

Pitkin County, Colorado
Comprehensive Annual Financial Report
For the Year Ended December 31, 2006

TABLE OF C O N T E N T S

	Page
INTRODUCTORY SECTION	
Organization Chart and List of Officials	v
Letter of Transmittal	vii
Certificate of Achievement	xv
 FINANCIAL SECTION	
Report of Independent Certified Public Accountants	3
Management’s Discussion and Analysis (RSI).....	5
 Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Assets	18
Statement of Activities.....	20
 Governmental Fund Financial Statements:	
Governmental Funds - Balance Sheet	22
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	23
Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds	24
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	25
 Proprietary Fund Financial Statements:	
Statement of Net Assets – Proprietary Funds.....	26
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds.....	27
Statement of Cash Flows – Proprietary Funds.....	28
 Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Assets	30
Statement of Changes in Fiduciary Net Assets – Retirement Trust Fund	31
 Component Unit Statements	
Combining Statement of Net Assets – Component Units	32
Combining Statement of Activities – Component Units	33
 Notes to the Basic Financial Statements	 36

**Pitkin County, Colorado
Comprehensive Annual Financial Report
For the Year Ended December 31, 2006**

TABLE OF CONTENTS (CONTINUED)

	Page
Required Supplementary Information Other Than MD&A:	
Schedules of Revenues, Expenditures and Changes in Fund Balances – Actual and Budget	
Major Funds:	
General Fund.....	62
Road and Bridge Fund.....	63
Transportation Sales & Use Tax Fund	64
Open Space and Trails Fund	65
 Supplemental Information:	
Combining and Individual Non-Major Fund Statements and Schedules –	
Governmental Funds:	
Combining Balance Sheet Non-Major Governmental Funds	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-major Governmental Funds.....	69
 Special Revenue Funds	
Combining Balance Sheet Non-major Special Revenue Funds	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-major Special Revenue Funds	74
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	
Social Services Fund.....	76
Translator Fund.....	77
Healthy Community Fund	78
Conservation Trust Fund	79
Ambulance District Fund	80
Employee Housing Impact Fund	81
Redstone Ranch Acres Improvement District Fund	82
Twining Flats Improvement District Fund.....	83
 Debt Service Funds:	
Combining Balance Sheet Non-major Debt Service Funds	86
Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-major Debt Service Funds	87
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	
County GO Debt Service Fund	88
Transit Debt Service Fund.....	89
Pitkin County Capital Leasing Corporation Fund	90

**Pitkin County, Colorado
Comprehensive Annual Financial Report
For the Year Ended December 31, 2006**

TABLE OF CONTENTS (CONTINUED)

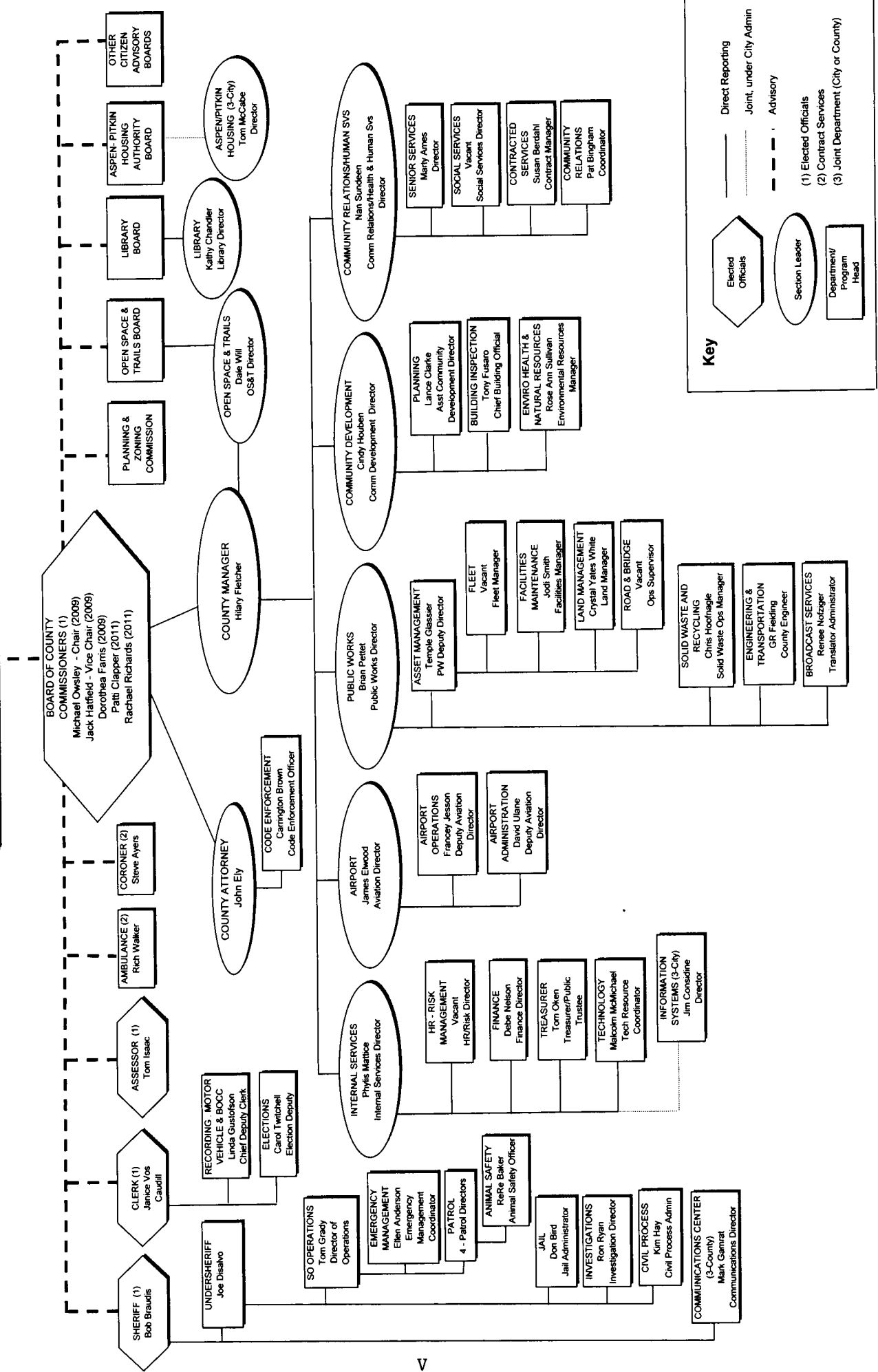
	Page
Proprietary Funds – Enterprise	
Comparative Statement of Revenues, Expenses and Changes in Fund Net Assets	
Airport Fund	92
Airport Fund Budget (Budgetary Basis) and Actual (U.S. GAAP Basis)	93
Solid Waste Center Fund	94
Solid Waste Center Fund Budget (Budgetary Basis) and Actual (U.S. GAAP Basis)	95
 Fiduciary Funds – Agency Funds	
Combining Statement of Changes in Assets and Liabilities – Agency Funds	98
 Component Units	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual	
Pitkin County Library District	100
Emergency Telephone Authority	101
Combined Schedule of Cash and Investments	104
Combined Schedule of Governmental Revenue by Source	108
Local Highway Finance Report	114
 STATISTICAL SECTION	
Description of Statistical trends	117
Net Assets by Component	118
Changes in Net Assets	119
Fund Balance – Governmental Funds	120
Changes in Fund Balance – Governmental Funds	122
Program Revenues by Functions/Program	124
Tax Revenues by Source	125
Assessed Value and Actual Value of Taxable Property	126
Direct and Overlapping Property Tax Rates	128
Principal Property Taxpayers	130
Property Tax Levies and Collections	131
Ratio of Outstanding Debt by Type	132
Sales Tax Revenue bond Coverage	133
Ratio of Net General Bonded Debt to Assessed Value and net Bonded Debt Per Capita	133
Ratio of Annual Debt Service expenditures for General Bonded Debt to Total General Expenditures	133
Legal Debt Margin Information	134
Demographic and Economic Statistics	136
Principal Employers	137

**Pitkin County, Colorado
Comprehensive Annual Financial Report
For the Year Ended December 31, 2006**

TABLE OF C O N T E N T S (CONTINUED)

	Page
STATISTICAL SECTION (CONTINUED)	
Sales Tax Collections	138
Retail Sales by Standard Industrial Classification	140
Annual Skier Days by Area	142
Full-Time Equivalent County Government	143
Operating Indicators by Function/Program	144
Airport Operations and Enplaned Passengers	145
Construction, Bank Deposits and Property Value	146
Capital Asset Statistics by Function/Program	147

CITIZENS OF PITKIN COUNTY, CO



Key

- Direct Reporting
- Joint, under City Admin
- Advisory
- Elected Officials
- Section Leader
- Department/Program Head

(1) Elected Officials
(2) Contract Services
(3) Joint Department (City or County)

LETTER OF TRANSMITTAL

August 16, 2007

To the Citizens of Pitkin County, Colorado:

We submit, for your information and review, the Comprehensive Annual Financial Report of Pitkin County, Colorado, for the fiscal year ended December 31, 2006.

REPORT PREPARATION AND CONTENT

The County's Annual Financial Report was prepared by the Finance Department. The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County.

The basic financial statements are accompanied by an introduction, overview, and analysis, referred to as "Management's Discussion and Analysis" (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found in the Financial Section immediately following the independent auditors' report.

This report includes all activities for which the Board of County Commissioners is accountable to the citizens of Pitkin County, financially, or by State Statute. All applicable funds, departments and offices are included in these financial statements as part of the "primary government" of Pitkin County. 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 Pitkin County Library District and the Emergency Telephone Authority 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 position and changes in financial position from those of the primary government.

INDEPENDENT AUDIT

Colorado law requires that the County's financial statements be audited by independent certified public accountants licensed to practice in the State of Colorado. Jaspers + Hall, P.C., a Colorado licensed Certified Public Accounting firm, has audited the County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for issuing an unqualified opinion that the County's financial statements for the year ended December 31, 2006 are fairly presented in conformity with U.S. Generally Accepted Accounting Principles. The independent auditors' report is presented in the front of the financial section of this report.

The independent audit of the County's financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, especially as they relate to the administration of federal awards. Single Audit schedules and the auditors' reports are available under separate cover.

PROFILE OF PITKIN COUNTY

Location and demographics. 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 16,266. Recreation and tourism, real estate and construction dominate the local economic activity of the County, including the three incorporated municipalities, Aspen, Snowmass Village, and Basalt, located therein.

County Services. 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 and trails. 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 of the joint departments.

County Operating 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 other elected County officials are the assessor, clerk and recorder, and sheriff.

Budget and financial policies. 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 re-appropriated 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. The County also maintains a minimum fund balance of at between 5% and 15% of the general fund operating revenues in a contingency fund balance to respond to a natural disaster or plan in the event of declining sales tax revenues.

Cash Management. 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 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. Instrumentality securities, time deposits, or money market funds. The average rate of return on these investments was 5.2 percent for 2006, generating \$2,788,012 income for the primary government and \$64,034, and \$18,210 for the Library and the Emergency Telephone Authority, the County's component units, respectively. In addition the Library District gained \$425,647 on its \$4 million endowment fund that is invested in various bond and stock mutual funds. See note 1-E-1 to the financial statements for additional details pertaining to the County's investments.

Risk Management. The County uses a combination of self-insurance and purchased commercial insurance to safeguard against certain losses and risks. The goal of the risk management program is to minimize harm to physical, human, fiscal, and environmental resources of the County and to minimize the total cost of the risk to Pitkin County. 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.

The property and general liability program provides for the County to assume a portion of self-insured losses. The county self insures the first \$50,000 of each property loss and has an aggregate stop loss of \$200,000 for general liability claims. Insurance for airport general liability and useful public service volunteers is purchased. The County has self-insured its workers' compensation insurance since 1993. This program self-funds up to \$325,000 per claim with insurance covering any excess amounts. The County maintains a surety bond and a \$350,000 reserve to cover lose exposures that may occur.

Beginning in 2004 the County maintains a partially self-funded employee health and dental plan. The County assumes a maximum of \$60,000 per claim up to an aggregate of approximately \$1.5 million per year with insurance covering any excess.

Economic Conditions. Historically, mining and agriculture formed the basis of the County's economy. Today, winter and summer tourism, second homeowners, construction and real estate are the primary factors in the County's economy. The County's tourist industry is among the largest and least seasonal of any Colorado county with substantial ski resort facilities: revenue from the County's 2% sales tax in the six winter and spring months accounts for 59% of annual sales tax collections while the summer and fall months account for 41% of annual collections. The County estimates that spending by area residents and second homeowners accounts for approximately 45% of total sales tax collections (which estimate is derived by annualizing sales tax collection figures for May, which collections may be attributed primarily to local area residents because both sales tax collections and lodging occupancy rates in the County are lowest in May).

The following table summarizes indicators of three major components of the local economy: the construction industry as measured by building permit valuations, tourism as measured by retail sales, and real estate sales value estimated from the county clerk’s documentary fee collections.

Historical Construction, Tourism, and Real Estate Indicators
(expressed in millions)

Year	Building Permit Valuation	Percent Change	Retail Sales	Percent Change	Real Estate Sales	Percent Change
2002	\$ 123.9	57.7%	\$816.8	-1.8%	\$1,057.7	6.6%
2003	127.6	3.0	800.0	-2.0	1,130.2	6.9
2004	127.7	0.1	889.6	11.2	1,605.1	42.0
2005	172.3	35.0	975.9	9.7	2,262.2	40.9
2006	241.0	39.9	1,071.8	9.8	2,690.2	18.9

The construction industry showed significant growth in 2005 and again in 2006. Aspen Skiing Company and Intrawest Resort Development began a significant multi-year development at the base of the Snowmass Ski Area (“Base Village”) during the summer of 2005. The future Base Village will feature a 25,000-square-foot children’s center, 15,000-square-foot conference space, 64,000 square feet of new shops and restaurants, a community aquatic center, a 246-unit Westin conference hotel, The Little Nell at Snowmass Hotel, and 359 condominiums. Construction on this project is scheduled through 2011. The County’s projection for increases in its property tax base from new construction is 4% per year for the next several years due to the addition of Base Village. In addition, there were several new developments within the city limits of Aspen.

The tourism recovery continued in 2006 with retail sales increasing 9.8%. County sales tax collections were up 7.2% in 2006 and are up 5.5% through May 2007 compared to the same period a year ago. Skier-days in the County increased by 5.6% in 2005-06 ski season however the 2006-07 ski season remained flat.

Real estate sales continue to grow. After robust growth in 2004 and 2005, the growth has slowed, although still strong. Real estate sales have increased 238% since 2003. Real estate sales continue to show modest growth and shows a 23.3% increase through June 2007 compared to the same period a year ago. At \$29 billion, annual real estate sales are nearly fourteen percent of the County’s total “actual” valuation. The average annual appreciation rate for property in the County has averaged approximately 20% for the last 3 years compared to 12% over the last 30 years. Recent sales activity will lead to a significant increase in real estate values in the next property tax revaluation period. Real estate market values as of June 2006 will be used for the levy of 2007 property taxes to be collected in 2008.

MAJOR EVENTS & ACCOMPLISHMENTS

Pitkin County focuses its work through a strategic plan that helps guide decision-making and resource allocations. The following are some of the County’s accomplishments during 2006 that support the plan’s strategic statements (listed in bold italics).

- ❖ ***Regional Transportation – Pitkin County’s role in transportation efforts is to work regionally to solve highway congestion problems and identify and implement viable transportation alternatives that will meet the County’s needs and ensure quality of life. Additionally, the county will actively manage the Airport in a manner that encourages commercial service that meets the needs and character of the community.***

- **Brush Creek Road and Trail Projects** – Two major improvements were completed to the Brush Creek corridor in 2006. A major overlay of 2.7 miles of Brush Creek Road also included the construction of a passing lane. The developer of Base Village contributed to the cost of this project. In addition, Open Space and Trails completed a 3.3 mile trail from Brush Creek and Highway 82 intersection to Highline Road. The trail means a more convenient link to Snowmass from downvalley and creation of a loop linking Aspen and Snowmass via the Brush Creek, Rio Grande and Owl Creek Trails.
 - **Transportation Sales Tax** – Funds collected from the .5% transit sales tax were used to help fund re-striping and signing of Main Street from 7th to Garmish in order to create an afternoon outbound transit lane. This lane is expected to save the Roaring Fork 10-30 minutes of delay during heavy evening traffic and to encourage use of public transportation.
 - **Aspen/Pitkin County Airport** – The Aspen/Pitkin County airport is the 4th largest airport in Colorado, as measured by passenger traffic. The county is improving the Airport's accessibility to make it more convenient and reliable through major investments in capital improvements. Pitkin County has utilized grants through the Federal Aviation Administrations to make over \$45 million in safety and efficiency improvements in the past 4 years and over \$80 million in additional improvements by 2011. During 2006, the airport completed construction of the new airport operations rescue and firefighting building and began planning for a major runway improvement project to take place in the spring of 2007.
- ❖ ***Regionalism – Pitkin County will actively select opportunities to participate with regional partners to save valuable resources, generate new resources, create efficiencies, and respond quickly to federal, state and private grant opportunities.***
- **Stormwater Inspection Program** – The Pitkin County Environmental Health and Natural Resources Department will play a greater role in the enforcement of statewide stormwater regulations as a result of a contract with the Colorado Department of Public Health and Environment Water Quality Control Division. The Colorado Stormwater Program regulates the management of stormwater to prevent discharges from construction sites to public rivers and streams. Under the agreement, Pitkin County's Natural Resource Specialist will be inspecting many of the county's large construction sites for compliance with Colorado's stormwater regulations.
 - **Thomasville Lime Kilns** – In a joint effort by Pitkin County and the Colorado Department of Transportation, the historic Lime Kilns in Thomasville have been preserved. They were listed as one of the most endangered historic structures in Colorado in 2001.
- ❖ ***Environmental Protection – Pitkin County will preserve and protect the integrity of the Roaring Fork watershed and all of its natural resources. Ecological health will be a priority in out decision making and we will advocate its importance in the decision making of others.***
- **Open Space and Trails (OST)** – The following are accomplishments made from the dedicated property tax for these valuable County assets.
 - Open Space and Trails secured a conservation easement 246 acre conservation easement on Crown Mountain Ranch, formally known as the Fender Ranch. The conservation plan will reserve the two existing residential sites, and permit two new home sites on the east end of Sopris Creek. All homes are limited to a maximum floor area of 5,750 square feet. The balance of the ranch will remain as it is today, hayfield and wildlife habitat. In addition, the public will gain seasonal public access to light Hill from East Sopris Creek Road.
 - Open Space and Trails also closed on a 1820 acre conservation easement on the Harvey Ranch in 2006. This easement was purchased for \$3 million even though an appraisal showed its value was close to \$12 million. The County's cost was only \$2 million, due to a

\$1 million GOCO Grant, the largest ever awarded for an open space project. This conservation easement builds on an adjacent 1480 acre easement on the Child's Ranch, thereby creating a contiguous preserve of 3300 acres on the doorstep of the Maroon Bells-Snowmass Wilderness Area. Though the two easements do reserve a total of 16 houses, these are clustered, and are all capped at 5750 square feet each. Hence, the vast majority of both ranches is protected from all development. With 35 acre building lots for monster homes now selling for several million dollars each in the vicinity, the Harvey and Child project stands out as a very significant conservation victory, accomplished at pennies on the dollar.

➤ **Environmental Health and Natural Resources Department** – The Environmental Health and natural Resource Department played a key role in securing a contract and funding for the Roaring Fork Watershed Plan and was instrumental in the development of the structure for that planning effort. The Department also completed and implements guidelines for siting of potentially hazardous materials in the County.

❖ ***Growth – Pitkin County will continue to actively plan for and manage growth in our county. Reflecting the community's desired level of growth, Pitkin County will facilitate responsible change which fosters a healthy and economically viable community while maintaining a sustainable balance with our natural resources (air, water, land, wildlife). Goals for achieving a responsible growth strategy overlap with many regional and neighborhood issues addressed elsewhere in the Strategic Plan .***

➤ **Community Development** – The Community Development Department adopted sweeping changes to the land use code with a goal of preserving the rural quality of Pitkin County. The new code limits houses to 15,000 square feet, reduces the value of a transferable development right to 2,500 square feet, increases the number of county roads with scenic review restrictions and increases stream setbacks for building from 20 to 100 feet.

❖ ***Housing – Pitkin County will create and protect affordable housing for its citizens. Pitkin County, in associations with larger valley wide community, is committed to participating in affordable opportunities for all the employees of the Roaring Fork Valley, which contribute to the health of the social and economic fabric of the Roaring Fork Valley.***

➤ **Employee Housing** – Affordable housing sales hit a record \$21.6 million in 2006. The Housing office sold a total of 107 units this year. The new airport operations center project included 3 affordable housing units that are rented to employees working at the airport.

➤ **Housing Impact fee** – The Commissioners approved a housing impact fee in June 2005. There is currently a balance of approximately \$2.2 million in that fund with an additional \$3.7 million available in the general fund for housing. The County is pursuing projects to provide affordable housing to employees of and persons employed in Pitkin County.

❖ ***Community Involvement – Pitkin County will actively seek community involvement by creating and maintaining opportunities to engage, include, and incorporate caucus, neighborhood, municipalities, interest groups and individual participation, interests and feedback. Pitkin County will honor and respect these opportunities while continuing to work to balance and protect community visions and mandates. As a result we will make all County services accountable to our customers and establish a higher value of our services.***

➤ **Translator survey** – The County has a property tax that is dedicated to support TV and FM translator sites. During 2006, the County is completing a master plan for the future of these services. Citizens were invited to participate in community meetings and complete a survey to be used in the future planning for TV and radio services in the valley.

- **Community Relations** – The Community Relations Department is working with the City of Aspen and Town of Snowmass Village to develop more creative government initiated programming on Community Government Television. We have produced new “County Connections” shows with topics including Clerk and elections Update, Translator Master Plan, Winter Driving Conditions and Restaurant Inspections. In addition, production of three new programs for Senior Perspectives show including a review of Senior Center programs and services; an overview of insurance options for seniors including health benefits, Medicare and Medicaid and long-term care insurance.; and a program on care management services available to seniors so they can find services they need in order to remain independent in their homes.
- ❖ **Organizational Excellence** – *The community depends on Pitkin County to be responsible stewards of the public trust. Pitkin County will do everything responsibly within its means to promote a healthy, positive work environment in order to utilize public resources efficiently, ethically and intelligently.*
 - **Recruitment and Retention** – The Human Resources department began a comprehensive review of the County’s compensation and performance review systems. The high cost of housing, commuting time from downvalley, and traffic on Highway 82 are deterrents to getting qualified applicants. In additional, wages are rising in down valley so employees are willing to accept smaller salaries to so that they have more time with family. Competition for CDL drivers was extremely difficult last winter as the oil and gas industry is able to pay higher wages.
 - **Building and Space** – The County hired a consultant to evaluate and plan for the future space needs for County facilities. Budgeted surpluses are being saved to help defray the cost of this project. The Board of County Commissions have expressed a desire to maintain County offices in downtown Aspen.
 - **Facilities Management Restructure** – Project and facilities management has been combined under the facilities manager. This reorganization will provide better coordination of building projects and maintenance staff. In addition, the project assistant will oversee the facility maintenance projects while providing assistance with maintenance activities.
- ❖ **Fiscal Sustainability** – *Pitkin County will develop revenue sources and partner with other entities to (1) ensure that growth and change pay their way, (2) fund achievement of the Strategic Plan’s goals, and (3) financially sustain services valued by the community. While maintaining an internal focus of efficiency and productivity, we will increase our external focus on public and partner involvement.*
 - **Issuance of General Obligation debt** - The County issued \$9,935,000 of General Obligation Open Space Acquisition and Refunding bonds in December. A lower interest rate will result in a savings of more than \$1.2 million (present value \$775,000) in debt service payments over the remaining life of the bond issue. The County’s Moody’s bond rating increased from Aa3 to Aa2 for its general obligation bonds and from A1 to Aa3 for its Sales Tax revenue bonds. The Standard & Poor’s Sales Tax Revenue Bond rating increased from A to A+.
 - **Property Taxes** - The election in 2006 proposed the renewal of the Healthy Community Fund (HCF) and Open Space and Trails (OST) property taxes. The tax questions for the HCF increased support to nonprofit health and human services agencies in Pitkin County to \$1,250,000 for 2007. The fund helps support everything from senior and youth support service to programs for victims of domestic violence and sexual assault, care for the terminally ill and their families, mental health counseling, drug and alcohol counseling, support for people with developmental difficulties, prenatal care, family planning and immunization. The renewal of a 3.75 mill levy to support the Open Space and Trails program until 2020 was also on the November ballot. In addition to approving the property tax, this question authorized the issuance of up to \$20 million of debt, funding for the Nordic Trail program and the ability to use the proceeds of program revenues for the acquisition of water rights. The voters overwhelmingly supported both of these ballot questions with 69.8% supporting the HCF and 71.6 % approving the OST question.

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, 2005

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.



President

Executive Director

JASPERS + HALL, PC
CERTIFIED PUBLIC ACCOUNTANTS

7900 East Union Ave., Ste 900
Denver, CO 80237
303-796-0099

**REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**

Board of County Commissioners
Pitkin County, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pitkin County, Colorado (the County), as of and for the year ended December 31, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

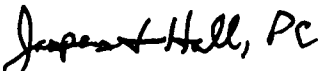
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pitkin County, Colorado as of December 31, 2006, and the respective changes in financial position and cash flows, where applicable, thereof 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 our report dated May 18, 2007, 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.

The management's discussion and analysis and the major fund budgetary comparison information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Pitkin County, Colorado's basic financial statements. The accompanying combining and individual nonmajor fund statements and schedules, local highway finance report, introductory section and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund statements and schedules, and the local highway finance report have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.


May 18, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the report provides readers with a narrative overview and analysis of the financial activities of Pitkin County for the calendar year ended December 31, 2006. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures. We also encourage readers to consider the information presented here in conjunction with the letter of transmittal beginning on page vii of this report.

FINANCIAL HIGHLIGHTS

- The County's assets exceeded its liabilities by \$201,019,101 (net assets) at the end of 2006, reflecting an 11.5% increase of \$20,754,261 in net assets during 2006.
- The County's governmental funds reported total ending fund balance of \$55,463,015 this year. Of this year-end total, approximately \$48.1 million is unreserved, and \$7.4 million is legally reserved by state statute for emergencies, local laws for mitigation of developmental impacts, debt service and insurance claims. Of the unreserved portion, \$28.6 million is in special revenue funds and may only be used for the purpose specified. The remaining unreserved \$19.5 million is in the general fund and includes \$7.6 million set aside for subsequent years' expenditures and \$11.9 million designated by management for use as detailed in Note 3-K.
- The total ending fund balances of governmental funds show an increase of \$10,074,536. The general fund balance increase of \$4.5 million was augmented by increases in the open space and trails fund (\$1.6 million) and the transportation sales and use tax fund (\$1.1million). The increase in the general fund was the result of an anticipated surplus of approximately \$1.2 million; increased revenues from sales tax collections, and fees collected by clerk, treasurer, planning and building inspection (\$2.2 million); and line item savings of approximately \$600,000. The revenues collected for the open space and trails fund and the transportation sales and use tax fund are used to acquire, construct or contribute to capital projects or land acquisitions so it is not unusual for the fund balances in those funds to fluctuate from year to year. The open space fund issued bonds at the end of the year that accounted for some of the increase to that fund balance.
- The County issued \$9,935,000 of General Obligation Open Space Acquisition and Refunding bonds in December. A lower interest rate will result in a savings of more than \$1.2 million (present value \$775,000) in debt service payments over the remaining life of the bond issue. The County's Moody's bond rating increased from Aa3 to Aa2 for its general obligation bonds and from A1 to Aa3 for its sales tax revenue bonds. The Standard & Poor's Sales tax Revenue Bond rating increased from A to A+.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis introduces the County's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. Supplemental information such as combining fund statements and budget-to-actual comparisons appear after the basic financial statements and complete the financial section of the report. The financial section is then followed by a statistical section.

Government-wide Financial Statements

The County's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the County's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector utilizing in accrual accounting and elimination or reclassification of activities between funds.

The *Statement of Net Assets* is the government-wide statement of position presenting information that includes all of the County's assets and liabilities, with the difference reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County as a whole is improving or deteriorating. Evaluation of the overall financial health of the County would extend to other factors such as diversification of the taxpayer base or the condition of County infrastructure, in addition to the financial information provided in this report.

The *Statement of Activities* reports how the County's net assets changed during the current calendar year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the County's distinct activities or functions on revenues provided by the County's taxpayers.

Both government-wide financial statements distinguish governmental activities of the County, that are principally supported by taxes, from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include primarily general government, public safety, public works, and health and welfare. Business-type activities include the airport and the solid waste center (landfill and recycling).

The government-wide financial statements are presented on pages 18 & 20 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The County uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the County's most significant funds rather than the County as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

The County has three types of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different in that these statements report short-term calendar-year accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 22 through 25 of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the County charges customers a fee. The two County proprietary funds are classified as enterprise funds and encompass the same functions reported as business-type activities in the government-wide statements: airport and solid waste center.

The basic enterprise fund financial statements are presented on pages 26 through 29 of this report.

Fiduciary funds are reported only in the fund financial statements and include the County employees' retirement plan and agency funds for which the County has stewardship responsibility. Fiduciary funds are not included in the government-wide financial statements because the resources of these funds are not available to support the County's operations.

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 36 of this report.

Required and Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information to demonstrate compliance with the County's adopted and final revised budget. Budgetary comparison statements are included as "required supplementary information," beginning on page 61, for the general fund and the three major special revenue funds. Budgetary comparison schedules for all other governmental funds can be found under "other supplementary information" along with other combining and individual fund statements and schedules.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

The County implemented the new financial reporting model used in this report beginning with the fiscal year ended December 31, 2003. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the County as a whole.

Net Assets

The County's net assets at calendar year-end are \$201,019,101. The County reported positive balances in net assets for both governmental and business-type activities. Total net assets are comprised of the following:

- (1) Capital assets, net of related debt, of \$136,770,166 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
- (2) Net assets of \$42,613,484 are restricted to use for the following purposes by constraints imposed from outside the County such as debt covenants, grant conditions, laws, or voter-approved funding:

Open Space and Trails	\$ 8,278,566
Transportation	14,065,044
Airport	6,067,769
Affordable Housing	5,876,481

Highway 82 Improvements	923,449
Debt Service	487,318
Statutory Reserve for Emergencies	1,418,544
Ambulance Service	1,178,700
Other program purposes	4,317,613

- (3) Unrestricted net assets of \$21,635,451 represent the portion available to maintain the County's general obligations to citizens and creditors of which \$2,745,393 is held by business-type activities and \$18,890,058 is held in governmental activities.

The following table provides a summary of the County's net assets:

	Summary of Net Assets					
	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Assets:						
Current assets	\$ 74,095,477	\$ 62,662,150	\$ 12,856,549	\$ 12,407,556	\$ 86,952,026	\$ 75,069,706
Restricted and other assets	5,937,905	5,768,673	-	-	5,937,905	5,768,673
Noncurrent assets	104,564,749	100,965,710	64,215,298	58,017,106	168,780,047	158,982,816
Total assets	184,598,131	169,396,533	77,071,847	70,424,662	261,669,978	239,821,195
Liabilities						
Current liabilities	25,135,077	23,519,738	1,684,731	3,111,075	26,819,808	26,630,813
Long-term liabilities	29,035,496	28,871,156	4,795,573	4,054,386	33,831,069	32,925,542
Total Liabilities	54,170,573	52,390,894	6,480,304	7,165,461	60,650,877	59,556,355
Net assets:						
Invested in capital assets, net of debt	74,991,785	71,576,959	61,778,381	56,204,425	136,770,166	127,781,384
Restricted	36,545,716	30,899,634	6,067,769	5,531,446	42,613,485	36,431,080
Unrestricted	18,890,057	14,529,046	2,745,393	1,523,330	21,635,450	16,052,376
Total net assets	\$ 130,427,558	\$ 117,005,639	\$ 70,591,543	\$ 63,259,201	\$ 201,019,101	\$ 180,264,840

The County maintains a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 2.9 to 1 and 7.6 to 1 for business-type activities. For the County overall, the current ratio is 3.2 to 1.

Note that approximately 57% of the governmental activities' net assets are tied up in capital net of related debt. The County uses these capital assets to provide services to its citizens. However, with business-type activities, the County has spent approximately 88% of its net assets on capital. Capital assets in the business-type activities not only provide services, but they also generate revenues. Capital assets comprise 68% of the County's total net assets.

Changes in Net Assets

Net assets increased by \$13,421,919 for governmental activities and by \$7,332,342 for business-type activities. The County's overall financial position improved during calendar year 2006.

The following table provides a summary of the County's changes in net assets:

Summary of Changes in Net Assets

	Governmental Activities		Business-type Activities	
	2006	2005	2006	2005
Revenues:				
Program:				
Charges for services	\$ 8,913,243	\$ 8,614,961	\$ 10,676,294	\$ 7,874,848
Operating grants	2,650,434	2,862,181	171,497	376,681
Capital grants	2,947,277	357,294	6,565,476	14,868,946
General:				
Taxes	33,162,718	31,377,722	-	-
Investment earnings	2,788,012	1,743,594	474,719	275,928
Total revenues	50,461,684	44,955,752	17,887,986	23,396,403
Program Expenses:				
General government	10,292,549	6,682,126	-	-
Public safety	6,135,841	5,795,503	-	-
Public works	14,467,249	17,210,842	-	-
Health and welfare	2,700,256	2,529,548	-	-
Culture and recreation	2,063,649	1,650,142	-	-
Conservation	23,677	21,818	-	-
Housing and development	184,119	4,019,595	-	-
Interest and other debt items	1,442,425	1,555,827	-	-
Airport	-	-	6,212,291	5,919,636
Solid waste	-	-	4,073,353	3,952,375
Total expenses	37,309,765	39,465,401	10,285,644	9,872,011
Excess (deficiency)	13,151,919	5,490,351	7,602,342	13,524,392
Transfers	270,000	270,000	(270,000)	(270,000)
Change in net assets	13,421,919	5,760,351	7,332,342	13,254,392
Beginning net assets	117,005,639	111,245,288	63,259,201	50,004,809
Ending net assets	\$ 130,427,558	\$ 117,005,639	\$ 70,591,543	\$ 63,259,201

Governmental Revenues

Program revenues cover only 39% of governmental operating expenses. This means that the County's taxpayers and other general governmental revenues fund 61% of the governmental activities. The County relies primarily on sales and property taxes to support governmental operations and capital. Sales and use taxes provided \$18.2 million or 36.1% of the County's total governmental revenues. Property taxes are the second largest revenue source totaling \$14.1 million or 28.1% of the total governmental revenues. Much of the sales and use tax is restricted to use for mass transit and much of the property tax is restricted to open space and trails. The general fund retains about 40% of these two revenue sources totaling \$13 million. Because of the County's healthy financial position and higher interest rates, it was also able to earn \$2.8 million of investment income to support governmental activities.

Governmental Functional Expenses

The public works, general government and public safety functions make up approximately 83% of the total governmental activities expenses. Public works totals 39% of total governmental expenses with 24% from the county road and bridge fund (including depreciation of over \$1.5 million), 72% going to transportation needs of the County and 3% to TV/FM translators. General government, which includes the County's administrative and community development costs as well as numerous service agencies, totaled 28% of the total governmental expenses. Finally, public safety accounted for approximately 16% of the total costs.

The following table presents the cost of each of the County's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden placed on the County's taxpayers by each of these functions. After reducing gross expenses by program revenues, note that general government's percentage declines from 28% to 25% of total net expenses. The public works function's net costs increase to 53%, however, because this function does not generate substantial program revenues.

	Governmental Activities			
	<u>Total Cost of Services</u>	<u>% of Total</u>	<u>Net Cost of Services</u>	<u>% of Total</u>
General government	\$ 10,292,549	27.6%	\$ 5,728,111	25.1%
Public safety	6,135,841	16.4%	3,916,984	17.2%
Public works	14,467,249	38.8%	12,013,946	52.7%
Health and welfare	2,700,256	7.2%	1,758,097	7.7%
Culture and recreation	2,063,649	5.5%	(742,893)	-3.3%
Conservation	23,677	0.1%	(68,852)	-0.3%
Housing and development	184,119	0.5%	(1,249,007)	-5.5%
Interest and other debt items	1,442,425	3.9%	1,442,425	6.3%
Total	<u>\$ 37,309,765</u>	<u>100%</u>	<u>\$ 22,798,811</u>	<u>100%</u>

Business-Type Activities

The primary major enterprise fund is the County's airport. The operating revenues for this fund were 21.9% more than in 2005 and operating expenses were up 14.2% from 2005. Operating revenues increased because of increased revenues generated from the terminal and slightly higher landing fees. The major increases in operating expenses were in depreciation expense and purchased services. This fund reported an operating loss of approximately \$600,000 with a \$6 million increase in net assets after adding non-operating items and capital contributions. The airport is investing in safety improvements to the property with the completion of the airport operations building and the initial planning and mobilization of the airport runway improvement project to occur in 2007.

The solid waste center fund reported an increase in operating revenues of approximately \$1.8 million. The increase was almost equally split between an increase in tipping fees and the sale of aggregate materials. The construction of the Base Village project in Snowmass Village was a significant factor in the increase in these revenues. Operating expenses increased by 2% from 2005 resulting in an operating income of approximately \$1.4 million.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Governmental Funds

Pitkin County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. As described earlier, the County's governmental funds provide information on short-term inflows and outflows, as well as what remains for future spending. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements.

The general, road and bridge, transportation sales and use tax, and open space and trails funds are the County's four major governmental funds.

General Fund

The general fund is the County's primary operating fund and accounts for all transactions not accounted for in other funds. It accounts for many of the County's core services, such as law enforcement, planning, clerk and recorder and elections, buildings and general administrative functions. As the County's major operating fund, the general fund accounts for ordinary operating expenditures financed primarily by property taxes, sales taxes and charges for services.

The County's general fund remained in a strong position with total fund balance of \$25.7 million in 2006 that includes a contingency fund balance maintained at \$4 million. Unreserved fund balance of \$20 million also includes \$3.8 million to plan and fund future building needs and \$3.2 million designated to complete projects begun in 2006 but not completed. The remaining unreserved fund balance is designated for other uses as detailed in Note 3-K. General fund balance increased by about \$4.5 in 2006. The original budget anticipated an increase of \$1.2 million; increased user fees and sales tax collections accounted for \$2.2 million; and the balance of the increase can be attributable to expenditure savings.

The following table summarizes ending fund balance in the general fund over the last five years.

Historical Fund Balance - General Fund
(expressed in millions)

Year	General Fund		Total Fund Balance	Unreserved Fund Balance		Contingency Fund Balance	
	Revenues			Amount	% of Revenues	Amount	% of Revenues
2001	\$ 14.7	\$ 9.6	\$ 6.1	41%	\$ 1.3	9%	
2002	15.9	14.4	9.3	58%	2.6	16%	
2003	14.3	15.5	9.9	69%	4.0	28%	
2004	15.7	14.7	12.1	77%	4.0	25%	
2005	18.8	21.2	12.4	66%	4.0	21%	
2006	18.7	25.7	19.5	104%	4.0	21%	

Road and Bridge Fund

The road and bridge fund accounts for monies generated by property taxes and other sources and expended for road repair and maintenance and capital improvements. General sales taxes are allocated to the road and bridge fund to support operations and repair and construction activities. Approximately \$1 million of the \$3.8 million fund balance is from a dedicated use tax that sunsetted in 1999 and is dedicated to fund improvements to State Highway 82.

Transportation Sales and Use Tax Fund

The transportation sales and use tax fund collects taxes that help support the Roaring Fork Transportation Authority (RFTA) and other transit needs. The 1% transportation sales tax is distributed to RFTA, the City of Aspen and the Town of Snowmass Village. A ½% transportation sales and use tax is also maintained in this fund. This fund has an ending fund balance of \$14.4 million with is entirely from the proceeds of the ½ % sales and use tax and can only be used for transit projects. During 2006, this fund contributed almost \$800,000 for improvements to the Brush Creek intercept lot and \$100,000 for a study to move the traffic pattern out of Aspen to improve public transportation traffic flow during peak hours.

Open Space and Trails Fund

The fund balance of the open space and trails fund is dedicated 70% to open space acquisition, 20% to trails improvements and 10% to property maintenance, so the fund balance of this fund fluctuates depending on the capital acquisitions made in any year. In 2006 the fund balance increased by \$1.6 million to \$6.8 million. A new trail was constructed on the Brush Creek corridor and improvements to the Rio Grande Trail were completed in 2006. In addition, the Crown Mountain and Harvey conservations easements were purchased to preserve open space.

Proprietary Funds

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. Therefore, the analysis is presented above under business-type activities.

Fiduciary Funds – Retirement 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, 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 consequently there are no unfunded liabilities. The following table lists the allocation of investments for each portfolio option and the annual investment return.

Model Portfolio Investment Options

Asset Allocation	Conservative Growth	Moderate Growth	Growth	Aggressive Growth
Core Bond Fund	60%	40%	20%	50%
Large Cap Stock Funds	20%	30%	40%	10%
Mid Cap Stock funds	4%	6%	8%	10%
Small cap Stock Funds	4%	6%	8%	30%
Foreign Sock Funds	12%	18%	24%	
2006 annual investment return	8%	10%	12%	14%

GENERAL FUND BUDGETARY HIGHLIGHTS

In December 2005, the Board of County Commissioners appropriated \$14.6 million for 2006 general fund expenditures. The general fund budget was amended two additional times. The final budget anticipated an increase of \$1.2 million to the general fund balance.

2006 General Fund Budget

	Original Budget	Amendments	Final Budget
Revenue and other financing sources	\$ 15,335,351	\$ 1,930,567	\$ 17,265,918
Expenditures and other financing uses	15,144,728	3,160,608	18,305,336
	<u>\$ 190,623</u>	<u>\$ (1,230,041)</u>	<u>\$ (1,039,418)</u>

Mid year budget amendments included:

- Carry-forward of projects begun in 2006 netted to \$2.5 million of expenditures. Significant projects included in this resolution are the Emma Master Plan (\$50,000); professional services and printing for the land use code rewrite (\$200,000); budget for a technology pool (\$1 million); implementation of e-recording for the clerks office (\$86,000); acquisition of sheriff's vehicles (\$125,000); a grant and offsetting expenditures to replace voting machines (\$76,000); funding to begin a reviewing and evaluating the future facility needs of the organization; various building repair projects (\$180,000); a property research project for County road right-of-ways (\$50,000); restoration of the Lime Kiln Historical Park (\$270,000); and funding for water studies and code revisions for Individual Sewage System Disposal (ISDS) (\$78,000). The balance represents projects under \$30,000 for various projects in multiple departments of the general fund.
- A year-end supplemental adjusted the budget for several revenue line items including additional sales tax revenues collections (\$278,000), federal payment-in-lieu of taxes (\$126,600), various clerks fees (\$125,000), additional planning fees (\$160,000) and building inspection fees (\$470,000); and revenues from city of Aspen for the sale of the Aspen Mass property (\$600,000). Funding for the courthouse server closet improvements were also appropriated in this final budget adjustment.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of December 31, 2006, was \$104,402,877 and \$64,215,298 respectively. The net investment increased by 3.4% for governmental activities and 10.6% for business-type activities. The overall increase was 6.0% for the County as a whole. See Note 3-E for additional information about changes in capital assets during the calendar year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

	Capital Assets					
	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Non-depreciable assets:						
Land	\$ 62,214,389	\$ 65,585,165	\$ 10,530,840	\$ 10,530,840	\$ 72,745,229	\$ 76,116,005
Construction in progress	8,683,599	477,859	28,189,694	20,915,472	36,873,293	21,393,331
Total non-depreciable	70,897,988	66,063,024	38,720,534	31,446,312	109,618,522	97,509,336
Depreciable assets:						
Buildings	23,805,412	23,661,869	7,463,931	7,371,252	31,269,343	31,033,121
Improvements other than buildings	1,341,918	1,279,817	32,040,931	31,349,082	33,382,849	32,628,899
Machinery and equipment	9,430,990	9,695,891	7,423,515	6,823,341	16,854,505	16,519,232
Infrastructure	33,642,654	32,619,953	-	-	33,642,654	32,619,953
Total depreciable assets	68,220,974	67,257,530	46,928,377	45,543,675	115,149,351	112,801,205
Less accumulated depreciation	34,716,085	32,406,353	21,433,613	18,972,881	56,149,698	51,379,234
Book value - depreciable assets	33,504,889	34,851,177	25,494,764	26,570,794	58,999,653	61,421,971
Percentage depreciated	49%	52%	54%	58%	51%	54%
Book value - all assets	\$ 104,402,877	\$ 100,914,201	\$ 64,215,298	\$ 58,017,106	\$ 168,618,175	\$ 158,931,307

At December 31, 2006, the depreciable capital assets for governmental activities were 49% depreciated compared to 52% at December 31, 2005. This comparison indicates that the County is replacing its assets at approximately the same rate as they are depreciating, which is a positive indicator. However, more than half the value of the assets have been used which indicates that the County needs to continue planning its replacement of capital assets.

The major additions to the construction in progress category is the result of several trail projects (Rio Grande, and Brush Creek Trail) that were not completed at year end. The paving of Brush Creek Road accounts for the increase in the governmental infrastructure asset class.

For the County's business type activities, the asset values were 51% depreciated at December 31, 2005 and 58% at December 31, 2006. The airport has begun making runway and other safety improvements as outlined by its master plan which was updated in 2003. These improvements will be completed over the next several years.

Long-term Debt

At the end of the calendar year, the County had lease certificates of participation totaling \$1,460,000, general obligation bonds and notes of \$21,510,000 and sales tax revenue bonds totaling \$7,295,000 outstanding. The airport has a low-interest loan from the State with an outstanding balance of \$2,436,917. During 2006, the County issued \$9,815,000 of General Obligation Open Space Acquisition and Refunding Bonds. Citing the County's strong financial position, Moody's Investor Service upgraded the County's general obligation bond rating to Aa2 from Aa3 in 2006 and upgraded the sales tax revenue bond rating to A+ from A.

	Outstanding Borrowings						% Change
	Governmental Activities		Business-type Activities		Totals		
	2006	2005	2006	2005	2006	2005	
Lease COPs	\$ 1,460,000	\$ 1,715,000	\$ -	\$ -	\$ 1,460,000	\$ 1,715,000	-15%
General obligation bonds	21,510,000	20,235,000	-	-	21,510,000	20,235,000	6%
Revenue bonds and loans	7,295,000	7,905,000	2,436,917	1,812,681	9,731,917	9,717,681	0%
Landfill closure and postclosure care	-	-	2,642,833	2,442,507	2,642,833	2,442,507	8%
Claims	780,281	719,696	-	-	780,281	719,696	8%
Compensated absences	908,966	888,142	-	-	908,966	888,142	2%
Total	\$ 31,954,247	\$ 31,462,838	\$ 5,079,750	\$ 4,255,188	\$ 37,033,997	\$ 35,718,026	4%

See Note 3-H for additional information about the County's long-term debt. We discuss the landfill closure and postclosure care liability in Note 3-I.

Contacting the County's Financial Management

This financial report is designed to provide a general overview of the County's finances, comply with finance-related laws and regulations, and demonstrate the County's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the County's Finance Director at 530 East Main Street, Suite 201, Aspen, Colorado or by telephone at (970) 920-5229.

Pitkin County, Colorado
Statement of Net Assets
December 31, 2006

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current Assets				
Equity in pooled cash and investments	\$ 49,249,220	\$ 7,396,100	\$ 56,645,320	\$ 1,235,601
Other cash and investments	-	-	-	3,993,922
Receivables:				
Accounts	1,252,144	761,463	2,013,607	61,351
Property taxes	15,043,393	-	15,043,393	2,490,491
Sales taxes	2,011,092	-	2,011,092	-
Intergovernmental	4,640,117	4,698,986	9,339,103	-
Notes	1,899,511	-	1,899,511	-
Restricted and other assets				
Equity in pooled cash and investments	195,850	-	195,850	-
Other cash and investments	5,742,055	-	5,742,055	-
Total Current Assets	<u>80,033,382</u>	<u>12,856,549</u>	<u>92,889,931</u>	<u>7,781,365</u>
Noncurrent Assets				
Nondepreciable capital assets	70,897,988	38,720,534	109,618,522	186,622
Depreciable capital assets, net	33,504,889	25,494,764	58,999,653	5,393,052
Unamortized bond issuance costs	161,872	-	161,872	-
Total Noncurrent Assets	<u>104,564,749</u>	<u>64,215,298</u>	<u>168,780,047</u>	<u>5,579,674</u>
Total Assets	<u>184,598,131</u>	<u>77,071,847</u>	<u>261,669,978</u>	<u>13,361,039</u>
Liabilities				
Current Liabilities				
Accounts payable	1,584,496	551,795	2,136,291	77,019
Contracts payable	72,646	448,237	520,883	-
Accrued liabilities	452,538	254,927	707,465	307
Intergovernmental payable	5,254,300	122,155	5,376,455	193
Accrued interest payable	152,995	-	152,995	-
Deposits	341,174	23,440	364,614	-
Unearned revenue	15,050,213	-	15,050,213	2,490,491
Claims payable	312,112	-	312,112	-
Compensated absences payable	181,793	-	181,793	14,151
Capital leases payable	-	-	-	-
General obligation bonds payable	778,308	-	778,308	-
Revenue bonds payable	625,000	284,177	909,177	-
Lease certificates of participation	265,000	-	265,000	-
Total Current Liabilities	<u>25,070,576</u>	<u>1,684,731</u>	<u>26,755,307</u>	<u>2,582,161</u>
Long-Term Liabilities:				
Closure and postclosure care obligations	-	2,642,833	2,642,833	-
Claims payable (net of current portion)	468,169	-	468,169	-
Compensated absences payable (net of current portion)	727,173	-	727,173	57,777
General obligation bonds payable (net of current portion)	20,039,656	-	20,039,656	-
Revenue bonds payable (net of current portion)	6,670,000	2,152,740	8,822,740	-
Lease certificates of participation (net of current portion)	1,195,000	-	1,195,000	-
Total Long-Term Liabilities	<u>29,099,997</u>	<u>4,795,573</u>	<u>33,895,570</u>	<u>57,777</u>
Total Liabilities	<u>54,170,573</u>	<u>6,480,304</u>	<u>60,650,877</u>	<u>2,639,938</u>
Net Assets				
Invested in capital assets, net of related debt	74,991,785	61,778,381	136,770,166	5,579,674
Restricted for:				
Open space	8,278,566	-	8,278,566	-
Transportation	14,065,044	-	14,065,044	-
Affordable housing	5,876,481	-	5,876,481	-
Highway 82 construction	923,449	-	923,449	-
Statutory reserve for emergencies	1,418,544	-	1,418,544	101,195
Debt service	487,318	-	487,318	-
Ambulance District	1,178,700	-	1,178,700	-
Airport	-	6,067,769	6,067,769	-
Other program purposes	4,317,613	-	4,317,613	4,431,281
Unrestricted	18,890,058	2,745,393	21,635,451	608,951
Total Net Assets	<u>\$ 130,427,558</u>	<u>\$ 70,591,543</u>	<u>\$ 201,019,101</u>	<u>\$ 10,721,101</u>

See accompanying notes to the basic financial statements

Pitkin County, Colorado
Statement of Activities
For the Year Ended December 31, 2006

Functions/Programs	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 10,292,549	\$ 3,815,431	\$ 620,039	\$ 128,968
Public safety	6,135,841	2,148,058	70,799	-
Public works	14,467,249	824,047	1,393,897	235,359
Health and welfare	2,700,256	441,055	501,104	-
Culture and recreation	2,063,649	223,592	-	2,582,950
Conservation of natural resources	23,677	31,029	61,500	-
Housing and development	184,119	1,430,031	3,095	-
Interest	1,442,425	-	-	-
Total Governmental Activities	37,309,765	8,913,243	2,650,434	2,947,277
Business-Type Activities:				
Airport	6,212,291	5,201,225	171,497	6,565,476
Solid Waste Center	4,073,353	5,475,069	-	-
Total Business-Type Activities	10,285,644	10,676,294	171,497	6,565,476
Total - Primary Government	\$ 47,595,409	\$ 19,589,537	\$ 2,821,931	\$ 9,512,753
Component Units				
Emergency Telephone Authority	221,240	355,764	-	-
Pitkin County Library District	2,897,040	35,110	120,710	-
Total - Component Units	\$ 3,118,280	\$ 390,874	\$ 120,710	\$ -

General Revenues

Property taxes levied for:
General government purposes
Debt service
Sales taxes
Other taxes
Investment earnings

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
\$ (5,728,111)	\$ -	\$ (5,728,111)	\$ -
(3,916,984)	-	(3,916,984)	-
(12,013,946)	-	(12,013,946)	-
(1,758,097)	-	(1,758,097)	-
742,893	-	742,893	-
68,852	-	68,852	-
1,249,007	-	1,249,007	-
(1,442,425)	-	(1,442,425)	-
(22,798,811)	-	(22,798,811)	-
-	5,725,907	5,725,907	-
-	1,401,716	1,401,716	-
-	7,127,623	7,127,623	-
(22,798,811)	7,127,623	(15,671,188)	-
-	-	-	134,524
-	-	-	(2,741,220)
-	-	-	(2,606,696)
13,747,326	-	13,747,326	2,350,842
438,545	-	438,545	-
18,230,161	-	18,230,161	-
746,686	-	746,686	123,556
2,788,012	474,719	3,262,731	507,891
35,950,730	474,719	36,425,449	2,982,289
270,000	(270,000)	-	-
36,220,730	204,719	36,425,449	2,982,289
13,421,919	7,332,342	20,754,261	375,593
117,005,639	63,259,201	180,264,840	10,345,508
\$ 130,427,558	\$ 70,591,543	\$ 201,019,101	\$ 10,721,101

Pitkin County, Colorado
Balance Sheet
Governmental Funds
December 31, 2006

	General	Road and Bridge	Transportation Sales and Use Tax	Open Space and Trails	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in pooled cash and investments	\$ 25,199,684	\$ 3,330,128	\$ 14,189,835	\$ 2,247,058	\$ 4,282,515	\$ 49,249,220
Receivables:						
Accounts	792,613	333,683	89,144	17,679	19,025	1,252,144
Property taxes	4,802,251	348,130	-	7,272,036	2,620,976	15,043,393
Sales taxes	-	-	1,847,179	-	163,913	2,011,092
Intergovernmental	4,059,357	404,324	-	15,000	161,436	4,640,117
Other	84,511	-	-	1,815,000	-	1,899,511
Restricted cash and investments						
Equity in pooled cash and investments	-	-	-	-	195,850	195,850
Other cash and investments	199,221	-	-	5,542,834	-	5,742,055
Total Assets	\$ 35,137,637	\$ 4,416,265	\$ 16,126,158	\$ 16,909,607	\$ 7,443,715	\$ 80,033,382
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 274,399	\$ 169,532	\$ 79,292	\$ 1,012,959	\$ 48,314	\$ 1,584,496
Contracts payable	326	47,897	18,423	6,000	-	72,646
Accrued liabilities	445,218	7,320	-	-	-	452,538
Intergovernmental payable	3,617,644	-	1,618,529	3,334	14,793	5,254,300
Funds held in trust	311,674	29,500	-	-	-	341,174
Deferred revenue	4,809,071	348,130	-	9,087,036	2,620,976	16,865,213
Total Liabilities	9,458,332	602,379	1,716,244	10,109,329	2,684,083	24,570,367
Fund Balances						
Reserved for:						
Debt service	174,536	-	-	-	465,777	640,313
Program purposes	5,955,836	-	344,870	316,357	107,725	6,724,788
Unreserved:						
Designated:						
For subsequent years expenditures						
Special revenue funds	-	-	-	-	73,702	73,702
For other purposes						
General fund	19,548,933	-	-	-	-	19,548,933
Special revenue funds	-	923,449	-	-	-	923,449
Undesignated, reported in:						
Special revenue funds	-	2,890,437	14,065,044	6,483,921	4,112,428	27,551,830
Total Fund Balances	25,679,305	3,813,886	14,409,914	6,800,278	4,759,632	55,463,015
Total Liabilities and Fund Balances	\$ 35,137,637	\$ 4,416,265	\$ 16,126,158	\$ 16,909,607	\$ 7,443,715	\$ 80,033,382

See accompanying notes to the basic financial statements

Pitkin County, Colorado
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
December 31, 2006

Total Governmental Fund Balances	\$	55,463,015
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**Amounts reported for governmental activities in the
statement of net assets are different because:**

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. However, in the statement of net assets, the cost of these assets are capitalized and expensed over their estimated lives through

Cost of capital assets	\$ 139,118,962	
Less accumulated depreciation	<u>(34,716,085)</u>	104,402,877

Bond premiums, discounts, refunding and issuance costs are reported as expenditures in the fund financial statements but are capitalized on the government-wide statement of net assets.

853,908

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

1,815,000

Liabilities not due and payable in the current period and therefore are not reported in the funds:

Accrued interest	\$ (152,995)	
Lease certificates of participation	(1,460,000)	
Sales tax revenue bonds	(7,295,000)	
General obligation bonds	(21,445,000)	
Special assessment bonds payable	(65,000)	
Claims	(780,281)	
Compensated absences	<u>(908,966)</u>	<u>(32,107,242)</u>

Net Assets Of Governmental Activities	\$	<u><u>130,427,558</u></u>
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See accompanying notes to the basic financial statements

Pitkin County, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2006

	General	Road and Bridge	Transportation Sales and Use Tax	Open Space and Trails	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 9,778,687	\$ 1,911,045	\$ 10,720,598	\$ 7,457,866	\$ 3,294,522	\$ 33,162,718
Intergovernmental	1,033,279	1,452,522	69,752	2,582,950	532,976	5,671,479
Licenses and permits	947,260	23,170	-	6,465	-	976,895
Charges for services	5,254,065	587,892	-	18,482	1,465,072	7,325,511
Fines and forfeitures	7,278	-	-	300	-	7,578
Investment earnings	1,301,377	161,220	705,319	391,991	228,105	2,788,012
Miscellaneous	398,246	13,897	-	87,193	30,155	529,491
Total Revenues	18,720,192	4,149,746	11,495,669	10,545,247	5,550,830	50,461,684
Expenditures						
Current:						
General government	7,184,934	-	-	-	-	7,184,934
Public safety	5,928,955	-	-	-	67,973	5,996,928
Public works	115,054	3,313,577	10,348,244	-	503,590	14,280,465
Health and welfare	998,673	-	-	-	1,545,578	2,544,251
Culture and recreation	346,359	-	-	9,630,856	49,552	10,026,767
Conservation of natural resources	58,232	-	-	-	-	58,232
Housing and development	184,119	-	-	-	-	184,119
Debt Service:						
Principal retirement	-	-	-	350,000	1,230,000	1,580,000
Interest and fiscal charges	-	-	-	857,253	571,151	1,428,404
Bond issuance costs	-	-	-	113,147	-	113,147
Total Expenditures	14,816,326	3,313,577	10,348,244	10,951,256	3,967,844	43,397,247
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,903,866	836,169	1,147,425	(406,009)	1,582,986	7,064,437
Other Financing Sources (Uses)						
Sale of capital assets	668,464	45,000	-	277,625	10,000	1,001,089
Bonds issued	-	-	-	9,815,000	65,000	9,880,000
Premium on debt issuance	-	-	-	119,785	-	119,785
Payment to refunding escrow	-	-	-	(8,260,775)	-	(8,260,775)
Transfers in	370,207	-	-	69,000	379,742	818,949
Transfers out	(448,742)	-	-	-	(100,207)	(548,949)
Total Other Financing Sources (Uses)	589,929	45,000	-	2,020,635	354,535	3,010,099
Net Change in Fund Balances	4,493,795	881,169	1,147,425	1,614,626	1,937,521	10,074,536
Fund Balances Beginning of Year	21,185,510	2,932,717	13,262,489	5,185,652	2,822,111	45,388,479
Fund Balances End of Year	\$ 25,679,305	\$ 3,813,886	\$ 14,409,914	\$ 6,800,278	\$ 4,759,632	\$ 55,463,015

See accompanying notes to the basic financial statements

Pitkin County, Colorado
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2006

Net Change In Fund Balances - Total Governmental Funds \$ 10,074,536

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which the capitalized capital outlay exceeded depreciation expense in the current period.

Depreciation expense	\$ (3,147,331)	
Capital outlay (net of donated assets)	<u>10,533,545</u>	7,386,214

Elimination of transfers between governmental funds:

Transfers in	\$ (512,242)	
Transfers out	<u>512,242</u>	-

Book value of capital assets disposed of and reported on the statement of activities but not reported in the governmental funds. (3,897,538)

Accrued interest expense reported in the statement of activities does not require the use of current financial resources and therefore is not reported as expenditures in governmental funds.

Liability @ 12/31/06	\$ (152,995)	
Liability @ 12/31/05	<u>166,961</u>	13,966

Other financing sources (uses) are reported on the fund level operating statement but are reported as a liability on the government-wide financial statements.

Issuance of refunding bonds	(9,880,000)	
Retirement of refunded bonds	<u>7,890,000</u>	(1,990,000)

Repayment of general obligation debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 1,580,000

Bond issuance costs, bond premiums and refunding deferrals capitalized on the government-wide statement of net assets but charged to operations on the governmental fund operating statement at the fund level. 364,137

Amortization of bond issuance costs, bond premiums and refunding deferral on the government-wide statement of activities but not reported on the fund financial reporting level. (27,987)

Compensated absences and claims reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Liability @ 12/31/06	\$ (1,689,247)	
Liability @ 12/31/05	<u>1,607,838</u>	(81,409)

Change In Net Assets of Governmental Activities \$ 13,421,919

See accompanying notes to the basic financial statements

Pitkin County, Colorado
Statement of Net Assets
Proprietary Funds
December 31, 2006

	Business-type Activities - Enterprise Funds		
	Airport	Solid Waste Center	Total
Assets			
Current Assets:			
Equity in pooled cash and investments	\$ 2,020,625	\$ 5,375,475	\$ 7,396,100
Receivables:			
Accounts	407,794	353,669	761,463
Intergovernmental	4,698,986	-	4,698,986
Total Current Assets	7,127,405	5,729,144	12,856,549
Noncurrent Assets:			
Capital Assets:			
Non-depreciable capital assets	38,668,003	52,531	38,720,534
Depreciable capital assets, net	23,505,664	1,989,100	25,494,764
Total Noncurrent Assets	62,173,667	2,041,631	64,215,298
Total Assets	69,301,072	7,770,775	77,071,847
Liabilities			
Current Liabilities:			
Accounts payable	305,433	246,362	551,795
Contracts payable	448,237	-	448,237
Accrued liabilities	171,564	83,363	254,927
Intergovernmental payable	110,962	11,193	122,155
Deposits	23,440	-	23,440
Loans payable	284,177	-	284,177
Total Current Liabilities	1,343,813	340,918	1,684,731
Long-Term Liabilities:			
Closure and postclosure care obligations	-	2,642,833	2,642,833
Loans payable (net of current portion)	2,152,740	-	2,152,740
Total Long-Term Liabilities	2,152,740	2,642,833	4,795,573
Total Liabilities	3,496,553	2,983,751	6,480,304
Net Assets			
Invested in capital assets, net of related debt	59,736,750	2,041,631	61,778,381
Unrestricted	6,067,769	2,745,393	8,813,162
Total Net Assets	\$ 65,804,519	\$ 4,787,024	\$ 70,591,543

See accompanying notes to the basic financial statements

Pitkin County, Colorado
Statement of Revenues,
Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2006

	Business-type Activities -		
	Enterprise Funds		
	Airport	Solid Waste Center	Total
Operating Revenues			
Charges for services	\$ 1,702,832	\$ 5,449,752	\$ 7,152,584
Rents and franchises	3,433,907	-	3,433,907
Miscellaneous	64,486	25,317	89,803
Total Operating Revenues	5,201,225	5,475,069	10,676,294
Operating Expenses			
Personal services	1,569,214	803,824	2,373,038
Purchased services	1,880,227	2,789,027	4,669,254
Materials and supplies	205,721	83,280	289,001
Depreciation	2,488,267	196,780	2,685,047
Amortization	-	200,326	200,326
Total Operating Expenses	6,143,429	4,073,237	10,216,666
Operating Income (Loss)	(942,204)	1,401,832	459,628
Non-Operating Revenues (Expenses)			
Interest	226,540	248,179	474,719
Intergovernmental	171,497	-	171,497
Interest and fiscal charges	(89,054)	-	(89,054)
Gain (Loss) on disposition of capital assets	20,192	(116)	20,076
Total Non-Operating Revenues (Expenses)	329,175	248,063	577,238
Income (Loss) Before Capital Contributions and Transfers	(613,029)	1,649,895	1,036,866
Capital contributions	6,565,476	-	6,565,476
Transfers out	-	(270,000)	(270,000)
Change in Net Assets	5,952,447	1,379,895	7,332,342
Net Assets Beginning of Year	59,852,072	3,407,129	63,259,201
Net Assets End of Year	\$ 65,804,519	\$ 4,787,024	\$ 70,591,543

See accompanying notes to the basic financial statements

Pitkin County, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2006

	Business-type Activities - Enterprise Funds		
	Airport	Solid Waste Center	Total
Cash Flows from Operating Activities			
Cash received from customers	\$ 3,595,330	\$ 5,394,610	\$ 8,989,940
Cash payments to employees for services	(1,551,515)	(787,527)	(2,339,042)
Cash payments for goods and services	(3,747,100)	(2,754,869)	(6,501,969)
Net Cash Provided (Used) by Operating Activities	(1,703,285)	1,852,214	148,929
Cash Flows from Noncapital Financing Activities			
Operating grants received	171,497	-	171,497
Transfers out	-	(270,000)	(270,000)
Net Cash Provided (Used) by Noncapital Financing Activities	171,497	(270,000)	(98,503)
Cash Flows from Capital and Related Financing Activities			
Principal paid on revenue bonds	(275,764)	-	(275,764)
Interest paid on revenue bonds	(89,054)	-	(89,054)
Capital contributions	6,565,476	-	6,565,476
Proceeds from the sale of capital assets	24,010	76,813	100,823
Proceeds from note	900,000	-	900,000
Payments for capital acquisitions	(8,532,445)	(431,541)	(8,963,986)
Net Cash (Used) by Capital and Related Financing Activities	(1,407,777)	(354,728)	(1,762,505)
Cash Flows from Investing Activities			
Investment earnings	226,540	248,179	474,719
Net Increase (Decrease) in Cash and Cash Equivalents	(2,713,025)	1,475,665	(1,237,360)
Cash and Cash Equivalents Beginning of Year	4,733,650	3,899,810	8,633,460
Cash and Cash Equivalents End of Year	\$ 2,020,625	\$ 5,375,475	\$ 7,396,100

See accompanying notes to the basic financial statements

Pitkin County, Colorado
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended December 31, 2006

	Business-type Activities - Enterprise Funds		
	Airport	Solid Waste Center	Total
Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	\$ (942,204)	\$ 1,401,832	\$ 459,628
Adjustments:			
Depreciation	2,488,267	196,780	2,685,047
(Increase) Decrease in Assets:			
Accounts receivable	(1,605,895)	(80,459)	(1,686,354)
Increase (Decrease) in Liabilities:			
Accounts payable	(1,420,157)	114,142	(1,306,015)
Contracts payable	(349,457)	(1,980)	(351,437)
Accrued liabilities	17,699	16,297	33,996
Intergovernmental payable	110,962	5,276	116,238
Deposits	(2,500)	-	(2,500)
Closure and post closure care obligations	-	200,326	200,326
Net Cash Provided (Used) by Operating Activities	\$ (1,703,285)	\$ 1,852,214	\$ 148,929

See accompanying notes to the basic financial statements

Pitkin County, Colorado
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2006

	Retirement Trust	Agency
Assets		
Equity in pooled cash and investments	\$ 113,761	\$ 2,438,973
Other cash and investments:		
Mutual funds	19,549,100	-
Receivables:		
Accounts	5,439	-
Employee retirement loans	364,523	-
Total Assets	20,032,823	\$ 2,438,973
Liabilities		
Accounts payable	1,531	\$ -
Accrued liabilities	1,018,315	-
Intergovernmental payable	-	598,703
Funds held for others	-	1,840,270
Total Liabilities	\$ 1,019,846	\$ 2,438,973
Net Assets		
Held in trust for pension benefits	\$ 19,012,977	

See accompanying notes to the basic financial statements

Pitkin County, Colorado
Statement of Changes in Fiduciary Net Assets
Retirement Trust Fund
For the Year Ended December 31, 2006

	2006
Additions	
Employer contributions	\$ 1,434,612
Investment income:	
Dividends and interest	2,044,640
Miscellaneous	10,855
Total Additions	3,490,107
Deductions	
Benefits to plan members	2,309,373
Rollover to Roaring Fork Transportation Authority plan	165,991
Administrative expenses	63,696
Total Deductions	2,539,060
Change in Net Assets	951,047
Net Assets Beginning of Year	18,061,930
Net Assets End of Year	\$ 19,012,977

See accompanying notes to the basic financial statements

Pitkin County, Colorado
Combining Statement of Net Assets
Component Units
December 31, 2006

	Pitkin County Library District	Emergency Telephone Authority	Total
Assets			
Current Assets			
Equity in pooled cash and investments	\$ 794,221	\$ 441,380	\$ 1,235,601
Other cash and investments	3,993,922	-	3,993,922
Receivables:			
Accounts	1,749	59,602	61,351
Property taxes	2,490,491	-	2,490,491
Total Current Assets	7,280,383	500,982	7,781,365
Noncurrent Assets:			
Capital assets:			
Nondepreciable capital assets	144,263	42,359	186,622
Depreciable capital assets, net	5,322,946	70,106	5,393,052
Total Noncurrent Assets	5,467,209	112,465	5,579,674
Total Assets	12,747,592	613,447	13,361,039
Liabilities			
Current Liabilities:			
Accounts payable	63,848	13,171	77,019
Accrued liabilities	307	-	307
Intergovernmental payable	193	-	193
Deferred revenue	2,490,491	-	2,490,491
Compensated absences (net of current portion)	14,151	-	14,151
Total Current Liabilities	2,568,990	13,171	2,582,161
Long-term Liabilities			
Compensated absences	57,777	-	57,777
Total Long-term Liabilities	57,777	-	57,777
Total Liabilities	2,626,767	13,171	2,639,938
Net Assets			
Invested in capital assets, net of related debt	5,467,209	112,465	5,579,674
Restricted for:			
Capital projects	4,431,281	-	4,431,281
Statutory reserve for emergencies	89,976	11,219	101,195
Unrestricted	132,359	476,592	608,951
Total Net Assets	\$ 10,120,825	\$ 600,276	\$ 10,721,101

See accompanying notes to the basic financial statements

Pitkin County, Colorado
Combining Statement of Activities
Component Units
For the Year Ended December 31, 2006

	Pitkin County Library District	Emergency Telephone Authority	Total
Expenses			
Public safety	\$ -	\$ 221,240	\$ 221,240
Culture and recreation	2,897,040	-	2,897,040
Total Expenses	<u>2,897,040</u>	<u>221,240</u>	<u>3,118,280</u>
Revenues			
Program revenues:			
Charges for services	35,110	355,764	390,874
Net Program (Expense)	<u>(2,861,930)</u>	<u>134,524</u>	<u>(2,727,406)</u>
General revenues			
Taxes	2,474,398	-	2,474,398
Investment earnings	489,681	18,210	507,891
Miscellaneous	120,710	-	120,710
Total General Revenues	<u>3,084,789</u>	<u>18,210</u>	<u>3,102,999</u>
Change in Net Assets	222,859	152,734	375,593
Net Assets Beginning of Year	<u>9,897,966</u>	<u>447,542</u>	<u>10,345,508</u>
Net Assets End of Year	<u>\$ 10,120,825</u>	<u>\$ 600,276</u>	<u>\$ 10,721,101</u>

See accompanying notes to the basic financial statements

Pitkin County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Pitkin County, Colorado (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 16,420. 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.

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 reporting entity criteria.

Note 1 - Summary of Significant Accounting Policies

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The County also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities at the government-wide financial reporting level and to its enterprise funds at the fund reporting level, provided they do not conflict with or contradict GASB pronouncements.

The most significant of the County's accounting policies are described below.

1-A. Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County. For the County, this entity includes certain elected officials (e.g., the sheriff, assessor and clerk and recorder).

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organizations; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization. Component units also may include organizations that are fiscally dependent on the County in that the County approves the budget, levies their taxes or issues their debt.

The following are the County's blended component units:

The ***Pitkin County Capital Leasing Corporation*** (the 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 Corporation are reported as a debt service fund. The acquired capital assets and related long-term debt are reported in the governmental activities column of the government-wide statement of net assets.

The ***Pitkin County Ambulance District*** (the 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 the County. The operations of the District are reported as a special revenue fund. The District's capital assets are reported in the governmental activities column on the government-wide statement of net assets.

The ***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.

Pitkin County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Note 1 – Summary of Significant Accounting Policies (continued)

1-A. Reporting Entity (continued)

The County has two 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 Districts. The Redstone Ranch Acres and Twining Flats Improvement Districts are reported as special revenue funds in the governmental activities column of the government-wide statement of net assets.

The component unit columns included on the government-wide financial statements identifies the financial data of the County's discretely presented component units. They are reported separately to emphasize that they are legally separate from the County.

A brief description of the discretely presented component units follows:

Emergency Telephone Authority (the Authority) - Colorado revised statutes allow for local governmental agencies to fund emergency telephone services through a surcharge on residential and business telephones. The 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. Although the Authority does not issue separate financial statements, the Authority is a single fund entity and all detailed financial data for the Authority is presented in the basic financial statements.

Pitkin County Library District (the District) - A 7-member board that is appointed by the Board of County Commissioners governs the District. The Pitkin County Board of County Commissioners approves the District's budget, tax levy and any debt issuances. Although the District does not issue separate financial statements, the District is a single fund entity and all detailed financial data for the District is presented in the basic financial statements.

1-B. Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements - The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the County as a whole, excluding fiduciary fund activity. The primary government and the component units are presented separately within these financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and grants and County's general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of net assets presents the financial position of the governmental and business-type activities of the County and its discretely presented component units at year-end.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and for each identifiable activity of the business-type activities of the County. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The County does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the County's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. The determining factor for identifying the functional classification for *charges for services* is the function that *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted*.

Pitkin County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Note 1 – Summary of Significant Accounting Policies (continued)

1-B. Basis of Presentation (continued)

Other revenue sources not properly included with program revenues are reported as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the County.

Fund Financial Statements - During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. Fund financial statements are provided for governmental, proprietary and fiduciary funds.

Major individual governmental and enterprise funds are reported in separate columns.

Fund Accounting - The County uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The County uses three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The County reports the difference between governmental fund assets and liabilities as fund balance. The following are the County's major governmental funds:

The **General Fund** accounts for all financial resources except those required to be accounted for in another fund. The general fund's fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of the County's Home Rule Charter and the State of Colorado.

The **Road and Bridge Fund** accounts for property tax and intergovernmental revenues that fund improvements and maintenance of County roads and bridges. The voters of the County approved a 3% use tax, which became effective for ten years beginning January 1, 1989. The proceeds of this tax are dedicated solely for County road and State Highway 82 improvements. Although this tax was not reauthorized, the County still has balances from funds collected that are dedicated to Highway 82 improvements.

The **Transportation Sales and Use Tax Fund** accounts for 1 cent sales tax that is passed through the County to public mass transportation and the ½ cent sales and use tax that provides funding to enhance and improve the transportation system (roads and public transit).

The **Open Space and Trails Fund** accounts for a dedicated property tax, which supports acquisition, improvement and management of open space and trails program. A 2.5 mill levy was approved in 1990 and the voters reauthorized a levy of 3.75 in 1999. Authority to issue \$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.

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. The proprietary funds are classified as enterprise funds. The following are the major enterprise funds:

The **Airport Fund** accounts for operating and capital improvement of the Aspen-Pitkin County Airport.

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

Pitkin County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Note 1 – Summary of Significant Accounting Policies (continued)

1-C. Measurement Focus

Fiduciary Funds – Fiduciary fund reporting focuses on net assets. The County’s fiduciary funds include the Pitkin County Public Employees Retirement Plan (PCPERP) retirement trust fund and the Treasurer’s agency funds.

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net assets. The statement of activities reports revenues and expenses.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statements of changes in fund net assets present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues – Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, the phrase “available for exchange transactions” means expected to be received within 60 days of year-end.

Revenues - Non-exchange Transactions - Non-exchange transactions in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. 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. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes and federal and state grants.

Pitkin County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Note 1 – Summary of Significant Accounting Policies (continued)

1-D. Basis of Accounting (continued)

Deferred/Unearned Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as deferred revenue (i.e., they are measurable but not available) rather than as revenue.

Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) also are recorded as deferred revenue.

Deferred revenue is reported as “*unearned revenue*” on the government-wide statement of net assets.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

1-E. Assets, Liabilities and Fund Equity

1-E-1 Cash, Cash Equivalents, and Investments

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

The County has adopted a formal investment policy to manage its interest rate risk, credit risk and concentration of credit risk. The following is a summary of relevant guidelines from the policy:

Eligible Investments

- U.S. Treasury obligations - U.S. Treasury bills, notes and bonds.
- U.S. Agencies and Instrumentalities – as authorized by Colorado Revised Statute (CRS) 24-75.601.1 (1) (a) and (b).
- Time certificates of deposit or deposit accounts in state banks or national banks or in state or federally chartered savings and loan associations located in Colorado which are insured by the Federal Deposit Insurance Corporation and which are approved as public fund depositories. Certificates of deposit and deposit accounts that exceed the insured amount will be collateralized as required by the Public Deposit Protection Act or the Savings and Loan Association Public Deposit Protection Act. In addition, depositories must be rated average or better by IDC Financial Publishing or an equivalent rating agency.
- Shares of any local government surplus funds trust fund (money market mutual fund) established under the provisions of 24-75-701, CRS, as amended.
- Money market funds authorized under CRS, 24-75-601.1 (1) (k).

Diversification

With the exception of U.S. Treasury obligations:

- No more than 60% of the total portfolio shall be invested in any single category of investment.

Pitkin County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Note 1 – Summary of Significant Accounting Policies (continued)

1-E. Assets, Liabilities and Fund Equity (continued)

1-E-1 Cash, Cash Equivalents, and Investments (continued)

Diversification (continued)

- Certificates of deposits in any institution shall not exceed ten (10) percent of the total portfolio. The maximum amount maturing with a single institution within thirty (30) days shall not exceed one million dollars (\$1,000,000.00), excluding the County's primary depository account.
- The maximum amount invested in any single local government surplus fund or money market fund shall not exceed 25% of the total portfolio.

Maturity

- Investment maturities shall be based on the liquidity needs of the County and the exposure to market risk. At least 10% of the portfolio shall be invested as a liquidity buffer in overnight instruments, depository accounts, money market funds, local government surplus funds, or marketable securities with less than a one-year maturity.
- Investments with a term greater than one-year, shall not exceed three (3) years with no more than 50% being invested in maturities exceeding two years at the time of investment. Any investment with a maturity exceeding three years shall require specific approval from the Board of County Commissioners.

Investments are stated at fair value based on quoted market prices.

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 established by the library board govern the investment of the Library Endowment funds.

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable.

1-E-3 Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables." Long-term portions of interfund receivables and payables are classified as advances. These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

1-E-4 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. Project accounts are used to segregate resources for specific projects.

The general obligation 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 require a project account, a certificate account and a reserve account.

Pitkin County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Note 1 – Summary of Significant Accounting Policies (continued)

1-E. Assets, Liabilities and Fund Equity (continued)

1-E-5 Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The County reports these assets in the governmental activities column of the government-wide statement of net assets but does not report these assets in the governmental fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide statement of net assets and in the enterprise funds' statement of net assets.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold on non-infrastructure assets of five thousand dollars and \$50,000 for infrastructure. The County's infrastructure consists of roads, bridges and airport runways. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by the enterprise fund is capitalized.

All reported capital assets are depreciated except for land, right-of-ways and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Improvements other than buildings	3 – 25 years	3 – 25 years
Buildings	7 – 75 years	5 – 40 years
Machinery and equipment	3 – 30 years	3 – 25 years
Infrastructure	10 – 100 years	---

1-E-6 Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the County's past experience of making termination payments.

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. Proprietary funds report the total compensated liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only "when due."

Pitkin County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Note 1 – Summary of Significant Accounting Policies (continued)

1-E. Assets, Liabilities and Fund Equity (continued)

1-E-7 Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the these funds. However, compensated absences and claims that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are “due for payment” during the current year. Bonds and capital leases are recognized as a liability in the governmental fund financial statements when due.

1-E-8 Bond Premiums, Discounts and Issuance Costs

On the government-wide statement of net assets and the proprietary fund type statement of net assets, bond premiums and discounts are netted against bonds payable and bond issuance costs are reported as deferred charges. On the government-wide and proprietary fund type financial statements, bond premiums and discounts and bond issuance costs are deferred and amortized over the life of the bonds using the effective interest method.

At governmental fund reporting level, bond premiums and discounts are reported as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs are reported as an expenditure.

1-E-9 Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net assets.”

Fund Balance – Generally, fund balance represents the difference between the current assets and current liabilities. The County reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available, spendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund balance that is available for appropriation in future periods. Designations are management’s intent to set aside these resources for specific services.

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

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

1-E-10 Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services at the airport and solid waste center. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of each fund. All other revenues and expenses are classified as non-operating.

1-E-11 Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from internal and external contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction.

Pitkin County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Note 1 – Summary of Significant Accounting Policies (continued)

1-E. Assets, Liabilities and Fund Equity (continued)

1-E-12 Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and the after non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business-type activities column are also eliminated.

1-E-13 Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 2 – Stewardship, Compliance and Accountability

2-A. Budgetary Information – Budgets are required by state law for all governmental and proprietary funds.

The governmental fund-type budgets are adopted on a basis consistent with GAAP. The budgets for proprietary funds are adopted on a non-GAAP modified accrual budgetary basis.

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. Compliance within the general fund is demonstrated in the following table.

General Fund Section	<u>Original budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Administration Facilities	\$ 410,915	\$ 429,614	\$ 425,557	\$ 4,057
Administrative Services	3,791,094	4,467,635	3,791,886	675,749
Clerk and Elections	838,254	856,925	838,581	18,344
Environmental Quality	2,963,770	4,876,489	3,025,015	1,851,474
Housing	222,511	232,511	184,119	48,392
Human Services	812,576	888,776	568,603	320,173
Public Safety	5,465,941	5,826,270	5,760,357	65,913
Public Works	169,532	256,981	222,208	34,773
	<u>\$ 14,674,593</u>	<u>\$ 17,835,201</u>	<u>\$ 14,816,326</u>	<u>\$ 3,018,875</u>

Any change in total to a fund requires approval of the Board of County Commissioners. All unexpended annual appropriations lapse at year-end, except for projects that have been committed during the year by the issuance of a purchase order. Budgets for these projects are appropriated in the following year.

Pitkin County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Note 2 – Stewardship, Compliance and Accountability (continued)

2-B. 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 government's 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 and the Library District 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, 2006, the following fund balances have been reserved to meet the "emergency reserve" requirement.

Fund	Amount
General	\$ 649,592
Transportation Sales and Use Tax Fund	344,870
Open Space	316,357
Social Services	1,725
Translator Fund	17,643
Healthy Community Fund	31,926
Ambulance District	10,907
Housing Impact	45,075
Redstone Ranch Acres	242
Twining Flats Improvement District	207
 Total Primary Government	 1,418,544
 Library District	 89,976
Emergency Telephone Authority	11,219
 Total Reporting Entity	 \$ 1,519,739

Note 3 - Detailed Notes on All Funds

3-A. Deposits and Investments

Deposits – At December 31, 2006, the carrying amount of the County's deposits were \$49,565,760 and the bank balance was \$50,535,980. Of the bank balance, \$605,784 was covered by Federal Depository insurance and \$49,930,196 was covered by single institution collateral pools. Additionally, the County had cash on hand of \$10,175 at December 31, 2006.

Colorado Statutes require the County to make deposits in eligible public depositories as defined by the Colorado Public Deposit Protection Act of 1989 (CPDPA). The act requires the eligible depository with public deposits in excess of federal insurance levels to create single institution collateral pools of defined eligible assets. Eligible collateral includes obligations of the United States, the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the pool must be at least equal to 102% of the uninsured deposits. Because deposits covered by CPDPA are collateralized by investment pools, the County's deposits are not subject to custodian credit risk. The CPDPA also allows financial institutions to purchase a fidelity bond to provide protection for public monies. One of the County's investments is secured by a bond and is so indicated in supporting cash and investments schedule.

Pitkin County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Note 3 - Detailed Notes on All Funds (continued)

3-A. Deposits and Investments (continued)

Investments – At December 31, 2006, the County’s investments (excluding fiduciary funds and component units other cash and investments) totaled \$16,795,725.

Credit Risk – Investments

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County’s investment policy limits its investment of pooled funds to those investments disclosed in Note 1-E-1. Credit ratings for allowable investments are not addressed within the investment policy.

Interest Rate Risks – Investments

For investments, this is the risk that changes in interest rates will adversely affect fair market values. The County’s policy with respect to the weighted average maturity of its investments is disclosed in Note 1-E-1. At December 31, 2006, the credit ratings and weighted average maturity of the County’s pooled investment portfolio is as follows:

<u>Investments</u>	<u>Fair Value</u>	<u>Standard & Poors Rating</u>	<u>Weighted Average Maturity (Years)</u>
U.S. Treasury Notes	\$ 4,998,691	N/A	0.42
U.S. Government Agencies	4,997,294	AAA	0.53
Resolution Trust Strips	5,542,834	Not Rated	0.14
Money Market Funds	1,256,806	AAA	N/A
	<u>\$ 16,795,625</u>		

Custodial Credit Risk – Investments

This is the risk that, in the event of the counterparty’s failure, the County will not be able to recover the value of its investments that are in the possession of an outside party. The County utilizes Treasury Direct and third-party safekeeping arrangements with Citicorp and American National Bank to minimize custodial credit risk.

Concentration of Credit Risk – Investments

Concentration of credit risk is the risk of loss attributed to the concentration of the County’s investments in a single issuer. At December 31, 2006, five percent or more of the county’s investments were held by the following issues:

<u>Issuer</u>	<u>Fair Value</u>	<u>Percentage of Portfolio</u>
Resolution Funding Corp.	\$ 5,542,834	8.4%

Investments – Fiduciary Funds and Component Units Other Cash and Investments

At December 31, 2006, the County’s pension trust fund’s investments included \$19,549,100 of mutual funds held by its third-party trustee. In addition, the Pitkin County Library District, a component unit of the County, had mutual fund investments totaling \$3,993,922 held in accounts with the various mutual fund companies. These entities have developed their own investment policies addressing credit risk independent of the County.

Pitkin County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Note 3 - Detailed Notes on All Funds (continued)

3-A. Deposits and Investments (continued)

Investments (continued) – Summary of County’s total cash and investments as reported in accompanying financial statements are as follows:

	Cash and Cash Equivalents	Investments
Fund Reporting Level:		
Governmental Funds - Balance Sheet	\$ 49,249,220	\$ -
Governmental Funds - Balance Sheet - Restricted Assets	195,850	5,742,055
Proprietary Fund Type Statement of Net Assets	7,396,100	-
Component Units - Balance Sheet	1,235,601	3,993,922
Statement of Fiduciary Assets and Liabilities	2,552,734	19,549,100
 Total	 \$ 60,629,505	 \$29,285,077

3-B. Receivables

Receivables at December 31, 2006, consisted of taxes, interest, accounts (billings for user charges), and intergovernmental receivables arising from grants.

Receivables and payables are recorded on the County’s financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectibility.

3-C. Property Taxes

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.

3-D. Sales Taxes

The 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’s 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, 1985, the County levied an additional one-percent sales tax for the purpose of funding the Roaring Fork Transportation Authority (formerly a component unit known as 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 the 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 the Town of Snowmass Village. The allocations to the City of Aspen and the Town of Snowmass Village are to be divided between the two on the basis of the actual collections within the municipal limits of each. Payments to the Authority, Aspen and Snowmass Village are subordinate to any obligation the County has for any debt service secured by the 1% Transit Sales Tax.

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

Pitkin County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Note 3 - Detailed Notes on All Funds (continued)

3-E. Capital Assets

Capital asset activity for the primary government for the year ended December 31, 2006, was as follows:

	Balance 1/1/2006	Additions	Deductions	Balance 12/31/2006
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 65,585,165	\$ 301,371	\$3,672,147	\$ 62,214,389
Construction in progress	477,859	8,205,740	-	8,683,599
Total capital assets not being depreciated	<u>66,063,024</u>	<u>8,507,111</u>	<u>3,672,147</u>	<u>70,897,988</u>
Depreciable capital assets:				
Buildings	23,661,869	143,543	-	23,805,412
Improvements other than buildings	1,279,817	62,101	-	1,341,918
Machinery and equipment	9,695,891	798,089	1,062,990	9,430,990
Infrastructure	32,619,953	1,022,701	-	33,642,654
Total depreciable capital assets	<u>67,257,530</u>	<u>2,026,434</u>	<u>1,062,990</u>	<u>68,220,974</u>
Total capital assets	<u>133,320,554</u>	<u>10,533,545</u>	<u>4,735,137</u>	<u>139,118,962</u>
Accumulated depreciation:				
Buildings	(11,087,880)	(1,187,081)	-	(12,274,961)
Improvements other than buildings	(611,148)	(63,642)	-	(674,790)
Machinery and equipment	(5,827,006)	(792,627)	(837,599)	(5,782,034)
Infrastructure	(14,880,319)	(1,103,981)	-	(15,984,300)
Total accumulated depreciation	<u>(32,406,353)</u>	<u>(3,147,331)</u>	<u>(837,599)</u>	<u>(34,716,085)</u>
Governmental activities capital assets, net	<u>\$ 100,914,201</u>	<u>\$ 7,386,214</u>	<u>\$3,897,538</u>	<u>\$ 104,402,877</u>
Governmental activities depreciation expense				
General government	\$ 551,963			
Public safety	394,456			
Public works	1,549,386			
Health and welfare	173,970			
Culture and recreation	463,866			
Conservation of natural resources	13,690			
Total governmental activities depreciation expense	<u>\$ 3,147,331</u>			

Pitkin County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Note 3 - Detailed Notes on All Funds (continued)

3-E. Capital Assets (continued)

Capital asset activity for the Library component unit for the year ended December 31, 2006, was as follows:

	Balance 1/1/2006	Additions	Deductions	Balance 12/31/2006
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 144,263	\$ -	\$ -	\$ 144,263
Total capital assets not being depreciated	<u>144,263</u>	<u>-</u>	<u>-</u>	<u>144,263</u>
Depreciable capital assets:				
Buildings	5,982,768	18,062	-	6,000,830
Improvements other than buildings	50,818	-	-	50,818
Machinery and equipment	2,673,046	237,302	86,628	2,823,720
Total depreciable capital assets	<u>8,706,632</u>	<u>255,364</u>	<u>86,628</u>	<u>8,875,368</u>
Total capital assets	<u>8,850,895</u>	<u>255,364</u>	<u>86,628</u>	<u>9,019,631</u>
Accumulated depreciation:				
Buildings	(1,820,555)	(182,313)	-	(2,002,868)
Improvements other than buildings	(46,260)	(414)	-	(46,674)
Machinery and equipment	(1,338,610)	(227,411)	(63,141)	(1,502,880)
Total accumulated depreciation	<u>(3,205,425)</u>	<u>(410,138)</u>	<u>(63,141)</u>	<u>(3,552,422)</u>
Governmental activities capital assets, net	<u>\$ 5,645,470</u>	<u>\$ (154,774)</u>	<u>\$ 23,487</u>	<u>\$ 5,467,209</u>

Capital asset activity for the Emergency Telephone Authority for the year ended December 31, 2006, was as follows:

	Balance 1/1/2006	Additions	Deductions	Balance 12/31/2006
Governmental activities:				
Construction in progress	\$ 33,287	\$ 9,072	\$ -	\$ 42,359
Machinery and equipment	798,010	-	5,452	792,558
Depreciation on machinery and equipment	(706,068)	(21,836)	(5,452)	(722,452)
Governmental activities capital assets, net	<u>\$ 125,229</u>	<u>\$ (12,764)</u>	<u>\$ -</u>	<u>\$ 112,465</u>

Pitkin County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Note 3 - Detailed Notes on All Funds (continued)

3-E. Capital Assets (continued)

Capital asset activity for the proprietary funds for the year ended December 31, 2006, was as follows:

	Balance 1/1/2006	Additions	Deductions	Balance 12/31/2006
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 10,530,840	\$ -	\$ -	\$ 10,530,840
Construction in progress	20,915,472	7,311,616	37,394	28,189,694
Total capital assets not being depreciated	<u>31,446,312</u>	<u>7,311,616</u>	<u>37,394</u>	<u>38,720,534</u>
Depreciable capital assets:				
Buildings	7,371,252	92,679	-	7,463,931
Improvements other than buildings	31,349,082	691,849	-	32,040,931
Machinery and equipment	6,823,341	905,236	305,062	7,423,515
Total depreciable capital assets	<u>45,543,675</u>	<u>1,689,764</u>	<u>305,062</u>	<u>46,928,377</u>
Total capital assets	<u>76,989,987</u>	<u>9,001,380</u>	<u>342,456</u>	<u>85,648,911</u>
Accumulated depreciation:				
Buildings	(3,688,275)	(284,044)	-	(3,972,319)
Improvements other than buildings	(11,869,081)	(1,854,130)	-	(13,723,211)
Machinery and equipment	(3,415,525)	(546,873)	(224,315)	(3,738,083)
Total accumulated depreciation	<u>(18,972,881)</u>	<u>(2,685,047)</u>	<u>(224,315)</u>	<u>(21,433,613)</u>
Business-type activities capital assets, net	<u>\$ 58,017,106</u>	<u>\$ 6,316,333</u>	<u>\$ 118,141</u>	<u>\$ 64,215,298</u>

3-F. - Interfund Transfers

Interfund transfers for the year ended December 31, 2006, consisted of the following:

Transfer to	Transfers From:			Total
	General Fund	Nonmajor Governmental Funds	Solid Waste Center Fund	
General Fund	\$ -	\$ 100,207	\$ 270,000	\$ 370,207
Open Space and Trails Fund	69,000	-	-	69,000
Nonmajor Governmental Funds	379,742	-	-	379,742
	<u>\$ 448,742</u>	<u>\$ 100,207</u>	<u>\$ 270,000</u>	<u>\$ 818,949</u>

Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization and to provide additional resources for current operations or debt service. All County transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

Pitkin County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Note 3 - Detailed Notes on All Funds (continued)

3-G. 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.

3-H. Long-Term Debt

County Debt - The following is a summary of the outstanding long-term debt at December 31, 2006:

County Certificates of Participation - \$4,905,000 Master Lease Refunding and Improvement Certificates of Participation, dated December 29, 1998, were issued to provide funding together with other funds of the County to 1) currently refund \$955,000 outstanding principal balance of Pitkin County, Colorado Master Lease Purchase Agreement Certificates of Participation, Series 1988, 2) advance refund \$3,045,000 outstanding principal amount of the Pitkin County, Colorado Lease Purchase Agreement Certificates of Participation, Series 1991, and 3) defray the costs of certain upgrades and improvements to the County's Emergency 911 System. Proceeds of the Refunded Series 1988 Certificates were issued by the Corporation to finance the acquisition of approximately 9.1 acres of real property and finance the construction of the County Fleet Maintenance Facility. Proceeds of the Refunded Series 1991 Certificates were issued by the Corporation to finance the acquisition of an administrative office building. The County has entered into cancelable long-term lease agreements with the Pitkin County Capital Leasing Corporation, a non-profit corporation for these acquisitions. These leases provide for annual base rental payments in amounts sufficient to meet the annual debt service requirements issued by the non-profit corporation. The leases are financing arrangements that 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 bears 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, 2006, is presented at the end of this note. The principal balance outstanding as of December 31, 2006 is \$1,460,000.

The following is an analysis of the leased property under lease certificates of participation as included in the governmental activities' capital assets.

<u>Classes of property</u>	<u>Capital Assets</u>	<u>Accumulated Depreciation</u>	<u>Net Value</u>
Land	\$ 208,175	\$ -	\$ 208,175
Buildings	4,931,505	1,780,268	3,151,237
Equipment	602,442	602,442	-
	<u>\$ 5,742,122</u>	<u>\$ 2,382,710</u>	<u>\$ 3,359,412</u>

Amortization of leased assets is included in depreciation expense.

County General Obligation Bonds and Notes – 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.

On December 1, 2000, \$10,000,000 of Pitkin County General Obligation Refunding and Open Space Acquisition Bonds were issued, of which \$8,795,000 were 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, 2006 was \$1,115,000.

Pitkin County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Note 3 - Detailed Notes on All Funds (continued)

3-H. Long-Term Debt (continued)

The County issued \$9,815,000 of Pitkin County General Obligation Refunding Bonds on December 21, 2006. The proceeds were used to advance refund \$7,890,000 of the Series 2000 Bonds and to provide approximately \$1,560,000 for future open space acquisitions. The Refunded 2000 Bonds will be called for redemption at a redemption price equal to the principal amount plus accrued interest on December 1, 2010.

By refunding the Series 2000 bonds, the County reduced its total debt service payments from 2007 through 2030 by \$1,165,076. The net present value of these savings (difference between the present values of the debt service payments on the old and new debt from the refunding) was \$711,930. The full amount of the 2006 bonds, \$9,815,000 was outstanding at December 31, 2006.

The County issued \$7,685,000 of Pitkin County General Obligation Refunding Bonds in October 16, 2003. A portion of the proceeds was used to refund the Refunded 1991 Bonds, with a principal amount of \$2,480,000 outstanding, and the Refunded 1994 Bonds, with a principal amount of \$5,110,000 outstanding at the time of the transaction. The amount of the refunding debt outstanding at December 31, 2006 is \$6,265,000.

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 of 5% at interest only with the principal amount due on September 25, 2021.

This debt is voter approved and is 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.

General Improvement Bonds - The Twining Flats General Improvement district issued bonds in 2006 to provide funds for road improvements to the roads in their district. These bonds will be repaid from amounts levied against the property owners benefited by this construction. In the event that a deficiency exists because of unpaid or delinquent taxes at the time a debt service payment is due, Pitkin County must provide resources to cover the deficiency until other resources, for example, foreclosure proceeds, are received. The bonds bear an interest of 5.1% and mature annually through 2016 in amounts from \$3,300 to \$8,560. The principal amount outstanding at December 31, 2006 was \$65,000.

County Sales Tax Revenue Bonds - On November 1, 1998, \$1,960,000 of Sales Tax Revenue Bonds were issued to acquire additional buses for the Roaring Fork Transit Agency (RFTA) 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 outstanding at December 31, 2006 was \$1,145,000.

On December 1, 2001, \$8,460,000 of Sales Tax Revenue Refunding and Improvement Bonds were issued to finance the acquisition of three new articulated inter-County transit coaches and five new intra-County 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 10 two-bedroom apartments in Aspen's Burlingame affordable housing project for use by RFTA's employees. The principal amount outstanding at December 31, 2006 was \$6,150,000.

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 1998 issue or 10 percent of the principal amount outstanding. Accordingly, equity in cash and investments of \$195,850 is reserved, representing 10% of the principal amount outstanding plus one-sixth of the next interest payment and one-twelfth of the next principal payment. 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.

Pitkin County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Note 3 - Detailed Notes on All Funds (continued)

3-H. Long-Term Debt (continued)

County Airport State Loans – 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, 2006 is \$841,844. The purpose of the debt was to finance airport infrastructure improvements.

On April 18, 2005, the Airport entered into a 10-year loan with the Colorado State Infrastructure Bank to fund additional infrastructure. The original loan is for \$840,000 and carries an annual interest rate of 4% with payments of \$103,564 annually. The principal amount outstanding as of December 31, 2006 is \$770,036.

On February 6, 2006, the Airport entered into a 10-year loan with the Colorado State Infrastructure Bank to fund additional infrastructure. The original loan is for \$900,000 and carries an annual interest rate of 4% with payments of \$110,962 annually. The principal amount outstanding as of December 31, 2006 is \$825,037.

Debt Service Requirements to Maturity - Annual debt service requirements to amortize all obligations outstanding of the primary government, as of December 31, 2006 follow:

Year	Airport 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
2007	\$ 284,177	\$ 80,640	\$ 265,000	\$ 68,430	\$ 775,000	\$ 887,480	\$ 625,000	\$ 351,204	\$ 3,308	\$ 4,900
2008	292,875	71,942	280,000	56,373	810,000	887,515	350,000	328,310	5,369	3,146
2009	301,868	62,949	290,000	43,493	825,000	861,491	365,000	314,310	5,691	2,872
2010	311,166	53,651	305,000	30,007	860,000	832,740	380,000	298,968	6,032	2,582
2011	320,780	44,037	320,000	15,520	875,000	800,603	395,000	282,858	6,394	2,275
2012	330,722	34,095	-	-	605,000	767,634	410,000	265,970	6,778	1,948
2013	190,713	23,813	-	-	620,000	743,259	430,000	245,695	7,184	1,603
2014	198,342	16,185	-	-	645,000	719,696	455,000	224,275	7,615	1,237
2015	206,274	8,251	-	-	675,000	695,086	475,000	201,525	8,072	848
2016	-	-	-	-	700,000	668,974	500,000	177,775	8,557	436
2017	-	-	-	-	540,000	641,521	525,000	152,775	-	-
2018	-	-	-	-	560,000	619,921	550,000	125,212	-	-
2019	-	-	-	-	585,000	597,424	580,000	96,338	-	-
2020	-	-	-	-	605,000	573,768	610,000	65,887	-	-
2021	-	-	-	-	4,890,000	549,147	645,000	33,863	-	-
2022	-	-	-	-	660,000	297,623	-	-	-	-
2023	-	-	-	-	685,000	270,302	-	-	-	-
2024	-	-	-	-	720,000	241,702	-	-	-	-
2025	-	-	-	-	485,000	211,500	-	-	-	-
2026	-	-	-	-	505,000	192,100	-	-	-	-
2027	-	-	-	-	530,000	171,900	-	-	-	-
2028	-	-	-	-	555,000	148,050	-	-	-	-
2029	-	-	-	-	580,000	123,075	-	-	-	-
2030	-	-	-	-	610,000	96,975	-	-	-	-
2031	-	-	-	-	230,000	69,525	-	-	-	-
2032	-	-	-	-	240,000	59,175	-	-	-	-
2033	-	-	-	-	250,000	48,375	-	-	-	-
2034	-	-	-	-	265,000	37,125	-	-	-	-
2035	-	-	-	-	275,000	25,200	-	-	-	-
2036	-	-	-	-	285,000	12,825	-	-	-	-
	<u>\$2,436,917</u>	<u>\$ 395,563</u>	<u>\$1,460,000</u>	<u>\$ 213,823</u>	<u>\$ 21,445,000</u>	<u>\$12,851,711</u>	<u>\$ 7,295,000</u>	<u>\$3,164,965</u>	<u>\$ 65,000</u>	<u>\$ 21,847</u>

Pitkin County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Note 3 - Detailed Notes on All Funds (continued)

3-H. Long-Term Debt (continued)

Changes in Long-term Debt - Changes in the County's long-term obligations consisted of the following for the year ended December 31, 2006:

	Balance 1/1/06	Additions	Deletions	Balance 12/31/06	Current Portion
Primary Government					
Governmental activities					
Lease certificates of participation	\$ 1,715,000	\$ -	\$ 255,000	\$ 1,460,000	\$ 265,000
General obligation bonds and notes	20,235,000	9,815,000	8,605,000	21,445,000	775,000
Sales tax revenue bonds	7,905,000	-	610,000	7,295,000	625,000
Special assessment bonds with governmental commitment	-	65,000	-	65,000	3,308
Unamortized bond premium	23,921	119,785	1,293	142,413	-
Deferred refunding loss	(490,170)	(370,775)	(26,496)	(834,449)	-
Claims	719,696	2,244,288	2,183,703	780,281	312,112
Compensated absences	888,142	20,824	-	908,966	181,793
Total governmental activities	<u>30,996,589</u>	<u>11,894,122</u>	<u>11,628,500</u>	<u>31,262,211</u>	<u>2,162,214</u>
Business-type activities					
Airport loans	1,812,681	900,000	275,764	2,436,917	284,177
Landfill closure and postclosure care	2,442,507	200,326	-	2,642,833	-
Total business-type activities	<u>4,255,188</u>	<u>1,100,326</u>	<u>275,764</u>	<u>5,079,750</u>	<u>284,177</u>
Component Units					
Compensated absences	70,754	1,175	-	71,929	14,386
Total for component units	<u>70,754</u>	<u>1,175</u>	<u>-</u>	<u>71,929</u>	<u>14,386</u>
Total Changes in long-term debt	<u>\$ 35,322,531</u>	<u>\$ 12,995,623</u>	<u>\$ 11,904,264</u>	<u>\$ 36,413,890</u>	<u>\$ 2,460,776</u>

The Pitkin County Capital Leasing Corporation fund, a blended component unit of the County, will repay the certificates of participation. The capital lease obligation for the Library District, a discretely presented component unit, was repaid in 2006. The general obligation bonds and notes are being repaid by the open space fund and GO debt service fund. The County's sales tax revenue bonds are being retired from the transit debt service fund.

The compensated absences liability will be paid from the fund from which the employees' salaries are paid. The outstanding claims are being paid by the general fund.

Conduit Debt - Component Unit - 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, 2006, there were three series Mortgage Revenue Bonds outstanding with an aggregate principal amount payable of \$759,760 and there were two series of Industrial Revenue bonds outstanding with an aggregate principal amount payable of \$50,250,000.

Pitkin County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Note 3 - Detailed Notes on All Funds (continued)

Note 3-I. 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 \$2,642,833 reported as landfill closure and postclosure care liability at December 31, 2006 represents the cumulative amount reported to date based on the use of 58.4% of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$1,884,891 as the remaining estimated capacity is filled. Postclosure care of \$1,603,614 is included in these estimated costs. These amounts are based on what it would cost to perform all closure and postclosure care in 2006. 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.

3-J. Pensions

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 and the Library district participate in the plan after six months of employment. The County contributed 12.5% of participants' compensation to the plan during 2006 and purchased replacement insurance coverage for Social Security's life, disability and survivor benefits at a cost of 1.5% 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. The Stanton Group is responsible for participant record keeping. 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 and Library's total payrolls in 2006 were \$12,527,002. During 2006, they contributed \$1,434,612 to PCPERP, which is 12.5% of eligible salaries totaling \$11,476,876. Employee contributions are not allowed under the plan.

Pitkin County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Note 3 - Detailed Notes on All Funds (continued)

3-K. Net Assets/Fund Balances

Net Assets - Net assets on the government-wide statement of net assets as of December 31, 2006 are as follows:

	Governmental Activities	Business Type Activities
Investments in capital assets, net of related debt:		
Cost of capital assets	\$ 139,118,961	\$ 85,648,911
Less accumulated depreciation	34,716,084	21,433,613
Book value	104,402,877	64,215,298
Less capital related debt	29,572,964	2,436,917
Plus bond issuance and refunding amounts	161,872	-
Investments in capital assets, net of related debt	<u>\$ 74,991,785</u>	<u>\$ 61,778,381</u>

Fund Balances

Reserved Fund Balances - The reserved fund balances are as follows:

	Primary Government		Component Units	
	General Fund	Other funds	Pitkin County Library	Emergency Telephone Authority
Reserved for debt service	\$ 174,536	\$ 465,777	\$ -	\$ -
Reserved for workers' compensation insurance claims	350,000	-	-	-
Reserved for funded employee health claims	660,017	-	-	-
Reserved for affordable housing	3,744,338	-	-	-
Reserved for open space	253,886	-	-	-
Reserved for hazardous waste site remediation	298,003	-	-	-
Reserved for emergencies	649,592	768,952	84,114	10,985
	<u>\$ 6,130,372</u>	<u>\$ 1,234,729</u>	<u>\$ 84,114</u>	<u>\$ 10,985</u>

Unreserved, Designated Fund Balances

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

	Primary Government	
	General Fund	Other funds
Appropriated for expenditures in the 2007 budget	\$ -	\$ 73,702
Designated to fund discretionary projects in 2007	4,471,563	-
Designated to complete projects begun but not completed in 2006	3,190,715	-
Fund balance designated	<u>\$ 7,662,278</u>	<u>\$ 73,702</u>

Pitkin County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Note 3 - Detailed Notes on All Funds (continued)

3-K. Net Assets/Fund Balances (continued)

	Primary Government		Component Units
	General Fund	Other funds	
Designated to balance 5 year budget	\$ 3,100,000	\$ -	\$ -
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.	3,350,408	-	-
The excess of contributions over expenditures for Topsy Taxi program	202,602	-	-
Public contributions for a Viet Nam Veteran Memorial are designated for maintenance of the monument	5,368	-	-
Asset replacements for information services and dispatch	546,970	-	-
A fund balance to fund future workers' compensation liability and employee health claims	780,280	-	-
A fund balance for improvements to the Health and Human Services Building	141,223	-	-
A fund balance to fund future building needs	3,759,804	-	-
Balance of 3% use tax proceeds which are dedicated for improvement to State Highway 82 or Maroon Creek Road.	-	923,449	-
A contribution to the library has been designated for future capital projects for library improvements	-	-	3,993,922
	\$ 11,886,655	\$ 923,449	\$ 3,993,922

Fund Balances, Conservation Trust Fund

The Conservation Trust Fund's expenditures exceeded revenues by \$734, resulting in a deficit fund balance of \$668. Revenues will be collected and the transfer reduced in 2007 to satisfy the deficit.

Note 4 - Other Notes

4-A. Risk Management

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 \$325,000 per claim 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 \$325,000. 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 Director of Human Resources/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.

Pitkin County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Note 4 - Other Notes (continued)

4-A. Risk Management (continued)

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 also reserves fund balance in the general fund for workers' compensation in the amount of \$350,000. The County's liability for the unpaid claims includes an amount for claims that have been incurred but not reported (IBNR's). Changes in the liability during the past two years are as follows:

	<u>2005</u>	<u>2006</u>
Unpaid claims, January 1	\$ 248,437	\$ 281,868
Incurred claims (including IBNR's)	196,970	186,644
Claims payments	<u>(163,539)</u>	<u>(150,257)</u>
Unpaid claims, December 31	<u>\$ 281,868</u>	<u>\$ 318,255</u>

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. The property and general liability program provides for the County to assume a portion of self-insured losses. The county self insures the first \$50,000 of each property loss and has an aggregate stop loss of \$200,000 for general liability claims. Excess insurance coverage is purchased to cover claims above these limits. The County funds all claim settlements up to the self-insured limit from general fund resources. There have been no settlements that exceed the County's insurance coverage during the past three years. 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. Changes in the liability during the past two years are as follow:

	<u>2005</u>	<u>2006</u>
Unpaid claims, January 1	\$ 198,975	\$ 157,996
Incurred claims (including IBNR's)	87,160	74,802
Claims payments	<u>(128,139)</u>	<u>(90,679)</u>
Unpaid claims, December 31	<u>\$ 157,996</u>	<u>\$ 142,119</u>

County Health Pool - The County is exposed to various risks of loss related to covered health expenses. The County maintains a self-funded health and dental plan. The County has coverage that limits the annual losses at \$50,000 per individual and \$1,544,790 for the year. Changes in the liability during the past two years are as follows:

	<u>2005</u>	<u>2006</u>
Unpaid claims, January 1	\$ 167,628	\$ 279,832
Incurred claims (including IBNR's)	2,789,917	1,982,842
Claims payments	<u>(2,677,713)</u>	<u>(1,942,767)</u>
Unpaid claims, December 31	<u>\$ 279,832</u>	<u>\$ 319,907</u>

There were no significant reductions in insurance coverage from prior year, and there have been no settlements that exceed the County's insurance coverage during the past three years.

Pitkin County, Colorado
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Note 4 - Other Notes (continued)

4-B. Contingent Liabilities

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the County believes such disallowances, if any, will be immaterial.

The County was a defendant in several lawsuits at December 31, 2006. In the opinion of County management, the outcome of these contingencies will not have a material effect on the financial position of the County.

4-C. 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 City and County governing bodies and the City and County share operating costs equally subject to annual appropriation. The County's proportionate share of 2006 joint net operating expenditures (\$170,255) is reported in the County's financial statements in the General Fund. 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' 2006 general ledger:

Assets	<u>\$ 818,890</u>	Revenues	\$ 1,326,694
Liabilities	56,772	Expenses	<u>923,277</u>
Equity	<u>762,118</u>	Net income	<u>\$ 403,417</u>
	<u>\$ 818,890</u>		

Required Supplementary Information

Major Governmental Funds

General Fund - The General Fund accounts for all transactions not accounted for in other funds. As the County's major operating fund, the General Fund accounts for ordinary operating expenditures financed primarily by property taxes, sales taxes and charges for services.

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 this fund. This fund also accounts for the proceeds of a 3% use tax on building materials and fixtures, and motor vehicles purchases outside of Pitkin County for use within the County. The proceeds of this tax are restricted to improvements to County roads and State Highway 82. Although this tax lapsed in 1999, there are balances that are restricted for the for State Highway 82 improvements.

Transportation Sales and Use Tax Fund - In 1985, the County implemented a 1% tax for public mass transit purposes. The proceeds of this tax are shared with the Roaring Fork Transportation Authority, the City of Aspen, and the Town of Snowmass Village. In 1993, the voters approved a 1/2 cent sales and use tax to provide funding to increase and improve the public mass transportation system.

Open Space and Trails Fund - A property tax supports acquisition, improvement and management of open space and trails programs. There have been three elections for the Open Space and Trails program. In 1990, the voters approved a 2.5 mill levy for the years 1991 through 2000. In 1999 the voters reauthorized another ten year mill at a constant 3.75 for the years 2001 through 2010. In 2006, ther voters approved extending the 3.75 constant levy for another 10 years, or until 2020. In total the three elections also approved a the issuance of general obligation debt in the amount of \$44 million. Bonds amounting to \$20.79 million have been issued to date, leaving the County remaining voter authorization to issue up to \$23.21 million of additional general obligation debt to finance the acquisition of open space.

Pitkin County, Colorado
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	2006			2005	
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Taxes	\$ 8,986,214	\$ 9,125,013	\$ 9,778,687	\$ 653,674	\$ 9,614,456
Intergovernmental	599,515	991,783	1,033,279	41,496	911,809
Licenses and permits	609,000	829,000	947,260	118,260	966,063
Charges for services	3,513,552	4,093,052	5,254,065	1,161,013	4,484,378
Fines and forfeitures	7,100	7,100	7,278	178	14,486
Investment earnings	925,050	925,050	1,301,377	376,327	674,180
Miscellaneous	279,519	279,519	398,246	118,727	2,164,225
Total Revenues	<u>14,919,950</u>	<u>16,250,517</u>	<u>18,720,192</u>	<u>2,469,675</u>	<u>18,829,597</u>
Expenditures					
Current:					
General government	7,127,114	9,337,495	7,184,934	2,152,561	7,447,947
Public safety	5,834,158	6,217,955	5,928,955	289,000	5,327,746
Public works	105,562	193,011	115,054	77,957	319,333
Health and welfare	1,309,760	1,473,504	998,673	474,831	1,249,234
Culture and recreation	11,518	316,755	346,359	(29,604)	20,702
Conservation of natural resources	63,970	63,970	58,232	5,738	147
Housing and development	222,511	232,511	184,119	48,392	1,548,357
Total Expenditures	<u>14,674,593</u>	<u>17,835,201</u>	<u>14,816,326</u>	<u>3,018,875</u>	<u>15,913,466</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>245,357</u>	<u>(1,584,684)</u>	<u>3,903,866</u>	<u>5,488,550</u>	<u>2,916,131</u>
Other Financing Sources (Uses)					
Sale of capital assets	91,401	691,401	668,464	(22,937)	3,816,278
Transfers in	324,000	324,000	370,207	46,207	320,909
Transfers out	(470,135)	(470,135)	(448,742)	21,393	(523,242)
Total Other Financing Sources (Uses)	<u>(54,734)</u>	<u>545,266</u>	<u>589,929</u>	<u>44,663</u>	<u>3,613,945</u>
Net Change in Fund Balances	<u>\$ 190,623</u>	<u>\$ (1,039,418)</u>	<u>4,493,795</u>	<u>\$ 5,533,213</u>	<u>6,530,076</u>
Fund Balances Beginning of Year			<u>21,185,510</u>		<u>14,655,434</u>
Fund Balances End of Year			<u>\$ 25,679,305</u>		<u>\$ 21,185,510</u>

Pitkin County, Colorado
Road and Bridge Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	2006			2005	
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Taxes	\$ 2,353,599	\$ 2,492,800	\$ 1,911,045	\$ (581,755)	\$ 1,519,841
Intergovernmental	1,343,056	1,653,813	1,452,522	(201,291)	1,435,409
Licenses and permits	20,000	20,000	23,170	3,170	21,775
Charges for services	250,000	572,000	587,892	15,892	359,946
Investment earnings	114,203	114,203	161,220	47,017	109,374
Miscellaneous	8,300	8,300	13,897	5,597	10,718
Total Revenues	4,089,158	4,861,116	4,149,746	(711,370)	3,457,063
Expenditures					
Current:					
Public works	4,194,158	6,780,599	3,313,577	3,467,022	4,057,768
Total Expenditures	4,194,158	6,780,599	3,313,577	3,467,022	4,057,768
Excess (Deficiency) of Revenues Over (Under) Expenditures	(105,000)	(1,919,483)	836,169	2,755,652	(600,705)
Other Financing Sources					
Sale of capital assets	105,000	105,000	45,000	(60,000)	182,425
Total Other Financing Sources	105,000	105,000	45,000	(60,000)	182,425
Net Change in Fund Balances	\$ -	\$ (1,814,483)	881,169	\$ 2,695,652	(418,280)
Fund Balances Beginning of Year			2,932,717		3,350,997
Fund Balances End of Year			\$ 3,813,886		\$ 2,932,717

Pitkin County, Colorado
Transportation Sales and Use Tax Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	<u>2006</u>			<u>2005</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>	<u>Actual</u>
Revenues					
Taxes	\$ 10,091,336	\$ 10,745,336	\$ 10,720,598	\$ (24,738)	\$ 9,910,648
Intergovernmental	-	-	69,752	69,752	4,337
Investment earnings	583,384	583,384	705,319	121,935	485,076
Miscellaneous	-	668,000	-	(668,000)	-
Total Revenues	<u>10,674,720</u>	<u>11,996,720</u>	<u>11,495,669</u>	<u>(501,051)</u>	<u>10,400,061</u>
Expenditures					
Current:					
Public works	<u>9,339,677</u>	<u>13,120,729</u>	<u>10,348,244</u>	<u>2,772,485</u>	<u>11,528,120</u>
Total Expenditures	<u>9,339,677</u>	<u>13,120,729</u>	<u>10,348,244</u>	<u>2,772,485</u>	<u>11,528,120</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,335,043</u>	<u>\$ (1,124,009)</u>	1,147,425	<u>\$ 2,271,434</u>	(1,128,059)
Fund Balances Beginning of Year			<u>13,262,489</u>		<u>14,390,548</u>
Fund Balances End of Year			<u>\$ 14,409,914</u>		<u>\$ 13,262,489</u>

Pitkin County, Colorado
Open Space and Trails Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	<u>2006</u>			<u>2005</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>	<u>Actual</u>
Revenues					
Taxes	\$ 7,459,915	\$ 7,459,915	\$ 7,457,866	\$ (2,049)	7,060,771
Intergovernmental	-	1,000,000	2,582,950	1,582,950	150,000
Licenses and permits	-	-	6,465	6,465	1,903
Charges for services	-	-	18,482	18,482	18,343
Fines and forfeitures	-	-	300	300	800
Investment earnings	482,734	482,734	391,991	(90,743)	381,967
Miscellaneous	-	-	87,193	87,193	16,500
Total Revenues	<u>7,942,649</u>	<u>8,942,649</u>	<u>10,545,247</u>	<u>1,602,598</u>	<u>7,630,284</u>
Expenditures					
Current:					
Culture and recreation	5,452,265	12,470,748	9,630,856	2,839,892	13,139,863
Debt Service:					
Principal retirement	350,000	350,000	350,000	-	335,000
Interest and fiscal charges	857,353	857,353	857,253	100	866,180
Bond issuance costs	-	113,147	113,147	-	-
Total Expenditures	<u>6,659,618</u>	<u>13,791,248</u>	<u>10,951,256</u>	<u>2,839,992</u>	<u>14,341,043</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,283,031</u>	<u>(4,848,599)</u>	<u>(406,009)</u>	<u>4,442,590</u>	<u>(6,710,759)</u>
Other Financing Sources (Uses)					
Sale of capital assets	9,500	259,500	277,625	(18,125)	-
Bonds issued	-	9,815,000	9,815,000	-	-
Premium on debt issuance	-	119,785	119,785	-	-
Payment to refunded bond escrow agent	-	(8,260,775)	(8,260,775)	-	-
Transfers in	69,000	69,000	69,000	-	69,000
Total Other Financing Sources (Uses)	<u>78,500</u>	<u>2,002,510</u>	<u>2,020,635</u>	<u>(18,125)</u>	<u>69,000</u>
Net Change in Fund Balances	<u>\$ 1,361,531</u>	<u>\$ (2,846,089)</u>	1,614,626	<u>\$ 4,424,465</u>	(6,641,759)
Fund Balances Beginning of Year			<u>5,185,652</u>		<u>11,827,411</u>
Fund Balances End of Year			<u>\$ 6,800,278</u>		<u>\$ 5,185,652</u>

Pitkin County, Colorado
Note to Required Supplemental Information
For the Year Ended December 31, 2006

Budgetary Information - The budget is prepared in accordance with accounting principles generally accepted in the United States of America by the County's finance department and approved by the Board of County Commissioners following a public hearing.

Any change in the total to a fund's budget requires approval of the Board of County Commissioners. All unexpended annual appropriations lapse at year-end, except for projects that have been committed during the year by the issuance of a purchase order. Budgets for these projects are appropriated in the following year.

Supplemental Information
Combining and Individual Fund
Statements and Schedules
Governmental Funds

Pitkin County, Colorado
Combining Balance Sheet
Non-major Governmental Funds
December 31, 2006

	Non-major Special Revenue Funds	Non-major Debt Service Fund	Total Non-major Governmental Funds
Assets			
Equity in pooled cash and investments	\$ 4,176,501	\$ 106,014	\$ 4,282,515
Restricted cash and investments	-	195,850	195,850
Receivables:			
Accounts	19,025	-	19,025
Property taxes	2,189,682	431,294	2,620,976
Sales taxes	-	163,913	163,913
Intergovernmental	161,436	-	161,436
Total Assets	\$ 6,546,644	\$ 897,071	\$ 7,443,715
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 48,314	\$ -	\$ 48,314
Intergovernmental payable	14,793	-	14,793
Deferred revenue	2,189,682	431,294	2,620,976
Total Liabilities	2,252,789	431,294	2,684,083
Fund Balances			
Reserved for:			
Debt service	-	465,777	465,777
Program purposes	107,725	-	107,725
Unreserved:			
Designated for subsequent years expenditures	73,702	-	73,702
Unreserved, undesignated, reported in:			
Special revenue funds	4,112,428	-	4,112,428
Total Fund Balances	4,293,855	465,777	4,759,632
Total Liabilities and Fund Balances	\$ 6,546,644	\$ 897,071	\$ 7,443,715

Pitkin County, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended December 31, 2006

	Non-major Special Revenue Funds	Non-major Debt Service Funds	Total Non-major Governmental Funds
Revenues			
Taxes	\$ 1,885,350	\$ 1,409,172	\$ 3,294,522
Intergovernmental	532,976	-	532,976
Charges for services	1,465,072	-	1,465,072
Investment earnings	185,370	42,735	228,105
Miscellaneous	30,155	-	30,155
Total Revenues	4,098,923	1,451,907	5,550,830
Expenditures			
Current:			
Public safety	67,973	-	67,973
Public works	503,590	-	503,590
Health and welfare	1,545,578	-	1,545,578
Culture and recreation	49,552	-	49,552
Debt Service:			
Principal retirement	-	1,230,000	1,230,000
Interest and fiscal charges	7,868	563,283	571,151
Total Expenditures	2,174,561	1,793,283	3,967,844
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,924,362	(341,376)	1,582,986
Other Financing Sources (Uses)			
Sale of capital assets	10,000	-	10,000
Bonds issued	65,000	-	65,000
Transfers in	43,983	335,759	379,742
Transfers out	(100,207)	-	(100,207)
Total Other Financing Sources (Uses)	18,776	335,759	354,535
Net Change in Fund Balances	1,943,138	(5,617)	1,937,521
Fund Balances Beginning of Year	2,350,717	471,394	2,822,111
Fund Balances End of Year	\$ 4,293,855	\$ 465,777	\$ 4,759,632

Non-Major Governmental Funds Special Revenue Funds

Special revenue funds account for taxes or other earmarked revenues of the County that finance specified activities as required by law or administrative action.

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.

TV and FM Translator Fund - In 1982, the voters approved a dedicated property tax to fund TV and FM broadcasting services to the public.

Healthy Community Fund - In 2006, 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 six years and will sunset in 2012.

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.

Employee Housing Impact - In 2005, the Board of County Commissioners established an impact fee on certain developments to mitigate impacts caused by development and land use. The fee benefits properties managed and controlled by county or the Aspen/Pitkin County Housing Authority.

Redstone Ranch Acres and Twining Flats Improvement District - These Districts were formed to improve roads and provide maintenance. The Twining Flats Improvement District issued debt in 2006 to improve roads in the District and also collects property tax to maintain the roads. There is insufficient support in the Redstone Ranch Acres Improvement District for the issuance of bonds so only minor improvements have been completed. The Board of County Commissioners acts as the board of directors for these Districts and sets the supporting property tax levy.

Pitkin County, Colorado
Combining Balance Sheet
Non-major Special Revenue Funds
December 31, 2006

	<u>Social Services</u>	<u>Translator</u>	<u>Healthy Community</u>
Assets			
Equity in pooled cash and investments	\$ 102,305	\$ 687,040	\$ 156,113
Receivables:			
Accounts	-	-	19,025
Property taxes	48,351	547,336	1,253,266
Intergovernmental	20,079	-	-
Total Assets	<u>\$ 170,735</u>	<u>\$ 1,234,376</u>	<u>\$ 1,428,404</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 2,863	\$ 32,012	\$ 11,639
Intergovernmental payable	14,793	-	-
Deferred revenue	48,351	547,336	1,253,266
Total Liabilities	<u>66,007</u>	<u>579,348</u>	<u>1,264,905</u>
Fund Balances			
Reserved for program purposes	1,725	17,643	31,926
Unreserved:			
Designated for subsequent years expenditures	73,702	-	-
Undesignated	29,301	637,385	131,573
Total Fund Balances	<u>104,728</u>	<u>655,028</u>	<u>163,499</u>
Total Liabilities and Fund Balances	<u>\$ 170,735</u>	<u>\$ 1,234,376</u>	<u>\$ 1,428,404</u>

Conservation Trust	Ambulance District	Employee Housing Impact	Redstone Ranch Acres Improvement District	Twining Flats Improvement District	Total Nonmajor Special Revenue Funds
\$ (668)	\$ 1,048,250	\$ 2,177,218	\$ 3,760	\$ 2,483	\$ 4,176,501
-	-	-	-	-	19,025
-	317,540	-	7,646	15,543	2,189,682
-	141,357	-	-	-	161,436
<u>\$ (668)</u>	<u>\$ 1,507,147</u>	<u>\$ 2,177,218</u>	<u>\$ 11,406</u>	<u>\$ 18,026</u>	<u>\$ 6,546,644</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,800	\$ 48,314
-	-	-	-	-	14,793
-	317,540	-	7,646	15,543	2,189,682
-	317,540	-	7,646	17,343	2,252,789
-	10,907	45,075	242	207	107,725
-	-	-	-	-	73,702
(668)	1,178,700	2,132,143	3,518	476	4,112,428
(668)	1,189,607	2,177,218	3,760	683	4,293,855
<u>\$ (668)</u>	<u>\$ 1,507,147</u>	<u>\$ 2,177,218</u>	<u>\$ 11,406</u>	<u>\$ 18,026</u>	<u>\$ 6,546,644</u>

Pitkin County, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Special Revenue Funds
For the Year Ended December 31, 2006

	<u>Social Services</u>	<u>Translator</u>	<u>Healthy Community</u>
Revenues			
Taxes	\$ 51,531	\$ 546,837	\$ 958,978
Intergovernmental	368,066	-	103,410
Charges for services	-	1,278	33,779
Investment earnings	5,963	39,981	18,995
Miscellaneous	2,620	-	23,650
Total Revenues	<u>428,180</u>	<u>588,096</u>	<u>1,138,812</u>
Expenditures			
Current:			
Public safety	-	-	-
Public works	-	414,894	15,240
Health and welfare	435,556	-	1,110,022
Culture and recreation	-	-	49,552
Interest and fiscal charges	-	-	-
Total Expenditures	<u>435,556</u>	<u>414,894</u>	<u>1,174,814</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,376)</u>	<u>173,202</u>	<u>(36,002)</u>
Other Financing Sources (Uses)			
Sale of capital assets	-	-	-
Bonds issued	-	-	-
Transfers in	-	-	43,983
Transfers out	-	-	(36,707)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>7,276</u>
Net Change in Fund Balances	(7,376)	173,202	(28,726)
Fund Balances Beginning of Year	<u>112,104</u>	<u>481,826</u>	<u>192,225</u>
Fund Balances End of Year	<u>\$ 104,728</u>	<u>\$ 655,028</u>	<u>\$ 163,499</u>

Conservation Trust	Ambulance District	Employee Housing Impact	Redstone Ranch Acres Improvement District	Twining Flats Improvement District	Total Nonmajor Special Revenue Funds
\$ -	\$ 313,423	\$ -	\$ 7,791	\$ 6,790	\$ 1,885,350
61,500	-	-	-	-	532,976
-	-	1,430,015	-	-	1,465,072
1,266	46,266	72,498	283	118	185,370
-	3,885	-	-	-	30,155
<u>62,766</u>	<u>363,574</u>	<u>1,502,513</u>	<u>8,074</u>	<u>6,908</u>	<u>4,098,923</u>
-	67,973	-	-	-	67,973
-	-	-	10,421	63,035	503,590
-	-	-	-	-	1,545,578
-	-	-	-	-	49,552
-	-	-	-	7,868	7,868
<u>-</u>	<u>67,973</u>	<u>-</u>	<u>10,421</u>	<u>70,903</u>	<u>2,174,561</u>
<u>62,766</u>	<u>295,601</u>	<u>1,502,513</u>	<u>(2,347)</u>	<u>(63,995)</u>	<u>1,924,362</u>
-	10,000	-	-	-	10,000
-	-	-	-	65,000	65,000
-	-	-	-	-	43,983
<u>(63,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100,207)</u>
<u>(63,500)</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>65,000</u>	<u>18,776</u>
(734)	305,601	1,502,513	(2,347)	1,005	1,943,138
66	884,006	674,705	6,107	(322)	2,350,717
<u>\$ (668)</u>	<u>\$ 1,189,607</u>	<u>\$ 2,177,218</u>	<u>\$ 3,760</u>	<u>\$ 683</u>	<u>\$ 4,293,855</u>

Pitkin County, Colorado
Social Services Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	<u>2006</u>			<u>2005</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>	<u>Actual</u>
Revenues					
Taxes	\$ 55,494	\$ 55,494	\$ 51,531	\$ (3,963)	\$ 50,610
Intergovernmental	457,087	457,087	368,066	(89,021)	340,673
Investment earnings	5,842	5,842	5,963	121	3,760
Miscellaneous	2,500	2,500	2,620	120	300
Total Revenues	<u>520,923</u>	<u>520,923</u>	<u>428,180</u>	<u>(92,743)</u>	<u>395,343</u>
Expenditures					
Current:					
Health and welfare	594,625	598,620	435,556	163,064	398,206
Total Expenditures	<u>594,625</u>	<u>598,620</u>	<u>435,556</u>	<u>163,064</u>	<u>398,206</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (73,702)</u>	<u>\$ (77,697)</u>	(7,376)	<u>\$ 70,321</u>	(2,863)
Fund Balances Beginning of Year			<u>112,104</u>		<u>114,967</u>
Fund Balances End of Year			<u>\$ 104,728</u>		<u>\$ 112,104</u>

Pitkin County, Colorado
Translator Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	2006			2005	
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Taxes	\$ 547,008	\$ 547,008	\$ 546,837	\$ (171)	\$ 533,938
Charges for services	-	-	1,278	1,278	250
Investment earnings	20,387	20,387	39,981	19,594	19,920
Total Revenues	567,395	567,395	588,096	20,701	554,108
Expenditures					
Current:					
Public works	574,181	687,733	414,894	272,839	419,209
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (6,786)</u>	<u>\$ (120,338)</u>	173,202	<u>\$ 293,540</u>	134,899
Fund Balances Beginning of Year			481,826		346,927
Fund Balances End of Year			<u>\$ 655,028</u>		<u>\$ 481,826</u>

Pitkin County, Colorado
Healthy Community Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	2006			2005	
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Taxes	\$ 959,245	\$ 959,245	\$ 958,978	\$ (267)	\$ 938,308
Intergovernmental	65,597	100,141	103,410	3,269	39,093
Charges for services	31,000	38,153	33,779	(4,374)	8,324
Investment earnings	13,193	13,193	18,995	5,802	10,789
Miscellaneous	23,725	23,725	23,650	(75)	34,859
Total Revenues	1,092,760	1,134,457	1,138,812	4,355	1,031,373
Expenditures					
Current:					
Public works	15,240	15,240	15,240	-	15,240
Health and welfare	1,119,639	1,278,675	1,110,022	168,653	920,646
Culture and recreation	56,218	56,218	49,552	6,666	47,815
Total Expenditures	1,191,097	1,350,133	1,174,814	175,319	983,701
Excess (Deficiency) of Revenues Over (Under) Expenditures	(98,337)	(215,676)	(36,002)	179,674	47,672
Other Financing Sources					
Transfers in	64,630	64,630	43,983	(20,647)	47,321
Transfers out	-	-	(36,707)	(36,707)	-
Total Other Financing Sources	64,630	64,630	7,276	(57,354)	47,321
Net Change in Fund Balances	\$ (33,707)	\$ (151,046)	(28,726)	\$ 122,320	94,993
Fund Balances Beginning of Year			192,225		97,232
Fund Balances End of Year			\$ 163,499		\$ 192,225

Pitkin County, Colorado
Conservation Trust Fund
Schedule of Revenues and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	2006			2005	
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Intergovernmental	\$ 56,000	\$ 56,000	\$ 61,500	\$ 5,500	\$ 50,806
Investment earnings	1,277	1,277	1,266	(11)	169
Total Revenues	<u>57,277</u>	<u>57,277</u>	<u>62,766</u>	<u>5,489</u>	<u>50,975</u>
Other Financing Uses					
Transfers out	(54,000)	(54,000)	(63,500)	(9,500)	(50,909)
Total Other Financing Uses	<u>(54,000)</u>	<u>(54,000)</u>	<u>(63,500)</u>	<u>(9,500)</u>	<u>(50,909)</u>
Net Change in Fund Balances	<u>\$ 3,277</u>	<u>\$ 3,277</u>	(734)	<u>\$ (4,011)</u>	66
Fund Balances Beginning of Year			<u>66</u>		<u>-</u>
Fund Balances End of Year			<u>\$ (668)</u>		<u>\$ 66</u>

Pitkin County, Colorado
Ambulance District Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	2006			2005	
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Taxes	\$ 313,665	\$ 313,665	\$ 313,423	\$ (242)	\$ 305,475
Intergovernmental	44,449	44,449	-	(44,449)	-
Investment earnings	33,406	33,406	46,266	12,860	26,037
Miscellaneous	-	-	3,885	3,885	24,707
Total Revenues	391,520	391,520	363,574	(27,946)	356,219
Expenditures					
Current:					
Public safety	385,315	406,110	67,973	338,137	163,841
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,205	(14,590)	295,601	310,191	192,378
Other Financing Sources					
Sale of capital assets	5,000	9,000	10,000	1,000	-
Net Change in Fund Balances	\$ 11,205	\$ (5,590)	305,601	\$ 311,191	192,378
Fund Balances Beginning of Year			884,006		691,628
Fund Balances End of Year			\$ 1,189,607		\$ 884,006

Pitkin County, Colorado
Employee Housing Impact Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	2006			2005	
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Charges for services	\$ -	\$ 1,300,000	\$ 1,430,015	\$ 130,015	\$ 671,313
Investment earnings	-	-	72,498	72,498	3,392
Total Revenues	-	1,300,000	1,502,513	202,513	674,705
Expenditures					
Current:					
Housing	-	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	1,300,000	1,502,513	202,513	674,705
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ 1,300,000</u>	1,502,513	<u>\$ 202,513</u>	674,705
Fund Balances Beginning of Year			674,705		-
Fund Balances End of Year			<u>\$ 2,177,218</u>		<u>\$ 674,705</u>

Pitkin County, Colorado
Redstone Ranch Acres Improvement District Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	2006			2005	
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Taxes	\$ 7,771	\$ 7,771	\$ 7,791	\$ 20	\$ 7,774
Investment earnings	429	429	283	(146)	343
Total Revenues	8,200	8,200	8,074	(126)	8,117
Expenditures					
Current:					
Public works	6,870	11,020	10,421	599	11,821
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,330</u>	<u>\$ (2,820)</u>	(2,347)	<u>\$ 473</u>	(3,704)
Fund Balances Beginning of Year			6,107		9,811
Fund Balances End of Year			<u>\$ 3,760</u>		<u>\$ 6,107</u>

Pitkin County, Colorado
Twining Flats Improvement District Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	<u>2006</u>			<u>2005</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>	<u>Actual</u>
Revenues					
Taxes	\$ 6,792	\$ 6,792	\$ 6,790	\$ (2)	\$ 2,254
Investment earnings	97	97	118	21	40
Total Revenues	<u>6,889</u>	<u>6,889</u>	<u>6,908</u>	<u>19</u>	<u>2,294</u>
Expenditures					
Current:					
Public works	68,323	61,823	63,035	(1,212)	3,758
Debt Service:					
Interest and fiscal charges	-	10,000	7,868	2,132	-
Total Expenditures	<u>68,323</u>	<u>71,823</u>	<u>70,903</u>	<u>920</u>	<u>3,758</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(61,434)	(64,934)	(63,995)	939	(1,464)
Other Financing Sources (Uses)					
Bonds issued	65,000	65,000	65,000	-	-
Total Other Financing Sources	<u>65,000</u>	<u>65,000</u>	<u>65,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 3,566</u>	<u>\$ 66</u>	1,005	<u>\$ 939</u>	(1,464)
Fund Balances Beginning of Year			(322)		1,142
Fund Balances End of Year			<u>\$ 683</u>		<u>\$ (322)</u>

Non-Major Governmental Funds

Debt Service Funds

Debt Service funds are used to account for the accumulation of resources for the payment of bond principal and interest which the County is obligated for the payment.

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. In 1991, the Corporation issued \$3,900,000 of lease certificates of participation for the acquisition of an administrative office building. The County refunded the Series 1988 Certificates and advance refunded the Series 1991 Certificates with \$4,905,000 of Series 1998 lease certificates to reduce its total debt service payments over the remaining life of the debt. The general fund transfers base rental payments in an amount sufficient to meet annual debt service payments.

Pitkin County, Colorado
Combining Balance Sheet
Non-major Debt Service Funds
December 31, 2006

	County GO Debt Service	Transit Debt Service	Pitkin County Capital Leasing Corporation	Total Non-major Debt Service Funds
Assets				
Equity in pooled cash and investments	\$ 105,737	\$ -	\$ 277	\$ 106,014
Restricted cash and investments	-	195,850	-	195,850
Receivables:				
Property taxes	431,294	-	-	431,294
Sales taxes	-	163,913	-	163,913
Total Assets	\$ 537,031	\$ 359,763	\$ 277	\$ 897,071
Liabilities and Fund Balances				
Liabilities				
Deferred revenue	\$ 431,294	\$ -	\$ -	\$ 431,294
Total Liabilities	431,294	-	-	431,294
Fund Balances				
Reserved for debt service	105,737	359,763	277	465,777
Total Fund Balances	105,737	359,763	277	465,777
Total Liabilities and Fund Balances	\$ 537,031	\$ 359,763	\$ 277	\$ 897,071

Pitkin County, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Debt Service Funds
For the Year Ended December 31, 2006

	<u>County GO Debt Service</u>	<u>Transit Debt Service</u>	<u>Pitkin County Capital Leasing Corporation</u>	<u>Non-major Debt Service Funds</u>
Revenues				
Taxes	\$ 461,616	\$ 947,556	\$ -	\$ 1,409,172
Investment earnings	17,466	25,269	-	42,735
Total Revenues	<u>479,082</u>	<u>972,825</u>	<u>-</u>	<u>1,451,907</u>
Expenditures				
Debt Service:				
Principal retirement	365,000	610,000	255,000	1,230,000
Interest and fiscal charges	107,038	374,985	81,260	563,283
Total Expenditures	<u>472,038</u>	<u>984,985</u>	<u>336,260</u>	<u>1,793,283</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,044</u>	<u>(12,160)</u>	<u>(336,260)</u>	<u>(341,376)</u>
Other Financing Sources				
Transfers in	-	-	335,759	335,759
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>335,759</u>	<u>335,759</u>
Net Change in Fund Balances	7,044	(12,160)	(501)	(5,617)
Fund Balances Beginning of Year	<u>98,693</u>	<u>371,923</u>	<u>778</u>	<u>471,394</u>
Fund Balances End of Year	<u>\$ 105,737</u>	<u>\$ 359,763</u>	<u>\$ 277</u>	<u>\$ 465,777</u>

Pitkin County, Colorado
County GO Debt Service Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	2006			2005	
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Taxes	\$ 463,103	\$ 463,103	\$ 461,616	\$ (1,487)	\$ 477,809
Investment earnings	14,007	14,007	17,466	3,459	11,426
Total Revenues	<u>477,110</u>	<u>477,110</u>	<u>479,082</u>	<u>1,972</u>	<u>489,235</u>
Expenditures					
Debt Service:					
Principal retirement	365,000	365,000	365,000	-	355,000
Interest and fiscal charges	108,103	108,103	107,038	1,065	117,723
Total Expenditures	<u>473,103</u>	<u>473,103</u>	<u>472,038</u>	<u>1,065</u>	<u>472,723</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,007</u>	<u>4,007</u>	<u>7,044</u>	<u>3,037</u>	<u>16,512</u>
Net Change in Fund Balances	<u>\$ 4,007</u>	<u>\$ 4,007</u>	<u>7,044</u>	<u>\$ 3,037</u>	<u>16,512</u>
Fund Balances Beginning of Year			<u>98,693</u>		<u>82,181</u>
Fund Balances End of Year			<u>\$ 105,737</u>		<u>\$ 98,693</u>

Pitkin County, Colorado
Transit Debt Service Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	2006			2005	
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Taxes	\$ 962,664	\$ 962,664	\$ 947,556	\$ (15,108)	\$ 955,838
Interest earnings	22,371	22,371	25,269	2,898	17,121
Total Revenues	985,035	985,035	972,825	(12,210)	972,959
Expenditures					
Debt Service:					
Principal retirement	610,000	610,000	610,000	-	590,000
Interest and fiscal charges	375,035	375,035	374,985	50	395,275
Total Expenditures	985,035	985,035	984,985	50	985,275
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	(12,160)	<u>\$ (12,160)</u>	(12,316)
Fund Balances Beginning of Year			371,923		384,239
Fund Balances End of Year			<u>\$ 359,763</u>		<u>\$ 371,923</u>

Pitkin County, Colorado
Pitkin County Capital Leasing Corporation Fund
Schedule of Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	<u>2006</u>			<u>2005</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>	<u>Actual</u>
Revenues					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ 103,420
Expenditures					
Debt service:					
Principal retirement	255,000	255,000	255,000	-	410,000
Interest and fiscal charges	81,505	81,505	81,260	245	100,126
Total Expenditures	<u>336,505</u>	<u>336,505</u>	<u>336,260</u>	<u>245</u>	<u>510,126</u>
(Deficiency) of Revenues (Under) Expenditures	(336,505)	(336,505)	(336,260)	245	(406,706)
Other Financing Sources					
Transfers in	<u>336,505</u>	<u>336,505</u>	<u>335,759</u>	<u>746</u>	<u>406,920</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	(501)	<u>\$ 501</u>	214
Fund Balances Beginning of Year			<u>778</u>		<u>564</u>
Fund Balances End of Year			<u>\$ 277</u>		<u>\$ 778</u>

Proprietary Funds Enterprise

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 use charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or change in net assets 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
Airport Fund
Statement of Revenues,
Expenses and Changes in Fund Net Assets
For the Year Ended December 31, 2006
(with comparative amounts for the year ended December 31, 2005)

	<u>2006</u>	<u>2005</u>
Operating Revenues		
Charges for services	\$ 1,702,832	\$ 1,432,043
Rents and franchises	3,433,907	2,832,760
Miscellaneous	64,486	635
Total Operating Revenues	<u>5,201,225</u>	<u>4,265,438</u>
Operating Expenses		
Personal services	1,569,214	1,477,178
Purchased services	1,880,227	1,484,754
Materials and supplies	205,721	192,290
Depreciation	2,488,267	2,223,193
Total Operating Expenses	<u>6,143,429</u>	<u>5,377,415</u>
Operating Loss	(942,204)	(1,111,977)
Non-operating Revenues (Expenses)		
Interest revenue	226,540	133,360
Intergovernmental revenue	171,497	376,681
Interest expense and fiscal charge	(89,054)	(45,075)
Net gain (loss) on disposition of capital assets	20,192	(497,146)
Total Non-operating Revenues (Expenses)	<u>329,175</u>	<u>(32,180)</u>
Loss Before Capital Contributions	(613,029)	(1,144,157)
Capital contributions	6,565,476	14,868,946
Change in Net Assets	5,952,447	13,724,789
Net Assets Beginning of Year	<u>59,852,072</u>	<u>46,127,283</u>
Net Assets End of Year	<u>\$ 65,804,519</u>	<u>\$ 59,852,072</u>

Pitkin County, Colorado
Airport Fund
Schedule of Revenues and Expenditures-Budget and Actual
Based on Budgetary Basis for Budget and U.S. GAAP Basis for Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	2006			2005	
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
GAAP-based operating revenues	\$ 5,148,946	\$ 5,118,946	\$ 5,201,225	\$ 82,279	\$ 4,265,438
GAAP-based interest revenues	284,827	284,827	226,540	(58,287)	133,360
GAAP-based non-operating revenue	357,075	357,075	171,497	(185,578)	376,681
GAAP-based contributions from federal government and others	13,432,058	14,543,109	6,565,476	(7,977,633)	14,868,946
Total Budgetary-Based Revenues	<u>\$ 19,222,906</u>	<u>\$ 20,303,957</u>	<u>\$ 12,164,738</u>	<u>\$ (8,139,219)</u>	<u>\$ 19,644,425</u>
Expenditures					
GAAP-based operating expenditures	\$ 3,689,262	\$ 4,254,067	\$ 6,143,429	\$ (1,889,362)	\$ 5,377,415
GAAP-based interest expense and fiscal charges	89,055	89,055	89,054	1	45,075
Deduct depreciation	-	-	(2,488,267)	2,488,267	(2,223,193)
Add acquisition of property and equipment	13,849,163	15,547,938	8,532,445	7,015,493	15,635,358
Add debt principal retirement	275,762	275,762	275,764	(2)	128,271
Total Budgetary-Based Expenditures	<u>\$ 17,903,242</u>	<u>\$ 20,166,822</u>	<u>\$ 12,552,425</u>	<u>\$ 7,614,397</u>	<u>\$ 18,962,926</u>
Other Financing Sources (Uses)					
GAAP-based proceeds from long-term debt	\$ -	\$ -	\$ 900,000	\$ 900,000	\$ 840,000
GAAP-based proceeds from sale of capital assets	714,000	714,000	24,010	(689,990)	8,100
Total Budgetary-Based Other Financing Sources (Uses)	<u>\$ 714,000</u>	<u>\$ 714,000</u>	<u>\$ 924,010</u>	<u>\$ 210,010</u>	<u>\$ 848,100</u>

Pitkin County, Colorado
Solid Waste Center Fund
Statement of Revenues,
Expenses and Changes in Fund Net Assets
For the Year Ended December 31, 2006
(with comparative amounts for the year ended December 31, 2005)

	<u>2006</u>	<u>2005</u>
Operating Revenues		
Charges for services	\$ 5,449,752	\$ 3,608,910
Miscellaneous	25,317	500
Total Operating Revenues	<u>5,475,069</u>	<u>3,609,410</u>
Operating Expenses		
Personal services	803,824	740,146
Purchased services	2,789,027	2,436,327
Materials and supplies	83,280	60,401
Depreciation	196,780	181,923
Postclosure	200,326	576,346
Total Operating Expenses	<u>4,073,237</u>	<u>3,995,143</u>
Operating Income (Loss)	<u>1,401,832</u>	<u>(385,733)</u>
Non-Operating Revenues (Expenses)		
Interest	248,179	142,568
Gain (Loss) on sale of capital assets	(116)	42,769
Total Non-Operating Revenues (Expenses)	<u>248,063</u>	<u>185,337</u>
Income (Loss) Before Transfers Out	1,649,895	(200,396)
Transfers out	<u>(270,000)</u>	<u>(270,000)</u>
Change in Net Assets	1,379,895	(470,396)
Net Assets Beginning of Year	<u>3,407,129</u>	<u>3,877,525</u>
Net Assets End of Year	<u>\$ 4,787,024</u>	<u>\$ 3,407,129</u>

Pitkin County, Colorado
Solid Waste Center Fund
Schedule of Revenues and Expenditures-Budget and Actual
Based on Budgetary Basis for Budget and U.S. GAAP Basis for Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	2006			2005	
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
GAAP-based operating revenues	\$ 3,580,000	\$ 3,580,000	\$ 5,475,069	\$ 1,895,069	\$ 3,608,910
GAAP-based interest revenues	180,412	180,412	248,179	67,767	142,568
GAAP-based contributions from local government	-	-	-	-	500
Total Budgetary-Based Revenues	\$ 3,760,412	\$ 3,760,412	\$ 5,723,248	\$ 1,962,836	\$ 3,751,978
Expenditures					
GAAP-based operating expenditures	\$ 3,562,993	\$ 3,665,302	\$ 4,073,237	\$ (407,935)	\$ 3,995,143
Deduct depreciation	-	-	(196,780)	196,780	(181,923)
Deduct postclosure accrual	-	-	(200,326)	200,326	(576,346)
Add acquisition of property and equipment	305,000	1,460,155	431,541	1,028,614	376,764
Total Budgetary-Based Expenditures	\$ 3,867,993	\$ 5,125,457	\$ 4,107,672	\$ 1,017,785	\$ 3,613,638
Other Financing Sources (Uses)					
GAAP-based proceeds from sale of capital assets	\$ 81,500	\$ 81,500	\$ 76,815	\$ (4,685)	\$ 116,885
GAAP-based transfer to general fund	(270,000)	(270,000)	(270,000)	-	(270,000)
Total Budgetary-Based Other Financing Sources (Uses)	\$ (188,500)	\$ (188,500)	\$ (193,185)	\$ (4,685)	\$ (153,115)

Fiduciary Funds

Agency Funds

AGENCY FUNDS

Agency funds account for assets held by the County as an agency of individuals, private organizations and/or other governments.

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 activities of the Roaring Fork Transportation Authority.

Pitkin County, Colorado
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For The Year Ended December 31, 2006

County Clearing Funds	Balance January 1, 2006	Additions	Deductions	Balance December 31, 2006
Assets				
Equity in pooled cash and investments	\$ 783,401	\$ 78,333,510	\$ 78,335,684	\$ 781,227
Liabilities				
Due to other governments	\$ 82,430	\$ 4,904,235	\$ 4,894,807	\$ 91,858
Funds held for others	700,971	73,429,275	73,440,877	689,369
Total Liabilities	\$ 783,401	\$ 78,333,510	\$ 78,335,684	\$ 781,227
Taxing Districts				
Assets				
Equity in pooled cash and investments	\$ 210,185	\$ 56,812,644	\$ 56,807,624	\$ 215,205
Liabilities				
Due to other governments	\$ 210,185	\$ 56,812,644	\$ 56,807,624	\$ 215,205
Housing Funds				
Assets				
Equity in pooled cash and investments	\$ 1,093,985	\$ 91,821	\$ 34,905	\$ 1,150,901
Liabilities				
Funds held for others	\$ 1,093,985	\$ 91,821	\$ 34,905	\$ 1,150,901
Other Clearing Funds				
Assets				
Equity in pooled cash and investments	\$ 1,286,771	\$ 26,463	\$ 1,021,594	\$ 291,640
Liabilities				
Due to other governments	\$ 1,286,771	\$ 26,463	\$ 1,021,594	\$ 291,640
Total - All Agency Funds				
Assets				
Equity in pooled cash and investments	\$ 3,374,342	\$ 135,264,438	\$ 136,199,807	\$ 2,438,973
Liabilities				
Due to other governments	\$ 1,579,386	\$ 61,743,342	\$ 62,724,025	\$ 598,703
Funds held for others	1,794,956	73,521,096	73,475,782	1,840,270
Total Liabilities	\$ 3,374,342	\$ 135,264,438	\$ 136,199,807	\$ 2,438,973

Component Units

Component units are legally separate organizations for which the County is financially accountable.

Pitkin County Library District - The Library District is responsible for providing public library services to the citizens of the County. The Library District collects property taxes to support its services.

Emergency Telephone Authority - The Emergency Telephone Authority provides 911 services to dispatch emergency services. The Authority's operations are supported by a surcharge on phone service.

Pitkin County, Colorado
Library District
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	<u>2006</u>			<u>2005</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>	<u>Actual</u>
Revenues					
Taxes	\$ 2,474,749	\$ 2,474,749	\$ 2,474,398	\$ (351)	\$ 2,400,545
Charges for services	8,685	8,685	10,335	1,650	11,929
Fines and forfeits	22,040	22,040	24,774	2,734	24,854
Investment earnings	333,216	333,216	489,681	156,465	366,478
Miscellaneous	27,000	127,000	120,711	(6,289)	70,347
Total Revenues	<u>2,865,690</u>	<u>2,965,690</u>	<u>3,119,899</u>	<u>154,209</u>	<u>2,874,153</u>
Expenditures					
Current:					
Culture and recreation	2,513,662	2,963,275	2,729,342	233,933	2,386,529
Debt service:					
Principal retirement	-	-	-	-	11,712
Interest and fiscal charges	-	-	-	-	360
Total Expenditures	<u>2,513,662</u>	<u>2,963,275</u>	<u>2,729,342</u>	<u>233,933</u>	<u>2,398,601</u>
Excess of Revenues Over Expenditures	<u>352,028</u>	<u>2,415</u>	<u>390,557</u>	<u>388,142</u>	<u>475,552</u>
Other Financing Sources					
Proceeds from sale of capital assets	13,500	13,500	11,735	(1,765)	14,181
Total Other Financing Sources	<u>13,500</u>	<u>13,500</u>	<u>11,735</u>	<u>(1,765)</u>	<u>14,181</u>
Net Change in Fund Balances	<u>\$ 365,528</u>	<u>\$ 15,915</u>	402,292	<u>\$ 386,377</u>	489,733
Fund Balances Beginning of Year			<u>4,323,251</u>		<u>3,833,518</u>
Fund Balances End of Year			<u>\$ 4,725,543</u>		<u>\$ 4,323,251</u>

Pitkin County, Colorado
Emergency Telephone Authority
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2006
(With Comparative Actual Amounts for the Year Ended December 31, 2005)

	2006			2005	
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Charges for services	\$ 342,012	\$ 342,012	\$ 355,764	\$ 13,752	\$ 354,092
Investment earnings	15,611	15,611	18,210	2,599	12,059
Total Revenues	<u>357,623</u>	<u>357,623</u>	<u>373,974</u>	<u>16,351</u>	<u>366,151</u>
Expenditures					
Current:					
Public Safety	201,565	442,678	208,475	234,203	410,233
Total Expenditures	<u>201,565</u>	<u>442,678</u>	<u>208,475</u>	<u>234,203</u>	<u>410,233</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 156,058</u>	<u>\$ (85,055)</u>	<u>165,499</u>	<u>\$ 250,554</u>	<u>(44,082)</u>
Fund Balances Beginning of Year			<u>322,312</u>		<u>366,394</u>
Fund Balances End of Year			<u>\$ 487,811</u>		<u>\$ 322,312</u>

COMBINED SCHEDULE OF CASH AND INVESTMENTS

Pitkin County, Colorado

COMBINED SCHEDULE OF CASH AND INVESTMENTS

	December 31, 2006		
	Interest Rate	Maturity Date	Fair Value
Pooled cash and investments			
U. S. Treasury Notes			
Par value \$ 2,000,000	3.498%	28-Feb-07	\$ 1,999,607
Par value \$ 2,000,000	3.650%	30-Jun-07	1,999,761
Par value \$ 1,000,000	4.095%	30-Sep-07	999,323
Total U.S. Treasuries			<u>4,998,691</u>
U.S. Agency and Instrumentalities			
Federal Home Loan Mortgage Corp.			
Par Value \$1,000,000	4.875%	15-Mar-07	1,005,392
Federal National Mortgage Assoc.			
Par Value \$1,000,000	2.475%	15-Jan-07	1,000,997
Par Value \$1,000,000	4.630%	19-Jan-07	999,594
Federal Home Loan Bank			
Par Value \$1,000,001	3.400%	15-May-07	998,811
Par Value \$1,000,000	4.766%	21-Nov-08	992,500
Total U.S. Agency and Instrumentalities			<u>4,997,294</u>
Bank Certificates of Deposit			
Horizon Bank	4.020%	7/13/2007	1,000,000
WestStar Bank	3.550%	9/17/2007	1,000,000
US Bank	3.920%	12/31/2007	1,000,000
US Bank	4.010%	1/22/2008	1,000,000
New Frontier Bank	4.110%	3/17/2008	1,000,000
Cache Bank	4.060%	5/17/2008	1,000,000
Cache Bank	4.500%	7/21/2005	1,000,000
Cache Bank	4.500%	9/16/2005	1,000,000
US Bank	4.650%	1/20/2009	1,000,000
Horizon Bank	5.340%	3/15/2009	1,000,000
Cache Bank	5.500%	5/16/2009	1,000,000
Horizon Bank	5.750%	7/14/2009	1,000,000
Cache Bank	5.540%	9/19/2009	1,000,000
US Bank	4.930%	11/24/2009	300,000
New Frontier Bank	5.340%	11/24/2009	700,000
Total Bank Certificates of Deposit			<u>14,000,000</u>
Money Market Demand Deposits			
Alpine Bank, Aspen	4.580%	-	36,582,142
Wells Fargo Bank	1.830%	-	5,784
Money Market Mutual Funds			
Morgan Stanley US Govt Money Market	1.470%	-	1,082,271
Petty cash			10,175
Less outstanding warrants			<u>(1,046,852)</u>
TOTAL POOLED CASH AND INVESTMENTS			<u>\$ 60,629,505</u>

Pitkin County, Colorado

COMBINED SCHEDULE OF CASH AND INVESTMENTS (CONTINUED)

December 31, 2006

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Fair Value</u>
Other Cash and Investments			
Institutional Mutual Funds held for Pitkin County Library District			
Allianz Pimco RCM Large Cap Growth			\$ 468,210
Morgan Stanley Trust core Plus Fixed Income			35,699
Keeley Small Cap value			228,179
Davis New York Venture			455,297
American Fund Europacific Growth F			315,508
MS Instl International Small Cap			137,751
Pimco RCM Total Return Inst			1,191,064
T. Rowe Price Mid-cap			230,287
Thornburg International Value Fund Institutional			313,216
Vanguard Total Stock			618,711
Total library other cash and investments			<u>\$ 3,993,922</u>
Retirement Trust Fund			
Charles Schwab Trust Company			\$ 19,549,100
Restricted Cash and Investments			
1998 Certificates of Participation			
Money Market Demand Deposits			
Bank of Cherry Creek	1.900%	-	\$ 174,535
1998 Open Space Jerome Park			
Other Government Agencies			
Resolution Trust Strips	5.03% - 5.12%	-	5,542,834
Public Trustee funds held in trust			
Savings account			
Alpine Bank Aspen	0.700%	-	24,686
Total cash and investments			<u>\$ 5,742,055</u>
TOTAL OTHER CASH AND INVESTMENTS			<u>\$ 29,285,077</u>
		<u>Pooled cash and investments</u>	<u>Other cash and Investments</u>
Fund Reporting Level:			
Governmental Funds - Balance Sheet		\$ 49,249,220	\$ -
Governmental Funds - Balance Sheet - Restricted Assets		195,850	5,742,055
Proprietary Fund Type Statement of Net Assets		7,396,100	-
Component Units - Balance Sheet		1,235,601	3,993,922
Statement of Fiduciary Assets and Liabilities		2,552,734	19,549,100
Total		<u>\$ 60,629,505</u>	<u>\$ 29,285,077</u>

Pitkin County, Colorado

COMBINED SCHEDULE OF GOVERNMENTAL REVENUE BY SOURCE

For the year ended December 31, 2006

	MAJOR FUNDS			
	General Fund	Road & Bridge Fund	Transportation Sales and Use Tax Fund	Open Space and Trails Fund
Taxes and special assessments				
Property	\$ 4,541,912	\$ 329,402	\$ -	\$ 7,084,919
Specific ownership	230,788	16,730	-	360,016
General sales tax	4,973,182	1,564,312	10,146,418	-
Selective sales and use tax	24,513	-	574,180	-
Penalties and interest	8,292	601	-	12,931
Total taxes	<u>9,778,687</u>	<u>1,911,045</u>	<u>10,720,598</u>	<u>7,457,866</u>
Intergovernmental revenue				
Federal	609,761	503,415	-	-
State	357,815	936,089	-	2,456,000
Other governmental	65,703	13,018	69,752	126,950
Total intergovernmental revenue	<u>1,033,279</u>	<u>1,452,522</u>	<u>69,752</u>	<u>2,582,950</u>
Licenses and Permits	947,261	-	-	-
Business	41,246	-	-	-
Nonbusiness	906,014	23,170	-	6,465
Total licenses and permits	<u>947,260</u>	<u>23,170</u>	<u>-</u>	<u>6,465</u>
Charges for services				
General government	3,711,866	-	-	-
Public safety	1,195,419	-	-	-
Public works	101,129	587,107	-	-
Health and welfare	123,939	-	-	-
Culture and recreation	31,003	-	-	-
Conservation of natural resources	31,029	-	-	-
Housing and development	-	-	-	-
Refunds	59,680	785	-	18,482
Total charges for services	<u>5,254,065</u>	<u>587,892</u>	<u>-</u>	<u>18,482</u>
Fines and forfeits				
Courts	7,278	-	-	-
Open space violations	-	-	-	300
Library	-	-	-	-
Total fines and forfeits	<u>7,278</u>	<u>-</u>	<u>-</u>	<u>300</u>
Miscellaneous				
Earnings on deposits and investments	1,301,377	161,220	705,319	391,991
Rents and royalties	292,664	13,897	-	9,000
Contributions	103,691	-	-	-
Other	1,891	-	-	78,193
Total miscellaneous	<u>1,699,623</u>	<u>175,117</u>	<u>705,319</u>	<u>479,184</u>
TOTAL REVENUES	<u>\$ 18,720,192</u>	<u>\$ 4,149,746</u>	<u>\$ 11,495,669</u>	<u>\$ 10,545,247</u>

NON-MAJOR FUNDS

Social Services Fund	Translator Fund	Healthy Community Fund	Conservation Trust Fund	Ambulance District	Housing Impact Fund
\$ 48,940	\$ 519,507	\$ 911,033	\$ -	\$ 297,743	\$ -
2,502	26,382	46,293	-	15,121	-
-	-	-	-	-	-
89	948	1,652	-	559	-
<u>51,531</u>	<u>546,837</u>	<u>958,978</u>	<u>-</u>	<u>313,423</u>	<u>-</u>
368,066	-	50,978	-	-	-
-	-	16,898	61,500	-	-
-	-	35,534	-	-	-
<u>368,066</u>	<u>-</u>	<u>103,410</u>	<u>61,500</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	33,779	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,430,015
-	1,278	-	-	-	-
<u>-</u>	<u>1,278</u>	<u>33,779</u>	<u>-</u>	<u>-</u>	<u>1,430,015</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
5,963	39,981	18,995	1,266	46,266	72,498
-	-	-	-	-	-
2,620	-	23,650	-	-	-
-	-	-	-	3,885	-
<u>8,583</u>	<u>39,981</u>	<u>42,645</u>	<u>1,266</u>	<u>50,151</u>	<u>72,498</u>
<u>\$ 428,180</u>	<u>\$ 588,096</u>	<u>\$ 1,138,812</u>	<u>\$ 62,766</u>	<u>\$ 363,574</u>	<u>\$ 1,502,513</u>

(continued)

Pitkin County, Colorado

COMBINED SCHEDULE OF GOVERNMENTAL REVENUE BY SOURCE (CONTINUED)

For the year ended December 31, 2006

	NON-MAJOR FUNDS			
	Redstone Ranch Acres Improvement District	Twining Flats Improvement District	GO Debt Service Fund	Transit Debt Service Fund
Taxes and special assessments				
Property	\$ 7,401	\$ 6,469	\$ 438,545	\$ -
Specific ownership	357	321	22,271	-
General sales tax	-	-	-	947,556
Selective sales and use tax	-	-	-	-
Penalties and interest	33	-	800	-
Total taxes	<u>7,791</u>	<u>6,790</u>	<u>461,616</u>	<u>947,556</u>
Intergovernmental revenue				
Federal	-	-	-	-
State	-	-	-	-
Other governmental	-	-	-	-
Total intergovernmental revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Licenses and Permits				
Business	-	-	-	-
Nonbusiness	-	-	-	-
Total licenses and permits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Charges for services				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Conservation of natural resources	-	-	-	-
Housing and development	-	-	-	-
Refunds	-	-	-	-
Total charges for services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fines and forfeits				
Courts	-	-	-	-
Open space violations	-	-	-	-
Library	-	-	-	-
Total fines and forfeits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Miscellaneous				
Earnings on deposits and investments	283	118	17,466	25,269
Rents and royalties	-	-	-	-
Contributions	-	-	-	-
Other	-	-	-	-
Total miscellaneous	<u>283</u>	<u>118</u>	<u>17,466</u>	<u>25,269</u>
TOTAL REVENUES	<u>\$ 8,074</u>	<u>\$ 6,908</u>	<u>\$ 479,082</u>	<u>\$ 972,825</u>

(CONTINUED)	COMPONENT UNITS			
Pitkin County Capital Leasing Corporation	Primary Government Combined Total	Pitkin County Library District	Emergency Telephone Authority	Reporting Entity Combined Total
\$ -	\$ 14,185,871	\$ 2,350,842	\$ -	\$ 16,536,713
-	720,781	119,433	-	840,214
-	17,631,468	-	-	17,631,468
-	598,693	-	-	598,693
-	25,905	4,123	-	30,028
-	<u>33,162,718</u>	<u>2,474,398</u>	-	<u>35,637,116</u>
-	1,532,220	-	-	1,532,220
-	3,828,302	-	-	3,828,302
-	310,957	-	-	310,957
-	<u>5,671,479</u>	-	-	<u>5,671,479</u>
-	41,246	-	-	41,246
-	935,649	-	-	935,649
-	<u>976,895</u>	-	-	<u>976,895</u>
-	3,711,866	-	-	3,711,866
-	1,195,419	-	355,764	1,551,183
-	688,236	-	-	688,236
-	157,718	-	-	157,718
-	31,003	8,605	-	39,608
-	31,029	-	-	31,029
-	1,430,015	-	-	1,430,015
-	80,225	1,730	-	81,955
-	<u>7,325,511</u>	<u>10,335</u>	<u>355,764</u>	<u>7,691,610</u>
-	7,278	-	-	7,278
-	300	-	-	300
-	-	24,774	-	24,774
-	<u>7,578</u>	<u>24,774</u>	-	<u>32,352</u>
-	2,788,012	489,681	18,210	3,295,903
-	315,561	-	-	315,561
-	129,961	120,711	-	250,672
-	83,969	-	-	83,969
-	<u>3,317,503</u>	<u>610,392</u>	<u>18,210</u>	<u>3,946,105</u>
<u>\$ -</u>	<u>\$ 50,461,684</u>	<u>\$ 3,119,899</u>	<u>\$ 373,974</u>	<u>\$ 53,955,557</u>

LOCAL HIGHWAY FINANCE REPORT

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Pitkin County
	YEAR ENDING : December 1, 2006
This Information From The Records Of (example - City of _ or County of _): County of Pitkin, Colorado	Prepared By: Jack T. Searing Phone: (970) 920-5228

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)	1,224,561
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,043,725
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	115,304
2. General fund appropriations (Note 1)	456,123	b. Snow and ice removal	711,838
3. Other local imposts (from page 2)	2,216,374	c. Other	5,226
4. Miscellaneous local receipts (from page 2)	539,259	d. Total (a. through c.)	832,367
5. Transfers from toll facilities		4. General administration & miscellaneous	298,780
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	437,000
a. Bonds - Original Issues	65,000	6. Total (1 through 5)	3,836,433
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	65,000	a. Interest	
7. Total (1 through 6)	3,276,756	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	1,051,448	2. Notes:	
D. Receipts from Federal Government (from page 2)	388,056	a. Interest	
E. Total receipts (A.7 + B + C + D)	4,716,260	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	3,836,433

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	0	65,000	0	65,000
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	2,938,931	4,716,259	3,836,433	3,818,757	0

Notes and Comments:

Note 1 General Fund Appropriations:	
Transfer from General Fund	\$ 437,000
Sheriff expenditures for traffic	5,226
Amount Available from Non-highway	13,897
	<u>\$ 456,123</u>

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2005

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	343,210	a. Interest on investments	161,621
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	1,564,313	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	278,424	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	45,000
4. Licenses		f. Charges for Services	0
5. Specific Ownership &/or Other	30,427	g. Other Misc. Receipts (Note 2)	332,638
6. Total (1. through 5.)	1,873,164	h. Other (Reimbursements of expense)	0
c. Total (a. + b.)	2,216,374	i. Total (a. through h.)	539,259
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	902,314	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	362,544
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	33,775	d. Federal Transit Admin	
d. Other (Specify) Ind Pass Grt.	115,359	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal (Safety improvement grant)	25,512
f. Total (a. through e.)	149,134	g. Total (a. through f.)	388,056
4. Total (1. + 2. + 3.f)	1,051,448	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs		100,745	100,745
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		294,734	294,734
(3). System Preservation		828,355	828,355
(4). System Enhancement & Operation		727	727
(5). Total Construction (1) + (2) + (3) + (4)	0	1,123,816	1,123,816
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,224,561	1,224,561
			(Carry forward to page 1)

Notes and Comments:

Note 2		
Access Permits	\$	23,170
Contribution		785
Impact Fees		308,683
Total	\$	332,638

Pitkin County, Colorado
Statistical Section
December 31, 2006

This part of Pitkin County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents:	Pages
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	118 - 123
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	124 - 131
Debt Capacity These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future	132 -135
Demographic and Economic Information These schedules offer demographic indicators to help the reader understand the environment within which the County's financial activities take place.	136 - 142
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the service the County provides and the activities it performs.	143 - 151

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB 34 in 2003. Schedules presenting government-wide information include information beginning in that year.

Pitkin County, Colorado
Net Assets by Component
(Accrual basis of accounting)
(Unaudited)

Last Four Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 54,508,038	\$ 63,474,673	\$ 71,576,959	\$ 74,991,785
Restricted				
Open space	17,233,939	15,046,683	6,751,388	8,278,566
Transportation	12,380,720	14,116,005	12,950,487	14,065,044
Affordable housing	3,608,338	595,506	4,212,900	5,876,481
Highway 82 construction	2,052,508	2,138,165	965,876	923,449
Statutory reserve for emergencies	1,030,048	1,058,645	1,243,429	1,418,544
Debt service	661,143	611,194	527,780	487,318
Ambulance district	646,015	682,057	874,053	1,178,700
Other program purposes	1,556,636	2,307,180	3,373,721	4,317,613
Unrestricted	9,236,600	11,215,180	14,529,046	18,890,058
Total governmental activities net assets	<u>\$ 102,913,985</u>	<u>\$ 111,245,288</u>	<u>\$ 117,005,639</u>	<u>\$ 130,427,558</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 29,458,287	\$ 43,888,509	\$ 56,204,425	\$ 61,778,381
Restricted				
Debt service	445,500	-	-	-
Airport	5,964,016	4,001,848	5,531,446	6,067,769
Unrestricted	1,978,566	2,114,451	1,523,330	2,745,393
Total business-type activities net assets	<u>\$ 37,846,369</u>	<u>\$ 50,004,808</u>	<u>\$ 63,259,201</u>	<u>\$ 70,591,543</u>
Primary government				
Invested in capital assets, net of related debt	\$ 83,966,325	\$ 107,363,182	\$ 127,781,384	\$ 136,770,166
Restricted				
Open space	17,233,939	15,046,683	6,751,388	8,278,566
Transportation	12,380,720	14,116,005	12,950,487	14,065,044
Affordable housing	3,608,338	595,506	4,212,900	5,876,481
Highway 82 construction	2,052,508	2,138,165	965,876	923,449
Statutory reserve for emergencies	1,030,048	1,058,645	1,243,429	1,418,544
Debt service	1,106,643	611,194	527,780	487,318
Ambulance district	646,015	682,057	874,053	1,178,700
Airport	5,964,016	4,001,848	5,531,446	6,067,769
Other program purposes	1,556,636	2,307,180	3,373,721	4,317,613
Unrestricted	11,215,166	13,329,631	16,052,376	21,635,451
Total primary government net assets	<u>\$ 140,760,354</u>	<u>\$ 161,250,096</u>	<u>\$ 180,264,840</u>	<u>\$ 201,019,101</u>

Note: Accrual-basis financial information for the County as a whole is only available back to 2003, the year GASB 34 was implemented.

Pitkin County, Colorado
Changes in Net Assets
(Accrual basis of accounting)
(Unaudited)

Last Four Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Expenses:				
Governmental activities:				
General government	\$ 6,571,044	\$ 6,666,755	\$ 6,682,126	\$ 10,292,549
Public safety	5,678,755	5,921,598	5,795,503	6,135,841
Public works	10,904,615	11,398,546	17,210,842	14,467,249
Health and welfare	2,184,340	2,183,103	2,529,548	2,700,256
Culture and recreation	1,681,645	2,534,164	1,650,142	2,063,649
Conservation of natural resources	76,831	68,657	21,818	23,677
Housing and development	147,024	691,286	4,019,595	184,119
Interest	1,653,668	1,556,530	1,555,827	1,442,425
Total governmental activities expenses	<u>28,897,922</u>	<u>31,020,639</u>	<u>39,465,401</u>	<u>37,309,765</u>
Business-type activities:				
Airport	4,905,349	4,995,246	5,919,636	6,212,291
Solid Waste Center	3,494,787	3,334,496	3,952,374	4,073,353
Total business-type activities expenses	<u>8,400,136</u>	<u>8,329,742</u>	<u>9,872,010</u>	<u>10,285,644</u>
Program Revenues				
Governmental activities:				
Charges for services	\$ 5,164,629	\$ 5,784,487	\$ 8,614,961	\$ 8,913,243
Operating grants and contributions	2,341,936	2,857,641	2,862,181	2,650,434
Capital grants and contributions	1,011,804	26,765	357,294	2,947,277
Total governmental activities program revenues	<u>8,518,369</u>	<u>8,668,893</u>	<u>11,834,436</u>	<u>14,510,954</u>
Business-type activities:				
Airport	5,878,604	16,844,528	19,511,065	11,938,198
Solid Waste Center	2,769,005	3,757,166	3,609,410	5,475,069
Total business-type activities program revenues	<u>8,647,609</u>	<u>20,601,694</u>	<u>23,120,475</u>	<u>17,413,267</u>
Total primary government program revenues	<u>\$ 17,165,978</u>	<u>\$ 29,270,587</u>	<u>\$ 34,954,911</u>	<u>\$ 31,924,221</u>
Net (Expense)/Revenue				
Governmental activities	(20,379,553)	(22,351,746)	(27,630,965)	(22,798,811)
Business-type activities	247,473	12,271,952	13,248,465	7,127,623
Total primary government net expense	<u>\$ (20,132,080)</u>	<u>\$ (10,079,794)</u>	<u>\$ (14,382,500)</u>	<u>\$ (15,671,188)</u>
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Property taxes levied for:				
General government purposes	\$ 12,643,095	\$ 12,967,015	\$ 13,212,003	\$ 13,747,326
Debt service	532,250	459,499	453,595	438,545
Sales taxes	14,210,043	15,476,512	16,983,469	18,230,161
Other taxes	663,118	681,081	728,655	746,686
Investment earnings	766,222	828,942	1,743,594	2,788,012
Transfers	270,000	270,000	270,000	270,000
Total governmental activities	<u>\$ 29,084,728</u>	<u>\$ 30,683,049</u>	<u>\$ 33,391,316</u>	<u>\$ 36,220,730</u>
Business-type activities:				
Investment earnings	\$ 146,360	\$ 156,487	\$ 275,928	\$ 474,719
Transfers	(270,000)	(270,000)	(270,000)	(270,000)
Total business-type activities	<u>(123,640)</u>	<u>(113,513)</u>	<u>5,928</u>	<u>204,719</u>
Total primary government	<u>\$ 28,961,088</u>	<u>\$ 30,569,536</u>	<u>\$ 33,397,244</u>	<u>\$ 36,425,449</u>
Changes in Net Assets				
Governmental Activities	\$ 8,705,175	\$ 8,331,303	\$ 5,760,351	\$ 13,421,919
Business-type activities	123,833	12,158,439	13,254,393	7,332,342
Total primary government	<u>\$ 8,829,008</u>	<u>\$ 20,489,742</u>	<u>\$ 19,014,744</u>	<u>\$ 20,754,261</u>

Note: Accrual-basis financial information for the County as a whole is only available back to 2003, the year GASB 34 was implemented.

Pitkin County, Colorado
Fund Balance, Governmental Funds
(Modified accrual basis of accounting)
(Unaudited)

Last Ten Years

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
General Fund				
Reserved for:				
Debt service	\$ 739,414	\$ 524,671	\$ 519,194	\$ 514,164
Capital projects	-	600,000	235,898	-
Advances to Library	126,125	34,910	7,426	-
Workers' compensation insurance reserve e	550,000	550,000	550,000	550,000
Funded employee health claims	-	-	-	-
Affordable housing	1,215,930	647,383	938,765	2,256,576
Park dedication fees	93,486	110,232	102,818	190,043
State of Colorado landfill fees retained to remediate State designated hazardous waste sites	72,031	109,870	115,626	118,819
Emergencies	402,117	473,615	457,944	474,770
Unreserved				
Appropriated for expenditures in next year's budget	892,891	-	3,343,462	329,799
Designated for fund discretionary projects in next year	971,737	893,378	409,331	883,161
Designated to complete projects begun but not completed in prior year	1,037,822	2,557,233	949,059	2,267,052
Designated to balance 5 year budget	-	-	-	1,113,713
Designated to fund contingencies over amount required by state constitution	617,175	639,894	683,931	653,537
Revenues from joint water trust for Ruedi Hydropower project to use for water issues	75,899	75,899	75,899	75,899
State Lottery funds for open space or recreation	59,225	40,515	40,928	41,784
The excess of contributions over expenditures for Topsy Taxi program	176,289	191,013	213,484	220,798
Public contributions for Veteran's Memorial	5,672	5,536	5,819	6,060
Translator capital project funds derived from unspent translator property tax mill levy	164,788	93,610	47,774	128,602
Designated Community Development for changes in construction activity	70,044	45,328	45,328	45,328
Asset replacement for information services, dispatch, and various other programs	14,234	279,009	369,182	443,109
A fund balance to fund future workers' compen- sation liability and employee health claims	-	-	-	-
A fund balance to fund future building needs	-	-	-	-
Total General Fund	<u>\$ 7,284,879</u>	<u>\$ 7,872,096</u>	<u>\$ 9,111,868</u>	<u>\$ 10,313,214</u>
All Other Governmental Funds				
Reserved for:				
Debt Service	\$ 618,459	\$ 885,434	\$ 852,246	\$ 828,594
Capital projects	578,147	-	3,955,826	-
Employees' retirement system	14,325,546	15,129,035	18,630,893	18,490,687
	331,918	320,469	324,462	290,039
Unreserved:				
Appropriated for expenditures in next year's budget		367,970	4,267,038	402,443
Designated to complete projects begun but not completed in prior year	645,420	-	-	-
Balance of 3% use tax proceeds dedicated for improvement to Highway 82	1,187,500	2,177,467	12,484	391,218
Designated, reported in special revenue funds	-	-	-	-
Undesignated, reported in special revenue funds	7,374,918	9,747,103	4,444,356	13,123,916
Total all other governmental funds	<u>\$ 25,061,908</u>	<u>\$ 28,627,478</u>	<u>\$ 32,487,305</u>	<u>\$ 33,526,897</u>
Total all governmental funds	<u>\$ 32,346,787</u>	<u>\$ 36,499,574</u>	<u>\$ 41,599,173</u>	<u>\$ 43,840,111</u>

2001	2002	2003	2004	2005	2006
\$ 392,378	\$ 387,722	\$ 325,308	\$ 262,635	\$ 223,347	\$ 174,536
-	-	-	-	-	-
-	-	-	-	-	-
550,000	550,000	700,000	350,000	350,000	350,000
-	-	-	250,000	340,858	660,017
2,103,092	3,678,520	3,608,338	595,506	3,558,436	3,744,338
193,983	276,604	285,703	349,076	402,360	253,886
156,933	195,253	213,797	231,772	265,511	298,003
468,921	493,495	483,608	498,891	619,328	649,592
1,251,838	176,606	-	-	5,234	-
-	2,295,377	2,397,062	813,422	442,230	4,471,563
2,382,205	1,632,081	1,808,224	1,666,611	2,547,617	3,190,715
431,047	343,921	777,995	575,122	3,673,074	3,100,000
866,672	2,106,505	3,516,392	3,501,109	3,428,652	3,350,408
-	-	-	-	-	-
40,479	-	-	-	-	-
224,186	220,602	212,290	203,829	198,995	202,602
6,561	6,756	6,850	6,953	7,100	5,368
121,617	238,225	-	-	-	-
-	-	-	-	-	-
414,395	698,463	681,831	735,468	633,382	546,970
-	-	471,662	615,040	719,696	780,280
-	-	-	4,000,000	3,769,690	3,901,027
\$ 9,604,307	\$ 13,300,130	\$ 15,489,060	\$ 14,655,434	\$ 21,185,510	\$ 25,679,305
\$ 618,833	\$ 677,859	\$ 461,916	\$ 466,984	\$ 471,394	\$ 465,777
-	-	-	-	-	-
17,657,393	16,746,575	22,039,305	25,676,926	18,061,930	19,012,977
638,613	554,429	546,440	559,753	624,101	768,952
1,033,012	183,168	190,471	171,516	187,897	73,702
-	-	-	-	-	-
1,937,365	1,952,088	1,852,508	2,138,166	965,876	923,449
-	-	-	-	-	-
14,992,000	23,315,055	27,879,435	27,961,228	21,953,701	27,551,830
\$ 36,877,216	\$ 43,429,174	\$ 52,970,075	\$ 56,974,573	\$ 42,264,899	\$ 48,796,687
\$ 46,481,523	\$ 56,729,304	\$ 68,459,135	\$ 71,630,007	\$ 63,450,409	\$ 74,475,992

Pitkin County, Colorado
Changes in Fund Balance, Governmental Funds
(Modified accrual basis of accounting)
(Unaudited)

Last Ten Years

	1997	1998	1999	2000
Revenues				
Taxes	\$ 17,870,677	\$ 19,524,994	\$ 18,049,849	\$ 18,682,322
Intergovernmental	7,033,996	3,790,661	5,625,604	3,233,256
Licenses and permits	503,733	617,874	873,367	794,421
Charges for services	2,384,561	2,819,162	2,888,248	2,821,204
Fines and forfeitures	8,929	6,777	6,115	13,263
Investment earnings	-	-	-	-
Miscellaneous	2,746,277	1,812,403	3,275,196	2,072,498
Total Revenues	\$ 30,548,173	\$ 28,571,871	\$ 30,718,379	\$ 27,616,964
Expenditures				
Current:				
General government	4,030,355	4,454,013	4,338,572	5,882,986
Public safety	4,221,449	4,168,712	4,783,327	4,698,400
Public works	12,659,305	5,943,599	10,525,043	4,565,480
Health and welfare	1,441,727	1,867,233	1,601,541	1,652,409
Culture and recreation	2,754,889	4,198,870	2,702,469	13,264,116
Conservation of natural resources	196,566	302,933	148,844	106,839
Housing and development	169,773	606,499	201,425	52,104
Intergovernmental	1,285,958	1,481,855	1,456,948	1,312,104
Debt Service:				
Principal retirement	1,208,546	2,104,890	1,280,000	1,290,000
Interest and fiscal charges	1,403,779	1,418,536	1,230,062	1,298,346
Bond Issuance costs	-	-	-	-
Advance refunding escrow	-	-	-	-
Total Expenditures	29,372,347	26,547,140	28,268,231	34,122,784
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,175,826	2,024,731	2,450,148	(6,505,820)
Other Financing Sources (Uses)				
Payoff of note receivable	-	-	-	-
Proceeds of general long term debt	-	6,865,000	-	10,000,000
Sales of capital assets	268,800	622,082	31,066	1,444,762
Bonds Issued	-	-	-	-
Premium on debt issuance	-	-	-	-
Escrow to defease debt	-	(3,362,270)	-	(1,186,253)
Transfers in	1,454,100	3,127,786	3,316,075	2,245,456
Transfers out	(1,454,100)	(3,127,786)	(3,316,075)	(2,245,456)
Transfers (to) from component units	(863,686)	(2,800,245)	(883,473)	(1,255,935)
Total Other Financing Sources (Uses)	(594,886)	1,324,567	(852,407)	9,002,574
Special and Extraordinary Items:				
Sale of Land	-	-	-	-
Net Change in Fund Balance	\$ 580,940	\$ 3,349,298	\$ 1,597,741	\$ 2,496,754
Debt service as a percentage of non-capital expenditures	10.25%	16.36%	10.33%	8.56%

	2001	2002	2003	2004	2005	2006
\$	26,134,224	\$ 27,966,329	\$ 28,048,506	\$ 29,584,107	\$ 31,377,722	\$ 33,162,718
	7,963,382	12,965,686	3,293,337	2,860,717	2,932,127	5,671,479
	540,972	785,076	715,147	714,728	989,741	976,895
	2,748,256	3,356,904	4,112,405	4,373,869	5,645,974	7,325,511
	14,143	17,170	22,975	25,013	15,286	7,578
	-	-	766,222	828,942	1,743,594	2,788,012
	2,349,652	3,143,990	374,505	694,566	2,251,309	529,491
\$	39,750,629	\$ 48,235,155	\$ 37,333,097	\$ 39,081,942	\$ 44,955,753	\$ 50,461,684
	5,177,153	5,030,542	5,957,918	6,783,761	7,447,947	7,184,934
	5,625,155	5,271,824	5,668,220	5,972,843	5,491,587	5,996,928
	5,099,352	13,008,026	11,174,128	10,372,756	16,355,249	14,280,465
	2,692,021	1,893,216	2,022,959	2,077,305	2,568,086	2,544,251
	8,928,768	2,877,505	4,928,677	8,599,553	13,208,380	10,026,767
	96,412	93,616	136,538	58,535	147	58,232
	229,635	433,916	211,498	3,161,299	1,548,357	184,119
	14,974,890	7,373,715	-	-	-	-
	1,505,000	1,595,000	1,375,000	1,575,000	1,690,000	1,580,000
	1,767,390	1,916,922	1,678,577	1,536,199	1,479,304	1,428,404
	-	-	57,657	-	-	113,147
	-	-	484,569	-	-	-
	46,095,776	39,494,282	33,695,741	40,137,251	49,789,057	43,397,247
	(6,345,147)	8,740,873	3,637,356	(1,055,309)	(4,833,304)	7,064,437
	-	940,543	-	-	-	-
	12,929,000	-	-	-	-	-
	282,035	1,126,801	175,411	318,560	3,998,703	1,001,089
	-	-	7,685,000	-	-	9,880,000
	-	-	26,776	-	-	119,785
	(3,490,000)	-	(7,654,113)	-	-	(8,260,775)
	2,134,366	1,262,104	1,225,188	768,749	844,150	818,949
	(2,134,366)	(1,012,104)	(955,188)	(498,749)	(574,151)	(548,949)
	98,818	100,382	-	-	-	-
	9,819,853	2,417,726	503,074	588,560	4,268,702	3,010,099
	-	-	1,156,313	-	-	-
\$	3,474,706	\$ 11,158,599	\$ 5,296,743	\$ (466,749)	\$ (564,602)	\$ 10,074,536
	11.75%	12.28%	10.14%	8.40%	6.80%	7.47%

Pitkin County, Colorado
Program Revenues by Functions/Programs
(Accrual basis of accounting)
(Unaudited)

Last Four Years

Functions/Programs	2003	2004	2005	2006
Governmental Activities				
General government	\$ 3,931,391	\$ 3,722,901	\$ 5,291,096	\$ 4,564,438
Public safety	1,497,425	1,694,417	2,301,453	2,218,857
Public works	1,918,097	2,125,960	1,921,074	2,453,303
Health and welfare	669,103	678,858	744,115	942,159
Culture and recreation	438,158	154,659	293,824	2,806,542
Conservation of natural resources	64,045	13,433	24,630	92,529
Housing and development	150	278,665	1,258,244	1,433,126
Total governmental activities	8,518,369	8,668,893	11,834,436	14,510,954
Business-type activities				
Airport	5,878,604	16,844,528	19,511,065	11,938,198
Solid Waste Center	2,769,005	3,757,166	3,609,410	5,475,069
Total business-type activities	8,647,609	20,601,694	23,120,475	17,413,267
Total primary government	\$ 17,165,978	\$ 29,270,587	\$ 34,954,911	\$ 31,924,221

Pitkin County, Colorado
Tax Revenues by Source (1)
(Modified accrual basis of accounting)
(Unaudited)

Last Ten Years

Year	Property	Special Assessments	General Sales (3)	Selective Sales and Use (2)	Motor Vehicle	Other	Total
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
2003	14,666,199	292,885	13,744,477	465,566	720,942	33,478	29,923,547
2004	14,985,290	291,406	14,912,511	564,001	748,411	28,425	31,530,044
2005	15,645,259	299,532	16,426,135	557,334	819,493	30,514	33,778,267
2006	13,874,258	311,613	17,631,468	598,693	720,781	25,905	33,162,718
Change							
1997-2006	43.29%	10.61%	33.70%	-303.64%	35.08%	19.61%	31.43%

Note: Due to changes in tax rates, comparability between years for general sales taxes and selective sales and use taxes are diminished.

- (1) Includes all governmental funds of primary government and component units
- (2) 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 used solely for county roads and State Highway 82 improvements and lapsed in 1999.

Pitkin County, Colorado
Assessed Value and Actual Value of Taxable Property
(Unaudited)

Last Ten Years

Real Property						
(1) Year Ended December 31,	Vacant Land	Residential	Commercial	Industrial	Natural Resources	Agricultural
1997	\$ 174,793	\$ 627,481	\$ 264,784	\$ 434	\$ 4,904	\$ 4,536
1998	158,935	654,848	267,722	440	3,275	4,787
1999	211,638	811,350	326,297	508	5,397	4,983
2000	193,029	852,105	322,637	503	4,604	5,467
2001	241,799	1,126,974	368,227	524	6,679	7,363
2002	232,819	1,167,258	365,192	524	5,549	8,851
2003	248,255	1,115,316	377,638	559	5,963	9,463
2004	236,003	1,139,729	373,113	490	5,773	10,853
2005	237,690	1,224,049	390,806	565	5,499	13,569
2006	228,598	1,268,117	399,544	565	5,727	15,083

State Assessed Property (2)	Personal Property	Total Taxable Assessed Property	Tax Exempt Property	Total Direct Tax Rate	Actual Taxable Value	Assessed Value as a Percentage of Actual Value
\$ 18,921	\$ 32,731	\$ 1,095,853	\$ 84,610	27.262	\$ 7,976,563	13.74%
17,423	31,094	1,107,431	81,830	27.882	8,212,975	13.48%
18,753	30,204	1,378,928	88,010	26.474	10,217,341	13.50%
18,800	34,964	1,397,145	87,759	27.790	10,543,639	13.25%
20,011	33,721	1,771,577	78,420	17.150	14,458,229	12.25%
19,795	38,959	1,799,987	80,472	16.295	14,838,113	12.13%
18,613	36,792	1,775,807	85,700	35.611	16,213,974	10.95%
15,488	33,320	1,781,447	90,509	13.092	16,490,093	10.80%
15,358	36,689	1,887,535	94,611	14.258	17,634,639	10.70%
16,419	43,183	1,934,053	95,979	18.423	18,182,911	10.64%

From 1997 to 2006, commercial real property, vacant land, personal property and utilities were assessed at 29% of actual or depreciated value. Residential property is valued at market and all other property is valued considering the three approaches to appraisal (income, cost and market).

Residential real property was assessed as follows:

Year	Assessment Percentage	Base Year
1997	10.36%	1995 appraised value
1998	10.36%	1997 appraised value
1998	9.74%	1997 appraised value
2000	9.74%	1999 appraised value
2001	9.74%	1999 appraised value
2002	9.15%	2001 appraised value
2003	9.15%	2001 appraised value
2004	7.96%	2003 appraised value
2005	7.96%	2003 appraised value
2006	7.96%	2005 appraised value

Note: All residential and commercial properties are reappraised biennially from sales that occurred in the twenty-four month period ending June 30 of the odd-numbered base year bringing properties to their current market value. The residential assessment rate is set by the Colorado General Assembly and coincides with changes in value. This is constitutionally mandated and designed to even out the tax burden on residential property.

- (1) Property taxes levied for the year indicated are collected in the following year.
- (2) State assessed property is valued by the Colorado Property Tax Administrator and includes utilities (gas, electric and telephone), airlines and other companies.

Source: Pitkin County Assessor's Office

Pitkin County, Colorado
Direct and Overlapping Property Tax Rates
(Unaudited)
(Rate per \$1,000 of assessed value)

Last Ten Years

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
County direct rates				
General Fund	3.254	3.432	2.516	2.713
Road and Bridge	0.213	0.222	0.189	0.202
Social Services	0.059	-	0.086	0.056
Human Services and Other Grants	-	-	-	-
Bond Redemption	0.450	0.466	0.372	0.376
Open Space	2.519	2.511	2.514	3.806
Radio and TV. Translator	-	-	0.310	0.330
Total direct rates	<u>6.495</u>	<u>6.631</u>	<u>5.987</u>	<u>7.483</u>
School Districts rates				
Aspen School District RE-1	10.637	10.233	8.265	9.874
Roaring Fork School District REJT1.12	43.424	43.622	41.445	41.325
City and Town rates				
City of Aspen	5.401	5.367	5.401	5.385
Town of Basalt	4.324	4.306	3.902	3.902
Town of Snowmass Village	4.527	4.434	9.289	9.422
County-wide Districts rates				
Colorado Mountain College	3.944	3.539	3.655	3.997
Colorado River Water Conservancy	0.307	0.309	0.282	0.282
Aspen Valley Hospital (1)	1.335	1.500	1.500	1.500
Pitkin County Library (1)	1.319	1.370	1.158	1.239
Ambulance District rate	0.268	0.274	0.230	0.246
Fire Protection Districts rates	17.004	16.830	15.479	14.601
Water and Sanitation Districts rates	35.239	31.576	25.177	28.523
Other Special Districts rates	68.300	56.023	110.011	112.269

(1) The following districts in the county-wide category are currently supported by less than 100% of the total valuation of the County:

<u>Government</u>	<u>Percent of County Value</u>
Aspen Valley Hospital District	98.5%
Pitkin County Library District	92.1%

Source: Pitkin County Assessor's Office

2001	2002	2003	2004	2005	2006
2.807	2.231	2.456	2.508	2.413	2.483
0.163	0.168	0.178	0.170	0.175	0.180
-	-	-	0.027	0.026	0.025
-	0.463	0.488	0.501	0.484	0.648
0.310	0.290	0.260	0.255	0.233	0.223
3.758	3.773	3.772	3.769	3.764	3.760
0.279	0.265	0.278	0.285	0.276	0.283
7.317	7.190	7.432	7.515	7.371	7.602
8.946	8.926	8.955	8.969	10.458	10.294
34.809	34.556	33.709	41.246	37.265	37.009
5.401	5.442	5.431	5.437	5.471	5.419
6.618	6.498	6.447	6.669	6.474	6.560
9.105	10.163	10.328	11.030	10.705	11.015
3.997	3.997	3.997	3.997	3.997	3.997
0.253	0.255	0.255	0.252	0.230	0.221
1.500	1.500	1.500	1.500	1.500	1.500
1.038	1.072	1.131	1.383	1.357	1.398
0.202	0.209	0.221	0.226	0.221	0.228
13.165	15.872	15.767	19.044	18.674	20.321
37.761	27.572	33.010	20.259	16.125	18.199
191.049	198.233	219.931	331.942	405.126	453.611

Pitkin County, Colorado
Principal Property Taxpayers
(Unaudited)

Current Year and Nine Years Ago

Taxpayer	2006			1997		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Aspen/Buttermilk/Snowmass Skiing Co./ Little Nell/Snowmass Club Associates Brush Creek Land Company, LLC	55,334,950	1	2.86%	24,593,150	1	2.24%
Sheridan Luxury Trust, Aspen Dean Street, LLC	19,944,230	2	1.03%	21,170,000	2	1.93%
Silvertree Hotel of Snowmass	13,286,890	3	0.69%	13,582,240	3	1.24%
Hotel Jerome, Inc	8,730,430	4	0.45%	4,441,550	8	0.41%
Snowmass Holding Co., LLC	6,654,720	5	0.34%	-	-	-
Maroon Creek, LLC	6,528,550	6	0.34%	8,152,270	5	0.74%
Holy Cross Electric	5,942,950	7	0.31%	7,758,960	6	0.71%
Starwood Hotels & Resorts World Wide	4,461,790	8	0.23%	-	-	-
Ritz Carlton	1,332,700	9	0.07%	-	-	-
Savannah Limited Partnership/Colorado Chalet/Grand Aspen	459,820	10	0.02%	6,616,550	7	0.60%
Snowmass Land Company	-	-	0.00%	10,609,840	4	0.97%
U.S. West New Vestor Group, Inc.	-	-	0.00%	3,855,900	9	0.35%
Baldwin, Harley	-	-	0.00%	3,659,740	10	0.33%
Total	\$ 122,677,030		6.34%	\$ 104,440,200		9.53%
Total assessed valuation	\$ 1,934,052,050			\$ 1,096,309,680		

Source: Pitkin County Assessor's Office

Pitkin County, Colorado
Property Tax Levies and Collections (2)
(Unaudited)

Last Ten Years

Assessment and Levy Year	Collection Year	Taxes Levied for the Year (1)	Taxes Collected in Year following Levy (1)		Delinquent Taxes Collected in Collection Year	Total Collections to Date	
			Amount	Percent of Levy		Amount	Percent of Levy
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%
2002	2003	14,734,146	14,666,199	99.54%	32,774	14,698,973	99.76%
2003	2004	15,057,705	14,985,290	99.52%	27,855	15,013,145	99.70%
2004	2005	15,670,264	15,645,259	99.84%	29,917	15,675,176	100.03%
2005	2006	16,269,924	16,225,100	99.72%	29,436	16,254,536	99.91%

- (1) Taxes are levied by the Board of County Commissioners no later than December 22nd of each year and are payable in full by April 30th or in installments by June 15th of the following year. Since taxes are not levied and collected within the same year, collection data is presented for the year following the tax levy to enhance comparability with other governments.
- (2) Includes all governmental funds and Pitkin County Library District, except general improvement districts and the ambulance district.

Pitkin County, Colorado

SALES TAX REVENUE BOND COVERAGE

(Unaudited)

Last ten years

Year	Interest income	County 1% sales tax	Net revenue available for service (1)	Debt Service Requirements			Times coverage (2)
				Principal	Interest	Total	
1997	16,799	3,953,822	3,970,621	330,000	275,231	605,231	6.6
1998	29,055	4,177,143	4,206,198	345,000	260,124	605,124	7.0
1999	35,613	4,235,549	4,271,162	445,000	341,787	786,787	5.4
2000	45,409	4,419,034	4,464,443	465,000	313,973	778,973	5.7
2001 (3)	31,448	5,891,227	5,922,675	490,000	450,765	940,765	6.3
2002	16,432	5,676,508	5,692,940	530,000	451,585	981,585	5.8
2003	7,342	5,705,819	5,713,161	550,000	433,656	983,656	5.8
2004	7,525	6,181,421	6,188,946	575,000	414,956	989,956	6.3
2005	17,121	6,788,139	6,805,260	590,000	395,275	985,275	6.9
2006	25,269	7,268,521	7,293,790	610,000	374,985	984,985	7.4

- (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.
- (3) The intergovernmental agreement directing the distribution of the 1% sales taxes provides distributions to RFTA and municipalities are subordinate to debt service requirements.

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

(Unaudited)

Last ten years

Year	Population (4)	Assessed value	Gross bonded debt (6)	Debt service Moneys available	Net bonded debt	Ratio of net bonded debt to assessed value	Net bonded debt per capita
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	1,771,577,340	22,320,000	225,108	22,094,892	1.25%	1,514.28
2002	14,815	1,799,987,440	21,775,000	248,112	21,526,888	1.20%	1,453.05
2003	16,426	1,775,806,980	21,595,000	67,035	21,527,965	1.21%	1,310.60
2004	16,266	1,781,447,430	20,925,000	82,181	20,842,819	1.17%	1,281.37
2005	16,420	1,887,535,000	20,235,000	98,693	20,136,307	1.07%	1,226.33
2006	16,420 (5)	1,934,052,050	21,445,000	105,737	21,339,263	1.10%	1,299.59

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

(Unaudited)

Last ten years

Year	Principal	Interest	Total debt service	Total general expenditures (6)	Ratio of debt service to total general expenditures
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%
2003	275,000	1,163,596	1,438,596	33,695,741	4.3%
2004	670,000	1,008,158	1,678,158	40,136,968	4.2%
2005	690,000	983,903	1,673,903	49,789,057	3.4%
2006	715,000	964,291	1,679,291	43,397,247	3.9%

(4) Source: Demographics Statistics, page 138.

(5) 2005 is latest population amount available.

(6) Includes General, Special Revenue, and Debt Service Funds of the primary government.

Pitkin County, Colorado
Overlapping and Direct Governmental Activities Debt
(Unaudited)

As of December 31, 2006

Taxing Jurisdiction	General Obligation Long-Term Debt Outstanding	Self-Supporting (1) Long-Term Debt Outstanding	Net General Obligation Long-Term Debt Outstanding	Estimated Percentage Applicable (2)	Overlapping and Direct Debt
Overlapping Debt					
School Districts					
Aspen School district RE-1	\$ 68,390,000	\$ -	\$ 68,390,000	100.00%	\$ 68,390,000
Roaring Fork School District REJT1.12	115,019,984	-	115,019,984	22.40%	25,764,476
City and Towns					
City of Aspen (1)	16,770,000	16,465,000	305,000	100.00%	305,000
Town of Basalt	1,168,508	-	1,168,508	39.00%	455,718
Town of Snowmass Village	20,530,000	5,845,000	14,685,000	100.00%	14,685,000
Fire Districts					
Aspen Fire Protection District	14,000,000	-	14,000,000	100.00%	14,000,000
Basalt and Rural Fire Protection District	2,551,790	-	2,551,790	45.00%	1,148,306
Carbondale Fire Protection District	11,098,450	-	11,098,450	100.00%	11,098,450
Water and Sanitation Districts					
Aspen Consolidated Sanitation District	9,210,000	-	9,210,000	100.00%	9,210,000
Basalt Sanitation District	2,920,000	-	2,920,000	54.75%	1,598,612
Brush Creek Water District	1,905,000	-	1,905,000	100.00%	1,905,000
Redstone Water and Sanitation District	442,541	-	442,541	100.00%	442,541
Snowmass Water and Sanitation District	3,500,000	-	3,500,000	100.00%	3,500,000
Starwood Water and Sanitation District	1,460,000	-	1,460,000	100.00%	1,460,000
Other Districts					
Aspen Highlands Residential Metro District	8,080,000	-	8,080,000	100.00%	8,080,000
Buttermilk Metro District	3,875,000	-	3,875,000	100.00%	3,875,000
Holland Hills Metro District	1,240,000	-	1,240,000	100.00%	1,240,000
Total Overlapping Debt					<u>167,158,103</u>
Direct Debt					
Twining Flats general Improvement District					65,000
Pitkin County					<u>21,445,000</u>
Total Direct Debt					<u>21,445,000</u>
Total Overlapping and Direct Debt					<u>\$ 188,603,103</u>

(1) Self-supporting debt is backed by full faith and credit of the jurisdiction, however the city has a Real Estate Transfer Tax (RETT) that is used to repay this debt. If the RETT should lapse or not provide enough funding for these obligations, the city could levy a property tax for future repayments.

(2) The portion of debt applicable to Pitkin County is determined by the ratio of the assessed value of the portion of the applicable district located within county boundaries to the total assessed value of the applicable taxing district.

Sources: Debt amounts and percentages are provided by each governmental unit.

Pitkin County, Colorado
Legal Debt Margin Information
(Unaudited)

Last Ten Years

	1997	1998	1999	2000
Valuation for Assessment of Property	\$1,095,853,363	\$1,107,431,060	\$1,378,927,680	\$1,397,145,280
Debt Limit, 3% of Valuation for Assessment (Per Colorado Revised Statutes, Section 30-35-201 (6b))	32,875,601	33,222,932	41,367,830	41,914,358
Amount of Debt Applicable to Limit General Obligation Bonds	<u>10,745,000</u>	<u>10,430,000</u>	<u>10,100,000</u>	<u>18,590,000</u>
Legal Debt Margin	<u>\$ 22,130,601</u>	<u>\$ 22,792,932</u>	<u>\$ 31,267,830</u>	<u>\$ 23,324,358</u>
Total debt applicable to the limit as a percentage of debt limit	32.68%	31.39%	24.42%	44.35%

2001	2002	2003	2004	2005	2006
\$1,771,577,340	\$1,775,806,980	\$1,781,447,430	\$1,781,447,430	\$1,887,535,000	\$1,934,052,050
53,147,320	53,274,209	53,443,423	53,443,423	56,626,050	58,021,562
22,320,000	21,775,000	21,595,000	20,925,000	20,235,000	21,445,000
\$ 30,827,320	\$ 31,499,209	\$ 31,848,423	\$ 32,518,423	\$ 36,391,050	\$ 36,576,562
42.00%	40.87%	40.41%	39.15%	35.73%	36.96%

Pitkin County, Colorado
Demographic and Economic Statistics
(Unaudited)

Last Ten Years

Year	Population	Personal Income (1)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
1997	14,371	\$ 675,221,435	\$ 46,985	37.5	1,503	4.0%
1998	14,342	\$ 747,490,698	52,119	38.0	1,529	4.4%
1999	14,394	\$ 801,659,436	55,694	38.5	1,538	3.3%
2000	14,309	\$ 953,308,507	66,623	38.5	1,527	2.6%
2001	14,591	\$ 1,002,854,021	68,731	38.3	1,488	4.2%
2002	14,815	\$ 1,032,324,015	69,681	38.7	1,684	4.4%
2003	16,426	\$ 1,125,246,704	68,504	39.2	1,673	4.2%
2004	16,266	\$ 1,227,334,764	75,454	39.8	1,778	3.4%
2005	16,420	\$ 1,129,634,726	68,796	40.6	1,806	2.8%
2006	N/A	\$ 1,216,663,210	N/A	40.9	1,792	2.3%

(1) Computation of per capita personal income multiplied by population.

Sources: Population and Median Age provided by Colorado Department of Local Affairs. Per Capita Personal Income provided by Bureau of Economic Analysis. School Enrollment provided by schools located in Pitkin County. Unemployment Rate by U.S. Department of Labor, Bureau of Labor Statistics.

Pitkin County, Colorado
Principal Employers
(Unaudited)

Current Year and Nine Years Ago

Employers	2006			1997		
	Number of Employees	Rank	Percentage of Total County Employment	Taxable Number of Employees	Rank	Percentage of Total County Employment
Aspen Skiing Company/Little Nell Hotel	3,512	1	33.25%	3,000	1	32.96%
Aspen Valley Hospital	400	2	3.79%	352	3	3.87%
Silvertree Hotel of Snowmass	398	3	3.77%	350	4	3.85%
City of Aspen	1	4	0.04%	200	6	2.20%
Sheridan Luxury Trust, Aspen Dean Street, LLC	258	5	2.44%	450	2	4.94%
Roaring Fork Transit Agency	243	6	2.30%	200	7	2.20%
Pitkin County	233	7	2.21%	236	5	2.59%
Hotel Jerome, Inc	220	8	2.08%	180	9	1.98%
Aspen School District	214	9	2.03%	195	8	2.14%
Resort Quest	165	10	1.56%			0.00%
CRW Property Management	-	-		130	10	1.43%
Total	5,643		53.46%	5,293		58.16%
Total Pitkin County Labor Force (1)	10,563			9,101		

(1) Total Pitkin County Labor Force provided by Colorado Dept of Local Affairs. Information for 2006 not available, 2005 data used.

Source: Number of Employees obtained directly from the employer.

Pitkin County, Colorado

SALES TAX COLLECTIONS
(Unaudited)
Last ten years

	1997	1998	1999 (5)	2000
2-Percent sales tax (2)	<u>\$ 11,414,721</u>	<u>\$ 12,031,988</u>	<u>\$ 12,095,299</u>	<u>\$ 12,576,184</u>
Seasonal composition				
Winter	61.1%	60.2%	59.0%	57.2%
Summer	38.9%	39.8%	41.0%	42.8%
Percentage increase (decrease)	7.9%	5.4%	0.5%	4.5%
1-Percent Transit sales tax (3) (4)	\$ 5,586,314	\$ 5,884,015	\$ 5,880,626	\$ 6,048,422
Percentage increase (decrease)	7.7%	5.3%	-0.1%	2.8%
Less payments				
To City of Aspen	507,875	530,618	554,742	561,362
To Snowmass Village	<u>1,124,607</u>	<u>1,176,254</u>	<u>1,090,335</u>	<u>1,068,026</u>
Total Deductions	<u>1,632,482</u>	<u>1,706,872</u>	<u>1,645,077</u>	<u>1,629,388</u>
Net payments to RFTA	<u>\$ 3,953,832</u>	<u>\$ 4,177,143</u>	<u>\$ 4,235,549</u>	<u>\$ 4,419,034</u>
Percentage increase (decrease)	7.0%	5.6%	1.4%	5.8%
1/2 Percent Transit Sales and Use Tax (6)				
Sales tax	\$ 2,826,666	\$ 2,994,057	\$ 3,022,783	\$ 3,173,527
Use Tax	341,193	391,128	510,498	493,570
	<u>\$ 3,167,859</u>	<u>\$ 3,385,185</u>	<u>\$ 3,533,281</u>	<u>\$ 3,667,097</u>
Percentage increase	7.7%	6.9%	4.4%	3.8%

1. The two-percent County-wide sales tax is distributed 43% to Pitkin County and 57% to the municipalities of Aspen, Snowmass Village, and Basalt.
2. 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.

2001	2002	2003	2004	2005	2006
<u>\$ 12,200,976</u>	<u>\$ 11,737,896</u>	<u>\$ 11,831,990</u>	<u>\$ 12,822,448</u>	<u>\$ 14,178,348</u>	<u>\$ 15,203,474</u>
59.0%	58.8%	58.8%	58.8%	58.8%	58.6%
41.0%	41.2%	41.2%	41.2%	41.2%	41.4%
-3.0%	-3.8%	0.8%	8.4%	10.6%	7.2%
<u>\$ 5,891,227</u>	<u>\$ 5,676,508</u>	<u>\$ 5,705,819</u>	<u>\$ 6,181,421</u>	<u>\$ 6,788,139</u>	<u>\$ 7,268,251</u>
-2.6%	-3.6%	0.5%	8.3%	9.8%	7.1%
2,445,633	2,265,588	2,332,993	2,530,610	2,818,340	3,001,172
610,088	678,760	626,558	675,631	702,668	769,010
<u>3,055,721</u>	<u>2,944,348</u>	<u>2,959,551</u>	<u>3,206,241</u>	<u>3,521,008</u>	<u>3,770,182</u>
<u>\$ 2,835,506</u>	<u>\$ 2,732,160</u>	<u>\$ 2,746,268</u>	<u>\$ 2,975,180</u>	<u>\$ 3,267,131</u>	<u>\$ 3,498,069</u>
-35.8%	-3.6%	0.5%	8.3%	9.8%	7.1%
<u>\$ 3,087,143</u>	<u>\$ 2,947,576</u>	<u>\$ 2,937,595</u>	<u>\$ 3,203,296</u>	<u>\$ 3,541,310</u>	<u>\$ 3,825,453</u>
489,096	469,937	444,861	542,548	537,039	574,180
<u>\$ 3,576,239</u>	<u>\$ 3,417,513</u>	<u>\$ 3,382,456</u>	<u>\$ 3,745,844</u>	<u>\$ 4,078,349</u>	<u>\$ 4,399,633</u>
-2.5%	-4.4%	-1.0%	10.7%	8.9%	7.9%

3. 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.

4. Excludes one time sales tax distributions made by the State of Colorado due to enforcement activities.

Pitkin County, Colorado

RETAIL SALES BY STANDARD INDUSTRIAL CLASSIFICATION

(Unaudited)

Last ten years

(in thousands)

Type of business	1997	1998	1999	2000
Motor Vehicle/Auto Parts	\$ 20,680	\$ 21,626	\$ 20,192	\$ 16,176
Furniture/Furnishings	20,735	27,669	31,542	28,271
(1a) Electronics/Appliances	N/A	N/A	N/A	N/A
Building materials/Nurseries	18,469	21,071	26,561	28,831
Food/Beverage stores	43,293	45,673	48,875	51,012
(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	67,624	65,537	57,665	58,350
(1a) Sporting Goods/Hobby/Books/Music	N/A	N/A	N/A	N/A
General merchandise	3,985	5,462	6,145	12,299
Miscellaneous Stores	126,687	135,665	137,313	149,300
(1a) Non-Store Retailers	N/A	N/A	N/A	N/A
Accommodations	112,626	107,930	113,639	122,498
Food and drinking Services	106,641	114,210	97,798	96,996
(1b) Financial insurance and real estate	46,989	50,002	40,239	36,881
(1b) Other services	83,297	95,369	94,987	104,623
(1b) Wholesales trade	7,466	8,335	9,833	8,074
(1b) Agriculture	7,864	5,684	5,089	6,818
(1b) Mining	4,720	6,639	-	-
(1b) Contract construction	18,430	24,796	28,163	29,248
(1b) Manufacturing	9,519	12,598	12,939	13,464
Transportation, communications and public utilities	60,338	65,271	67,194	72,871
(1b) Unclassified	5,353	5,956	9,677	16,192
	<u>\$764,716</u>	<u>\$819,493</u>	<u>\$807,851</u>	<u>\$851,904</u>
Percentage Increase	5.2%	7.2%	-1.4%	5.5%

(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

Source: Information provided by the Colorado Department of Revenue

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
\$ 15,218	\$ 5,802	\$ 4,952	\$ 4,998	5,669	5,608
29,508	35,214	32,445	35,162	40,366	37,724
N/A	8,181	N/A	6,340	-	-
23,722	14,821	13,074	18,779	24,711	29,124
49,408	59,071	61,128	64,382	68,215	72,137
N/A	17,092	15,727	17,750	-	-
N/A	9,464	N/A	10,919	13,098	14,774
53,361	73,346	84,082	95,128	105,397	114,686
N/A	46,626	50,040	50,880	55,257	59,421
15,838	11,584	7,004	8,635	8,722	7,006
150,888	58,015	39,888	39,618	48,542	51,285
N/A	5,646	5,120	6,309	5,746	5,474
116,985	126,737	126,060	140,406	153,275	163,701
92,366	81,632	87,711	98,722	95,184	125,721
33,132	N/A	N/A	N/A	N/A	N/A
94,204	N/A	N/A	N/A	N/A	N/A
11,506	N/A	N/A	N/A	N/A	N/A
5,525	N/A	N/A	N/A	N/A	N/A
-	N/A	N/A	N/A	N/A	N/A
29,834	N/A	N/A	N/A	N/A	N/A
16,682	N/A	N/A	N/A	N/A	N/A
81,186	N/A	N/A	N/A	N/A	N/A
12,548	263,543	272,816	291,534	351,732	385,120
<u>\$831,911</u>	<u>\$816,774</u>	<u>\$800,047</u>	<u>\$889,562</u>	<u>\$975,914</u>	<u>\$1,071,781</u>
-2.3%	-1.8%	-2.0%	11.2%	9.7%	9.8%

Pitkin County, Colorado

ANNUAL SKIER DAYS BY AREA (1)
(Unaudited)
Last ten years

<u>Year</u>	<u>Aspen Mountain</u>	<u>Buttermilk</u>	<u>Snowmass</u>	<u>Aspen Highlands</u>	<u>Grand Total</u>	<u>Percent Increase (Decrease)</u>
1997/199 (2)	345,351	180,006	884,066	149,963	1,559,386	8.7%
1998/1999	333,215	177,476	777,378	143,785	1,431,854	-8.2%
1999/2000	331,121	158,194	707,600	127,389	1,324,304	-7.5%
2000/2001	319,343	148,826	740,241	140,640	1,349,050	1.9%
2001/2002	310,381	145,683	676,505	136,136	1,268,705	-6.0%
2002/2003	315,130	141,077	699,701	157,317	1,313,225	3.5%
2003/2004	298,831	139,213	724,753	160,836	1,323,633	0.8%
2004/2005	304,497	148,390	747,303	167,390	1,367,580	3.3%
2005/2006	324,468	159,081	768,010	193,244	1,444,803	5.6%
2006/2007	327,750	153,831	769,570	193,496	1,444,647	0.0%

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

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

Source: Aspen Ski Company

Pitkin County, Colorado
Full-Time Equivalent County Government
(Unaudited)

Last Seven Years

Function/Program	2000	2001	2002	2003	2004	2005	2006
General Government							
Administrative Services	1.00	1.00	0.60	0.60	0.60	0.60	0.60
Assessor	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Board of County Commissioner:	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Clerk and Recorder	9.60	9.80	9.80	9.70	9.70	9.45	9.55
County Attorney	4.50	4.75	4.00	4.00	4.00	4.00	5.00
County Manager	3.75	3.75	4.60	3.80	3.80	3.80	4.80
Facilities	9.00	9.75	9.75	9.25	9.25	9.75	10.75
Finance	12.00	11.00	10.80	11.80	11.80	10.40	8.80
Human Resources	4.80	4.85	4.60	3.60	3.60	3.40	3.40
Public Relations	0.38	1.10	1.30	1.30	1.30	1.30	1.30
Treasurer	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Judicial and Public Safety							
Civil	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Communications Center	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Detention	12.00	12.00	12.00	11.80	11.80	11.80	11.80
District Attorney	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Emergency Management		1.00	1.00	1.00	1.00	1.00	1.00
Sheriff	24.00	24.00	24.00	24.00	24.00	24.00	24.00
Radio/Phones	2.60	3.00	2.00	2.00	2.00	2.00	2.00
Building Inspections	5.80	6.50	6.00	6.00	6.00	6.00	7.00
Planning and Zoning	9.00	10.60	10.33	9.33	9.33	9.33	10.00
Public Works							
Administrative Services	5.30	7.03	5.50	5.00	5.00	6.20	5.20
Fleet Services	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Land Management	1.00	0.50	0.50	0.50	1.00	1.00	1.00
Road and Bridge	11.00	10.50	11.50	11.50	12.00	10.00	10.00
Translator	1.75	1.75	1.80	1.80	0.80	0.80	0.80
Health and Welfare							
Animal Control	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Environmental Health	3.50	4.00	4.00	3.00	3.00	5.00	5.00
Human Services	1.37	1.50	1.50	1.50	1.50	1.50	1.50
Senior Services	3.50	3.50	3.50	3.50	3.50	3.50	4.05
Social Services	4.00	4.00	3.00	3.00	3.00	3.00	3.00
Wildlife Management	1.00	0.34	0.34	0.34	0.34		
Cultural and Recreation							
Library	16.85	17.05	17.05	17.70	18.10	17.75	21.20
Open Space and Trails	2.00	3.18	3.93	3.33	3.33	3.33	5.00
Business-type							
Airport Operations	17.00	22.00	24.20	25.00	24.00	23.00	23.00
Solid Waste and Recycling	15.00	15.00	15.40	16.90	16.90	16.15	12.00
	<u>224.45</u>	<u>236.20</u>	<u>235.75</u>	<u>234.00</u>	<u>233.40</u>	<u>230.81</u>	<u>234.50</u>

Note: The numbers presented above are the number of FTE's (full-time equivalents) rounded to the nearest whole number. These numbers are from the final payroll of each respective year at December 31. The numbers do not take into account any seasonal employment or fluctuations in staffing throughout the year, nor do they include vacancies at year-end. Information prior to 2000 is not available.

Source: Pitkin County Human Resources

Pitkin County, Colorado
Operating Indicators by Function/Program
(Unaudited)

Last Ten Years

Function/Program	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Government										
Assessor										
Property transfers	1,794	2,194	2,113	2,040	1,737	1,550	1,720	1,870	2,257	2,138
Public Trustee										
Number of completed foreclosures	-	-	-	-	-	-	-	-	12	22
Clerk and Recorder										
Number of vehicle registrations	17,006	17,213	17,912	17,791	16,109	19,536	19,673	16,839	17,435	18,132
Number of registered voters	11,777	12,547	13,013	14,030	12,376	12,973	11,881	13,279	12,509	12,980
Human Resources										
Number of job applications processed	N/A	N/A	N/A	N/A	N/A	N/A	N/A	450	900	650
Judicial and Public Safety										
Coroner										
Number of deaths investigated	31	N/A	27	N/A	44	29	24	22	30	33
Detention										
Average daily population	18	15	18	16	18	21	14	14	14	16
District Attorney										
Number of Felony cases	103	90	112	68	92	73	72	91	120	84
Number of juvenile cases	27	25	21	31	34	19	9	19	10	34
Sheriff										
Incidents handled by patrol and investigations	786	749	909	800	864	889	837	749	910	856
Building Inspections										
Number of building permits issued	211	265	309	286	307	177	141	154	220	220
Planning and Zoning										
Number of land use applications processed	156	170	175	197	194	182	152	227	258	271
Public Works										
Road and Bridge										
County roads (lane miles)	267	267	267	268	270	266	266	266	264	265
Bridges	26	26	26	26	26	26	26	26	26	26
Health and Welfare										
Animal Control										
Number of animals placed in shelter	244	214	148	149	178	163	230	156	139	169
Environmental Health										
Number of food service inspections	-	-	210	182	183	86	176	168	169	165
Number of septic system permit reviews	80	106	111	86	89	102	82	101	96	101
Grant Administration										
Number of county grant applications processed	16	19	16	15	26	28	28	39	39	44
Senior Services										
Number of senior lunches	5,857	6,984	7,847	7,726	7,531	7,420	8,104	9,392	9,928	10,891
Number of requests for transportation	3,855	4,313	4,997	5,026	4,455	5,075	5,819	6,799	7,395	7,592
Social Services										
Number of residents receiving public assistance	143	163	188	137	121	187	167	201	N/A	184
Cultural and Recreation										
Library										
Number of books	77,331	80,445	79,210	81,912	84,901	87,858	92,604	94,163	95,331	100,936
Open Space and Trails										
Acres of land reserved for open space	1,240	1,240	7,578	7,722	8,350	8,729	10,256	10,646	12,840	14,923
Trails maintained (lane miles)	45.71	45.71	45.61	32.62	32.62	34.62	34.89	35.18	38.01	40.00
Business-type										
Airport Operations										
Number of enplaned passengers	224,815	248,510	213,903	214,816	187,622	183,704	189,604	183,719	198,422	206,429
Solid Waste and Recycling										
Cubic yards of solid waste processed	283,000	305,000	288,000	259,000	289,000	218,000	252,000	248,000	381,000	420,000
Recycled tons processed	6.6	5.4	6.4	5.9	5.5	6.4	7.5	8.7	9.7	8.9

Pitkin County, Colorado

AIRPORT OPERATIONS AND ENPLANED PASSENGERS

(Unaudited)

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			
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%
2003	16,614	24,504	41,118	1,745	42,863	-7.5%	189,604	3.2%
2004	17,701	25,020	42,721	1,229	43,950	2.5%	183,719	-3.1%
2005	17,668	25,159	42,827	1,333	44,160	0.5%	198,422	8.0%
2006	19,258	24,693	43,951	728	44,679	1.2%	204,678	3.2%

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

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

Source: Pitkin County Airport Manager

Pitkin County, Colorado

CONSTRUCTION, BANK DEPOSITS AND PROPERTY VALUE

(Unaudited)

Last ten years

Levy Year	Non-residential construction (1)		Residential Construction (1)	
	Number of units	Value	Number of units	Value
1997	35	3,431,718	176	103,314,909
1998	33	10,929,579	232	104,827,494
1999	25	28,723,194	284	166,200,873
2000	8	991,201	281	180,068,967
2001	22	7,704,771	285	70,855,772
2002	13	9,441,400	164	114,432,226
2003	11	11,476,905	151	116,081,297
2004	9	4,797,556	371	122,881,036
2005	15	13,668,750	323	158,636,715
2006	42	66,525,425	336	174,499,460

New construction in Pitkin County including additions, alterations and conversions.

Source: Aspen/Pitkin County Building Department and Town of Snowmass Village Building Department.

Pitkin County, Colorado
Capital Asset Statistics by Function/Program
(Unaudited)

Last Ten Years

Function/Program	1997	1998	1999	2000	2001	2002
General Government						
Land	\$ 10,800	\$ 10,800	\$ 10,800	\$ 10,800	\$ 10,800	\$ 10,800
Buildings	5,231,009	5,309,824	5,333,324	5,283,286	5,710,042	7,105,516
Improvements	41,178	41,179	41,178	47,739	64,934	64,935
Equipment	2,365,092	2,514,919	2,603,183	2,055,880	2,209,575	2,357,921
Infrastructure	-	-	-	-	-	-
Total General Government	7,648,079	7,876,722	7,988,485	7,397,705	7,995,351	9,539,172
Public Safety						
Land	392,693	392,693	392,693	392,693	392,694	392,693
Buildings	3,197,159	3,197,160	3,233,087	3,188,885	3,238,911	3,769,280
Improvements	9,944	9,944	9,944	7,840	7,840	7,840
Equipment	3,223,349	3,535,325	3,956,282	2,038,419	2,031,104	2,264,791
Total Public Safety	6,823,145	7,135,122	7,592,006	5,627,837	5,670,549	6,434,604
Public Works						
Land	8,103,174	8,103,174	8,103,174	8,103,174	8,100,824	1,242,025
Buildings	2,153,087	2,157,711	2,278,382	2,283,036	2,504,794	8,604,791
Improvements	349,955	442,085	459,365	456,190	456,190	532,675
Equipment	2,932,051	3,350,719	3,552,930	3,125,053	3,462,543	3,539,150
Infrastructure	-	-	-	-	-	-
Total Public Works	13,538,267	14,053,689	14,393,851	13,967,453	14,524,351	13,918,641
Health and Welfare						
Land	-	-	-	-	-	-
Buildings	1,898,900	1,966,838	1,966,969	1,954,624	1,954,623	2,950,918
Improvements	68,792	68,792	74,442	65,907	79,770	79,770
Equipment	211,885	217,303	216,125	65,746	76,131	117,104
Infrastructure	-	-	-	-	-	-
Total Health and Welfare	2,179,577	2,252,933	2,257,536	2,086,277	2,110,524	3,147,792
Cultural and Recreation						
Land	12,586,223	18,179,635	20,232,448	26,011,725	32,320,427	32,759,043
Buildings	1,400	1,400	11,656	10,256	10,256	10,256
Improvements	68,962	67,885	172,915	167,677	215,477	224,216
Equipment	2,151	2,852	11,591	49,479	64,529	69,546
Infrastructure	-	-	-	-	-	-
Total Cultural and Recreation	12,658,736	18,251,772	20,428,610	26,239,137	32,610,689	33,063,061
Conservation of Natural Resources						
Land	30	30	-	-	-	-
Buildings	2,375	2,375	2,375	-	-	-
Improvements	-	-	-	-	-	-
Equipment	107,211	125,402	134,020	131,702	126,685	131,702
Infrastructure	-	-	-	-	-	-
Total Conservation of Nat. Resources	109,616	127,807	136,395	131,702	126,685	131,702
Housing and Development						
Land	4,421,622	4,948,498	4,955,498	4,959,498	5,213,690	5,507,548
Buildings	901,157	901,157	901,157	901,157	900,000	900,000
Improvements	-	-	32,562	32,562	32,562	32,562
Equipment	-	-	-	-	-	-
Total Housing and Development	5,322,779	5,849,655	5,889,217	5,893,217	6,146,252	6,440,110
Total Governmental						
Construction in Progress	97,593	594,461	1,332,795	1,732,573	3,292,003	546,683
Total Governmental	\$ 48,377,792	\$ 56,142,161	\$ 60,018,895	\$ 63,075,901	\$ 72,476,404	\$ 73,221,765

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
\$ 10,800	\$ 10,800	\$ 10,800	\$ 10,800
7,243,222	7,307,461	7,538,569	7,666,508
204,512	204,512	204,512	204,512
2,243,150	2,549,173	2,942,661	3,033,194
-	32,768	32,768	32,768
<u>9,701,684</u>	<u>10,104,714</u>	<u>10,729,310</u>	<u>10,947,782</u>
392,693	392,694	392,693	392,693
4,213,259	4,218,711	4,284,361	4,290,043
23,696	23,695	23,696	23,696
<u>2,235,984</u>	<u>2,437,173</u>	<u>2,272,991</u>	<u>2,445,054</u>
<u>6,865,632</u>	<u>7,072,273</u>	<u>6,973,741</u>	<u>7,151,486</u>
2,636,599	2,636,598	2,636,598	2,636,598
8,604,792	8,604,791	8,622,819	8,622,819
519,597	519,598	519,598	519,598
3,733,106	3,759,407	4,040,549	3,488,445
<u>25,981,675</u>	<u>25,981,675</u>	<u>26,035,967</u>	<u>27,058,668</u>
<u>41,475,769</u>	<u>41,502,069</u>	<u>41,855,531</u>	<u>42,326,128</u>
-	-	-	-
2,950,917	2,956,939	3,156,939	3,166,861
95,243	95,242	95,242	95,242
119,549	130,292	152,589	146,227
-	56,374	56,374	56,373
<u>3,165,709</u>	<u>3,238,847</u>	<u>3,461,144</u>	<u>3,464,703</u>
40,523,880	46,338,991	58,142,877	58,444,248
54,854	59,181	59,181	59,181
418,739	418,740	436,771	498,870
122,150	130,952	156,278	180,249
<u>5,903,775</u>	<u>5,903,775</u>	<u>6,494,844</u>	<u>6,494,844</u>
<u>47,023,398</u>	<u>52,851,639</u>	<u>65,289,951</u>	<u>65,677,392</u>
-	-	-	-
-	-	-	-
-	-	-	-
137,734	130,821	130,821	137,823
-	-	-	-
<u>137,734</u>	<u>130,821</u>	<u>130,821</u>	<u>137,823</u>
5,573,262	5,573,262	2,758,510	730,050
-	-	-	-
32,562	32,562	-	-
-	-	-	-
<u>5,605,824</u>	<u>5,605,824</u>	<u>2,758,510</u>	<u>730,050</u>
470,697	3,748,740	477,859	8,683,598
<u>\$ 114,446,447</u>	<u>\$ 124,254,927</u>	<u>\$ 131,676,867</u>	<u>\$ 139,118,962</u>

Pitkin County, Colorado
Capital Asset Statistics by Function/Program
(Unaudited)

Last Ten Years

Function/Program	1997	1998	1999	2000	2001	2002
Business-type						
Airport						
Land	\$ 8,920,991	\$ 8,920,991	\$ 8,920,991	\$ 8,920,991	\$ 10,477,630	\$ 10,480,840
Construction in Progress	813,614	144,426	4,113,039	7,942,784	4,987,896	8,222,305
Buildings	4,694,866	5,083,794	5,089,765	5,100,793	5,531,397	5,545,589
Improvements	11,454,689	12,492,742	12,260,762	10,474,470	15,069,229	15,573,644
Equipment	1,973,631	2,121,311	2,467,109	2,634,663	4,040,162	3,809,185
Infrastructure	-	-	-	-	-	-
Total Airport	<u>27,857,791</u>	<u>28,763,264</u>	<u>32,851,666</u>	<u>35,073,701</u>	<u>40,106,314</u>	<u>43,631,563</u>
Solid Waste Center						
Land	50,000	50,000	50,000	50,000	50,000	50,000
Construction in Progress	71,282	135,319	190,198	212,944	12,841	-
Buildings	423,610	453,358	462,361	490,035	503,175	503,175
Improvements	180,447	813,151	882,883	890,940	1,121,530	1,201,862
Equipment	1,259,897	913,543	902,742	858,111	872,893	907,264
Total Solid Waste Center	<u>1,985,236</u>	<u>2,365,371</u>	<u>2,488,184</u>	<u>2,502,030</u>	<u>2,560,439</u>	<u>2,662,301</u>
Total business-type	<u>\$ 29,843,027</u>	<u>\$ 31,128,635</u>	<u>\$ 35,339,850</u>	<u>\$ 37,575,731</u>	<u>\$ 42,666,753</u>	<u>\$ 46,293,864</u>