	-	13,008,026
1,893,216	-	-	-	1,893,216
2,877,505	-	1,793,937	-	4,671,442
93,616	-	-	-	93,616
433,916	-	-	-	433,916
7,373,715	1,556,994	560	1,934	8,933,203
1,595,000	-	3,149	-	1,598,149
1,916,922	-	12,014	-	1,928,936
<u>39,494,282</u>	<u>1,556,994</u>	<u>1,809,660</u>	<u>185,161</u>	<u>43,046,097</u>
8,740,873	(1,556,994)	(397,574)	155,465	6,941,770
940,543	-	-	-	940,543
1,126,801	-	9,467	-	1,136,268
1,262,104	-	-	-	1,262,104
(1,012,104)	-	-	-	(1,012,104)
100,382	-	-	(100,382)	-
<u>2,417,726</u>	<u>-</u>	<u>9,467</u>	<u>(100,382)</u>	<u>2,326,811</u>
11,158,599	(1,556,994)	(388,107)	55,083	9,268,581
<u>28,824,130</u>	<u>1,556,994</u>	<u>3,157,268</u>	<u>237,512</u>	<u>33,775,904</u>
<u>\$ 39,982,729</u>	<u>\$ -</u>	<u>\$ 2,769,161</u>	<u>\$ 292,595</u>	<u>\$ 43,044,485</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, 2002

	General Fund		
	Final budget	Actual	Variance - favorable (unfavorable)
Revenues			
Taxes and special assessments	\$ 8,591,481	\$ 9,541,337	\$ 949,856
Licenses and permits	503,837	769,426	265,589
Intergovernmental	517,357	818,565	301,208
Charges for services	2,776,542	3,332,196	555,654
Fines and forfeits	6,100	17,170	11,070
Miscellaneous	1,366,848	1,397,693	30,845
Total revenues	13,762,165	15,876,387	2,114,222
Expenditures			
Current			
General government	7,022,006	5,030,542	1,991,464
Public safety	5,718,048	5,072,753	645,295
Public works	677,554	538,578	138,976
Health and welfare	959,864	916,206	43,658
Culture and recreation	98,813	33,705	65,108
Conservation of natural resources	72,950	60,902	12,048
Housing	5,674,532	433,916	5,240,616
Intergovernmental	559,071	811,419	(252,348)
Debt service			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	20,782,838	12,898,021	7,884,817
Excess (deficiency) of revenues over (under) expenditures	(7,020,673)	2,978,366	9,999,039
Other financing sources (uses)			
Payoff of note receivable	-	-	-
Proceeds of general fixed asset dispositions	4,455,429	1,062,136	(3,393,293)
Operating transfers in	349,000	341,311	(7,689)
Operating transfers out	(667,356)	(685,990)	(18,634)
Transfers (to) from component units	-	-	-
Total other financing sources (uses)	4,137,073	717,457	(3,419,616)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ (2,883,600)</u>	3,695,823	<u>\$ 6,579,423</u>
Fund balances at January 1, 2002		9,604,307	
Fund balances at December 31, 2002		<u>\$ 13,300,130</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)
\$17,736,680	\$16,825,280	\$ (911,400)	\$ 1,556,273	\$ 1,599,712	\$ 43,439
18,000	15,650	(2,350)	-	-	-
12,943,722	12,147,121	(796,601)	-	-	-
8,000	24,708	16,708	-	-	-
-	-	-	-	-	-
804,873	1,713,497	908,624	58,048	32,800	(25,248)
<u>31,511,275</u>	<u>30,726,256</u>	<u>(785,019)</u>	<u>1,614,321</u>	<u>1,632,512</u>	<u>18,191</u>
-	-	-	-	-	-
189,006	199,071	(10,065)	-	-	-
14,228,849	12,469,448	1,759,401	-	-	-
1,125,405	977,010	148,395	-	-	-
8,034,199	2,843,800	5,190,399	-	-	-
37,561	32,714	4,847	-	-	-
-	-	-	-	-	-
6,639,243	6,533,263	105,980	29,216	29,033	183
265,000	255,000	10,000	1,331,667	1,340,000	(8,333)
1,110,533	1,057,297	53,236	876,563	859,625	16,938
<u>31,629,796</u>	<u>24,367,603</u>	<u>7,262,193</u>	<u>2,237,446</u>	<u>2,228,658</u>	<u>8,788</u>
(118,521)	6,358,653	6,477,174	(623,125)	(596,146)	26,979
950,000	940,543	(9,457)	-	-	-
71,500	64,665	(6,835)	-	-	-
663,410	366,003	(297,407)	536,145	554,790	18,645
(631,259)	(326,114)	305,145	-	-	-
-	-	-	100,382	100,382	-
<u>1,053,651</u>	<u>1,045,097</u>	<u>(8,554)</u>	<u>636,527</u>	<u>655,172</u>	<u>18,645</u>
<u>\$ 935,130</u>	7,403,750	<u>\$ 6,468,620</u>	<u>\$ 13,402</u>	59,026	<u>\$ 45,624</u>
	18,600,990			618,833	
	<u>\$26,004,740</u>			<u>\$ 677,859</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, 2002

	Combined totals (Memorandum only)		
	Primary Government		
	Final budget	Actual	Variance - favorable (unfavorable)
Revenues			
Taxes and special assessments	\$ 27,884,434	\$ 27,966,329	\$ 81,895
Licenses and permits	521,837	785,076	263,239
Intergovernmental	13,461,079	12,965,686	(495,393)
Charges for services	2,784,542	3,356,904	572,362
Fines and forfeits	6,100	17,170	11,070
Miscellaneous	2,229,769	3,143,990	914,221
Total revenues	<u>46,887,761</u>	<u>48,235,155</u>	<u>1,347,394</u>
Expenditures			
Current			
General government	7,022,006	5,030,542	1,991,464
Public safety	5,907,054	5,271,824	635,230
Public works	14,906,403	13,008,026	1,898,377
Health and welfare	2,085,269	1,893,216	192,053
Culture and recreation	8,133,012	2,877,505	5,255,507
Conservation of natural resources	110,511	93,616	16,895
Housing	5,674,532	433,916	5,240,616
Intergovernmental	7,227,530	7,373,715	(146,185)
Debt service			
Principal retirement	1,596,667	1,595,000	1,667
Interest and fiscal charges	1,987,096	1,916,922	70,174
Total expenditures	<u>54,650,080</u>	<u>39,494,282</u>	<u>15,155,798</u>
Excess (deficiency) of revenues over (under) expenditures	(7,762,319)	8,740,873	16,503,192
Other financing sources (uses)			
Payoff of note receivable	950,000	940,543	(9,457)
Proceeds of general fixed asset dispositions	4,526,929	1,126,801	(3,400,128)
Operating transfers in	1,548,555	1,262,104	(286,451)
Operating transfers out	(1,298,615)	(1,012,104)	286,511
Transfers (to) from component units	100,382	100,382	-
Total other financing sources (uses)	<u>5,827,251</u>	<u>2,417,726</u>	<u>(3,409,525)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ (1,935,068)</u>	11,158,599	<u>\$ 13,093,667</u>
Fund balances at January 1, 2002		<u>28,824,130</u>	
Fund balances at December 31, 2002		<u>\$ 39,982,729</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)
\$ -	\$ -	\$ -	\$ 1,809,385	\$ 1,782,785	\$ (26,600)
-	-	-	-	-	-
-	-	-	8,100	11,054	2,954
-	-	-	21,900	17,360	(4,540)
-	-	-	348,567	(399,113)	(747,680)
-	-	-	2,187,952	1,412,086	(775,866)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,942,064	1,793,937	148,127
-	-	-	-	-	-
1,601,642	1,556,994	44,648	-	560	(560)
-	-	-	3,148	3,149	(1)
-	-	-	12,014	12,014	-
<u>1,601,642</u>	<u>1,556,994</u>	<u>44,648</u>	<u>1,957,226</u>	<u>1,809,660</u>	<u>147,566</u>
(1,601,642)	(1,556,994)	44,648	230,726	(397,574)	(628,300)
-	-	-	-	-	-
-	-	-	-	9,467	9,467
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	9,467	9,467
<u>\$ (1,601,642)</u>	<u>(1,556,994)</u>	<u>\$ 44,648</u>	<u>\$ 230,726</u>	<u>(388,107)</u>	<u>\$ (618,833)</u>
	<u>1,556,994</u>			<u>3,157,268</u>	
	<u>\$ -</u>			<u>\$ 2,769,161</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, 2002

	Emergency Telephone Authority		
	Final budget	Actual	Variance - favorable (unfavorable)
Revenues			
Taxes and special assessments	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	310,000	332,874	22,874
Fines and forfeits	-	-	-
Miscellaneous	14,924	7,752	(7,172)
Total revenues	<u>324,924</u>	<u>340,626</u>	<u>15,702</u>
Expenditures			
Current			
General government	-	-	-
Public safety	212,350	183,227	29,123
Public works	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Conservation of natural resources	-	-	-
Housing	-	-	-
Intergovernmental	2,000	1,934	66
Debt service			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>214,350</u>	<u>185,161</u>	<u>29,189</u>
Excess (deficiency) of revenues over (under) expenditures	110,574	155,465	44,891
Other financing sources (uses)			
Payoff of note receivable	-	-	-
Proceeds of general fixed asset dispositions	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Transfers (to) from component units	(100,382)	(100,382)	-
Total other financing sources (uses)	<u>(100,382)</u>	<u>(100,382)</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ 10,192</u>	55,083	<u>\$ 44,891</u>
Fund balances at January 1, 2002		<u>237,512</u>	
Fund balances at December 31, 2002		<u>\$ 292,595</u>	

The accompanying notes are an integral part of this statement.

Combined totals (Memorandum only)

Reporting Entity		
Final budget	Actual	Variance - favorable (unfavorable)
\$ 29,693,819	\$ 29,749,114	\$ 55,295
521,837	785,076	263,239
13,461,079	12,965,686	(495,393)
3,102,642	3,700,832	598,190
28,000	34,530	6,530
<u>2,593,260</u>	<u>2,752,629</u>	<u>159,369</u>
49,400,637	49,987,867	587,230
7,022,006	5,030,542	1,991,464
6,119,404	5,455,051	664,353
14,906,403	13,008,026	1,898,377
2,085,269	1,893,216	192,053
10,075,076	4,671,442	5,403,634
110,511	93,616	16,895
5,674,532	433,916	5,240,616
8,831,172	8,933,203	(102,031)
1,596,667	1,598,149	(1,482)
<u>1,999,110</u>	<u>1,928,936</u>	<u>70,174</u>
58,423,298	43,046,097	15,377,201
(9,022,661)	6,941,770	15,964,431
950,000	940,543	(9,457)
4,526,929	1,136,268	(3,390,661)
1,548,555	1,262,104	(286,451)
(1,298,615)	(1,012,104)	286,511
-	-	-
<u>5,726,869</u>	<u>2,326,811</u>	<u>(3,400,058)</u>
<u>\$ (3,295,792)</u>	9,268,581	<u>\$ 12,564,373</u>
	<u>33,775,904</u>	
	<u>\$ 43,044,485</u>	

Pitkin County, Colorado

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

For the year ended December 31, 2002

	<u>Proprietary Fund Types Enterprise Funds</u>
Operating revenues	
Charges for services	\$ 4,092,577
Rents and franchises	2,471,414
Unclassified	<u>9,588</u>
Total operating revenues	6,573,579
Operating expenses	
Personal services	2,026,776
Purchased services	3,449,080
Materials and supplies	260,105
Amortization of postclosure costs	399,933
Depreciation	<u>1,452,724</u>
Total operating expenses	<u>7,588,618</u>
Operating loss	(1,015,039)
Non-operating revenues (expenses)	
Interest revenue	248,698
Intergovernmental revenue	760,240
Transfer to general fund	(250,000)
Interest expense and fiscal charges	(132,342)
Amortization of debt issuance costs	(25,017)
Net (loss) on disposition of fixed assets	<u>(38,332)</u>
Total non-operating revenues	<u>563,247</u>
Net loss before Federal capital grants and other contributions	(451,792)
Federal capital grants and other contributions	<u>4,663,784</u>
NET INCOME	<u>4,211,992</u>
Add depreciation on fixed assets acquired by contributions that reduce contributed capital	358,836
Retained earnings at January 1, 2002	<u>14,353,830</u>
Retained earnings at December 31, 2002	<u>\$ 18,924,658</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, 2002

	Proprietary Fund Types
	Enterprise Funds
Cash flows from operating activities	
Operating loss	\$ (1,015,039)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation	1,452,724
Amortization of postclosure costs	399,933
Change in assets and liabilities	
Decrease in accounts receivable	112,702
Decrease in due from other governments	189,510
(Decrease) in accounts payable	(312,726)
(Decrease) in contracts payable	(51,680)
(Decrease) in accrued liabilities	(6,824)
Increase in due to other governments	12,298
(Decrease) in funds held in trust	(1,150)
(Decrease) in deferred revenues	(47,515)
Total adjustments	<u>1,747,272</u>
Net cash provided by operating activities	732,233
Cash flows from non-capital financing activities	
Intergovernmental revenue	760,240
Transfer to general fund	<u>(250,000)</u>
Net cash provided by financing activities	510,240
Cash flows from capital and related financing activities	
Proceeds from sale of fixed assets	32,063
Acquisition and construction of capital assets	(4,166,942)
Principal paid on debt	(285,000)
Proceeds from state loan	1,350,000
Capital contributed by Federal government	3,002,580
Capital contributed from PFC's	485,404
Capital contributed by individuals	1,175,800
Interest paid on revenue bonds	<u>(133,490)</u>
Net cash provided by capital and related financing activities	1,460,415
Cash flows from investing activities	
Interest received on investments	<u>248,699</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,951,587
Cash and cash equivalents at beginning of year	<u>7,447,748</u>
Cash and cash equivalents at end of year	<u>\$ 10,399,335</u>
Equity in pooled cash and investments	9,888,917
Restricted cash and investments	<u>510,418</u>
Cash and cash equivalents at end of year	<u>\$ 10,399,335</u>

Noncash financing activities: For the year ended December 31, 2002, amortization of debt issuance costs totaled \$25,017. In the Solid Waste Center Fund post closure liabilities were increased by \$399,933.

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, 2002

ADDITIONS	
Employer Contributions	\$ 2,170,115
Employee forfeitures	<u>40,146</u>
	2,210,261
Investment Income	
Depreciation and decline in fair value of investments	(2,356,338)
Dividends and interest	<u>504,382</u>
Total Investment Income	<u>(1,851,956)</u>
TOTAL ADDITIONS	<u>358,305</u>
DEDUCTIONS	
Benefits to plan members	1,158,439
Administrative expenses	70,538
Forfeitures	<u>40,146</u>
TOTAL DEDUCTIONS	<u>1,269,123</u>
NET DECREASE IN PLAN ASSETS	(910,818)
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	
January 1	<u>17,657,393</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	
December 31	<u><u>\$ 16,746,575</u></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, 2002

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 14,591. 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 in the United States of America (US 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, 2002

I. 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 Holland Hills Improvement District is reported as debt service fund and as part of the general long-term debt account group.

Discretely Presented Component Units. The Roaring Fork Transit Agency (the "Agency") was formed at the end of 1983 to provide bus services within the Roaring Fork Valley. In 2000, a new intergovernmental agreement was adopted and the Roaring Fork Transportation Authority (the "Authority") was formed. The Board of County Commissioners was required to approve the budget for the Agency annually, however the Authority is a completely separate legal entity and is not included in this financial report. Effective January 1, 2002, all assets of the Agency were transferred to the Authority. Therefore the only activity included in this report as a component unit is the transfer of those assets from the Agency to the Authority.

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>\$ 4,636,375</u>	<u>\$ 8,273,711</u>	<u>\$ 48,748</u>
Liabilities	\$ 1,867,214	\$ -	\$ 48,748
Equity	<u>2,769,161</u>	<u>8,273,711</u>	<u>-</u>
	<u>\$ 4,636,375</u>	<u>\$ 8,273,711</u>	<u>\$ 48,748</u>
			Governmental Fund Types Special Revenue
Revenues			\$ 1,412,086
Expenditures			1,809,660
Excess of revenues over (under) expenditures			(397,574)
Other financing sources (net)			9,467
Net increase (decrease) in fund balance			<u>\$ (388,107)</u>

Pitkin County, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2002

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Financial Reporting Entity (continued)

Discretely Presented Component Units (continued)

Colorado state statute allows for local governmental agencies to fund emergency telephone through a surcharge on residential and business phones. Pitkin County and eight 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 because the Board of County Commissioners approves the Authority's budget.

	<u>Governmental Fund Types</u>	<u>Account Groups</u>		<u>Governmental Fund Types</u>
	<u>Special Revenue</u>	<u>General Fixed Assets</u>		<u>Special Revenue</u>
Assets	\$ 310,532	\$ 705,600	Revenues	\$ 340,626
Liabilities	\$ 17,937	\$ -	Expenditures	185,161
Equity	292,595	705,600	Excess of revenues under expenditures	155,465
	<u>\$ 310,532</u>	<u>\$ 705,600</u>	Other financing sources (net)	(100,382)
			Net decrease in fund balance	<u>\$ 55,083</u>

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 of joint net operating expenditures (\$85,893) 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 or 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 2002 financial statements:

Assets	\$ 1,283,234	Revenues	\$ 356,719
Liabilities	58,121	Expenses	568,235
Equity	<u>\$ 1,225,113</u>	Net loss	<u>\$ (211,449)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2002

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2002

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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 30, 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2002

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities and Equity (continued)

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 Emergency Telephone Authority 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.

On July 1, 1995, Pitkin County levied an additional one-percent sales tax for the purpose of funding the Roaring Fork Authority (formally 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2002

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities and Equity (continued)

4. Sales Taxes (continued)

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, 2002

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 2002.

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, 2002

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 and related premium or discount are presented separately in the enterprise fund balance sheet. 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 2002 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 Finance 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, 2002

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	\$ 1,255,423	\$ 804,997	\$ 450,426
Administrative Services	3,825,278	2,965,417	859,861
Clerk and Elections	718,891	622,311	96,580
Environmental Quality	1,978,344	1,591,620	386,724
Housing	5,864,532	531,044	5,333,488
Human Services	655,499	619,180	36,319
Public Safety	5,731,883	5,161,191	570,692
Public Works	752,988	602,261	150,727
	<u>\$20,782,838</u>	<u>\$12,898,021</u>	<u>\$7,884,817</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	\$ 14,270,804	\$ 18,566,594	\$ 14,986,476	\$ 21,450,194
Special Revenue Funds				
Road and Bridge	2,569,536	2,904,599	2,569,536	2,904,599
Road Capital Fund	483,712	702,619	1,379,132	1,662,086
Human Services and Other Grants	-	877,144	-	891,793
Transportation Sales and Use Tax	8,256,653	9,521,788	4,701,775	6,874,910
Open Space	7,396,163	8,873,163	3,698,359	9,419,732
Twining Flats GID	2,189	2,189	2,100	4,100
Ruedi Water and Power Authority	40,179	40,179	38,481	75,651
Component Units				
Library	2,187,952	2,187,952	1,851,879	1,957,226

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2002

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, 2002 is as follows:

General Fund	\$ 246,476
Special Revenue Funds	1,047,228
Enterprise Funds	876,074

The 2002 budget provides authority to complete these transactions.

C. Budget/US GAAP Reconciliations

The budget for Proprietary funds is adopted on a basis that is not consistent with United States generally accepted accounting principles (US 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>
Revenues				
GAAP-based operating revenues			\$ 3,628,775	
GAAP-based interest revenues			104,488	
GAAP-based non-operating revenue			760,240	
Add contributions from federal government and others			4,663,784	
Total budgetary-based revenues	<u>\$ 10,993,387</u>	<u>\$ 10,377,782</u>	<u>\$ 9,157,287</u>	<u>\$ (1,220,495)</u>
Expenditures				
GAAP-based operating expenses			4,335,001	
GAAP-based interest expense and fiscal charges			157,359	
Deduct depreciation			(1,262,767)	
Deduct amortization of bond discount and issuance costs			(25,017)	
Add acquisition of property and equipment			4,065,080	
Add debt principal retirement			285,000	
Total budgetary-based expenditures	<u>\$ 11,050,887</u>	<u>\$ 11,420,081</u>	<u>\$ 7,554,656</u>	<u>\$ 3,865,425</u>
Other financing sources				
Add proceeds from long-term debt			1,350,000	
Add proceeds from sale of fixed assets			32,063	
Total budgetary-based other financing sources	<u>\$ 57,500</u>	<u>\$ 1,407,500</u>	<u>\$ 1,382,063</u>	<u>\$ (25,437)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2002

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

C. Budget/US GAAP Reconciliations (continued)

Solid Waste Center Fund

	Original Budget	Final budget	Actual	Variance - favorable (unfavorable)
Revenues				
GAAP-based operating revenues			\$ 2,944,804	
GAAP-based interest revenue			144,210	
Total budgetary-based revenues	<u>\$ 3,529,100</u>	<u>\$ 3,310,017</u>	<u>\$ 3,089,014</u>	<u>\$ (221,003)</u>
Expenditures				
GAAP-based operating expenses			3,253,617	
Deduct depreciation			(189,957)	
Deduct postclosure accrual			(399,933)	
Add transfer to general fund			250,000	
Add acquisition of property and equipment			101,862	
Total budgetary-based expenditures	<u>\$ 3,923,017</u>	<u>\$ 4,190,376</u>	<u>\$ 3,015,589</u>	<u>\$ 1,174,787</u>
Other financing sources				
Add proceeds from sale of fixed assets			-	
Total budgetary-based other financing sources	<u>\$ 72,000</u>	<u>\$ 98,500</u>	<u>\$ -</u>	<u>\$ (98,500)</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, 2002 fund balances of \$ 493,495 in the General Fund, \$ 5,151 in the Road Capital Fund, \$ 8,256 in the Social Services Fund, \$25,556 in the Health and Human Services and Other Grants Fund, \$265,582 in the Transportation Sales and Use Tax Fund, \$237,785 in the Open Space Fund, \$1,905 in the Conservation Trust Fund, \$ 9,920 in the Ambulance District, \$ 215 in the Redstone Ranch Acres Improvement District, \$59 in the Twining Flats Improvement District, \$46,603 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, 2002

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	\$ 131,342	\$ -	\$ -	\$ -	\$ 131,342
Deposits	2,758,813	-	-	23,935	2,782,748
Investments					
U.S. Treasury Notes	999,734	-	-	-	999,734
U.S. Government Securities	19,996,070	-	-	5,018,751	25,014,821
Pension investment funds	-	-	16,321,608	-	16,321,608
Money Market Funds	26,316,570	751,276	-	352,713	27,420,559
Mutual Funds	-	-	2,509,251	-	2,509,251
Total investments	<u>47,312,374</u>	<u>751,276</u>	<u>18,830,859</u>	<u>5,371,464</u>	<u>72,265,973</u>
Total cash and investments	<u>\$50,202,529</u>	<u>\$ 751,276</u>	<u>\$18,830,859</u>	<u>\$5,395,399</u>	<u>\$75,180,063</u>

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, 2002, the carrying amount of the County's deposits was \$2,782,748 and the bank balance was \$3,222,504 that can be categorized as follows:

Deposits covered by federal depository insurance – category 1	\$ 112,609
Deposits covered by single institution collateral pools – category 2	\$ 3,109,895

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2002

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	\$ 26,014,555	\$ -	\$ -	\$ 26,014,555
Pension investment funds				16,321,608
Money market funds				27,420,559
Mutual funds				2,509,251
				<u>\$ 72,265,973</u>

At December 31, 2002, the County has \$ 11,666,976 in the money market mutual fund of Soloman Citibank Institutional Reserve fund, Class A. During the year, the County had investments in COLOTRUST and C-SAFE local investment pools. Local investment pools operate similarly to a money market fund and each share is equal in value to \$1.00. Investments in 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 Library Fund and the Emergency 911 Fund have balances of \$334,886 (0.6%), and \$255,225 (.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, 2002 was as follows:

	Balance January 1, 2002	Additions	Deletions	Balance December 31, 2002
Buildings and improvements	\$ 14,318,626	\$ 9,043,251	\$ 21,116	\$ 23,340,761
Improvements other than buildings	856,773	151,133	65,908	941,998
Equipment	7,970,567	1,111,470	601,823	8,480,214
Construction in progress	3,292,003	221,192	2,966,512	546,683
Land and mining claims	46,038,435	2,086,292	8,212,618	39,912,109
Total property and equipment	<u>\$ 72,476,404</u>	<u>\$ 12,613,338</u>	<u>\$ 11,867,977</u>	<u>\$ 73,221,765</u>

Pitkin County, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2002

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, 2002 was as follows:

	Balance January 1, 2002	Additions	Deletions and Transfers	Balance December 31, 2002
Buildings and improvements	\$ 7,665,955	\$ -	\$ 7,665,955	\$ -
Improvements other than buildings	187,106	-	187,106	-
Equipment	21,785,289	-	21,785,289	-
Land and mining claims	359,661	-	359,661	-
Total property and equipment	<u>\$ 29,998,011</u>	<u>\$ -</u>	<u>\$ 29,998,011</u>	<u>\$ -</u>

Activity in the general fixed assets account group for the Pitkin County Library District for the year ended December 31, 2002 was as follows:

	Balance January 1, 2002	Additions	Deletions	Balance December 31, 2002
Buildings and improvements	\$ 5,794,691	\$ 39,431	\$ -	\$ 5,834,122
Improvements other than buildings	50,818	-	-	50,818
Equipment	2,129,823	147,360	32,675	2,244,508
Construction in progress	-	-	-	-
Land and mining claims	144,263	-	-	144,263
Total property and equipment	<u>\$ 8,119,595</u>	<u>\$ 186,791</u>	<u>\$ 32,675</u>	<u>\$ 8,273,711</u>

Activity in the general fixed assets account group for the Emergency Telephone Authority for the year ended December 31, 2002 was as follows:

	Balance January 1, 2002	Additions	Deletions	Balance December 31, 2002
Equipment	<u>\$ 686,382</u>	<u>\$ 19,218</u>	<u>\$ -</u>	<u>\$ 705,600</u>

The following is a summary of proprietary fund type fixed assets for Pitkin County at December 31, 2002:

	Balance January 1, 2002	Additions	Deletions	Balance December 31, 2002
Buildings and improvements	\$ 6,034,572	\$ 14,192	\$ -	\$ 6,048,764
Improvement other than buildings	16,190,759	721,895	137,148	16,775,506
Equipment	4,913,055	178,875	375,481	4,716,449
Total property and equipment	27,138,386	914,962	512,629	27,540,719
Accumulated depreciation	<u>(12,659,960)</u>	<u>(1,452,725)</u>	<u>(469,436)</u>	<u>(13,643,249)</u>
Net depreciable assets	14,478,426	(537,763)	43,193	13,897,470
Construction in progress	5,000,737	3,637,972	416,404	8,222,305
Land	10,527,630	3,210	-	10,530,840
Net property, plant, and equipment	<u>\$ 30,006,793</u>	<u>\$ 3,103,419</u>	<u>\$ 459,597</u>	<u>\$ 32,650,615</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2002

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	\$ 196,894
Due to/from other funds		
General Fund	Pension Trust Fund	\$ 19,128

D. Interfund transfers

Significant operating transfers during 2002 for the primary government include the transfers from the General Fund to the Open Space Fund (\$ 69,000); from the General Fund to the Pitkin County Capital Leasing Corporation (\$554,790); from the General Fund to the Health and Human Services and Other Grants fund (\$21,721); from the Conservation Trust Fund to the General Fund (\$91,311); from the Road and Bridge fund to the Road Capital Fund (\$234,803); and from the Solid Waste Center fund to the General Fund (\$250,000). In addition, transfers between the primary government and its component units included a transfer from the Emergency 911 Fund to the Capital Leasing Fund (\$100,382). There was also an equity transfer of \$40,479 from the General Fund to the Conservation Trust Fund.

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, 2002:

	Balance January 1, 2002	Additions	Deletions	Balance December 31, 2002
Primary Government				
Accrued liabilities for vacation and sick leave	\$ 217,844	\$ -	\$ 17,383	\$ 200,461
Lease certificates of participation	3,480,000	-	500,000	2,980,000
General obligation bonds and notes	22,320,000	-	545,000	21,775,000
Sales tax revenue bonds	10,150,000	-	530,000	9,620,000
Special assessment bonds with governmental commitment	45,000	-	20,000	25,000
Changes in General Long-Term Debt Account Group	36,212,844	-	1,612,383	34,600,461
Airport revenue bonds and other loans	2,640,000	1,350,000	285,000	3,705,000
Component Units				
Accrued liabilities for vacation and sick leave	167,993	1,634	159,285	10,342
Capital lease obligations	50,421	-	12,014	38,407
Changes for component units	218,414	1,634	171,299	48,749
Total Changes in long-term debt	<u>\$ 39,071,258</u>	<u>\$ 1,351,634</u>	<u>\$ 2,068,682</u>	<u>\$ 38,354,210</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2002

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 as 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, 2002, is shown at Note III E 9. The principal balance outstanding as of December 31, 2002 is \$2,980,000.

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, 2002

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, 2002 is \$ 38,407.

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, 2002 was \$2,480,000.

\$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. This issue was called and retired in 2002.

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, 2002 was \$5,350,000.

\$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, 2002 was \$9,695,000.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2002

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, 2002, the limit was \$53,999,623, providing a debt margin of \$32,224,623 after deducting \$21,775,000 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, 2002 was \$1,590,000.

\$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. 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, 2002 was \$8,030,000.

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 lesser of the maximum annual principal and interest payment for the and 1998 issues or 10 percent of the principal amount outstanding. Accordingly, an equity in cash and investments of \$240,858 is reserved, representing 10% of the principal amount outstanding plus one-sixth of next interest payment and one-twelfth of next principal payment 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2002

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

E. Long-Term Obligations (continued)

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%; \$25,000 principal outstanding at December 31, 2002.

8. Airport Revenue Bonds and Other Loans

\$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, 2002 was \$240,000.

\$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, 2002 was \$2,115,000.

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.

On September 30, 2002, the airport entered into a 10-year loan with the Colorado State Infrastructure Bank. The original loan is for \$1,350,000 and carries an annual interest rate of 2% with payments of \$150,290 annually. The principal amount outstanding as of December 31, 2002 is \$1,350,000.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2002

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 and Other Loans		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
2003	\$ 423,291	\$ 146,020	\$ 537,882	\$ 135,833	\$ 485,000	\$ 1,271,983	\$ 550,000	\$ 432,300	\$ 25,000	\$ 2,100
2004	440,757	128,771	343,813	113,114	515,000	1,243,254	575,000	413,533	-	-
2005	343,272	110,387	421,712	98,100	540,000	1,212,071	590,000	393,800	-	-
2006	355,837	97,424	255,000	79,905	580,000	1,179,157	610,000	373,475	-	-
2007	368,454	83,707	265,000	68,430	610,000	1,143,466	625,000	351,205	-	-
2008	381,123	69,325	280,000	56,373	650,000	1,104,769	350,000	328,310	-	-
2009	398,845	54,268	290,000	43,493	690,000	1,063,486	365,000	314,310	-	-
2010	411,622	38,138	305,000	30,007	740,000	1,019,619	380,000	298,968	-	-
2011	434,455	21,168	320,000	15,520	780,000	990,129	395,000	282,858	-	-
2012	147,344	2,947	-	-	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>\$3,705,000</u>	<u>\$ 752,155</u>	<u>\$3,018,407</u>	<u>\$ 640,775</u>	<u>\$21,775,000</u>	<u>\$19,635,985</u>	<u>\$ 9,620,000</u>	<u>\$4,778,072</u>	<u>\$ 25,000</u>	<u>\$ 2,100</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, 2002, there were three series Mortgage Revenue Bonds outstanding with an aggregate principal amount payable of \$ 1,435,861 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, 2002

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

F. Fund Balances

1. Reserved Fund Balances

	Primary Government		Pitkin County Library	Emergency Telephone Authority
	General Fund	Other funds		
Reserved for debt service	\$ 387,722	\$ 677,859	\$ -	\$ -
Reserved for capital projects	-	-	-	-
Reserved for advances to library	-	-	-	-
Reserved for insurance claims payable	550,000	-	-	-
Reserved for emergencies	493,495	554,429	46,303	10,501
	<u>\$ 1,431,217</u>	<u>\$ 1,232,288</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	
Appropriated for expenditures in the 2003 budget	\$ 176,606	\$ 183,168	\$ -
Designated to fund discretionary projects in 2003	2,295,377	-	-
Designated to complete projects begun but not completed in 2002	1,632,081	-	-
Fund balance designated for subsequent year's expenditures	<u>\$ 4,104,064</u>	<u>\$ 183,168</u>	<u>\$ -</u>
Designated to balance 5 year budget	\$ 343,921	\$ -	\$ -
Revenues from sale of County open space have been designated for future purchase of other open space property	276,604	-	-
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.	2,106,505	-	-
The excess of contributions over expenditures for Topsy Taxi program	220,602	-	-
Public contributions for a Viet Nam Veteran Memorial are designated for maintenance of the monument	6,756	-	-
Translator capital project funds derived from unspent translator property tax mill levy	238,225	-	-
State of Colorado landfill fees collected by Solid Waste Center retained by the County to remediate any State designated hazardous waste site	195,253	-	-
Developer payments in-lieu-of housing are designated for affordable housing purposes	3,678,520	-	-
Asset replacements for information services, dispatch and office services	698,463	-	-
Balance of 3% use tax proceeds which are dedicated for improvement to State Highway 82.	-	1,952,088	-
A contribution to the library has been designated for future capital projects for library improvements	-	-	2,608,214
	<u>\$ 7,764,849</u>	<u>\$ 1,952,088</u>	<u>\$ 2,608,214</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2002

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:

	2001	2002
Unpaid claims, January 1	\$ 539,804	\$ 492,370
Incurred claims (including IBNR's)	317,823	262,999
Claims payments	(365,257)	(209,533)
Unpaid claims, December 31	<u>\$ 492,370</u>	<u>\$ 545,836</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 2002, the County's deductible for general liability claims was \$50,000 per occurrence 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, 2002, the amount of these liabilities was \$82,834 for the County.

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, 2002

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	\$ 3,628,775	\$ 2,944,804	\$6,573,579
Current year postclosure accrual	-	399,933	399,933
Depreciation expense	1,262,767	189,957	1,452,724
Operating expenses, excluding depreciation and post closure expense	3,072,234	2,663,727	5,735,961
Operating income (loss)	(706,226)	(308,813)	(1,015,039)
Non-operating income (expenses)	669,037	(105,790)	563,247
Intergovernmental revenue (expenses), included in non-operating revenues (expenses)	760,240	(250,000)	510,240
Net income	(37,189)	(414,603)	(451,792)
Net working capital	4,589,773	5,011,336	9,601,109
Current capital contributed	4,663,785	-	4,663,785
Property, plant and equipment purchases	4,065,080	101,862	4,166,942
Total assets (net)	37,452,672	6,681,367	44,134,039
Bonds and other long-term liabilities payable from operating revenues	3,705,000	1,866,161	5,571,161
Total equity	33,124,345	4,598,191	37,722,536

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 \$1,866,161 reported as landfill closure and postclosure care liability at December 31, 2002 represents the cumulative amount reported as to date based on the use of 58.6% of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$1,317,121 as the remaining estimated capacity is filled. Postclosure care of \$857,485 is included in these estimated costs. These amounts are based on what it would cost to perform all closure and postclosure care in 2002. 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, 2002

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 2002 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 2002 was \$18,429,838. During 2002, the County contributed \$2,170,115 to PCPERP, which is 13% of eligible salaries totaling \$16,693,192. Employee contributions are not allowed under the plan.

E. Contingent Liability

1. 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.

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, 2002

IV. OTHER INFORMATION (continued)

F. 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.

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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.

Road Capital 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.

Human Services and Other Grants Fund - In 2002, the voters approved an increase in property taxes to support contributions to Human Service Agencies and Community Non-profits. The property tax is authorized for five years.

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.

Transit Employee Salary Fund - Individuals performing services for the Roaring Fork Transportation Authority (the Authority) are employees of Pitkin County and are entitled to the same benefits as other county employees. The Authority reimburses the county for all salary and benefits for these workers.

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.

Conservation Trust Fund - State of Colorado distributes a portion of lottery proceeds annually to the county, which is dedicated to parks and open space. State statute requires a separate fund be established to account for these monies.

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 be 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, 2002

	Combined total	Road and Bridge Fund	Road Capital Projects Fund	Social Services Fund
ASSETS				
Equity in pooled cash and investments	\$ 20,207,805	\$ -	\$ 3,081,272	\$ 155,551
Accounts receivable	48,242	-	-	-
Receivable from other governments	1,947,046	395,971	-	48,453
Property taxes and special assessments receivable	8,208,993	302,398	-	-
Other assets	4,615,000	-	-	-
Restricted assets				
Other cash and investments	4,983,742	-	-	-
	<u>\$ 40,010,828</u>	<u>\$ 698,369</u>	<u>\$ 3,081,272</u>	<u>\$ 204,004</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 499,067	\$ 123,867	\$ 75,615	\$ 557
Contracts payable	91,875	870	62,139	-
Accrued liabilities	84,075	71,252	-	7,891
Due to other funds	196,894	196,894	-	-
Due to other governments	307,484	388	25,000	54,637
Deferred revenues	12,826,693	305,098	-	-
Total liabilities	<u>14,006,088</u>	<u>698,369</u>	<u>162,754</u>	<u>63,085</u>
Fund balances				
Reserved for various purposes	554,429	-	5,151	8,256
Unreserved				
Designated for subsequent year's expenditures	183,168	-	13,498	69,502
Designated for other purposes	1,952,088	-	1,952,088	-
Undesignated	23,315,055	-	947,781	63,161
	<u>26,004,740</u>	<u>-</u>	<u>2,918,518</u>	<u>140,919</u>
Total fund balances	<u>26,004,740</u>	<u>-</u>	<u>2,918,518</u>	<u>140,919</u>
Total liabilities and fund balances	<u>\$ 40,010,828</u>	<u>\$ 698,369</u>	<u>\$ 3,081,272</u>	<u>\$ 204,004</u>

Human Services and Other Grants Fund	Transportation Sales and Use Tax Fund	Transit Employee Salary Fund	Open Space Fund	Conservation Trust Fund	Ambulance District
\$ 93,608	\$ 10,104,451	\$ -	\$ 6,215,102	\$ 12,679	\$ 493,081
-	42,653	-	5,589	-	-
-	1,341,278	-	-	-	161,344
833,394	-	-	6,791,352	-	273,025
-	-	-	4,615,000	-	-
-	-	-	4,983,742	-	-
<u>\$ 927,002</u>	<u>\$ 11,488,382</u>	<u>\$ -</u>	<u>\$ 22,610,785</u>	<u>\$ 12,679</u>	<u>\$ 927,450</u>
\$ -	\$ 76,590	\$ -	\$ 219,152	\$ -	\$ -
-	-	-	28,866	-	-
-	1,362	-	3,570	-	-
-	-	-	-	-	-
-	189,369	-	-	-	-
833,394	-	-	11,406,352	-	273,025
<u>833,394</u>	<u>267,321</u>	<u>-</u>	<u>11,657,940</u>	<u>-</u>	<u>273,025</u>
25,556	265,582	-	237,785	1,905	9,920
57,326	-	-	-	-	42,842
-	-	-	-	-	-
<u>10,726</u>	<u>10,955,479</u>	<u>-</u>	<u>10,715,060</u>	<u>10,774</u>	<u>601,663</u>
<u>93,608</u>	<u>11,221,061</u>	<u>-</u>	<u>10,952,845</u>	<u>12,679</u>	<u>654,425</u>
<u>\$ 927,002</u>	<u>\$ 11,488,382</u>	<u>\$ -</u>	<u>\$ 22,610,785</u>	<u>\$ 12,679</u>	<u>\$ 927,450</u>

(continued)

Pitkin County, Colorado

Special Revenue Funds

COMBINING BALANCE SHEET (CONTINUED)

December 31, 2002

	<u>Redstone Ranch Acres Improvement District</u>	<u>Twining Flats Improvement District</u>	<u>Ruedi Water and Power Authority</u>
ASSETS			
Equity in pooled cash and investments	\$ 9,440	\$ 1,245	\$ 41,376
Accounts receivable	-	-	-
Receivable from other governments	-	-	-
Property taxes and special assessments receivable	6,769	2,055	-
Other assets	-	-	-
Restricted assets			
Other cash and investments	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 16,209</u>	<u>\$ 3,300</u>	<u>\$ 41,376</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ -	\$ -	\$ 3,286
Contracts payable	-	-	-
Accrued liabilities	-	-	-
Due to other funds	-	-	-
Due to other governments	-	-	38,090
Deferred revenues	6,769	2,055	-
Total liabilities	<u>6,769</u>	<u>2,055</u>	<u>41,376</u>
Fund balances			
Reserved for various purposes	215	59	-
Unreserved			
Designated for subsequent year's expenditures	-	-	-
Designated for other purposes	-	-	-
Undesignated	9,225	1,186	-
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>9,440</u>	<u>1,245</u>	<u>-</u>
	<u>\$ 16,209</u>	<u>\$ 3,300</u>	<u>\$ 41,376</u>

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Pitkin County, Colorado

Special Revenue Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the year ended December 31, 2002

	<u>Combined total</u>	<u>Road and Bridge Fund</u>	<u>Road Capital Fund</u>	<u>Social Services Fund</u>
Revenues				
Taxes and special assessments	\$ 16,825,280	\$ 729,296	\$ -	\$ 683
Licenses and permits	15,650	15,650	-	-
Intergovernmental	12,147,121	1,253,397	14,999	269,033
Charges for services	24,708	128	-	-
Miscellaneous	<u>1,713,497</u>	<u>7,800</u>	<u>502,930</u>	<u>6,079</u>
Total revenues	30,726,256	2,006,271	517,929	275,795
Expenditures				
Current				
Public safety	199,071	-	-	-
Public works	12,469,448	1,737,879	799,302	-
Health and welfare	977,010	-	-	306,518
Culture and recreation	2,843,800	-	-	-
Conservation of natural resources	32,714	-	-	-
Intergovernmental	6,533,263	93,679	26,900	25,656
Debt service				
Principal retirement	255,000	-	-	-
Interest and fiscal charges	<u>1,057,297</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>24,367,603</u>	<u>1,831,558</u>	<u>826,202</u>	<u>332,174</u>
Excess (deficiency) of revenues over (under) expenditures	6,358,653	174,713	(308,273)	(56,379)
Other financing sources (uses)				
Payoff of note receivable	940,543	-	-	-
Proceeds of general fixed asset dispositions	64,665	60,090	-	-
Operating transfers in	366,003	-	234,803	-
Operating transfers out	<u>(326,114)</u>	<u>(234,803)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>1,045,097</u>	<u>(174,713)</u>	<u>234,803</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	7,403,750	-	(73,470)	(56,379)
Fund balances at January 1, 2002	<u>18,600,990</u>	<u>-</u>	<u>2,991,988</u>	<u>197,298</u>
Fund balances at December 31, 2002	<u>\$ 26,004,740</u>	<u>\$ -</u>	<u>\$ 2,918,518</u>	<u>\$ 140,919</u>

Human Services and Other Grants Fund	Transportation Sales and Use Tax Fund	Transit Employee Salary Fund	Open Space Fund	Conservation Trust Fund	Ambulance District
\$ 800,000	\$ 8,073,076	\$ -	\$ 6,942,494	\$ -	\$ 270,991
-	-	-	-	-	-
42,638	941,425	9,335,893	150,500	62,100	42,450
9,214	-	-	15,366	-	-
20,466	273,872	-	827,728	1,411	72,178
872,318	9,288,373	9,335,893	7,936,088	63,511	385,619
-	-	-	-	-	199,071
81,950	507,766	9,335,893	-	-	-
670,492	-	-	-	-	-
-	-	-	2,843,800	-	-
-	-	-	-	-	-
48,064	6,112,726	-	9,007	-	179,141
-	-	-	255,000	-	-
-	-	-	1,057,297	-	-
800,506	6,620,492	9,335,893	4,165,104	-	378,212
71,812	2,667,881	-	3,770,984	63,511	7,407
-	-	-	940,543	-	-
75	-	-	-	-	4,500
21,721	-	-	69,000	40,479	-
-	-	-	-	(91,311)	-
21,796	-	-	1,009,543	(50,832)	4,500
93,608	2,667,881	-	4,780,527	12,679	11,907
-	8,553,180	-	6,172,318	-	642,518
<u>\$ 93,608</u>	<u>\$ 11,221,061</u>	<u>\$ -</u>	<u>\$ 10,952,845</u>	<u>\$ 12,679</u>	<u>\$ 654,425</u>

(continued)

Pitkin County, Colorado

Special Revenue Funds

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

For the year ended December 31, 2002

	Redstone Ranch Acres Improvement District	Twining Flats Improvement District	Ruedi Water and Power Authority
Revenues			
Taxes and special assessments	\$ 6,830	\$ 1,910	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	34,686
Charges for services	-	-	-
Miscellaneous	336	51	646
	<u>7,166</u>	<u>1,961</u>	<u>35,332</u>
Total revenues			
Expenditures			
Current			
Public safety	-	-	-
Public works	3,241	3,417	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Conservation of natural resources	-	-	32,714
Intergovernmental	-	-	38,090
Debt service			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
	<u>3,241</u>	<u>3,417</u>	<u>70,804</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	3,925	(1,456)	(35,472)
Other financing sources (uses)			
Payoff of note receivable	-	-	-
Proceeds of general fixed asset dispositions	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)			
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	3,925	(1,456)	(35,472)
Fund balances at January 1, 2002	<u>5,515</u>	<u>2,701</u>	<u>35,472</u>
Fund balances at December 31, 2002	<u>\$ 9,440</u>	<u>\$ 1,245</u>	<u>\$ -</u>

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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, 2002

	Combined total		Variance - favorable (unfavorable)
	Final budget	Actual	
Revenues			
Taxes and special assessments	\$ 17,736,680	\$ 16,825,280	\$ (911,400)
Licenses and permits	18,000	15,650	(2,350)
Intergovernmental	12,943,722	12,147,121	(796,601)
Charges for services	8,000	24,708	16,708
Miscellaneous	804,873	1,713,497	908,624
Total revenues	31,511,275	30,726,256	(779,944)
Expenditures			
Current			
Public safety	189,006	199,071	(10,065)
Public works	14,228,849	12,469,448	1,759,401
Health and welfare	1,125,405	977,010	148,395
Culture and recreation	8,034,199	2,843,800	5,190,399
Conservation of natural resources	37,561	32,714	4,847
Intergovernmental	6,639,243	6,533,263	105,980
Debt service			
Principal retirement	265,000	255,000	10,000
Interest and fiscal charges	1,110,533	1,057,297	53,236
Total expenditures	31,629,796	24,367,603	7,262,193
Excess (deficiency) of revenues over (under) expenditures	(118,521)	6,358,653	6,477,174
Other financing sources (uses)			
Payoff of note receivable	950,000	940,543	(9,457)
Proceeds of general fixed asset dispositions	71,500	64,665	(6,835)
Operating transfers in	663,410	366,003	(297,407)
Operating transfers out	(631,259)	(326,114)	289,767
Total other financing sources (uses)	1,053,651	1,045,097	(23,932)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 935,130	7,403,750	\$ 6,453,242
Fund balances at January 1, 2002		18,600,990	
Fund balances at December 31, 2002		<u>\$ 26,004,740</u>	

Road and Bridge Fund			Road Capital Fund		
Final budget	Actual	Variance - favorable (unfavorable)	Final budget	Actual	Variance - favorable (unfavorable)
\$ 1,537,473	\$ 729,296	\$ (808,177)	\$ -	\$ -	\$ -
18,000	15,650	(2,350)	-	-	-
1,277,626	1,253,397	(24,229)	26,500	14,999	(11,501)
-	128	128	-	-	-
-	7,800	7,800	143,920	502,930	359,010
2,833,099	2,006,271	(826,828)	170,420	517,929	347,509
-	-	-	-	-	-
2,275,947	1,737,879	538,068	1,635,086	799,302	835,784
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
96,393	93,679	2,714	27,000	26,900	100
-	-	-	-	-	-
-	-	-	-	-	-
2,372,340	1,831,558	540,782	1,662,086	826,202	835,884
460,759	174,713	(286,046)	(1,491,666)	(308,273)	1,183,393
-	-	-	-	-	-
71,500	60,090	(11,410)	-	-	-
-	-	-	532,199	234,803	(297,396)
(532,259)	(234,803)	297,456	-	-	-
(460,759)	(174,713)	286,046	532,199	234,803	(297,396)
\$ -	-	\$ -	\$ (959,467)	(73,470)	\$ 885,997
-	-	-	-	2,991,988	-
-	\$ -	-	-	\$ 2,918,518	-

(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, 2002

	Social Services Fund		
	Final budget	Actual	Variance - favorable (unfavorable)
Revenues			
Taxes and special assessments	\$ -	\$ 683	\$ 683
Licenses and permits	-	-	-
Intergovernmental	334,233	269,033	(65,200)
Charges for services	-	-	-
Miscellaneous	16,707	6,079	(10,628)
Total revenues	350,940	275,795	(75,145)
Expenditures			
Current			
Public safety	-	-	-
Public works	-	-	-
Health and welfare	375,750	306,518	69,232
Culture and recreation	-	-	-
Conservation of natural resources	-	-	-
Intergovernmental	26,000	25,656	344
Debt service			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	401,750	332,174	69,576
Excess (deficiency) of revenues over (under) expenditures	(50,810)	(56,379)	(5,569)
Other financing sources (uses)			
Payoff of note receivable	-	-	-
Proceeds of general fixed asset dispositions	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	-	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ (50,810)</u>	(56,379)	<u>\$ (5,569)</u>
Fund balances at January 1, 2002		197,298	
Fund balances at December 31, 2002		<u>\$ 140,919</u>	

Human Services and Other Grants			Transportation Sales and Use Tax Fund		
Final budget	Actual	Variance - favorable (unfavorable)	Final budget	Actual	Variance - favorable (unfavorable)
\$ 800,000	\$ 800,000	\$ -	\$ 8,048,258	\$ 8,073,076	\$ 24,818
-	-	-	-	-	-
34,187	42,638	8,451	1,128,530	941,425	(187,105)
8,000	9,214	1,214	-	-	-
13,225	20,466	7,241	345,000	273,872	(71,128)
855,412	872,318	16,906	9,521,788	9,288,373	(233,415)
-	-	-	-	-	-
85,950	81,950	4,000	754,049	507,766	246,283
749,655	670,492	79,163	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
56,188	48,064	8,124	6,120,861	6,112,726	8,135
-	-	-	-	-	-
-	-	-	-	-	-
891,793	800,506	91,287	6,874,910	6,620,492	254,418
(36,381)	71,812	108,193	2,646,878	2,667,881	21,003
-	-	-	-	-	-
-	75	75	-	-	-
21,732	21,721	(11)	-	-	-
-	-	-	-	-	-
21,732	21,796	64	-	-	-
<u>\$ (14,649)</u>	93,608	<u>\$ 108,257</u>	<u>\$ 2,646,878</u>	2,667,881	<u>\$ 21,003</u>
	-			8,553,180	
	<u>\$ 93,608</u>			<u>\$ 11,221,061</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, 2002

	<u>Transit Employee Salary Fund</u>		
	<u>Final budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
Revenues			
Taxes and special assessments	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	9,468,496	9,335,893	(132,603)
Charges for services	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>9,468,496</u>	<u>9,335,893</u>	<u>(132,603)</u>
Expenditures			
Current			
Public safety	-	-	-
Public works	9,468,496	9,335,893	132,603
Health and welfare	-	-	-
Culture and recreation	-	-	-
Conservation of natural resources	-	-	-
Intergovernmental	-	-	-
Debt service			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>9,468,496</u>	<u>9,335,893</u>	<u>132,603</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-
Other financing sources (uses)			
Payoff of note receivable	-	-	-
Proceeds of general fixed asset dispositions	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances at January 1, 2002		-	
Fund balances at December 31, 2002		<u>\$ -</u>	

Open Space Fund			Conservation Trust Fund		
Final budget	Actual	Variance - favorable (unfavorable)	Final budget	Actual	Variance - favorable (unfavorable)
\$ 7,066,352	\$ 6,942,494	\$ (123,858)	\$ -	\$ -	\$ -
-	-	-	-	-	-
527,000	150,500	(376,500)	62,100	62,100	-
-	15,366	15,366	-	-	-
260,811	827,728	566,917	1,411	1,411	-
7,854,163	7,936,088	81,925	63,511	63,511	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
8,034,199	2,843,800	5,190,399	-	-	-
-	-	-	-	-	-
10,000	9,007	993	-	-	-
265,000	255,000	10,000	-	-	-
1,110,533	1,057,297	53,236	-	-	-
9,419,732	4,165,104	5,254,628	-	-	-
(1,565,569)	3,770,984	5,336,553	63,511	63,511	-
950,000	940,543	(9,457)	-	-	-
-	-	-	-	-	-
69,000	69,000	-	40,479	40,479	-
-	-	-	(99,000)	(91,311)	(7,689)
1,019,000	1,009,543	(9,457)	(58,521)	(50,832)	(7,689)
<u>\$ (546,569)</u>	4,780,527	<u>\$ 5,327,096</u>	<u>\$ 4,990</u>	12,679	<u>\$ (7,689)</u>
	6,172,318			-	
	<u>\$ 10,952,845</u>			<u>\$ 12,679</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, 2002

	Ambulance District		
	Final budget	Actual	Variance - favorable (unfavorable)
Revenues			
Taxes and special assessments	\$ 275,670	\$ 270,991	\$ (4,679)
Licenses and permits	-	-	-
Intergovernmental	46,050	42,450	(3,600)
Charges for services	-	-	-
Miscellaneous	22,215	72,178	49,963
Total revenues	343,935	385,619	41,684
Expenditures			
Current			
Public safety	189,006	199,071	(10,065)
Public works	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Conservation of natural resources	-	-	-
Intergovernmental	264,711	179,141	85,570
Debt service			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	453,717	378,212	75,505
Excess (deficiency) of revenues over (under) expenditures	(109,782)	7,407	117,189
Other financing sources (uses)			
Payoff of note receivable	-	-	-
Proceeds of general fixed asset dispositions	-	4,500	4,500
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	-	4,500	4,500
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ (109,782)	11,907	\$ 121,689
Fund balances at January 1, 2002		642,518	
Fund balances at December 31, 2002		<u>\$ 654,425</u>	

Redstone Ranch Acres Improvement District			Twining Flats Improvement District		
Final budget	Actual	Variance - favorable (unfavorable)	Final budget	Actual	Variance - favorable (unfavorable)
\$ 6,806	\$ 6,830	\$ 24	\$ 2,121	\$ 1,910	\$ (211)
-	-	-	-	-	-
-	-	-	-	-	-
337	336	(1)	68	51	(17)
7,143	7,166	23	2,189	1,961	(228)
-	-	-	-	-	-
5,221	3,241	1,980	4,100	3,417	683
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,221	3,241	1,980	4,100	3,417	683
1,922	3,925	2,003	(1,911)	(1,456)	455
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,922</u>	3,925	<u>\$ 2,003</u>	<u>\$ (1,911)</u>	(1,456)	<u>\$ 455</u>
	5,515			2,701	
	<u>\$ 9,440</u>			<u>\$ 1,245</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, 2002

	Ruedi Water and Power Authority		
	Final budget	Actual	Variance - favorable (unfavorable)
Revenues			
Taxes and special assessments	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	39,000	34,686	(4,314)
Charges for services	-	-	-
Miscellaneous	1,179	646	(533)
Total revenues	40,179	35,332	(4,847)
Expenditures			
Current			
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Conservation of natural resources	37,561	32,714	4,847
Intergovernmental	38,090	38,090	-
Debt service			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	75,651	70,804	4,847
Excess (deficiency) of revenues over (under) expenditures	(35,472)	(35,472)	-
Other financing sources (uses)			
Payoff of note receivable	-	-	-
Proceeds of general fixed asset dispositions	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	-	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ (35,472)</u>	(35,472)	<u>\$ -</u>
Fund balances at January 1, 2002		35,472	
Fund balances at December 31, 2002		<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.

Holland Hills 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, 2002

	<u>Combined total</u>	<u>County GO Debt Service Fund</u>	<u>Transit Debt Service Fund</u>
ASSETS			
Equity in pooled cash and investments	\$ 264,864	\$ 248,112	\$ -
Receivable from other governments	173,000	-	173,000
Property taxes and special assessments receivable	534,592	521,996	-
Restricted assets			
Equity in pooled cash and investments	<u>240,858</u>	<u>-</u>	<u>240,858</u>
Total assets	<u><u>\$ 1,213,314</u></u>	<u><u>\$ 770,108</u></u>	<u><u>\$ 413,858</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 863	\$ -	\$ -
Deferred revenues	<u>534,592</u>	<u>521,996</u>	<u>-</u>
Total liabilities	535,455	521,996	-
Fund balances			
Reserved for debt service	<u>677,859</u>	<u>248,112</u>	<u>413,858</u>
Total fund balances	<u>677,859</u>	<u>248,112</u>	<u>413,858</u>
Total liabilities and fund balances	<u><u>\$ 1,213,314</u></u>	<u><u>\$ 770,108</u></u>	<u><u>\$ 413,858</u></u>

<u>Pitkin County Capital Leasing Corporation</u>	<u>Holland Hills Improvement District</u>
\$ -	\$ 16,752
-	-
-	12,596
-	-
<u>\$ -</u>	<u>\$ 29,348</u>
\$ -	\$ 863
-	12,596
-	13,459
-	15,889
-	15,889
<u>\$ -</u>	<u>\$ 29,348</u>

Pitkin County, Colorado

Debt Service Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the year ended December 31, 2002

	<u>Combined total</u>	<u>County GO Debt Service Fund</u>	<u>Transit Debt Service Fund</u>
Revenues			
Taxes and special assessments	\$ 1,599,712	\$ 573,355	\$ 1,010,387
Miscellaneous	<u>32,800</u>	<u>15,607</u>	<u>16,432</u>
Total revenues	1,632,512	588,962	1,026,819
Expenditures			
Intergovernmental	29,033	28,173	860
Debt service			
Principal retirement	1,340,000	290,000	530,000
Interest and fiscal charges	<u>859,625</u>	<u>247,785</u>	<u>450,725</u>
Total expenditures	<u>2,228,658</u>	<u>565,958</u>	<u>981,585</u>
Excess (deficiency) of revenues over (under) expenditures	(596,146)	23,004	45,234
Other financing sources (uses)			
Operating transfers in	554,790	-	-
Transfers (to) from component units	<u>100,382</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>655,172</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	59,026	23,004	45,234
Fund balances at January 1, 2002	<u>618,833</u>	<u>225,108</u>	<u>368,624</u>
Fund balances at December 31, 2002	<u>\$ 677,859</u>	<u>\$ 248,112</u>	<u>\$ 413,858</u>

<u>Pitkin County Capital Leasing Corporation</u>	<u>Holland Hills Improvement District</u>
\$ -	\$ 15,970
<u>-</u>	<u>761</u>
-	16,731
-	-
500,000	20,000
<u>155,172</u>	<u>5,943</u>
<u>655,172</u>	<u>25,943</u>
(655,172)	(9,212)
554,790	-
<u>100,382</u>	<u>-</u>
<u>655,172</u>	<u>-</u>
-	(9,212)
<u>-</u>	<u>25,101</u>
<u>\$ -</u>	<u>\$ 15,889</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, 2002

	Combined Total		Variance - favorable (unfavorable)
	Final budget	Actual	
Revenues			
Taxes and special assessments	\$ 1,556,273	\$ 1,599,712	\$ 43,439
Miscellaneous	58,048	32,800	(25,248)
Total revenues	1,614,321	1,632,512	18,191
Expenditures			
Intergovernmental	29,216	29,033	183
Debt service			
Principal retirement	1,331,667	1,340,000	(8,333)
Interest and fiscal charges	876,563	859,625	16,938
Total expenditures	2,237,446	2,228,658	8,788
Excess (deficiency) of revenues over (under) expenditures	(623,125)	(596,146)	26,979
Other financing sources (uses)			
Operating transfers in	536,145	554,790	18,645
Transfers (to) from component units	100,382	100,382	-
Total other financing sources (uses)	636,527	655,172	18,645
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 13,402	59,026	\$ 45,624
Fund balances at January 1, 2002		618,833	
Fund balances at December 31, 2002		\$ 677,859	

County GO Debt Service Fund			Transit Debt Service Fund		
Final budget	Actual	Variance - favorable (unfavorable)	Final budget	Actual	Variance - favorable (unfavorable)
\$ 582,908	\$ 573,355	\$ (9,553)	\$ 957,465	\$ 1,010,387	\$ 52,922
11,993	15,607	3,614	23,179	16,432	(6,747)
594,901	588,962	(5,939)	980,644	1,026,819	46,175
28,356	28,173	183	860	860	-
280,000	290,000	(10,000)	531,667	530,000	1,667
262,988	247,785	15,203	449,227	450,725	(1,498)
571,344	565,958	5,386	981,754	981,585	169
23,557	23,004	(553)	(1,110)	45,234	46,344
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 23,557</u>	23,004	<u>\$ (553)</u>	<u>\$ (1,110)</u>	45,234	<u>\$ 46,344</u>
	225,108			368,624	
	<u>\$ 248,112</u>			<u>\$ 413,858</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, 2002

	Pitkin County Capital Leasing Corporation		
	Final budget	Actual	Variance - favorable (unfavorable)
Revenues			
Taxes and special assessments	\$ -	\$ -	\$ -
Miscellaneous	21,876	-	(21,876)
Total revenues	21,876	-	(21,876)
Expenditures			
Intergovernmental	-	-	-
Debt service			
Principal retirement	500,000	500,000	-
Interest and fiscal charges	158,403	155,172	3,231
Total expenditures	658,403	655,172	3,231
Excess (deficiency) of revenues over (under) expenditures	(636,527)	(655,172)	(18,645)
Other financing sources (uses)			
Operating transfers in	536,145	554,790	18,645
Transfers (to) from component units	100,382	100,382	-
Total other financing sources (uses)	636,527	655,172	18,645
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	-	\$ -
Fund balances at January 1, 2002		-	
Fund balances at December 31, 2002		\$ -	

Holland Hills Improvement District		
Final budget	Actual	Variance - favorable (unfavorable)
\$ 15,900	\$ 15,970	\$ 70
<u>1,000</u>	<u>761</u>	<u>(239)</u>
16,900	16,731	(169)
-	-	-
20,000	20,000	-
<u>5,945</u>	<u>5,943</u>	<u>2</u>
<u>25,945</u>	<u>25,943</u>	<u>2</u>
(9,045)	(9,212)	(167)
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (9,045)</u>	(9,212)	<u>\$ (167)</u>
	<u>25,101</u>	
	<u>\$ 15,889</u>	

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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, 2002

ASSETS	Combined total	Airport	Solid Waste Center
Equity in pooled cash and investments	\$ 9,888,917	\$ 4,971,043	\$ 4,917,874
Accounts receivable	667,448	356,971	310,477
Receivable from other governments	314,523	314,523	-
Restricted assets			
Equity in pooled cash and investments	510,418	510,418	-
Buildings and improvements	6,048,764	5,545,589	503,175
Improvements other than buildings	16,775,506	15,573,644	1,201,862
Equipment	4,716,449	3,809,185	907,264
Accumulated depreciation	(13,643,249)	(12,433,964)	(1,209,285)
Construction in progress	8,222,305	8,222,305	-
Land	10,530,840	10,480,840	50,000
Unamortized bond issuance costs	102,118	102,118	-
Total assets and other debits	<u>\$ 44,134,039</u>	<u>\$ 37,452,672</u>	<u>\$ 6,681,367</u>
 LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts payable	\$ 542,888	\$ 375,834	\$ 167,054
Contracts payable	141,991	134,602	7,389
Accrued liabilities	137,033	101,867	35,166
Payable from restricted assets			
Airport revenue bonds	25,000	25,000	-
Interest	9,918	9,918	-
Due to other governments	22,065	14,659	7,406
Funds held in trust	22,915	22,915	-
Deferred revenues	4,597	4,597	-
Postclosure obligations	1,866,161	-	1,866,161
Airport revenue bonds			
Current portion	398,290	398,290	-
Noncurrent portion	3,281,710	3,281,710	-
Unamortized bond discount	(41,065)	(41,065)	-
Total liabilities	<u>6,411,503</u>	<u>4,328,327</u>	<u>2,083,176</u>
 EQUITY AND OTHER CREDITS			
Contributed capital from County	860,368	800,282	60,086
Contributed capital from other governments and individuals	17,937,510	17,937,510	-
Retained earnings			
Reserved for			
Revenue bond retirement	235,500	235,500	-
Airport renewal and replacement	240,000	240,000	-
Unreserved	18,449,158	13,911,053	4,538,105
Total fund equity and other credits	<u>37,722,536</u>	<u>33,124,345</u>	<u>4,598,191</u>
Contingencies	-	-	-
Total liabilities, equity and other credits	<u>\$ 44,134,039</u>	<u>\$ 37,452,672</u>	<u>\$ 6,681,367</u>

Pitkin County, Colorado

Enterprise Funds

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

For the year ended December 31, 2002

	Combined total	Airport	Solid Waste Center
Operating revenues			
Charges for services	\$ 4,092,577	\$ 1,147,773	\$ 2,944,804
Rents and franchises	2,471,414	2,471,414	-
Unclassified	9,588	9,588	-
Total operating revenues	6,573,579	3,628,775	2,944,804
Operating expenses			
Personal services	2,026,776	1,443,751	583,025
Purchased services	3,449,080	1,427,861	2,021,219
Materials and supplies	260,105	200,622	59,483
Amortization of postclosure costs	399,933	-	399,933
Depreciation	1,452,724	1,262,767	189,957
Total operating expenses	7,588,618	4,335,001	3,253,617
Operating loss	(1,015,039)	(706,226)	(308,813)
Non-operating revenues (expenses)			
Interest revenue	248,698	104,488	144,210
Intergovernmental revenue	760,240	760,240	-
Transfer to general fund	(250,000)	-	(250,000)
Interest expense and fiscal charges	(132,342)	(132,342)	-
Amortization of debt issuance costs	(25,017)	(25,017)	-
Net loss on disposition of fixed assets	(38,332)	(38,332)	-
Total non-operating revenues	563,247	669,037	(105,790)
Net loss before Federal capital grants and other contributions	(451,792)	(37,189)	(414,603)
Federal capital grants and other contributions	4,663,784	4,663,784	-
NET INCOME (LOSS)	4,211,992	4,626,595	(414,603)
Add depreciation on fixed assets acquired by contributions that reduce contributed capital	358,836	339,212	19,624
Retained earnings at January 1, 2002	14,353,830	9,420,746	4,933,084
Retained earnings at December 31, 2002	<u>\$ 18,924,658</u>	<u>\$ 14,386,553</u>	<u>\$ 4,538,105</u>

Pitkin County, Colorado

Enterprise Funds

COMBINING STATEMENT OF CASH FLOWS

For the year ended December 31, 2002

	Combined Total	Airport	Solid Waste Center
Cash flows from operating activities			
Operating loss	\$ (1,015,039)	\$ (706,226)	\$ (308,813)
Adjustments to reconcile operating loss to net cash provided by operating activities			
Depreciation	1,452,724	1,262,767	189,957
Accrued postclosure costs	399,933	-	399,933
Change in assets and liabilities			
Decrease in accounts receivable	112,702	7,707	104,995
Decrease in due from other governments	189,510	189,510	-
Increase (decrease) in accounts payable	(312,726)	(378,700)	65,974
(Decrease) in contracts payable	(51,680)	(51,680)	-
(Decrease) in accrued liabilities	(6,824)	(3,964)	(2,860)
Increase (decrease) in due to other governments	12,298	14,549	(2,251)
(Decrease) in funds held in trust	(1,150)	(1,150)	-
(Decrease) in deferred revenues	(47,515)	(47,515)	-
Total adjustments	<u>1,747,272</u>	<u>991,524</u>	<u>755,748</u>
Net cash provided by operating activities	732,233	285,298	446,935
Cash flows from noncapital financing activities			
Intergovernmental revenue	760,240	760,240	-
Transfer to general fund	<u>(250,000)</u>	<u>-</u>	<u>(250,000)</u>
Net cash provided by (used in) noncapital financing activities	510,240	760,240	(250,000)
Cash flows from capital and related financing activities			
Proceeds from sale of fixed assets	32,063	32,063	-
Acquisition and construction of capital assets	(4,166,942)	(4,065,080)	(101,862)
Principal paid on debt	(285,000)	(285,000)	-
Proceeds from state loan	1,350,000	1,350,000	-
Capital contributed by Federal government	3,002,580	3,002,580	-
Capital contributed from PFC's	485,404	485,404	-
Capital contributed by individuals	1,175,800	1,175,800	-
Interest paid on revenue bonds	<u>(133,490)</u>	<u>(133,490)</u>	<u>-</u>
Net cash provided by (used for) capital and related financing activities	1,460,415	1,562,277	(101,862)
Cash flows from investing activities			
Interest received on investments	<u>248,699</u>	<u>104,489</u>	<u>144,210</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,951,587	2,712,304	239,283
Cash and cash equivalents at beginning of year	<u>7,447,748</u>	<u>2,769,157</u>	<u>4,678,591</u>
Cash and cash equivalents at end of year	<u>\$ 10,399,335</u>	<u>\$ 5,481,461</u>	<u>\$ 4,917,874</u>
Equity in pooled cash and investments	9,888,917	4,971,043	4,917,874
Restricted cash and investments	510,418	510,418	-
Cash and cash equivalents at end of year	<u>\$ 10,399,335</u>	<u>\$ 5,481,461</u>	<u>\$ 4,917,874</u>

Noncash financing activities: For the year ended December 31, 2002, amortization of debt issuance costs totaled \$25,017. In the Solid Waste Center Fund post closure liabilities were increased by \$399,933.

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, 2002

	Combined total	Pension Trust Fund	Agency Funds			Other Clearing Funds
		Employees' Retirement Plan	County Clearing Funds	Taxing Districts	Housing Funds	
ASSETS						
Equity in pooled cash and investments	\$ 3,765,562	\$ -	\$ 845,983	\$ 186,077	\$ 1,050,635	\$ 1,682,867
Other cash and investments	16,321,608	16,321,608	-	-	-	-
Accounts receivable	14,911	14,911	-	-	-	-
Employee retirement loans receivable	601,661	601,661	-	-	-	-
Total assets	\$ 20,703,742	\$ 16,938,180	\$ 845,983	\$ 186,077	\$ 1,050,635	\$ 1,682,867
LIABILITIES AND NET ASSETS						
Liabilities						
Accounts payable	\$ 21,149	\$ 21,149	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	151,328	151,328	-	-	-	-
Due to other funds	19,128	19,128	-	-	-	-
Due to other governments	1,868,944	-	-	186,077	-	1,682,867
Funds held in trust	1,896,618	-	845,983	-	1,050,635	-
Total liabilities	3,957,167	191,605	845,983	186,077	1,050,635	1,682,867
Net Assets						
Net assets held in trust for pension benefits	16,746,575	16,746,575	-	-	-	-
Total liabilities and net assets	\$ 20,703,742	\$ 16,938,180	\$ 845,983	\$ 186,077	\$ 1,050,635	\$ 1,682,867

Pitkin County, Colorado

Fiduciary Funds

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS

For the year ended December 31, 2002

	Balance January 1, 2002	Additions	Deductions	Balance December 31, 2002
County Clearing Funds				
ASSETS				
Equity in pooled cash and investments	\$ 642,400	\$ 65,935,484	\$ 65,731,901	\$ 845,983
LIABILITIES				
Due to other governments	\$ 60,766	\$ 3,944,653	\$ 4,005,419	\$ -
Funds held in trust	581,634	61,990,831	61,726,482	845,983
	<u>\$ 642,400</u>	<u>\$ 65,935,484</u>	<u>\$ 65,731,901</u>	<u>\$ 845,983</u>
Taxing Districts				
ASSETS				
Equity in pooled cash and investments	\$ 180,851	\$ 46,943,375	\$ 46,938,149	\$ 186,077
LIABILITIES				
Due to other governments	\$ 180,851	\$ 46,943,375	\$ 46,938,149	\$ 186,077
Housing Funds				
ASSETS				
Equity in pooled cash and investments	\$ 1,135,089	\$ 91,992	\$ 176,446	\$ 1,050,635
LIABILITIES				
Funds held in trust	\$ 1,135,089	\$ 91,992	\$ 176,446	\$ 1,050,635
Other Clearing Funds				
ASSETS				
Equity in pooled cash and investments	\$ 1,762,639	\$ 13,274,397	\$ 13,354,169	\$ 1,682,867
LIABILITIES				
Due to other governments	\$ 1,762,639	\$ 13,274,397	\$ 13,354,169	\$ 1,682,867
Totals - All Agency Funds				
ASSETS				
Equity in pooled cash and investments	\$ 3,720,979	\$ 126,245,248	\$ 126,200,665	\$ 3,765,562
LIABILITIES				
Due to other governments	\$ 2,004,256	\$ 64,162,425	\$ 64,297,737	\$ 1,868,944
Funds held in trust	1,716,723	62,082,823	61,902,928	1,896,618
Total liabilities	<u>\$ 3,720,979</u>	<u>\$ 126,245,248</u>	<u>\$ 126,200,665</u>	<u>\$ 3,765,562</u>

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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, 2002

General Fixed Assets	Primary Government	Pitkin County Library District	Emergency Telephone Authority	Total Reporting Entity
Buildings	\$ 23,340,761	\$ 5,834,122	\$ -	\$ 29,174,883
Improvements other than buildings	941,998	50,818	-	992,816
Equipment	8,480,214	2,244,508	705,600	11,430,322
Construction in progress	546,683	-	-	546,683
Land and mining claims	39,912,109	144,263	-	40,056,372
Total General Fixed Assets	\$ 73,221,765	\$ 8,273,711	\$ 705,600	\$ 82,201,076

Investments in General Fixed Assets From:

General Obligation Bonds	\$ 17,141,626	\$ -	\$ -	\$ 17,141,626
Certificates of Participation	5,120,495	-	600,000	5,720,495
Proceeds from Lease	1,069,568	144,263	-	1,213,831
Federal Grants	3,593,765	-	-	3,593,765
State Grants	1,764,994	-	-	1,764,994
General Fund Revenues	11,214,410	-	-	11,214,410
Special Revenue Fund Revenues	19,490,180	-	-	19,490,180
Component Units	-	7,830,422	105,600	7,936,022
Gifts (Donations)	13,826,727	299,026	-	14,125,753
Total Investments in General Fixed Assets	\$ 73,221,765	\$ 8,273,711	\$ 705,600	\$ 82,201,076

Pitkin County, Colorado

SCHEDULED OF GENERAL FIXED ASSETS BY FUNCTION

December 31, 2002

Function	Buildings and Improvements	Improvements other than Buildings	Equipment	Land	Total
Primary Government					
General Government	\$ 7,105,516	\$ 64,935	\$ 2,357,921	\$ 10,800	\$ 9,539,172
Public Safety	3,769,280	7,840	2,264,791	392,693	6,434,604
Public Works	8,604,791	532,675	3,539,150	1,242,025	13,918,641
Health & Welfare	2,950,918	79,770	117,104	-	3,147,792
Cultural & Recreation	10,256	224,216	69,546	32,759,043	33,063,061
Conservation of Natural Resources	-	-	131,702	-	131,702
Housing	<u>900,000</u>	<u>32,562</u>	<u>-</u>	<u>5,507,548</u>	<u>6,440,110</u>
Total	23,340,761	941,998	8,480,214	39,912,109	72,675,082
Component Units					
Pitkin County Library District	5,834,122	50,818	2,244,508	144,263	8,273,711
Emergency Telephone Authority	<u>-</u>	<u>-</u>	<u>705,600</u>	<u>-</u>	<u>705,600</u>
	<u>\$ 29,174,883</u>	<u>\$ 992,816</u>	<u>\$ 11,430,322</u>	<u>\$ 40,056,372</u>	<u>\$ 81,654,393</u>
Construction in Progress					
Primary Government					<u>546,683</u>
Total Entity General Fixed Assets					<u>\$ 82,201,076</u>

Pitkin County, Colorado

SCHEDULE OF CHANGES IN GENERAL
FIXED ASSETS BY FUNCTION

For the year ended December 31, 2002

FUNCTION	General Fixed Assets January 1, 2002	Additions	Deletions	General Fixed Assets December 31, 2002
Primary Government				
General Government	\$ 7,995,351	\$ 1,647,372	\$ 103,551	\$ 9,539,172
Public Safety	5,670,548	1,068,555	304,499	6,434,604
Public Works	14,524,351	6,817,874	7,423,584	13,918,641
Health & Welfare	2,110,525	1,111,555	74,288	3,147,792
Cultural & Recreation	32,610,689	1,447,915	995,543	33,063,061
Conservation of Natural Resources	126,685	5,017	-	131,702
Housing	6,146,252	293,858	-	6,440,110
Construction in Progress	3,292,003	221,192	2,966,512	546,683
 Total General Fixed Assets				
Primary Government	72,476,404	12,613,338	11,867,977	73,221,765
Component Units				
Roaring Fork Transit Agency				
Public Works	29,998,011	-	29,998,011	-
Pitkin County Library District				
Cultural & Recreation	8,119,595	186,791	32,675	8,273,711
Emergency Telephone Authority				
Public Safety	686,382	19,218	-	705,600
 Total Entity General Fixed Assets	<u>\$ 111,280,392</u>	<u>\$ 12,819,347</u>	<u>\$ 41,898,663</u>	<u>\$ 82,201,076</u>

Note: Additions and deletions each include transfers of \$ 3,127,063 between functions, excluding construction in progress.

COMBINED SCHEDULE OF CASH AND INVESTMENTS

Pitkin County, Colorado

COMBINED SCHEDULE OF CASH AND INVESTMENTS

December 31, 2002

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Fair Value</u>
Pooled cash and investments			
U. S. Treasury Notes			
Par value \$ 1,000,000	2.130%	31-Oct-04	\$ 999,734
Total U.S. Treasuries			<u>999,734</u>
U.S. Agency and Instrumentalities			
Federal Home Loan Mortgage Corp.			
Par Value \$1,000,000	1.650%	24-Mar-03	1,011,250
Par Value \$2,000,000	3.240%	15-Sep-03	2,031,260
Par Value \$2,000,000	3.490%	15-Feb-04	2,085,620
Par Value \$2,000,000	3.630%	15-May-04	2,095,620
Federal National Mortgage Assoc.			
Par Value \$1,000,000	3.360%	14-Nov-03	1,029,690
Par Value \$1,000,000	2.200%	15-Sep-04	1,030,940
Par Value \$1,000,000	2.810%	15-Jul-05	1,121,250
Federal Home Loan Bank			
Par Value \$1,000,000	3.290%	24-Feb-04	1,044,380
Par Value \$2,000,000	3.630%	16-Apr-04	2,087,500
Par Value \$1,000,000	2.440%	15-Nov-04	1,042,190
Par Value \$1,000,000	4.270%	28-Mar-05	1,006,880
Par Value \$1,000,000	2.790%	13-May-05	1,123,130
Par Value \$1,000,000	2.700%	15-Nov-05	1,119,690
Federal Farm Credit Bank			
Par Value \$1,000,000	2.600%	19-Jan-05	1,073,750
Par Value \$1,000,000	2.240%	1-Sep-05	1,092,920
Total U.S. Agency and Instrumentalities			<u>19,996,070</u>
Money Market Demand Deposits			
Alpine Bank, Aspen	1.210%	-	3,367,787
Wells Fargo Bank	1.250%	-	4,492
Money Market Mutual Funds			
Dreyfus Cash Management Institutional	1.390%	-	11,666,976
Vanguard Prime Institutional	1.500%	-	9,899,391
Solomon Smith Barney Citi Inst. Liquid Reserves Class	1.370%	-	5,501,479
Petty cash			9,050
Cash on hand			122,292
Less outstanding warrants			<u>(613,466)</u>
Total pooled cash and investments			<u>\$ 50,953,805</u>
Total pooled cash and investments			
Unrestricted			
Primary Government			\$ 49,612,418
Component Units			
Roaring Fork Transit Agency			-
Pitkin County Library District			334,886
Emergency 911 Authority			255,225
Restricted - Primary government			751,276
Restricted - Component Unit			-
			<u>\$ 50,953,805</u>

Pitkin County, Colorado

COMBINED SCHEDULE OF CASH AND INVESTMENTS (CONTINUED)

December 31, 2002

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Fair Value</u>
Other Cash and Investments			
Institutional Mutual Funds held for Library District			
Mutual Funds			
Berger			\$ 197,509
Davis New York Venture			291,698
Pimco RCM Larg Cap Growth			267,787
Liberty Acorn International			98,163
Scudder International			249,202
Strong Advantage			266,702
T. Rowe Price International Stock			242,817
T. Rowe Price Mid-cap			185,185
Vanguard Short Term Corporate Bond			295,853
Vanguard Total Stock			<u>414,335</u>
Total library cash and investments			2,509,251
Pension Trust Fund			
Managed Pension Funds			
Charles Schwab Trust Company			<u>\$ 16,321,608</u>
Total other cash and investments			<u><u>\$ 18,830,859</u></u>
Restricted Cash and Investments			
1998 Certificates of Participation			
Money Market Demand Deposits			
Bank of Cherry Creek	1.900%	-	\$ 352,713
Other Government Agencies			
Resolution Trust Strips	5.000%	-	35,009
1998 Open Space Jerome Park			
Other Government Agencies			
Resolution Trust Strips	5.03% - 5.12%	-	4,983,742
Public Trustee funds held in trust			
Savings account			
Alpine Bank Aspen	0.700%	-	<u>23,935</u>
Total restricted cash and investments			<u><u>\$ 5,395,399</u></u>

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COMBINED SCHEDULE OF GOVERNMENTAL REVENUE BY SOURCE

Pitkin County, Colorado

COMBINED SCHEDULE OF GOVERNMENTAL REVENUE BY SOURCE

For the year ended December 31, 2002

	GENERAL			SPECIAL
	General Fund	Road & Bridge Fund	Road Capital Fund	Social Services Fund
Taxes and special assessments				
Property	\$ 4,617,932	\$ 286,078	\$ -	\$ -
Specific ownership	270,322	14,951	-	683
General sales tax	4,619,577	427,719	-	-
Selective sales and use tax	22,925	-	-	-
Penalties and interest	10,581	548	-	-
Total taxes	<u>9,541,337</u>	<u>729,296</u>	<u>-</u>	<u>683</u>
Licenses and Permits				
Business	78,574	-	-	-
Nonbusiness	690,852	15,650	-	-
Total licenses and permits	<u>769,426</u>	<u>15,650</u>	<u>-</u>	<u>-</u>
Intergovernmental revenue				
Federal	490,040	325,069	-	-
State	79,188	892,803	-	269,033
Other governmental	249,337	35,525	14,999	-
Total intergovernmental revenue	<u>818,565</u>	<u>1,253,397</u>	<u>14,999</u>	<u>269,033</u>
Charges for services				
General government	2,554,552	-	-	-
Public safety	653,362	-	-	-
Public works	45	-	-	-
Health and welfare	83,541	-	-	-
Culture and recreation	-	-	-	-
Conservation of natural resources	4,535	-	-	-
Refunds	36,161	128	-	-
Total charges for services	<u>3,332,196</u>	<u>128</u>	<u>-</u>	<u>-</u>
Fines and forfeits				
Courts	17,170	-	-	-
Library	-	-	-	-
Total fines and forfeits	<u>17,170</u>	<u>-</u>	<u>-</u>	<u>-</u>
Miscellaneous				
Earnings on deposits and investments	482,298	-	91,698	5,487
Rents and royalties	281,891	7,800	-	-
Contributions	617,718	-	411,232	592
Other	15,786	-	-	-
Total miscellaneous	<u>1,397,693</u>	<u>7,800</u>	<u>502,930</u>	<u>6,079</u>
TOTAL REVENUES	<u>\$ 15,876,387</u>	<u>\$ 2,006,271</u>	<u>\$ 517,929</u>	<u>\$ 275,795</u>

REVENUE FUNDS

Human Services and Other Grants Fund	Transportation Sales and Use Tax Fund	Transit Employee Salary Fund	Open Space Fund	Conservation Trust Fund	Ambulance District	Redstone Ranch Acres Improvement District
\$ 800,000	\$ -	\$ -	\$ 6,598,712	\$ -	\$ 257,178	\$ 6,421
-	-	-	330,721	-	-	334
-	7,603,140	-	-	-	13,320	-
-	469,936	-	-	-	-	-
-	-	-	13,061	-	493	75
<u>800,000</u>	<u>8,073,076</u>	<u>-</u>	<u>6,942,494</u>	<u>-</u>	<u>270,991</u>	<u>6,830</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	435,642	-	-	-	-	-
-	500,000	-	8,500	62,100	42,450	-
42,638	5,783	9,335,893	142,000	-	-	-
<u>42,638</u>	<u>941,425</u>	<u>9,335,893</u>	<u>150,500</u>	<u>62,100</u>	<u>42,450</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
9,214	-	-	-	-	-	-
-	-	-	382	-	-	-
-	-	-	-	-	-	-
-	-	-	14,984	-	-	-
<u>9,214</u>	<u>-</u>	<u>-</u>	<u>15,366</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	273,872	-	790,811	1,411	17,228	336
-	-	-	27,000	-	-	-
20,466	-	-	9,917	-	54,950	-
-	-	-	-	-	-	-
<u>20,466</u>	<u>273,872</u>	<u>-</u>	<u>827,728</u>	<u>1,411</u>	<u>72,178</u>	<u>336</u>
<u>\$ 872,318</u>	<u>\$ 9,288,373</u>	<u>\$ 9,335,893</u>	<u>\$ 7,936,088</u>	<u>\$ 63,511</u>	<u>\$ 385,619</u>	<u>\$ 7,166</u>

(continued)

Pitkin County, Colorado

COMBINED SCHEDULE OF GOVERNMENTAL REVENUE BY SOURCE (CONTINUED)

For the year ended December 31, 2002

	DEBT SERVICE FUNDS			
	Twining Flats Improvement District	Ruedi Water and Power Authority	GO Debt Service Fund	Transit Debt Service Fund
Taxes and special assessments				
Property	\$ 1,815	\$ -	\$ 544,070	\$ -
Specific ownership	95	-	28,245	-
General sales tax	-	-	-	1,010,387
Selective sales and use tax	-	-	-	-
Penalties and interest	-	-	1,040	-
Total taxes	<u>1,910</u>	<u>-</u>	<u>573,355</u>	<u>1,010,387</u>
Licenses and Permits				
Business	-	-	-	-
Nonbusiness	-	-	-	-
Total licenses and permits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Intergovernmental revenue				
Federal	-	-	-	-
State	-	-	-	-
Other governmental	-	34,686	-	-
Total intergovernmental revenue	<u>-</u>	<u>34,686</u>	<u>-</u>	<u>-</u>
Charges for services				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Conservation of natural resources	-	-	-	-
Refunds	-	-	-	-
Total charges for services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fines and forfeits				
Courts	-	-	-	-
Library	-	-	-	-
Total fines and forfeits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Miscellaneous				
Earnings on deposits and investments	51	646	15,607	16,432
Rents and royalties	-	-	-	-
Contributions	-	-	-	-
Other	-	-	-	-
Total miscellaneous	<u>51</u>	<u>646</u>	<u>15,607</u>	<u>16,432</u>
TOTAL REVENUES	<u>\$ 1,961</u>	<u>\$ 35,332</u>	<u>\$ 588,962</u>	<u>\$ 1,026,819</u>

Pitkin County Capital Leasing Corporation	Holland Hills Improvement District	Primary Government Combined Total	Component Units			Reporting Entity Combined Total
			Roaring Fork Transit Authority	Pitkin County Library District	Emergency Telephone Authority	
\$ -	\$ 14,896	\$ 13,127,102	\$ -	\$ 1,692,043	\$ -	\$ 14,819,145
-	999	646,350	-	87,449	-	733,799
-	-	13,674,143	-	-	-	13,674,143
-	-	492,861	-	-	-	492,861
-	75	25,873	-	3,293	-	29,166
-	15,970	27,966,329	-	1,782,785	-	29,749,114
-	-	78,574	-	-	-	78,574
-	-	706,502	-	-	-	706,502
-	-	785,076	-	-	-	785,076
-	-	1,250,751	-	-	-	1,250,751
-	-	1,854,074	-	-	-	1,854,074
-	-	9,860,861	-	-	-	9,860,861
-	-	12,965,686	-	-	-	12,965,686
-	-	2,554,552	-	-	-	2,554,552
-	-	653,362	-	-	332,874	986,236
-	-	45	-	-	-	45
-	-	92,755	-	-	-	92,755
-	-	382	-	9,318	-	9,700
-	-	4,535	-	-	-	4,535
-	-	51,273	-	1,736	-	53,009
-	-	3,356,904	-	11,054	332,874	3,700,832
-	-	17,170	-	-	-	17,170
-	-	-	-	17,360	-	17,360
-	-	17,170	-	17,360	-	34,530
-	761	1,696,638	-	(404,017)	7,752	1,300,373
-	-	316,691	-	-	-	316,691
-	-	1,114,875	-	4,904	-	1,119,779
-	-	15,786	-	-	-	15,786
-	761	3,143,990	-	(399,113)	7,752	2,752,629
<u>\$ -</u>	<u>\$ 16,731</u>	<u>\$ 48,235,155</u>	<u>\$ -</u>	<u>\$ 1,412,086</u>	<u>\$ 340,626</u>	<u>\$ 49,987,867</u>

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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 2002
This Information From The Records Of (example - City of _ or County of	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
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	335,862
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,300,935
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	87,230
2. General fund appropriations (Note 1)	389,053	b. Snow and ice removal	534,335
3. Other local imposts (from page 2)	813,064	c. Other	4,928
4. Miscellaneous local receipts (from page 2)	548,601	d. Total (a. through c.)	626,493
5. Transfers from toll facilities		4. General administration & miscellaneous	372,392
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	396,636
a. Bonds - Original Issues		6. Total (1 through 5)	3,032,318
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	3,760
7. Total (1 through 6)	1,750,718	b. Redemption	20,000
B. Private Contributions	65,000	c. Total (a. + b.)	23,760
C. Receipts from State government (from page 2)	861,453	2. Notes:	
D. Receipts from Federal Government (from page 2)	298,694	a. Interest	
E. Total receipts (A.7 + B + C + D)	2,975,865	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	23,760
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	3,056,078

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	45,000		20,000	25,000
1. Bonds (Refunding Portion)				
B. Notes (Total)	45,000	0	20,000	25,000

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	3,025,304	2,975,865	3,056,078	2,945,092	0

Notes and Comments:

Note 1 General Fund Appropriation	
Transfer from General Fund	396,636
Sheriff expenditure for traffic	4,928
Less Amount used for Non-Highway	-12,510
Net General Fund Appropriation	389,053

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**2002
Annual Financial Report**

STATISTICAL SECTION

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Pitkin County, Colorado

GENERAL GOVERNMENT - EXPENDITURES BY FUNCTION (1)

Last ten years

	1993	1994	1995	1996
Current				
General government				
Legislative and executive	\$ 551,786	\$ 575,580	\$ 1,090,153	\$ 688,342
Administrative and elections	1,399,883	1,555,549	1,370,240	1,699,330
Judicial	4,729	4,858	2,910	416
Other	1,005,176	1,213,754	1,040,571	1,229,325
Capital outlays	485,036	439,139	689,742	591,143
Public safety				
Sheriff and other	2,799,615	3,061,970	3,170,503	3,021,691
Protective inspection	244,016	267,954	288,699	261,890
Capital outlays	299,404	296,903	474,296	854,686
Public works				
Highways and streets	3,281,247	3,606,255	3,979,683	3,261,535
Transportation	4,579,947	7,628,496	8,067,041	8,615,962
TV and FM translators	229,436	224,601	261,880	237,120
Sanitation	867,158	-	-	-
Capital outlays		7,470,984	1,587,533	716,927
Health and welfare				
Health	856,115	928,808	1,199,940	1,031,926
Welfare	306,106	318,078	336,459	283,764
Capital outlays	21,644	33,562	39,015	17,237
Culture and recreation				
Parks and trails	1,224,386	490,154	523,346	659,400
Library	715,346	854,018	967,692	957,853
Capital outlays	517,404	1,143,793	1,766,420	910,538
Conservation of natural resources				
Capital outlays	76,504	121,643	143,235	164,262
Capital outlays	860,680	-	11,325	54,460
Housing				
Capital outlays	572,260	623,452	668,666	258,030
Capital outlays	-	550	-	4,574
Intergovernmental	859,152	1,288,510	848,624	995,820
Debt service	2,673,774	2,289,212	2,672,878	2,649,867
	<u>\$24,430,804</u>	<u>\$34,437,823</u>	<u>\$31,200,851</u>	<u>\$29,166,098</u>

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

1997	1998	1999	2000	2001	2002
\$ 869,350	\$ 861,061	\$ 858,249	\$ 1,027,213	\$ 1,153,883	\$ 1,014,307
1,572,439	1,766,404	1,591,103	1,885,215	1,988,163	1,745,767
4,966	4,996	1,655	7,032	4,028	9,165
1,208,263	1,446,799	1,379,537	1,809,523	1,716,218	1,667,236
375,337	374,753	508,028	1,154,003	314,861	594,067
3,201,236	3,414,136	3,507,132	3,825,903	4,242,960	4,384,826
308,014	333,009	385,253	433,983	405,261	444,201
712,199	421,567	890,942	563,684	1,165,883	626,024
4,033,581	3,308,902	7,974,452	3,716,568	3,850,231	2,943,554
8,992,298	11,509,562	11,838,798	11,086,042	12,318,046	9,335,893
268,126	317,546	388,144	458,516	496,885	408,249
-	-	-	-	-	-
8,607,749	6,580,027	1,761,820	1,041,884	3,974,110	320,330
1,054,365	1,405,304	1,245,476	1,274,716	1,370,826	1,529,410
375,558	377,224	339,108	327,553	327,873	306,518
11,804	84,705	16,957	50,140	993,322	57,288
569,036	647,905	512,007	7,932,613	2,224,935	2,737,900
1,111,486	1,239,093	1,263,164	1,429,264	1,549,337	1,639,821
2,316,687	3,747,164	2,433,743	6,889,486	7,573,037	293,721
184,201	275,011	129,390	96,806	91,395	88,599
12,365	27,922	19,454	10,033	5,017	5,017
68,616	105,037	75,519	12,435	98,613	140,058
101,157	501,462	125,906	39,669	131,022	293,858
1,321,760	1,502,757	1,534,665	1,363,316	14,996,441	8,933,203
2,649,844	3,556,536	2,534,053	2,605,952	3,288,072	3,527,085
<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>	<u>\$43,046,097</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
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
2002	29,749,114	785,076	12,965,686	3,700,832	34,530	2,752,629	49,987,867

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
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
2002	14,538,835	280,310	13,674,143	492,861	733,799	29,166	29,749,114

- (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
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%
2001	2002	14,669,017	14,538,835	99.11%	28,523	14,567,358	99.31%

(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

Levy Year (3)	Collection Year	Current assessments due	Assessment collections (2)	Ratio of collections to amount due
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%
2001	2002	283,067	280,310	99.03%

- (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 1998) 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)
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	9.15%	1,717,845	33,721	20,011	1,771,577	14,458,229
2002	2001	9.15%	1,741,234	38,959	19,795	1,799,988	14,838,113

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>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
County-Wide Levies					
County Government	3.41	3.41	3.44	3.44	3.26
Special Revenue Funds	2.14	2.14	2.08	2.82	2.79
Debt Service Funds	<u>0.64</u>	<u>0.64</u>	<u>0.62</u>	<u>0.61</u>	<u>0.45</u>
Total County	<u>6.19</u>	<u>6.19</u>	<u>6.14</u>	<u>6.87</u>	<u>6.50</u>
Miscellaneous County-Wide					
Colorado Mt. Jr. College	4.00	4.00	4.00	3.79	3.94
Colorado River Conservancy	0.39	0.39	0.38	0.34	0.31
Pitkin County Library District (2)	1.44	1.44	1.40	1.40	1.32
Aspen Valley Hospital (3)	<u>-</u>	<u>-</u>	<u>1.50</u>	<u>1.50</u>	<u>1.34</u>
Total County-Wide Levies	<u>12.02</u>	<u>12.02</u>	<u>13.42</u>	<u>13.90</u>	<u>13.41</u>
School Districts					
Aspen School District RE-1	10.79	10.67	11.58	11.53	10.64
Roaring Fork School District RE -1	45.57	54.79	52.96	51.21	43.42
Municipalities					
Aspen	5.40	5.40	5.40	5.40	5.40
Snowmass Village	5.21	5.21	4.90	4.90	4.32
Basalt	6.15	5.97	5.38	5.38	4.53
Fire Protection and Ambulance Districts					
Several, range from high of	5.28	5.28	6.98	6.94	6.01
to low of	0.29	0.29	0.28	0.28	0.27
Water and Sanitation Districts					
Several, range from high of	31.75	33.29	31.91	34.22	29.99
to low of	0.31	0.31	0.29	0.29	0.28
Total Mill Levy for Districts					
Range					
High	79.93	85.85	91.22	89.91	79.33
Low	22.81	22.69	25.00	25.44	24.04
Average	46.77	51.18	50.87	54.41	44.91

(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>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
3.43	2.83	3.04	3.09	2.40
2.73	2.79	4.06	3.92	4.50
0.47	0.37	0.38	0.31	0.29
<u>6.63</u>	<u>5.99</u>	<u>7.48</u>	<u>7.32</u>	<u>7.19</u>
3.54	3.66	4.00	3.98	3.98
0.31	0.28	0.28	0.25	0.25
1.37	1.16	1.24	1.04	1.07
<u>1.50</u>	<u>1.50</u>	<u>1.50</u>	<u>1.50</u>	<u>1.50</u>
<u><u>13.35</u></u>	<u><u>12.59</u></u>	<u><u>14.50</u></u>	<u><u>14.09</u></u>	<u><u>13.99</u></u>
10.23	8.26	9.87	8.95	8.93
43.62	41.44	41.33	34.81	34.56
5.37	5.40	5.39	5.40	5.44
4.43	9.29	9.42	9.11	10.16
4.31	3.90	3.90	6.62	6.50
5.93	5.34	5.28	4.45	6.22
0.27	0.23	0.25	0.20	0.21
33.33	27.90	30.26	14.60	7.64
0.29	0.23	0.25	0.21	0.21
78.66	82.57	76.01	109.86	118.19
23.58	20.85	24.36	23.05	22.94
42.02	39.85	42.85	42.60	43.14

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	
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
2002	3,628,775	3,072,234	896,791	1,453,332	285,000	132,790	417,790	3.48

- (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	
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
2002	16,432	4,650,958	4,667,390	530,000	451,585	981,585	4.8

- (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, 2002

Total assessed value	<u>\$1,799,987,440</u>
General obligation bonded debt for home rule counties limited to 3% of assessed value per Colorado Revised Statutes, Section 30-35-201 (6b)	53,999,623
Amount of debt applicable to debt limit	<u>21,775,000</u>
Legal debt margin	<u>\$ 32,224,623</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
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	14,591 (2)	1,771,577,340	22,320,000	225,108	22,094,892	1.25%	1,514.28
2002	14,591	1,799,987,440	21,775,000	248,112	21,526,888	1.20%	1,475.35

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
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%
2002	545,000	1,333,255	1,878,255	43,046,097	4.4%

(1) Source: Demographics Statistics, page 113.

(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, 2002

	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
Overlapping Debt					
Aspen School District RE-1	\$ 43,265,000	\$ -	\$ 43,265,000	100.0%	\$ 43,265,000
Aspen Highlands Residential Metro	13,756,707	-	13,756,707	100.0%	13,756,707
Basalt and Rural Fire Protection Dist	3,809,890	-	3,809,890	79.6%	3,031,961
Basalt Sanitation District	3,315,000	-	3,315,000	55.8%	1,849,770
Brush Creek Water District	1,600,000	-	1,600,000	100.0%	1,600,000
Buttermilk Metro District	7,344,390	-	7,344,390	100.0%	7,344,390
Carbondale Fire Protection District	1,430,045	-	1,430,045	11.3%	162,306
City of Aspen	21,250,000	6,950,000	14,300,000	100.0%	14,300,000
Holland Hills Metro District	2,398,383	-	2,398,383	100.0%	2,398,383
Redstone Water and Sanitation	438,305	-	438,305	100.0%	438,305
Roaring Fork School District	4,123,766	-	4,123,766	22.4%	925,702
Snowmass Water and Sanitation	5,075,000	-	5,075,000	100.0%	5,075,000
Snowmass Wildcat Fire Protection	57,613	-	57,613	100.0%	57,613
Starwood Water and Sanitation	1,000,000	-	1,000,000	100.0%	1,000,000
Town of Basalt	2,983,000	-	2,983,000	39.2%	1,169,336
Town of Snowmass Village	<u>24,880,000</u>	<u>11,585,000</u>	<u>13,295,000</u>	100.0%	<u>13,295,000</u>
Total Overlapping Debt	136,727,099	18,535,000	118,192,099		109,669,473
Direct Debt					
Pitkin County					21,775,000
General Improvement Districts					
Holland Hills Road Improvement District					<u>25,000</u>
Total Direct Debt					<u>21,800,000</u>
Net overlapping debt					<u>\$ 131,469,473</u>

Source: Information obtained from individual entities.

Pitkin County, Colorado

DEMOGRAPHIC STATISTICS

Last ten years (5)

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Population (1)	13,539	14,042	14,264	14,203	14,259	14,371	14,342	14,394	14,309	14,591
Percent change	3.5%	3.7%	1.6%	-0.4%	0.4%	0.8%	-0.2%	0.4%	-0.6%	2.0%
Births	139	165	157	136	141	145	135	169	156	160
Deaths	22	48	23	39	35	33	31	23	39	44
Net migration	346	386	88	(158)	(50)	-	(133)	(94)	(202)	166
Population change	463	503	222	(61)	56	112	(29)	52	(85)	282
School enrollment (2)	1,381	1,396	1,442	1,477	1,503	1,529	1,538	1,527	1,488	1,684
Percent change	5.0	1.1	3.3	2.4	1.8	1.7	0.6	-0.7	-2.6	13.2
Labor force (3)	7,739	8,370	8,880	8,927	8,892	9,157	9,309	8,968	8,757	9,161
Percent change	1.7	8.2	6.1	0.5	-0.4	3.0	1.7	-3.7	-2.4	4.6
Unemployment rate in %	8.1	5.9	4.7	4.8	4.6	4.0	4.4	3.3	2.6	4.4
Auto registration (4)	18,500	15,642	16,393	16,393	16,383	17,006	17,213	17,912	17,791	16,109
Percent change	-4.1	-15.4	4.8	0.0	-0.1	3.8	1.2	4.1	-0.7	-9.5
Per capita income	\$36,073	\$37,255	\$38,839	\$40,942	\$44,535	N/A	N/A	\$58,938	\$62,307	\$64,339
Percent change	12.3	3.3	4.3	5.4	8.8	N/A	N/A	N/A	5.7	3.3

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. 2002 information is not available.

Pitkin County, Colorado
 PRINCIPAL PROPERTY TAXPAYERS
 December 31, 2002

<u>Taxpayer</u>	<u>Type of business</u>	<u>2002 assessed valuation</u>	<u>Percent of total assessed valuation</u>
Sheridan Luxury Trust, Aspen Dean Street LLC	Hotel/lodging	\$ 25,295,250	1.43%
Aspen Skiing Company	Skiing	19,503,980	1.10%
Little Nell Hotel	Hotel/lodging	15,346,840	0.87%
Silvertree Hotel of Snowmass	Hotel/Lodging	10,440,000	0.59%
Hotel Jerome Partners, Cortina, North Star	Hotel/lodging	8,506,400	0.48%
Holy Cross Electric Assn	Utility	8,089,500	0.46%
Hines Highland Ltd. Partnership	Developer	7,683,780	0.43%
Maroon Creek, LLC	Golf and tennis club management and development	6,947,940	0.39%
Snowmass Club	Hotel/lodging	6,518,020	0.37%
Roaring Fork Club, LP	Golf Course and Club	<u>5,987,550</u>	0.34%
Total assessed valuation for 10 largest taxpayers		114,319,260	6.46%
Total assessed valuation for all other taxpayers		<u>1,657,251,080</u>	<u>93.54%</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	
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
2002	13	9,441,400	164	114,432,226	608,299

Levy Year	Valuation base year (3)	Property Value (3)			
		Commercial (4)	Residential (4)	Miscellaneous (5)	Exempt (6)
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
2002	2000	369,165,010	1,163,285,160	267,537,270	80,471,970

- (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, 2002

Date of formation	1881
Form of government	Home Rule County July, 1978
Area	973 square miles
Miles of roads maintained	
Primary roads	142
Secondary Roads	124

Police protection

	<u>County Sheriff</u>	<u>Aspen Police</u>	<u>Snowmass Police</u>
Number of Officers			
Patrol	21	26	9
Detention	12	-	-
Number of Vehicles	25	14	6
Number of crimes reported/cleared			
Murder	0/0	0/0	0/0
Rape	3/1	2/2	0/0
Robbery	2/2	1/0	0/0
Assault	26/20	56/43	10/10
Burglary	33/5	63/13	12/1
Larceny	134/13	327/69	122/17
Auto theft	20/5	17/7	6/0
Detention facility	1	none	none
Average population of facility	21 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	88	21	10	119
Number of teachers	116	36	12	164
Number of students	1,427	165	117	1,709

Culture and recreation

Miles of trails	
Paved	19.67
Unpaved	14.95
Acres of open space owned	1,682
easements	7,047
Number of libraries	2
Number of volumes	87,858

Solid Waste Facility

Acres	225
Usage rate	144,000 cubic yards/year
Estimated useful life	15 - 18 years

Translators

Sites	9
TV channels	4
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	188	13	198	399
Regular part-time	2	8	29	39
Seasonal	30	-	-	30
Part time seasonal	12	-	-	12
Temporary	-	1	13	14

Pitkin County, Colorado
SALES TAX COLLECTIONS

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>
2-Percent sales tax (2)	<u>\$9,173,651</u>	<u>\$9,806,728</u>	<u>\$10,002,409</u>	<u>\$ 10,579,244</u>
Seasonal composition				
Winter	61.5%	62.0%	61.7%	60.9%
Summer	38.5%	38.0%	38.3%	39.1%
Percentage increase (decrease)	11.9%	6.9%	2.0%	5.8%
1-Percent Transit sales tax (3) (4)	\$4,547,764	\$4,837,394	\$ 4,924,511	\$ 5,187,040
Percentage increase (decrease)	12.2%	6.4%	1.8%	5.3%
Less payments				
To City of Aspen	401,047	433,681	487,000	475,947
To Snowmass Village	<u>925,922</u>	<u>997,672</u>	<u>972,705</u>	<u>1,014,470</u>
Total Deductions	<u>1,326,969</u>	<u>1,431,353</u>	<u>1,459,705</u>	<u>1,490,417</u>
Net payments to RFTA	<u>\$3,220,795</u>	<u>\$3,406,041</u>	<u>\$ 3,464,806</u>	<u>\$ 3,696,623</u>
Percentage increase (decrease)	13.9%	5.8%	1.7%	6.7%
1/2 Percent Transit Sales and Use Tax (6)				
Sales tax	\$ -	\$2,135,317	\$ 2,526,855	\$ 2,641,380
Use Tax	-	<u>208,982</u>	<u>335,456</u>	<u>299,414</u>
	<u>\$ -</u>	<u>\$2,344,299</u>	<u>\$ 2,862,311</u>	<u>\$ 2,940,794</u>
Percentage increase	-	-	22.1%	2.7%

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.

<u>1997</u>	<u>1998 (7)</u>	<u>1999 (5)</u>	<u>2000</u>	<u>2001</u>	<u>2002</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>	<u>\$ 11,737,896</u>
61.1%	60.2%	59.0%	57.7%	59.0%	58.8%
38.9%	39.8%	41.0%	42.3%	41.0%	41.2%
7.9%	5.4%	0.5%	4.0%	-3.0%	-3.8%
\$ 5,586,314	\$ 5,884,015	\$ 5,880,626	\$ 6,048,422	\$ 5,891,227	\$ 5,676,508
7.7%	5.3%	-0.1%	2.9%	-2.6%	-3.6%
507,875	530,618	554,742	561,362	2,445,633	2,265,588
<u>1,124,607</u>	<u>1,176,254</u>	<u>1,090,335</u>	<u>1,068,026</u>	<u>610,088</u>	<u>678,760</u>
<u>1,632,482</u>	<u>1,706,872</u>	<u>1,645,077</u>	<u>1,629,388</u>	<u>3,055,721</u>	<u>2,944,348</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>	<u>\$ 2,732,160</u>
7.0%	5.6%	1.4%	4.3%	-35.8%	-3.6%
\$ 2,826,666	\$ 2,994,057	\$ 3,022,783	\$ 3,173,527	\$ 3,087,143	\$ 2,947,576
<u>341,193</u>	<u>391,128</u>	<u>510,498</u>	<u>493,570</u>	<u>489,096</u>	<u>469,937</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>	<u>\$ 3,417,513</u>
7.7%	6.9%	4.4%	3.8%	-2.5%	-4.4%

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	1993	1994	1995	1996
Motor Vehicle/Auto Parts	\$ 12,191	\$ 14,237	\$ 16,440	\$ 20,012
Furniture/Furnishings	18,519	19,377	16,847	19,555
(1a) Electronics/Appliances	N/A	N/A	N/A	N/A
Building materials/Nurseries	6,331	7,023	18,684	19,162
Food/Beverage stores	37,566	40,695	39,540	39,203
(1a) Health & Personal Care	N/A	N/A	N/A	N/A
(1a) Gas Stations	N/A	N/A	N/A	N/A
Clothing and accessory	59,927	64,172	66,472	64,889
(1a) Sporting Goods/Hobby/Books/Music	N/A	N/A	N/A	N/A
General merchandise	3,222	4,051	3,294	4,381
Miscellaneous Stores	88,901	94,949	104,165	118,189
(1a) Non-Store Retailers	N/A	N/A	N/A	N/A
Accommodations	80,224	101,017	101,549	95,966
Food and drinking Services	88,538	99,156	93,327	113,341
(1b) Financial insurance and real estate	43,430	38,219	42,042	41,845
(1b) Other services	72,773	80,797	81,866	69,501
(1b) Wholesales trade	6,365	6,294	6,575	6,251
(1b) Agriculture	7,713	4,669	3,530	4,085
(1b) Mining	1,676	-	-	3,523
(1b) Contract construction	15,192	9,350	21,019	29,141
(1b) Manufacturing	7,268	9,226	8,227	9,688
Transportation, communications and public utilities	40,503	49,023	54,588	60,509
(1b) Unclassified	3,611	5,808	8,151	5,636
	<u>\$ 563,240</u>	<u>\$ 614,449</u>	<u>\$ 653,029</u>	<u>\$ 685,310</u>
Percentage Increase	1.9%	9.1%	6.3%	4.9%

Source: Information provided by the Colorado Department of Revenue.

- (1) Starting in 2002 classifications were changed from the Standard Industrial Classification to the North American Industrial Classification System. Not all categories are comparable.
- (1a) Category added in 2002
- (1b) Category discontinued in 2002

<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
\$ 20,680	\$ 21,626	\$ 20,192	\$ 16,176	\$ 15,218	\$ 5,802
20,735	27,669	31,542	28,271	29,508	35,214
N/A	N/A	N/A	N/A	N/A	8,181
18,469	21,071	26,561	28,831	23,722	14,821
43,293	45,673	48,875	51,012	49,408	59,071
N/A	N/A	N/A	N/A	N/A	17,092
N/A	N/A	N/A	N/A	N/A	9,464
67,624	65,537	57,665	58,350	53,361	73,346
N/A	N/A	N/A	N/A	N/A	46,626
3,985	5,462	6,145	12,299	15,838	11,584
126,687	135,665	137,313	149,300	150,888	58,015
N/A	N/A	N/A	N/A	N/A	5,646
112,626	107,930	113,639	122,498	116,985	126,737
106,641	114,210	97,798	96,996	92,366	81,632
46,989	50,002	40,239	36,881	33,132	N/A
83,297	95,369	94,987	104,623	94,204	N/A
7,466	8,335	9,833	8,074	11,506	N/A
7,864	5,684	5,089	6,818	5,525	N/A
4,720	6,639	-	-	-	N/A
18,430	24,796	28,163	29,248	29,834	N/A
9,519	12,598	12,939	13,464	16,682	N/A
60,338	65,271	67,194	72,871	81,186	N/A
5,853	5,851	-	-	-	N/A
<u>\$ 723,801</u>	<u>\$ 770,093</u>	<u>\$ 746,440</u>	<u>\$ 791,265</u>	<u>\$ 819,363</u>	<u>\$ 553,231</u>
5.6%	6.4%	-3.1%	6.0%	3.6%	-32.5%

Pitkin County, Colorado

ANNUAL SKIER DAYS BY AREA (1)

Last ten years

<u>Year</u>	<u>Aspen Mountain</u>	<u>Buttermilk</u>	<u>Snowmass</u>	<u>Total Aspen Ski Co.</u>	<u>Aspen Highlands</u>	<u>Grand Total</u>	<u>Percent Increase (Decrease)</u>
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%
2002/2003	315,130	141,077	699,701	1,155,908	157,317	1,313,225	3.5%

- (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			
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%
2002	16,936	27,335	44,271	2,078	46,349	0.8%	183,704	-2.1%

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

Carrier	Last ten years									
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
United Express (1)	71%	77%	99%	90%	83%	79.5%	88.0%	85.4%	85.2%	84.8%
Continental Express (2)	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%	9.1%
America West Express (7)	-	-	-	-	0.2%	3.5%	4.6%	7.4%	6.9%	6.1%

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>
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%
2002	3,319,877	3,389,757	\$ 13,224,666	1.02	\$ 3.98
Percent change	-2.6%	-5.0%	8.8%	-2.4%	11.5%

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**2002
Annual Financial Report**

SINGLE AUDIT SECTION

Pitkin County, Colorado

SCHEDULE OF FEDERAL FINANCIAL AWARDS

Year ended December 31, 2002

Federal Grantor/Pass-through Grantor/Program title	Federal CFDA number	Grant identifying number	Grant award amount
Department of Agriculture			
Pass through Colorado Department of Human Services			
Food Assistance coupons & EBT COUPONS	10.551		-
Food Stamp Admin	10.561		-
<hr/>			
Department of Transportation			
Direct Programs			
* Federal Aviation Administration			
Rehabilitate Taxiway, install Distance-to-GO signs	20.106	03-08-0003-17	1,625,117
Rehabilitate air carrier apron, relocate portion of air car	20.106	03-08-0003-18	1,846,760
Relocate North GA parking and Rehab GA Apron	20.106	03-08-0003-20	2,830,000
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
Airport Master Plan	20.106	03-08-0003-23	460,062
MALSf	20.106	03-08-0003-24	626,400
East Side Development	20.106	03-08-0003-25	1,830,000
Security	20.106	03-08-0003-26	261,775
			<u>11,161,614</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
			<u>3,153,784</u>
Colorado Transportation Commission			
Transportation Enhancement Contract	20.205	STE C570-010	40,000
Congestion Mitigation Air Quality	20.205	00 HA3 00045	377,780
Congestion Mitigation Air Quality	20.205	02 HA3 00049	160,757
			<u>578,537</u>
Department of Health and Human Services			
Pass through Colorado Department of Human Services			
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>
Pass through Colorado Department of Local Affairs			
Community Service Block Grant 01-02	93.569	KCS1032	9,299
Community Service Block Grant 02-03	93.569	KCS032	10,113
			<u>19,412</u>
Pass through Northwest Colorado Council of Governments			
Title III of the Older American Act 2001	93.045	12-Z84	7,358
Title III of the Older American Act 2002		12Z-84/SGF	7,652
			<u>15,010</u>
TOTAL			<u><u>\$ 14,928,357</u></u>

* Major program

Federal Grant receipts	Less grants receivable (payable) January 1, 2002	Add grants receivable (payable) December 31, 2002	Grant revenue earned
35,166	-	-	35,166
14,134	-	-	14,134
<u>49,300</u>	<u>-</u>	<u>-</u>	<u>49,300</u>
50,000	-	-	50,000
32,223	-	-	32,223
299,547	122,542	-	177,005
4,286	1,397	-	2,889
531,171	232,438	-	298,733
163,159	-	86,493	249,652
500,173	-	-	500,173
1,555,911	-	135,845	1,691,756
233,443	-	28,332	261,775
<u>3,369,913</u>	<u>356,377</u>	<u>250,670</u>	<u>3,264,206</u>
524,919	165,000	75,723	435,642
49,674	49,674	-	-
<u>574,593</u>	<u>214,674</u>	<u>75,723</u>	<u>435,642</u>
-	-	-	-
77,780	77,780	-	-
-	-	26,374	26,374
<u>77,780</u>	<u>77,780</u>	<u>26,374</u>	<u>26,374</u>
25,843	-	-	25,843
21,401	-	-	21,401
7,637	-	-	7,637
15,027	-	-	15,027
1,019	-	-	1,019
21,444	-	-	21,444
9,602	-	-	9,602
2,890	-	-	2,890
8,307	-	-	8,307
14,298	-	-	14,298
(338)	-	-	(338)
<u>127,128</u>	<u>-</u>	<u>-</u>	<u>127,128</u>
9,299	-	-	9,299
5,057	-	-	5,057
<u>14,356</u>	<u>-</u>	<u>-</u>	<u>14,356</u>
7,358	7,358	-	-
-	-	7,652	7,652
<u>7,358</u>	<u>7,358</u>	<u>7,652</u>	<u>7,652</u>
<u>\$ 4,220,429</u>	<u>\$ 656,189</u>	<u>\$ 360,419</u>	<u>\$ 3,924,659</u>

Pitkin County, Colorado

SCHEDULE OF MULTI YEAR FEDERAL FINANCIAL AWARDS

Year ended December 31, 2002

Federal Grantor/Pass-through Grantor/Program title	Federal CFDA number	Grant identifying number	Grant award amount
Direct Programs			
Department of Transportation			
Federal Aviation Administration			
Rehabilitate Taxiway, install Distance-to-GO	20.106	03-08-0003-17	\$ 1,625,117
Rehabilitate and relocate air carrier apron	20.106	03-08-0003-18	1,846,760
Relocate North GA parking and Rehab GA Apron	20.106	03-08-0003-20	2,830,000
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
Airport Master Plan	20.106	03-08-0003-23	460,062
MALSF	20.106	03-08-0003-24	626,400
East Side Development	20.106	03-08-0003-25	1,830,000
Security	20.106	03-08-0003-26	261,775
			<u>11,161,614</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
			<u>3,153,784</u>
Colorado Transportation Commission			
Transportaton Enhancement Contract	20.205	STE C570-010	40,000
Congestion Mitigation Air Quality	20.205	00 HA3 00045	377,780
Congestion Mitigation Air Quality	20.205	02 HA3 00049	417,780
			<u>417,780</u>
Pass through Colorado Department of Local Affairs			
Department of Health and Human Services			
Community Service Block Grant 01-02	93.569	KCS032	9,299
Community Service Block Grant 02-03	93.569	KCS032	10,113
			<u>19,412</u>
Pass through Northwest Colorado Council of Governments			
Title III of the Older American Act 2001	93.045	12-Z84	7,358
Title III of the Older American Act 2002	93.045	84-0639906	7,652
			<u>15,010</u>
TOTAL			<u>\$ 14,767,600</u>

* Major program

Grant revenue earned	State and Local match and programs revenue	Program expenditures
\$ 1,625,117	\$ 187,508	\$ 1,812,625
1,846,760	475,887	2,322,647
2,465,910	855,872	3,321,782
286,689	34,949	321,638
1,119,201	127,431	1,246,632
249,652	27,739	277,391
500,173	57,146	557,319
1,691,756	198,917	1,890,673
261,775	-	261,775
<u>10,047,033</u>	<u>1,965,449</u>	<u>12,012,482</u>
1,883,376	618,000	2,501,376
1,160,654	297,325	1,457,979
<u>3,044,030</u>	<u>915,325</u>	<u>3,959,355</u>
-	-	-
377,780	388,953	766,733
<u>377,780</u>	<u>388,953</u>	<u>766,733</u>
9,299	-	9,299
5,056	-	5,056
<u>14,355</u>	<u>-</u>	<u>14,355</u>
7,358	18,145	25,503
7,652	20,945	28,597
<u>15,010</u>	<u>39,090</u>	<u>54,100</u>
<u>\$ 13,498,208</u>	<u>\$ 3,308,817</u>	<u>\$ 16,807,025</u>

PITKIN COUNTY, COLORADO

NOTES TO SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2002

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.

The county records EBT transactions for all programs except Food Assistance. All states, disburse payments for this program using the EBT system and the Governmental Accounting Standards Board (GASB) has provided guidance that EBT payments for Food Assistance do not have to be recorded in a government's financial records. The State of Colorado uses the EBT system for additional programs other than food assistance and the GASB has not provided guidance for these program. The amount of EBT pass-through payments for food assistance in 2002 totaled \$35,028.

County Social Services Programs

Colorado Works (Temporary Assistance to Needy Families)	\$ 3,395
Child Care Services	20,645
Child Welfare	10,366
Alternative Foster Care Services	24,909
Child Support Enforcement	29,135
Assisted Living Care in Client's Home	2,076
Aid to Needy Disabled	1,528
Old Age Pension Benefits	34,952
Food Assistance Benefits	35,028
Low Income Energy Assistance	7,637
Social Services Administrative Costs	<u>230,105</u>
Total social services electronic benefit authorizations and warrants issued	<u>\$ 399,776</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, 2002, and have issued our report thereon dated May 23, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.


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 23, 2003

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, 2002. 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 auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 its major federal program for the year ended December 31, 2002.

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 23, 2003

Pitkin County, Colorado
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year ended December 31, 2002

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?

- Yes
- No

Reportable condition(s) identified that are not considered to be material weaknesses?

- Yes
- None reported

Noncompliance material to financial statements noted?

- Yes
- No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

- Yes
- No

Reportable condition(s) identified that are not considered to be material weaknesses?

- 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>
20.509	Federal Aviation Administration 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, 2002

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, 2002

There were no prior year audit findings.