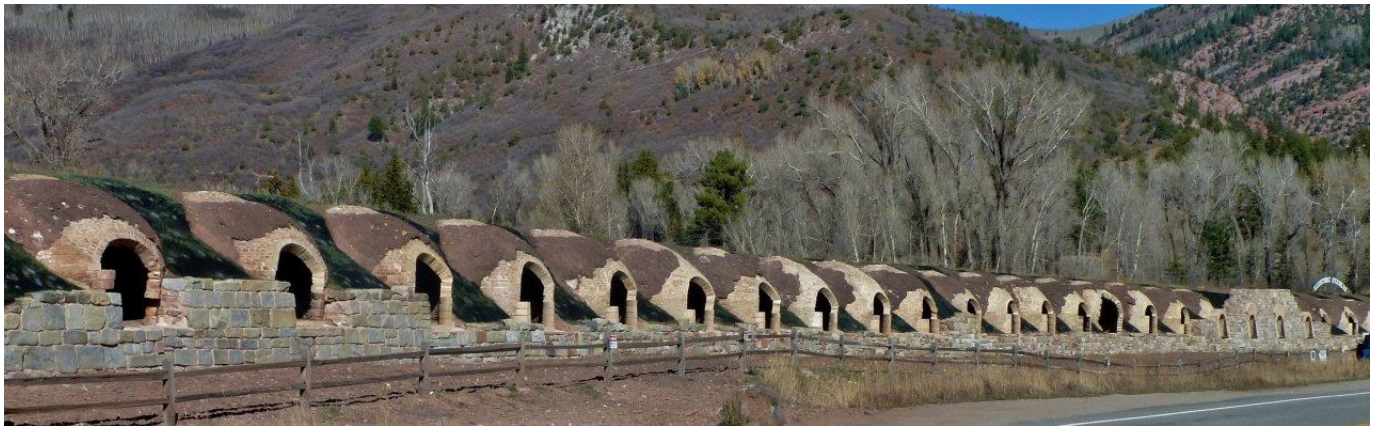


PITKIN COUNTY, COLORADO COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year ended December 31, 2011



Historic Coke Ovens in Redstone circa 1930's



Restored Oven 2011

**Prepared by
Finance Department**

**John Redmond
Finance Director**

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Pitkin County, Colorado
Comprehensive Annual Financial Report
For the Year Ended December 31, 2011

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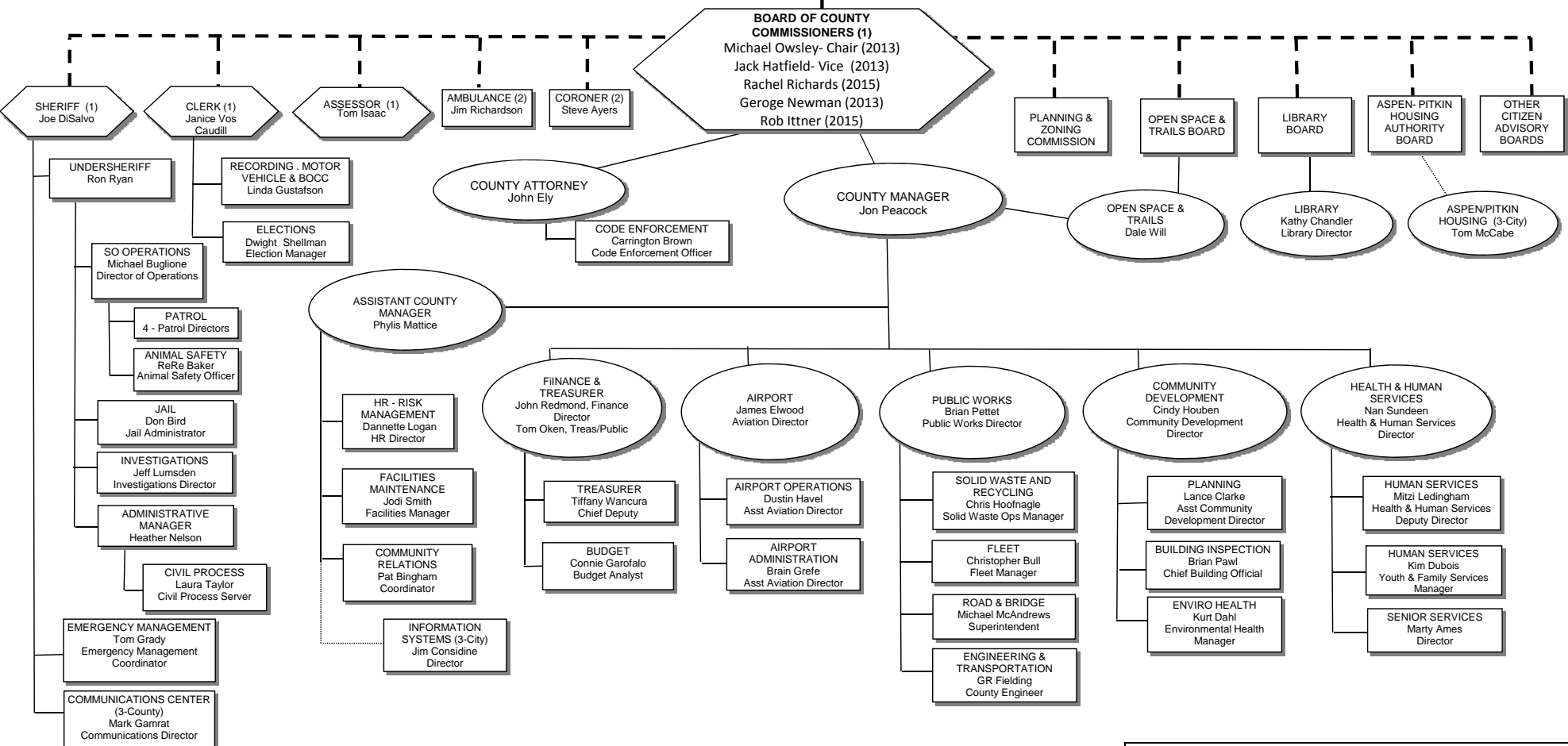
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2011
Annual Financial Report

INTRODUCTORY SECTION

CITIZENS OF PITKIN COUNTY, CO



Key

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

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



FINANCE

LETTER OF TRANSMITTAL

June 29, 2012

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, 2011.

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.

Management of the County has established a comprehensive internal control framework that has enabled the county to compile sufficient reliable information for the preparation of the financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The cost of any entities' internal controls should not outweigh the benefits and accordingly, the County's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatements.

Management believes that the financial statements are fairly presented in all material aspects. They are presented in a manner designed to set forth the financial position, results of operations and changes in net assets or fund balances, of the major funds and non-major funds in the aggregate. All required disclosures have been included to assist the members of the Board, the financial community, and the public in understanding the County's financial affairs.

This report includes all activities for which the Board of County Commissioners is accountable, financially or by State Statute, to the citizens of Pitkin County. 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

530 E. Main Street, Suite 201
Aspen, Colorado 81611
Phone (970) 920-5220
Fax (970) 920-5230
<http://www.aspenpitkin.com/>

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 fiduciary component entities is the Pitkin County Public Employees Retirement Plan which is reported as a pension trust fund. 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 positions and changes in financial positions from those of the primary government.

INDEPENDENT AUDIT

Colorado law requires the County's financial statements be audited by independent certified public accountants licensed to practice in the State of Colorado. Eide Bailly LLP, 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, 2011 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 81% is publicly owned and is controlled by the U.S. Forest Service and the Bureau of Land Management. Estimated population of the County is 17,148. Recreation, 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, housing operations 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 \$50,000 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 a supplemental to 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 \$4 million (including the statutory reserve) to provide a working capital reserve.

Economic Conditions. 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 economic drivers for the County. 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 months of December through April accounts for 50.3% of the annual total while the months of May through November account for 49.7% of the annual total. The County estimates that spending by area residents and second homeowners accounts for approximately 43% of total sales tax collections. (This estimate is derived by annualizing sales tax collection figures for May. May 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 taxable retail sales, and real estate sales value estimated from the County Clerk's document fee collections.

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

	Building Permit Value		2% Sales Tax		Taxable Retail Sales		Real Estate Sales	
	Millions	% increase (Decrease)	Millions	% increase (Decrease)	Millions	% increase (Decrease)	Millions	% increase (Decrease)
2007	\$ 227.2	-5.7%	\$ 15,938,168	4.8%	\$ 796,908,400	4.8%	\$ 2,549.6	-5.2%
2008	283.2	24.6%	16,088,635	0.9%	804,431,750	0.9%	\$ 1,365.5	-46.4%
2009	95.3	-66.3%	13,313,300	-17.3%	665,665,000	-17.3%	\$ 1,071.8	-21.5%
2010	108.1	13.4%	14,148,776	6.3%	707,438,800	6.3%	\$ 1,263.0	17.8%
2011	103.3	-4.4%	15,215,285	7.5%	760,764,250	7.5%	\$ 1,268.6	0.4%

After the construction industry in the County slowed slightly in 2007, total building permit valuations increased nearly 25% in 2008. This was due in large part to the construction of the Snowmass Base Village, a significant multi-year development at the base of the Snowmass Ski Area. Due to current economic conditions, construction on this project was halted in 2009. Building permit valuations decreased by 66% through the end of 2009 compared to 2008, and increased by 13% in 2010 over 2009. Building permit valuations in 2011 were slightly down from 2010 levels. Looking forward, management is taking a 3% increase annually for the next three years.

After decreasing in 2001 and 2002, taxable retail sales rebounded over the next five years with an annual average increase of 6.3%. 2008's increase of 0.9% reflected a strong growth in the first four months of the year with declining revenues from October through December. Sales tax revenue continued to decrease throughout 2009, with taxable retail sales down 17.3% compared to 2008. Sales tax revenue in 2010 increased by 6.3% compared to 2009, half of the increase coming from an elimination of vendor rebates. Sales tax continued to increase in 2011 by 7.5%. Looking forward, management is taking a conservative 2.5% increase annually for the next five years.

Real estate sales declined by 46.4% in 2008 after more than doubling in the three years from 2003 to 2006. The doubling resulted from significant appreciation in real estate values as well as an increase in the volume of sales. The slowdown continued in 2009 with a total decrease of 21.5% compared to 2008. Significant reductions in prices have occurred in the latter half of 2009 through 2011. Overall, real estate sales for the first six months of 2012 are ahead of 2011 with continued optimistic expectations in the years ahead.

The downturn in the economy, which began in 2008, made 2009 an extremely challenging year. The BOCC directed staff to make reductions in spending. The BOCC, in the approval of the 2009 budget, chose to spend unrestricted fund balance to cover projected deficit in an effort to avoid additional reductions in services and staffing. We have seen a slight increase in revenues in 2011. That, coupled with extreme caution in replacing vacant positions, will assist in our achieving a balanced budget over the next five years.

One of our most impactful financial initiatives in the last three years to expand the level of knowledge of the budget to a greater number of people, increase budget accountability, improve the detail and timeliness of data, and to make quarterly budget updates to the BOCC that included projections to the end of the year. We have seen the benefits of our efforts in increased efficiencies, higher productivity, and an overall greater level of engagement with respect to the budget. These are positively affecting our planning process for the 2012 budget and five year plan through greater savings and the addition of new revenues.

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 2011 that support the plan's strategic statements (listed in bold italics)

❖ *Vibrant and Supportive Community*

- **Healthy Community Fund** - The Citizen Grant Review Committee reviewed 77 applications and recommended 2011 grant funding for 61 programs (nonprofits, county senior services and contract management) in the amount of \$1,561,021, broken down as follows:
 - 31 Health & Human Service agency proposals in the amount of \$1,353,721, and
 - 30 Community Non-Profit proposals in the amount of \$207,300.In addition, a November approved 2011 ballot initiative extended the tax expanded the annual revenue by \$464,000.
- **Board Meeting Access** – Streaming of Board meetings was initiated through Granicus software. All meetings are now archived for citizens and staff to view on demand. All television programming produced for CGTV is now archived for online viewing on the County website via Granicus.
- **Workforce Housing Plan** – Affordable housing options for the community's workforce continues to be limited, especially for home ownership. The BOCC has committed 50% of their housing fee funds for the development of housing of Pitkin County employees and 50% for community employees eligible for affordable housing. \$2,000,000 was allocated to the 2012 budget for the acquisition of housing for community and County employees. The County's Employee Housing Ownership Program was funded with \$300,000 3 years ago and has provided 7 County employees with interest-free loans from \$15,500 to \$20,000 for their primary residence. Over \$175,000 remains available for additional home loans.

- **Volunteer Citizen Boards** – Staff conducted an audit of the County’s Volunteer Citizen Boards to ensure all Boards were in compliance with the enabling legislation and the Home Rule Charter. Improvements in the recruitment, interview and selection process were made, as well as ensuring that all Boards had official bylaws adopted by the Board of County Commissioners.
- **Library Expansion Planning** - Planning for the expansion of the Library continues. A total of 7,200 square feet of space may be added which will include additional public meeting space, conference rooms, a quiet reading room, an expanded young adult space, outside reading space, and a larger children’s room. The November of 2012 ballot will ask for voter approval to fund these improvements.
- **Emergency Assistance Fund** - The Emergency Assistance Fund was established in January of 2009 with monies from the Healthy Community Fund and the El Pomar Foundation. This fund assists people who have no other resources for financial support for rent/mortgage, food, temporary shelter, medical/dental care, or transportation. Funding for this was doubled in 2010 and continues through 2011.

❖ ***Flourishing Natural and Built Environment***

- **Aspen Area Community Plan** - The City of Aspen and Pitkin County have adopted the 2012 AACP (Aspen Area Community Plan). Both the City and the County have begun implementation of the plan. The County is currently working on adoption of the West of Maroon Creek Plan which was a high priority action item of the AACP. The West of Maroon Creek Plan is a physical land use plan vs. the aspirational guidance of the AACP.
- **Open Space and Trails** – Over 18,000 acres have been placed under ownership or conservation easement. In 2011, a resource and historical study was done on the Sky Mountain Park (formally known as Droste) property, an extremely critical 844 acre site. This study inventoried animal migration and ecological issues, and historical data that become the basis for the Sky Mountain Park management plan. Work continues on a number of Open Space Master Plans and open space purchases.
- **Airport Master Plan Update** – The master plan public input process continued in 2011. The objective is to prepare a 20-year development plan that is technically correct, environmentally sound, financially viable, and implementable. Plan approval is anticipated in 2012.
- **Runway Extension Project** – The project was completed in November of 2011 at an estimated cost of \$13.0 million dollars. The project extends the runway by 1,000 feet, improves capacity of existing airlines but does not allow larger aircraft access than was previously allowed.
- **Airport Security** – Annually, the Airport is subject to a comprehensive inspection conducted by the Transportation Security Administration, (TSA) to ensure the Airport is in compliance with all TSA applicable and mandated security measures. After the most recent audit conducted in December of 2011, the Airport has continued to maintain its excellent track record with compliance and security integrity.

- **Rio Grande Trail Improvement** – The Open Space and Trails (OST) Fund continues to make improvements to the Rio Grande Trail to facilitate commuting via trail. These improvements will improve the trail from Upper River Road to McClain Flats Road. Phase one started in 2010 and finished in 2011. Phase two will be completed in 2013 with partial funding coming from a CMAQ grant.
- **FM Radio and Television Translator** – At no additional cost to the taxpayer, other wireless communication services such as cellular phone, broadband internet, and other new technologies were approved by the voters in November of 2011 and added to the scope of the current translator property tax.
- **Technology** – Pitkin County was recognized as a top 10 Digital County in the Center for Digital Government’s 2011 Digital Counties Survey. Pitkin County received a 5th place ranking for Counties with less than 150,000 populations. The County’s data center and server migration have been completed which allow greater consolidation, redundancy, security, and energy efficiency.
- **Capital Planning** – The facilities condition audit and the energy saving audit were completed along with a comprehensive 10-year capital plan for future planning and budgeting. The focus was for life safety, structural, energy savings, and compliance issues. The comprehensive 10-year capital plan was approved by the Board in the fall of 2011.

❖ *Prosperous Economy*

- **Budget** - A balanced 2011 budget and 5-year plan were adopted despite declining revenue forecasts for investment income and rising expenditures for fuel. A budget review team was created that included all Leadership team members and several managers from a wide number of departments to provide a diverse review of budgets. Staff provided the Board with quarterly budget status reports throughout the year.
- **Strategic Plan** – The County adopted a revised Strategic Plan that includes mission, vision and values statements, that identify success factors and potential actions to achieve the County’s mission and vision.
- **Advanced budgeting** – Installation of software that allows advanced budgeting to be done through the County’s EDEN financial software was completed in 2011. The software allows greater use of scenarios in the budget creation process and accelerates the process of doing year-end revenue and expense projections.

AWARDS AND ACKNOWLEDGEMENTS

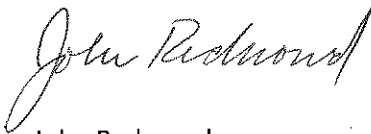
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pitkin County, Colorado, for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2010. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

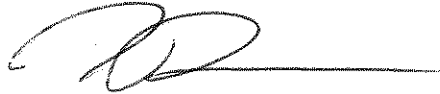
A Certificate of Achievement is valid for a period of one year only. Pitkin County, Colorado has received a Certificate of Achievement for the last twenty-nine consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting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

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

Respectfully submitted,



John Redmond
Finance Director



Jon Peacock
County Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Pitkin County
Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

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.



Linda C. Danison

President

Jeffrey R. Egan

Executive Director

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2011
Annual Financial Report

FINANCIAL SECTION

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CPAs & BUSINESS ADVISORS

INDEPENDENT AUDITORS' REPORT

The 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, as of and for the year ended December 31, 2011 which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Pitkin 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, 2011, 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.

As described in Note 1-E-10 to the financial statements, the County adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in 2011.

As discussed in Note 4-D to the financial statements, the County restated its 2011 beginning fund balance of the General Fund and beginning net assets of its Governmental Activities, as well as the certain accounts of its Agency Fund to account for certain residual revenues that should have been transferred from the Agency Fund to the General Fund in prior years.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2012 on our consideration of Pitkin County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 17 and budgetary comparison information pages 68 through 72 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Pitkin County's financial statements as a whole. The introductory section, combining and individual non-major fund financial statements and budgetary schedules, combined schedule of cash and investments, combined schedule of governmental revenues by source, Local Highway Finance Report and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements and budgetary schedules, combined schedule of cash and investments, combined schedule of governmental revenues by source and Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Eide Bailly LLP

Golden, CO
June 29, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Pitkin County, Colorado (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Pitkin County, Colorado for the fiscal year ended December 31, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages vii – xiv of this report.

FINANCIAL HIGHLIGHTS

- The County's total net assets exceeded its liabilities by \$290,688,068 (net assets) at the end of 2011, reflecting an increase of \$24,680,524 (9.4%) in net assets during 2011. Governmental funds increase was \$16.7 million (9.2%) and business-type assets increase was \$8.0 million (9.5%).
- The net fixed assets in the proprietary funds increased \$9.8 million as a result of a 1,000 foot runway extension at the airport.
- The County was accounting for mortgage revenue notes payable and notes receivable issued in the early 1980's as an agency fund. Individual owners had notes receivable to the County and the County had a note payable with the bank. The notes receivable carried a higher interest rate than the note payable. The notes were paid off in 2008, however the transfer to the general fund did not occur until 2011. As a result, the beginning fund balance in the general fund was restated reflecting an increase of \$1.58 million and the balance in agency funds was reduced by the same amount.
- During 2011, the governmental funds reported combined ending fund balances of \$52.8 million, an increase of \$17.2 million. The 2010 ending fund balance in the Open Space and Trails was a deficit of \$10.9 million due to the acquisition of the Sky Mountain Park (Droste) parcel. There were no significant acquisitions in 2011 and this deficit was eliminated. The fund balance in the general fund increased \$4.3 million of which \$2.4 million was subsequently appropriated in 2012 for projects not been completed in 2011. The balance of this increase was caused by favorable collections of sales tax, treasurers and clerks fees (\$1.6 million) and conservative spending.
- During 2011, the County implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" resulting in a change in terminology for fund balance classification. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.
- 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 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, housing, culture and recreation, and health and welfare. Business-type activities include the airport and the solid waste center (landfill and recycling).

The government-wide financial statements include not only the County' (known as the *primary government*), but also a legally separate library district and the E-911 Emergency telephone services fund for which the County is financially accountable. Financial information for these *component units* are reported separately from the financial information presented for the primary government itself.

The government-wide financial statements are presented on pages 20 through 23 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. 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 fund 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.

Pitkin County maintains fourteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund, Open Space and Trails fund and the Transportation Sales and Use Tax fund are considered major funds. In addition, the activity of the Road and Bridge fund is also reported there because maintenance expenditures vary from year to year. Data from the other twelve governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in the report. One nonmajor fund was eliminated with the implementation of GASB 54 and the activity of that fund is being reported in the general fund.

The basic governmental fund financial statements are presented on pages 24 through 27 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 propriety 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 28 through 31 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.

The basic fiduciary fund financial statements can be found on pages 32-33 of the reports.

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 38 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 68, 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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The County's assets exceeded liabilities by \$290,688,068 at the end of 2011. The amount of total net assets is one measure of the health of the County's finances. The County reports positive balances in its governmental activities, however, this measure must be used with care as the County has investments in infrastructure such as roads and bridges in addition to land for open space and trails. These assets benefit the citizens and business that utilize them. Thus, the County reports them on its government-wide financial statements at their historical cost less accumulated depreciation, as a business would report its capital assets.

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

	Summary of Net Assets					
	Governmental Activities		Business-type Activities		Total	
	2011	2010 Restated	2011	2010	2011	2010 restated
Assets:						
Current amd other assets	\$ 79,792,538	\$ 63,198,132	\$ 16,320,376	\$ 17,384,208	\$ 96,112,914	\$ 80,582,340
Net capital assets	171,875,937	173,611,838	82,590,965	72,781,963	254,466,902	246,393,801
Total assets	251,668,475	236,809,970	98,911,341	90,166,171	350,579,816	326,976,141
Liabilities						
Long-term liabilities						
outstanding	28,350,034	26,160,840	2,466,979	4,050,067	30,817,013	30,210,907
Other Liabilities	25,256,542	30,392,705	3,818,193	1,523,705	29,074,735	31,916,410
Total Liabilities	53,606,576	56,553,545	6,285,172	5,573,772	59,891,748	62,127,317
Net assets:						
Invested in capital assets, net of debt	155,315,076	155,994,598	81,660,076	71,535,132	236,975,152	227,529,730
Nonspendable	-	-	189,991	328,500	189,991	328,500
Restricted	27,816,355	26,229,390	9,738,075	11,271,356	37,554,430	37,500,746
Unrestricted	14,930,468	(808,843)	1,038,027	1,457,411	15,968,495	648,568
Total net assets	\$ 198,061,899	\$ 181,415,145	\$ 92,626,169	\$ 84,592,399	\$ 290,688,068	\$ 266,007,544

Governmental accounting principles require that the amount of net assets represented by the county's equity in capital assets be presented separately as Invested in Capital Assets, Net of related Debt, in order to show that they are not financial assets available for appropriation. Approximately 78% of the governmental activities' net assets and 88% of the business-type activities net assets are invested in capital net of related debt. A dedicated property tax, Colorado Great Outdoors grants and community partnerships have provided significant funding for the open space and trails program since 1991. The net values of the assets (land and trails) are over \$135 million. The extension of the airport runway (a \$13 million project) explains the large increase to the business-type assets. Although the County investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liability.

Of the County's total equity of \$290.7 million, \$237.0 million is invested in capital assets, net of debt; \$190,000 represents inventory at the landfill; \$37.6 million is restricted by parties external to the County; and \$16.0 million is unrestricted. The largest restricted balances for the governmental funds come from impact fees for affordable housing (\$10.2 million) and sales and use taxes dedicated for transportation needs of the community (\$11.4 million). The airport fund has the \$9.7 million of restricted net assets based on assurances with accepting FAA funds for its capital projects.

Unrestricted net assets of \$16 million represent the portion available to maintain the County's general obligations to citizens and creditors of which \$1 million is held by business-type activities and \$14.9 million is held in governmental activities. The increase in unrestricted net assets in the governmental entities was primarily due to a deficit balance in the Open Space and Trails fund in 2010 caused by the purchase of the Sky Mountain Park (Droste) property late in the year. The General Fund provided funding to the Open Space and Trails fund from its unrestricted fund balances with the understanding that dedicated Open Space property taxes would be sufficient to repay the General Fund in 2011. The Open Space and Trails fund has a favorable fund balance of \$828,000 at year-end.

Changes in Net Assets

Governmental and business-type activities increased the County's net assets by \$24.7 million in 2011. The following table derived from the current and prior years' *Statement of Activities* indicates the changes in net assets for governmental and business-type activities:

Summary of Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010 restated	2011	2010	2011	2010 restated
Revenues:						
Program:						
Charges for services	\$ 8,107,834	\$ 8,852,833	\$ 11,373,636	\$ 11,149,325	\$ 19,481,470	\$ 20,002,158
Operating grants	4,230,137	3,294,485	719,858	388,868	4,949,995	3,683,353
Capital grants	4,098,393	4,306,982	11,800,224	3,468,958	15,898,617	7,775,940
General:						
Taxes	41,071,874	39,619,339	-	-	41,071,874	39,619,339
Investment earnings	444,870	607,991	129,692	176,697	574,562	784,688
Gain on Sale of Fixed assets	790,367	-	66,270	-	856,637	-
Total revenues	<u>58,743,475</u>	<u>56,681,630</u>	<u>24,089,680</u>	<u>15,183,848</u>	<u>82,833,155</u>	<u>71,865,478</u>
Program Expenses:						
General government	8,051,591	9,023,399	-	-	8,051,591	9,023,399
Public safety	8,315,629	7,677,119	-	-	8,315,629	7,677,119
Public works	15,695,207	17,821,483	-	-	15,695,207	17,821,483
Health and welfare	4,437,922	4,209,970	-	-	4,437,922	4,209,970
Culture and recreation	4,408,254	6,358,219	-	-	4,408,254	6,358,219
Conservation	9,998	8,857	-	-	9,998	8,857
Housing and development	190,523	407,926	-	-	190,523	407,926
Interest and other debt items	1,257,597	1,229,392	-	-	1,257,597	1,229,392
Airport	-	-	11,445,626	11,654,845	11,445,626	11,654,845
Solid waste	-	-	4,340,284	4,231,364	4,340,284	4,231,364
Total expenses	<u>42,366,721</u>	<u>46,736,365</u>	<u>15,785,910</u>	<u>15,886,209</u>	<u>58,152,631</u>	<u>62,622,574</u>
Excess (deficiency)	16,376,754	9,945,265	8,303,770	(702,361)	24,680,524	9,242,904
Transfers	270,000	1,428,720	(270,000)	(270,000)	-	1,158,720
Change in net assets	16,646,754	11,373,985	8,033,770	(972,361)	24,680,524	10,401,624
Beginning net assets (restated)	181,415,145	170,041,160	84,592,399	85,564,760	266,007,544	255,605,920
Ending net assets	<u>\$ 198,061,899</u>	<u>\$ 181,415,145</u>	<u>\$ 92,626,169</u>	<u>\$ 84,592,399</u>	<u>\$ 290,688,068</u>	<u>\$ 266,007,544</u>

Governmental Activities: Governmental activities increased Pitkin County's net assets by \$16.7 million. Taxes, including property, sales and other taxes, totaled 70.0% of all governmental activities' revenues. Public works was 37.0% of the expenses followed by public safety (19.6%) and general government (19.0%).

The 2010 net assets were increased by \$1.158 million caused from the repayment of 1980 Affordable Housing notes payable and receivable. The County Housing Authority held notes payable to secure notes receivable of owners of an affordable housing project. The notes payable held a lower interest rate on the notes payable. The notes were repaid in 2008, however legal advice was required prior to determining the correct accounting for this balance. It was determined that these funds are unrestricted County funds.

Key changes between the years are as follows:

- General sales taxes increased \$1.3 million (7.5%) due to favorable snow conditions and increased winter tourism. The seasonality of sales tax dollars in 2010 was substantially lower in the winter months.
- Intergovernmental revenues increased \$2.2 million. The General Fund received a grant for restoration of the historic coke ovens in Redstone, the Great Outdoors Colorado (GOCO) contributed toward the funding of the Sky Mountain Park acquisition and there was an increase in public assistance reimbursements.
- Increased foreclosure activity resulted in higher Treasurer's fees and clerk's recording fees.
- Interest income continued to decline due to significantly lower interest rates.
- The County sold an easement for \$950,000 to private landowners.
- Expenditures totaled \$43.3 million, a decrease of \$3.5 million. The County continued to have a conservative approach to spending as evidenced by the reduced investment in capital expenditure, continued freeze on wage increases, cutbacks in furniture and training budgets, and the elimination of on community development employee.

Business-Type Activities

Net assets increased by \$8,303,770 for business-type activities. The airport extended the runway 1,000 feet at a cost of \$13.0 million. The Federal Aviation Administration (FAA) contributed \$9.2 million to the project.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

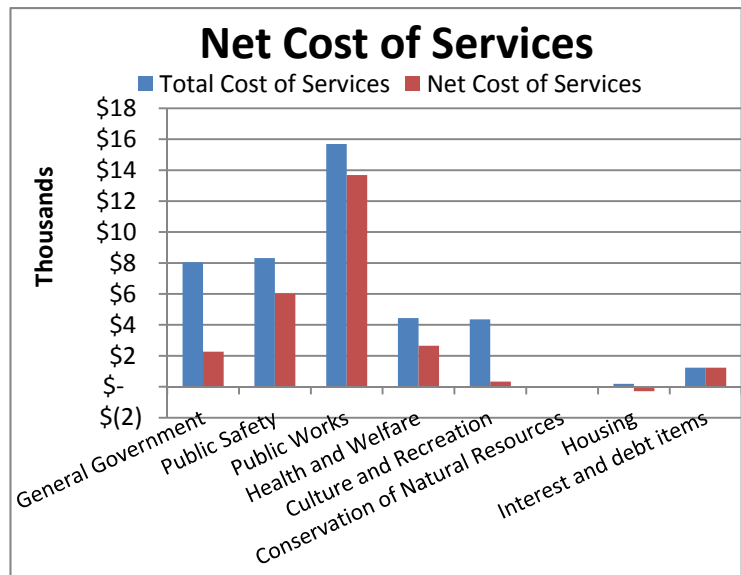
Governmental Revenues

Program revenues provided 28% to support of governmental operations. This means that the County's taxpayers and other general governmental revenues fund 72% of the governmental activities. Property taxes and sales and use taxes provide general support for the County's operations with property tax providing 37% and sales and use tax providing 34%. Sales tax revenues increased again in 2011 after the 2009 decline, showing a 7.9% increase. Forty-one percent (\$23.7 million) of general revenues are dedicated to support regional transportation and the open space and trails program, leaving approximately one third (\$17.4 million) of the total tax revenues to support core services (including roads, buildings, law enforcement, public assistance, and community development) for its citizens. Investment income provided another \$421,841 to support governmental activities. Interest rates continue to decline resulting in a decline of \$186,150 from this revenue source. Sales tax has declined \$209,000 and interest income has declined \$1.7 million from high revenues seen in 2008.

Governmental Functional Expenses

The public works, general government and public safety functions make up approximately 75.9% of the total governmental activities expenses. Public works totals 37.0% of total governmental expenses of which 28.4% was spent the county road and bridge fund (including depreciation of approximately \$1.3 million), 68.2% going to transportation needs of the County and 2.8% to TV/FM translators. The general government function, including the County’s administrative and community development costs as well as numerous service agencies, totaled 19.0% of the total governmental expenses. Public safety accounted for approximately 19.6% of the total costs.

This chart displays the net cost of each of the County’s programs, (i.e., total cost less revenues generated by the activities). Net cost of services illustrates 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 19.1% to 8.8% of total net expenses. Net costs of the public works function were \$13.6 million. The balance supports TV and FM translator services for the community. Overall 52.9% of general tax support is for public works activities but the County retains less than half to support roads and bridges. This is because a major portion of a countywide sales and use taxes (\$10.7 million of the total \$18.5 million) is collected and are passed through to other public entities to support public transportation services throughout the valley. The amount of governmental funding for road activities has been reduced in recent years; however, the County is planning to increase its investment in road improvements over the next several years. Public safety is the next largest function that required taxpayer support. This includes law enforcement, dispatch and jail services. The third largest component of public expenditures is for health and human services. This function represents the taxpayer support for contributions to non-profits from the property tax supporting the Healthy Community Fund, support for senior service and public assistance programs and cost associated with maintaining the Michael Schultz Health and Human Services building. Lastly, there is a dedicated property tax supporting the Open Space and Trails program reported in the culture and recreation category. In 2010 the County received land donation of approximately \$2 million. This donation reduced the net operating expenditures in 2010.



Business-Type Activities

The airport is the County’s primary enterprise fund. Both operating revenues and expenses for this fund remained constant from 2010 to 2011 with 2011 showing an operating loss of approximately \$4.2 million annually. This loss results from the depreciation on capital items which the FAA contributes 95% of the project, however the full cost of the depreciation is reflected in the operating statement. The FAA contributes 95% of most capital projects but nothing to the depreciation of those projects. After adding capital contributions, the airport had an unfavorable change in net assets of \$8.4 million. During 2011, the airport completed a 1,000 foot extension to the runway, to 7,006 feet. This \$13 million project will allow aircraft to take off with more

passengers and fuel and fly to more distant destinations. Commercial aircraft have historically operated at less than full capacity when taking off from Aspen, especially in the summer when high temperatures limit aircraft performance at the airport's high elevation. The airport also began the process of preparing a 20-year Master Plan study to examine future uses of the entire airport property, with specific concentration on the airport terminal area.

The Solid Waste Center fund showed net operating loss of \$127,371. This is about one-half the loss that occurred in 2010 as the construction industry showed a slight improvement from 2010 levels. A new truck scale was installed in 2011. This project also included remodeling of the scale house so that customers pull up to a drive-through window where fees are assessed. This project has improved wait time and safety for its customers. Additionally, it was determined that the amount of aggregate material on hand was sufficient to require booking an inventory. The landfill expects to gradually transition to all weight-based fee structures in the near future. The landfill had aggregate materials valued at \$189,991 on hand at December 31, 2011, which is estimated to generate \$434,700 of revenue when sold. The cost of producing aggregate material is recognized when sold.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Governmental Funds

Pitkin County uses fund accounting to ensure 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 available resources for future spending. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements.

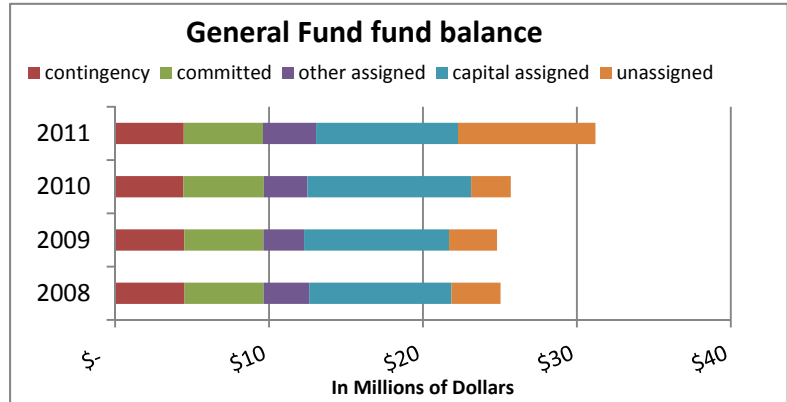
The General, Transportation Sales and Use Tax, and Open Space and Trails funds are the County's four major governmental funds. The activity for the Road and Bridge fund does not always meet the criteria to be included as a major fund, however the County considers this to be an essential service and has opted to present it as a major fund.

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 impacts of the national recession have influenced a number of revenue sources. The County's share of the 2% sales tax revenues were up from 2010 and slightly ahead of budget but were still \$376,000 below the 2008 collections. Public Trustee fees increased approximately \$100,000 over 2010 due to increased foreclosure activity and planning and building fees are up approximately \$100,000 from last year. Furthermore, interest income continues to deteriorate with falling interest rates. Interest income has declined almost \$1.6 million since 2008.

The fund balance of the General Fund increased by \$4.3 to \$31.2 million. This balance includes \$1.1 million that is restricted by parties outside the County government, \$5.1 that is formally committed by the government itself, assigned fund balances of \$16.0 million and unassigned fund balance of \$8.9 million. Note that the classification of fund balances changed due to the implementation of GASB 54. The assigned fund balance of \$16.0 million includes \$6.8 million to fund capital future projects, \$2.4 million designated to complete projects begun in 2011, \$778,000 to fund anticipated claims payable, \$2.1 million for our self-insured health plan, \$3.4 to fund working capital needs and \$350,000 for budgeted savings in the 2012 budget. The remaining assigned fund balance is designated for other uses as detailed in Note 3-L.



Road and Bridge Fund

The road and bridge fund accounts for monies generated by property taxes, state highway users funds, local road impact fees, and other sources dedicated for road repair, maintenance and capital improvements. In addition, the general fund allocated general sales taxes of \$874,000 to the road and bridge fund to support operations, repair and construction activities. In November 2008, the Commissioners sought voter approval from the taxpayers to support additional funding for road improvements. This request was narrowly defeated and resulted in a reduction of support for road improvement activities to \$400,000 annually. No capital projects were completed on the roads in 2011, however the County will be completing several projects in 2012, including overlay of Brush Creek Road and surfacing of Capital Creek.

Transportation Sales and Use Tax Fund

The transportation sales and use tax fund collects taxes that support the Roaring Fork Transportation Authority (RFTA) and other transit needs of the valley. A 1% County-wide transportation sales tax is distributed to RFTA, the City of Aspen and the Town of Snowmass Village for mass transit services. A 0.5% transportation sales and use tax is also maintained in this fund. 81% of the 0.5% sales tax is distributed to RFTA. The remaining 0.5% revenues are used to underwrite free bus service between Aspen, Snowmass Village, and Woody Creek and are being saved for a future Entrance-to-Aspen project and a Snowmass Village transit center. Since all of the 1% tax proceeds are distributed, the ending fund balance of \$10.2 million is entirely from the proceeds of the .5% sales and use tax. The fund balance is being held for a Snowmass Transit Center and the remainder is for the transit element of the Entrance to Aspen project. The sales tax revenues supporting these programs have increased in 2010 and 2011, however sales tax revenues are still below the highest level reached in 2008.

Open Space and Trails Fund

The fund balance of the Open Space and Trails fund is dedicated 75% to open space acquisition, 14% to trails improvements and 11% to property maintenance. The fund balance of this fund fluctuates depending on the capital acquisitions made in any year. At year-end of 2010 the fund had a deficit fund balance of \$10.8 million which was due to the \$17 million acquisition of the Sky Mountain Park (formally known as the Droste property)

that closed late December 2010. Property taxes collected in 2011 were along with contributions from other local municipalities and the Great Outdoors Colorado program totaling \$4.5 million were sufficient to eliminate the deficit fund balance. At December 21, 2011 the fund had a favorable fund balance of \$828,484.

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 discussed under the Business-Type Activities heading.

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). During 2011, the retirement board added a very conservative fund for those employees that may be retiring soon or are uneasy about the volatile market conditions, whereby providing employees five model-portfolio and twenty-six 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. Great West Retirement services provides participant record keeper services and Wells Fargo Bank acts as trustee for investments of the County’s retirement plan. 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.

Asset Allocation	Very Conservative Growth	Conservative Growth	Moderate Growth	Growth	Aggressive Growth
Core Bond Fund	88%	64%	42%	27%	9%
Large Cap Stock Funds	6%	15%	24%	30%	37%
Mid Cap Stock funds	2%	4%	6%	8%	10%
Small cap Stock Funds	1%	2%	4%	4%	5%
Foreign Sock Funds	3%	10%	16%	20%	24%
Real Estate Fund	0%	2%	3%	4%	5%
Commodity Fund	0%	3%	5%	7%	10%
2011 annual investment return	3.1%	1.0%	-1.2%	-2.8%	-4.8%

GENERAL FUND BUDGETARY HIGHLIGHTS

In December 2010, the Board of County Commissioners appropriated \$17.9 million for 2011 general fund expenditures. The general fund budget was amended by \$4.1 million to \$22.1 million during the year. The final budget anticipated a decrease of \$1.2 million to the general fund balance.

2011 General Fund Budget

	Original Budget	Amendments	Final Budget	Actual	Favorable (negative) variance
Revenue and other financing sources	\$ 18,864,139	\$ 2,089,556	\$ 20,953,695	\$ 22,948,788	\$ 1,995,093
Expenditures and other financing uses	17,944,230	4,180,240	22,124,470	18,607,684	3,516,786
	<u>\$ 919,909</u>	<u>\$ (2,090,684)</u>	<u>\$ (1,170,775)</u>	<u>\$ 4,341,104</u>	<u>\$ 5,511,879</u>

Midyear budget amendments included:

- Budget appropriations lapse at year-end, so it is necessary to appropriate budgets for projects not completed in 2010. The net value of these projects totaled \$2.7 million explaining a major portion of the increase to the 2011 budget. Fund balance in prior periods provided financing for these projects. A budget of \$900,000 was carried forward for the technology pool. This funding is earmarked to promote improvements to software, computer replacements and other technology improvements needed to improve and maintain workflow and communication systems necessary to provide efficient services. Significant other projects included: various planning studies (\$90,000); senior service programs (\$155,000); elections and clerk equipment (\$166,000); funding for an employee housing assistance program (\$206,000); funding for litigation and water rights contingencies (\$165,000); various law enforcement and emergency management programs (\$196,000); restabilization of the Coke Redstone Ovens (\$840,000 less a \$680,000 grant); and boiler replacements for the Jail and Courthouse (\$378,000). The balance represents projects under \$50,000 for various projects in multiple departments of the general fund.
- The County continued to budget conservatively during 2011 even though the economic outlook showed some signs of recovery. In addition to the carryforward budgets described above, additional expenditures were appropriated for the addition of a dedicated radio channel for the fire departments in the area and improvements wiring in the jail security system. We also received a grants for wildfire planning and courtroom security improvements. Lastly, the County received \$950,000 for an easement near the Molly Gibson mine.

The final budget assumed an decrease in fund balance of \$1.2 million. Actual revenues exceeded expenditures in the general fund by \$4.3 million reflecting a favorable budget to actual variance of \$5.5 million. The 2012 budget was adjusted by \$2.4 million to fund many projects begun, but not completed in 2011. Again sales tax exceeded budget due to improved economic conditions, turnover and unfilled positions and deferred capital projects explains the budget to actual variance.

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, 2011, was \$155,315,076 and \$81,664,910 respectively. The net investment decreased by 1.4% for governmental activities and increased 13.5% for business-type activities. The overall increase was 3.0% for the County as a whole. See Note 3-F 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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Non-depreciable assets:						
Land	\$ 86,388,964	\$ 86,388,964	\$ 7,923,279	\$ 7,923,279	\$ 94,312,243	\$ 94,312,243
Intangibles	46,050,021	46,050,021	2,955,956	2,955,956	49,005,977	49,005,977
Construction in progress	627,942	1,649,975	18,914,786	5,334,245	19,542,728	6,984,220
Total non-depreciable	<u>133,066,927</u>	<u>134,088,960</u>	<u>29,794,021</u>	<u>16,213,480</u>	<u>162,860,948</u>	<u>150,302,440</u>
Depreciable assets:						
Buildings	24,748,751	24,193,972	19,131,838	19,131,838	43,880,589	43,325,810
Improvements other than buildings	2,087,286	1,409,931	53,772,934	53,748,620	55,860,220	55,158,551
Machinery and equipment	13,416,760	13,661,615	9,579,876	9,745,666	22,996,636	23,407,281
Infrastructure	45,952,699	44,852,747	-	-	45,952,699	44,852,747
Total depreciable assets	<u>86,205,496</u>	<u>84,118,265</u>	<u>82,484,648</u>	<u>82,626,124</u>	<u>168,690,144</u>	<u>166,744,389</u>
Less accumulated depreciation	<u>47,396,486</u>	<u>44,595,387</u>	<u>29,687,704</u>	<u>26,057,641</u>	<u>77,084,190</u>	<u>70,653,028</u>
Book value - depreciable assets	<u>38,809,010</u>	<u>39,522,878</u>	<u>52,796,944</u>	<u>56,568,483</u>	<u>91,605,954</u>	<u>96,091,361</u>
Percentage depreciated	<u>45%</u>	<u>47%</u>	<u>64%</u>	<u>68%</u>	<u>54%</u>	<u>58%</u>
Book value - all assets	<u>\$ 171,875,937</u>	<u>\$ 173,611,838</u>	<u>\$ 82,590,965</u>	<u>\$ 72,781,963</u>	<u>\$ 254,466,902</u>	<u>\$ 246,393,801</u>

At December 31, 2011 the depreciable capital assets for governmental activities were 45% depreciated compared to 47% at December 31, 2010. 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, less than half the value of the assets have been used which indicates that the County needs to continue planning its replacement of its capital assets. Land and intangible assets represent 76.8% of the total assets showing the continued investment by the open space program.

Depreciation expense exceeded the acquisitions in the general fixed assets in 2011 resulting in a decrease in the net asset value. The most significant additions to the total assets were in the public safety section. The Communications department created a separate Public Safety computer network that is used primarily by Dispatch Communications and the valley's four law enforcement agencies and the Aspen Fire Department. The Communications department created a separate radio channel for use by fire agencies valley-wide and installed a new jail security system. In addition, the jail installed a new security system. The Open Space and Trails program completed very little capital outlay because they repaid the loan for the acquisition of the Droste property. They were able to complete improvements to the historic Emma site and several trail improvements.

For the County's business type activities, the asset values were 68% depreciated at December 31, 2010 and 64% at December 31, 2011. By far the most significant project completed by the enterprise funds was the \$13 million runway extension, adding 1000 feet to the runway to allow flights to takeoff with a full passenger loads, providing for more efficient takeoffs. The airport also acquired several vehicles and invested in new furniture for the airport terminal.

Long-term Debt

At the end of the calendar year, general obligation bonds and notes of \$17,338,206 and sales tax revenue bonds totaling \$8,075,000 were outstanding. The airport has a low-interest loan from the State with an outstanding balance of \$926,055. Sales tax revenue bonds of \$8,075,000 are also outstanding as of December 31, 2011. Citing the County's strong financial position, Moody's Investor Service upgraded the County's general obligation bond rating to Aa2.

	Outstanding Borrowings						% Change
	Governmental Activities		Business-type Activities		Totals		
	2011	2010	2011	2010	2011	2010	
General obligation bonds	\$ 17,300,000	\$ 18,175,000	\$ -	\$ -	\$ 17,300,000	\$ 18,175,000	-5%
Revenue bonds and loans	8,075,000	8,360,000	926,055	1,246,831	9,001,055	9,606,831	-6%
Special assessment bonds	38,206	44,600	-	-	38,206	44,600	-14%
Landfill closure and postclosure care	-	-	3,105,516	2,989,241	3,105,516	2,989,241	4%
Claims	778,215	825,110	-	-	778,215	825,110	-6%
Compensated absences	1,290,405	1,302,040	146,680	168,469	1,437,085	1,470,509	-2%
Total	<u>\$ 27,481,826</u>	<u>\$ 28,706,750</u>	<u>\$ 4,178,251</u>	<u>\$ 4,404,541</u>	<u>\$ 31,660,077</u>	<u>\$ 33,111,291</u>	-4%

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

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) 920-5225.

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BASIC FINANCIAL STATEMENTS

Pitkin County, Colorado
Statement of Net Assets
December 31, 2011

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current Assets				
Equity in pooled cash and investments	\$ 52,360,168	\$ 11,127,434	\$ 63,487,602	\$ 1,657,039
Other cash and investments	-	-	-	5,372,229
Receivables:				
Accounts	319,393	1,240,307	1,559,700	92,092
Property taxes	19,932,956	-	19,932,956	3,349,771
Sales taxes	2,103,374	-	2,103,374	-
Intergovernmental	4,683,075	657,128	5,340,203	-
Notes	110,680	-	110,680	-
Inventory	-	189,991	189,991	-
Total Current Assets	<u>79,509,646</u>	<u>13,214,860</u>	<u>92,724,506</u>	<u>10,471,131</u>
Noncurrent Assets				
Restricted and other assets				
Equity in pooled cash and investments	55,172	3,105,516	3,160,688	-
Nondepreciable capital assets	133,066,927	29,794,021	162,860,948	194,038
Depreciable capital assets, net	38,809,010	52,796,944	91,605,954	4,097,000
Unamortized bond issuance costs	<u>227,720</u>	<u>-</u>	<u>227,720</u>	<u>-</u>
Total Noncurrent Assets	<u>172,158,829</u>	<u>85,696,481</u>	<u>257,855,310</u>	<u>4,291,038</u>
Total Assets	<u>251,668,475</u>	<u>98,911,341</u>	<u>350,579,816</u>	<u>14,762,169</u>
Liabilities				
Current Liabilities				
Accounts payable	555,047	905,209	1,460,256	49,093
Contracts payable	2,056	1,014,324	1,016,380	-
Accrued liabilities	715,968	42,477	758,445	23,190
Intergovernmental payable	4,174,348	15,414	4,189,762	246
Accrued interest payable	130,376	12,059	142,435	-
Deposits	835,509	117,438	952,947	-
Unearned revenue	20,450,585	-	20,450,585	3,349,771
Claims payable	311,286	-	311,286	-
Compensated absences payable	258,081	29,336	287,417	24,479
General obligation bonds payable	611,778	-	611,778	-
Revenue bonds payable	305,000	330,722	635,722	-
Total Current Liabilities	<u>28,350,034</u>	<u>2,466,979</u>	<u>30,817,013</u>	<u>3,446,779</u>
Long-Term Liabilities:				
Closure and postclosure care obligations	-	3,105,516	3,105,516	-
Claims payable (net of current portion)	466,929	-	466,929	-
Compensated absences payable (net of current portion)	1,032,324	117,344	1,149,668	97,914
General obligation bonds payable (net of current portion)	15,987,289	-	15,987,289	-
Revenue bonds payable (net of current portion)	<u>7,770,000</u>	<u>595,333</u>	<u>8,365,333</u>	<u>-</u>
Total Long-Term Liabilities	<u>25,256,542</u>	<u>3,818,193</u>	<u>29,074,735</u>	<u>97,914</u>
Total Liabilities	<u>53,606,576</u>	<u>6,285,172</u>	<u>59,891,748</u>	<u>3,544,693</u>
Net Assets				
Invested in capital assets, net of related debt	155,315,076	81,664,910	236,979,986	4,291,038
Restricted for:				
Open space	1,271,200	-	1,271,200	-
Transportation and roads	11,388,957	-	11,388,957	-
Affordable housing	10,156,826	-	10,156,826	-
Statutory reserve for emergencies	1,579,598	-	1,579,598	145,444
Debt service	38,238	-	38,238	-
Ambulance District	626,354	-	626,354	-
Airport	-	9,738,075	9,738,075	-
General Fund local restrictions	462,380	-	462,380	-
Human services and public welfare services	182,556	-	182,556	-
TV and FM broadcast services	1,022,704	-	1,022,704	-
Public Improvement Districts	20,532	-	20,532	-
Healthy Rivers and Streams fund	1,067,010	-	1,067,010	-
Inventory	-	189,991	189,991	-
Library capital projects	-	-	-	5,372,688
Unrestricted	<u>14,930,468</u>	<u>1,033,193</u>	<u>15,963,661</u>	<u>1,408,306</u>
Total Net Assets	<u>\$ 198,061,899</u>	<u>\$ 92,626,169</u>	<u>\$ 290,688,068</u>	<u>\$ 11,217,476</u>

See accompanying notes to the basic financial statements

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Pitkin County, Colorado
Statement of Activities
For the Year Ended December 31, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities
Primary Government					
Governmental Activities					
General government	\$ 8,051,591	\$ 4,672,729	\$ 1,109,889	\$ -	\$ (2,268,973)
Public safety	8,315,629	1,734,398	419,506	144,640	(6,017,085)
Public works	15,695,207	715,231	1,238,768	58,300	(13,682,908)
Health and welfare	4,437,922	382,618	1,400,857	-	(2,654,447)
Culture and recreation	4,408,254	120,316	9,610	3,895,453	(382,875)
Conservation of natural resources	9,998	-	51,507	-	41,509
Housing and development	190,523	482,542	-	-	292,019
Interest	1,257,597	-	-	-	(1,257,597)
Total Governmental Activities	42,366,721	8,107,834	4,230,137	4,098,393	(25,930,357)
Business-Type Activities:					
Airport	11,445,626	7,160,723	719,858	11,800,224	-
Solid Waste Center	4,340,284	4,212,913	-	-	-
Total Business-Type Activities	15,785,910	11,373,636	719,858	11,800,224	-
Total - Primary Government	\$ 58,152,631	\$ 19,481,470	\$ 4,949,995	\$ 15,898,617	(25,930,357)
Component Units					
Emergency Telephone Authority	578,153	561,543	-	-	-
Pitkin County Library District	3,478,956	12,602	60,244	-	-
Total - Component Units	\$ 4,057,109	\$ 574,145	\$ 60,244	\$ -	-
General Revenues					
Property taxes levied for:					
General government purposes					20,794,134
Debt service					461,524
Sales taxes					19,245,716
Other taxes					570,500
Gain on sale of capital assets					790,367
Investment earnings					444,870
Total General Revenues					42,307,111
Transfers					270,000
Total General Revenues and Transfers					42,577,111
Change in Net Assets					16,646,754
Net Assets Beginning of Year (restated)					181,415,145
Net Assets End of Year					\$ 198,061,899

See accompanying notes to the basic financial statements

Revenue and Changes in Net Assets		
Primary Government		
Business-Type		
Activities	Total	Component Units
\$ -	\$ (2,268,973)	\$ -
-	(6,017,085)	-
-	(13,682,908)	-
-	(2,654,447)	-
-	(382,875)	-
-	41,509	-
-	292,019	-
-	(1,257,597)	-
-	(25,930,357)	-
8,235,179	8,235,179	-
(127,371)	(127,371)	-
8,107,808	8,107,808	-
8,107,808	(17,822,549)	-
-	-	(16,610)
-	-	(3,406,110)
-	-	(3,422,720)
-	20,794,134	3,134,542
-	461,524	-
-	19,245,716	-
-	570,500	86,942
66,270	856,637	-
129,692	574,562	45,715
195,962	42,503,073	3,267,199
(270,000)	-	-
(74,038)	42,503,073	3,267,199
8,033,770	24,680,524	(155,521)
84,592,399	266,007,544	11,372,997
\$ 92,626,169	\$ 290,688,068	\$ 11,217,476

Pitkin County, Colorado
Balance Sheet
Governmental Funds
December 31, 2011

	<u>General</u>	<u>Road and Bridge</u>	<u>Transportation Sales and Use Tax</u>	<u>Open Space and Trails</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets						
Equity in pooled cash and investments	\$ 30,715,318	\$ 1,365,394	\$ 10,597,424	\$ 868,710	\$ 8,813,322	\$ 52,360,168
Receivables:						
Accounts	270,996	22	21,415	25,000	1,960	319,393
Property taxes	5,951,452	437,362	-	10,510,540	3,033,602	19,932,956
Sales and use taxes	-	-	1,994,330	-	109,044	2,103,374
Intergovernmental	3,977,982	300,195	-	200,000	204,898	4,683,075
Other	110,680	-	-	-	-	110,680
Restricted cash and investments						
Equity in pooled cash and investments	-	-	-	-	55,172	55,172
Total Assets	<u>\$ 41,026,428</u>	<u>\$ 2,102,973</u>	<u>\$ 12,613,169</u>	<u>\$ 11,604,250</u>	<u>\$ 12,217,998</u>	<u>\$ 79,564,818</u>
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 351,630	\$ 74,830	\$ 45,191	\$ 27,212	\$ 56,184	\$ 555,047
Contracts payable	-	2,056	-	-	-	2,056
Accrued liabilities	678,538	23,510	-	9,107	4,813	715,968
Intergovernmental payable	2,026,031	7,094	1,875,325	224,907	40,991	4,174,348
Funds held in trust	814,209	17,300	-	4,000	-	835,509
Deferred revenue	5,954,092	437,362	500,391	10,510,540	3,048,200	20,450,585
Total Liabilities	<u>9,824,500</u>	<u>562,152</u>	<u>2,420,907</u>	<u>10,775,766</u>	<u>3,150,188</u>	<u>26,733,513</u>
Fund Balances						
Restricted for:						
Statutory reserve	642,049	-	344,126	466,134	127,289	1,579,598
Debt service	-	-	-	-	168,614	168,614
Hazardous waste site remediation	460,718	-	-	-	-	460,718
Voter approved programs	-	-	9,848,136	362,350	2,919,988	13,130,474
Committed for:						
Programs established by BOCC resolution	5,142,747	-	-	-	5,851,919	10,994,666
Assigned for:						
For subsequent years expenditures	2,434,590	-	-	-	-	2,434,590
Various purposes	13,595,101	1,540,821	-	-	-	15,135,922
Unassigned	8,926,723	-	-	-	-	8,926,723
Total Fund Balances	<u>31,201,928</u>	<u>1,540,821</u>	<u>10,192,262</u>	<u>828,484</u>	<u>9,067,810</u>	<u>52,831,305</u>
Total Liabilities and Fund Balances	<u>\$ 41,026,428</u>	<u>\$ 2,102,973</u>	<u>\$ 12,613,169</u>	<u>\$ 11,604,250</u>	<u>\$ 12,217,998</u>	<u>\$ 79,564,818</u>

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, 2011

Total Governmental Fund Balances	\$	52,831,305
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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 annual depreciation expense.

Cost of capital assets	\$ 219,272,423	
Less accumulated depreciation	<u>(47,396,486)</u>	171,875,937

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.

966,859

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

Accrued interest	\$ (130,376)	
Sales tax revenue bonds	(8,075,000)	
General obligation bonds	(17,300,000)	
Special assessment bonds payable	(38,206)	
Claims	(778,215)	
Compensated absences	<u>(1,290,405)</u>	<u>(27,612,202)</u>

Net Assets of Governmental Activities	\$	<u>198,061,899</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, 2011

	General	Road and Bridge	Transportation Sales and Use Tax	Open Space and Trails	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 11,288,860	\$ 1,292,049	\$ 11,374,953	\$ 12,507,166	\$ 4,608,846	\$ 41,071,874
Intergovernmental	2,755,678	1,419,405	-	3,004,791	1,248,978	8,428,852
Licenses and permits	715,127	7,745	-	-	-	722,872
Charges for services	5,833,080	47,641	-	10,396	797	5,891,914
Fines and forfeitures	30,139	-	-	3,450	-	33,589
Investment earnings	250,846	14,790	91,888	-	87,346	444,870
Impact fees	-	96,863	-	-	482,542	579,405
Miscellaneous	391,206	1,200	4,009	333,555	49,762	779,732
Total Revenues	<u>21,264,936</u>	<u>2,879,693</u>	<u>11,470,850</u>	<u>15,859,358</u>	<u>6,478,271</u>	<u>57,953,108</u>
Expenditures						
Current:						
General government	7,670,106	-	-	-	-	7,670,106
Public safety	8,009,087	-	-	-	520,120	8,529,207
Public works	101,907	3,165,401	10,707,254	-	435,847	14,410,409
Health and welfare	1,756,577	-	-	-	2,445,559	4,202,136
Culture and recreation	810,484	-	-	2,983,008	873,594	4,667,086
Housing and development	190,523	-	-	-	-	190,523
Debt Service:						
Principal retirement	-	-	-	455,000	711,394	1,166,394
Interest and fiscal charges	-	-	-	799,875	388,041	1,187,916
Total Expenditures	<u>18,538,684</u>	<u>3,165,401</u>	<u>10,707,254</u>	<u>4,237,883</u>	<u>5,374,555</u>	<u>42,023,777</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,726,252</u>	<u>(285,708)</u>	<u>763,596</u>	<u>11,621,475</u>	<u>1,103,716</u>	<u>15,929,331</u>
Other Financing Sources (Uses)						
Sale of capital assets	1,018,786	9,065	-	230	-	1,028,081
Transfers in	665,066	-	-	69,000	40,000	774,066
Transfers out	(69,000)	-	-	-	(435,066)	(504,066)
Total Other Financing Sources (Uses)	<u>1,614,852</u>	<u>9,065</u>	<u>-</u>	<u>69,230</u>	<u>(395,066)</u>	<u>1,298,081</u>
Net Change in Fund Balances	4,341,104	(276,643)	763,596	11,690,705	708,650	17,227,412
Fund Balances Beginning of Year (restated)	26,860,824	1,817,464	9,428,666	(10,862,221)	8,359,160	35,603,893
Fund Balances End of Year	<u>\$ 31,201,928</u>	<u>\$ 1,540,821</u>	<u>\$ 10,192,262</u>	<u>\$ 828,484</u>	<u>\$ 9,067,810</u>	<u>\$ 52,831,305</u>

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, 2011

Net Change In Fund Balances - Total Governmental Funds \$ 17,227,412

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	\$ (3,419,941)	
Capital outlay (Net of transferred assets)	<u>1,921,754</u>	(1,498,187)

Elimination of transfers between governmental funds:

Transfers in	\$ (504,066)	
Transfers out	<u>504,066</u>	-

Book value of capital assets disposed of and reported on the statement of activities but not reported in the governmental funds. (237,714)

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 @ 12/31/11	\$ (130,376)	
Liability @ 12/31/10	<u>130,577</u>	201

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. 1,166,394

Amortization of bond issuance costs, bond premiums and refunding deferral on the government-wide statement of activities but not reported on the fund (69,882)

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 @ 12/31/11	\$ (2,068,620)	
Liability @ 12/31/10	<u>2,127,150</u>	<u>58,530</u>

Change In Net Assets of Governmental Activities \$ 16,646,754

See accompanying notes to the basic financial statements

Pitkin County, Colorado
Statement of Net Assets
Proprietary Funds
December 31, 2011

	Business-type Activities - Enterprise Funds		
	Airport	Solid Waste Center	Total
Assets			
Current Assets:			
Equity in pooled cash and investments	\$ 10,147,017	\$ 980,417	\$ 11,127,434
Receivables:			
Accounts	895,127	345,180	1,240,307
Intergovernmental	657,128	-	657,128
Inventories	-	189,991	189,991
Total Current Assets	<u>11,699,272</u>	<u>1,515,588</u>	<u>13,214,860</u>
Noncurrent Assets:			
Restricted Assets:			
Equity in pooled cash and investments	-	3,105,516	3,105,516
Non-depreciable capital assets	29,714,259	79,762	29,794,021
Depreciable capital assets, net	50,981,213	1,815,731	52,796,944
Total Noncurrent Assets	<u>80,695,472</u>	<u>5,001,009</u>	<u>85,696,481</u>
Total Assets	<u>92,394,744</u>	<u>6,516,597</u>	<u>98,911,341</u>
Liabilities			
Current Liabilities:			
Accounts payable	666,533	238,676	905,209
Contracts payable	1,014,324	-	1,014,324
Accrued liabilities	34,374	8,103	42,477
Intergovernmental payable	-	15,414	15,414
Accrued interest payable	12,059	-	12,059
Deposits	117,438	-	117,438
Compensated absences payable	23,294	6,042	29,336
Loans payable	330,722	-	330,722
Total Current Liabilities	<u>2,198,744</u>	<u>268,235</u>	<u>2,466,979</u>
Long-Term Liabilities:			
Closure and postclosure care obligations	-	3,105,516	3,105,516
Loans payable (net of current portion)	595,333	-	595,333
Compensated absences payable (net of current portion)	93,175	24,169	117,344
Total Long-Term Liabilities	<u>688,508</u>	<u>3,129,685</u>	<u>3,818,193</u>
Total Liabilities	<u>2,887,252</u>	<u>3,397,920</u>	<u>6,285,172</u>
Net Assets			
Invested in capital assets, net of related debt	79,769,417	1,895,493	81,664,910
Restricted for inventory	-	189,991	189,991
Restricted for program purposes	9,738,075	-	9,738,075
Unrestricted	-	1,033,193	1,033,193
Total Net Assets	<u>\$ 89,507,492</u>	<u>\$ 3,118,677</u>	<u>\$ 92,626,169</u>

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, 2011

	Business-type Activities -		
	Enterprise Funds		
	Airport	Solid Waste Center	Total
Operating Revenues			
Charges for services	\$ 3,022,244	\$ 4,204,774	\$ 7,227,018
Rents and franchises	4,138,079	-	4,138,079
Miscellaneous	400	8,139	8,539
Total Operating Revenues	7,160,723	4,212,913	11,373,636
Operating Expenses			
Personnel services	2,089,634	792,698	2,882,332
Purchased services	4,883,761	3,251,253	8,135,014
Materials and supplies	294,594	52,088	346,682
Depreciation	4,136,884	127,969	4,264,853
Amortization	-	116,276	116,276
Total Operating Expenses	11,404,873	4,340,284	15,745,157
Operating (Loss)	(4,244,150)	(127,371)	(4,371,521)
Non-Operating Revenues (Expenses)			
Interest	92,670	37,022	129,692
Intergovernmental	719,858	-	719,858
Interest and fiscal charges	(40,753)	-	(40,753)
Gain on disposition of capital assets	66,270	-	66,270
Total Non-Operating Revenues (Expenses)	838,045	37,022	875,067
(Loss) Before Capital Contributions and Transfers	(3,406,105)	(90,349)	(3,496,454)
Capital grants and other receipts	11,800,224	-	11,800,224
Transfers out	-	(270,000)	(270,000)
Change in Net Assets	8,394,119	(360,349)	8,033,770
Net Assets Beginning of Year	81,113,373	3,479,026	84,592,399
Net Assets End of Year	\$ 89,507,492	\$ 3,118,677	\$ 92,626,169

See accompanying notes to the basic financial statements

Pitkin County, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2011

	Business-type Activities -		
	Enterprise Funds		
	Airport	Solid Waste Center	Total
Cash Flows from Operating Activities			
Cash received from customers	\$ 6,518,164	\$ 4,301,362	\$ 10,819,526
Cash payments to employees for services	(2,147,960)	(816,893)	(2,964,853)
Cash payments for goods and services	(4,302,913)	(3,038,566)	(7,341,479)
Net Cash Provided by Operating Activities	<u>67,291</u>	<u>445,903</u>	<u>513,194</u>
Cash Flows from Noncapital Financing Activities			
Operating grants received	719,858	-	719,858
Transfers out	-	(270,000)	(270,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>719,858</u>	<u>(270,000)</u>	<u>449,858</u>
Cash Flows from Capital and Related Financing Activities			
Principal paid on revenue bonds	(320,776)	-	(320,776)
Interest paid on revenue bonds	(44,038)	-	(44,038)
Capital grants and other receipts	11,800,224	-	11,800,224
Proceeds from the sale of capital assets	92,976	-	92,976
Payments for capital acquisitions	(13,770,214)	(330,349)	(14,100,563)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(2,241,828)</u>	<u>(330,349)</u>	<u>(2,572,177)</u>
Cash Flows from Investing Activities			
Investment earnings	92,670	37,022	129,692
Net (Decrease) in Cash and Cash Equivalents	(1,362,009)	(117,424)	(1,479,433)
Cash and Cash Equivalents Beginning of Year	<u>11,509,026</u>	<u>4,203,357</u>	<u>15,712,383</u>
Cash and Cash Equivalents End of Year	<u>\$ 10,147,017</u>	<u>\$ 4,085,933</u>	<u>\$ 14,232,950</u>

See accompanying notes to the basic financial statements

Pitkin County, Colorado
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended December 31, 2011

	Business-type Activities - Enterprise Funds		
	Airport	Solid Waste Center	Total
Reconciliation of Operating (Loss) to Net Cash Provided by Operating Activities			
Operating Income	\$ (4,244,150)	\$ (127,371)	\$ (4,371,521)
Non-Cash Adjustments:			
Depreciation	4,136,884	127,969	4,264,853
Amortization	-	116,276	116,276
(Increase) Decrease in Assets:			
Accounts receivable	(128,047)	88,449	(39,598)
Intergovernmental receivable	(514,512)	-	(514,512)
Inventory	-	138,509	138,509
Increase (Decrease) in Liabilities:			
Accounts payable	(131,097)	151,211	20,114
Contracts payable	1,001,034	(1,748)	999,286
Accrued liabilities	(58,325)	(24,196)	(82,521)
Intergovernmental payable	(78,612)	(23,196)	(101,808)
Deposits	84,116	-	84,116
Net Cash Provided by Operating Activities	\$ 67,291	\$ 445,903	\$ 513,194

See accompanying notes to the basic financial statements

Pitkin County, Colorado
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2011

	<u>Retirement Trust</u>	<u>Agency</u>
Assets		
Equity in pooled cash and investments	\$ 153,395	\$ 1,005,245
Other cash and investments:		
Mutual funds	21,181,586	-
Receivables:		
Forfeitures	8,674	-
Employee retirement loans	568,615	-
Total Assets	<u>\$ 21,912,270</u>	<u>\$ 1,005,245</u>
Liabilities		
Accounts payable	\$ 119,619	\$ -
Intergovernmental payable	-	732,341
Funds held for others	-	272,904
Total Liabilities	<u>\$ 119,619</u>	<u>\$ 1,005,245</u>
Net Assets		
Held in trust for pension benefits	<u>\$ 21,792,651</u>	

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, 2011

	2011
Additions	
Employer contributions	\$ 1,747,727
Investment income:	
Dividends and interest	(512,570)
Miscellaneous	5,465
Total Additions	1,240,622
Deductions	
Benefits to plan members	1,823,721
Administrative expenses	27,940
Total Deductions	1,851,661
Change in Net Assets	(611,039)
Net Assets Beginning of Year	22,403,690
Net Assets End of Year	\$ 21,792,651

See accompanying notes to the basic financial statements

Pitkin County, Colorado
Combining Statement of Net Assets
Component Units
December 31, 2011

	Pitkin County Library District	Emergency Telephone Authority	Total
Assets			
Current Assets			
Equity in pooled cash and investments	\$ 858,931	\$ 798,108	\$ 1,657,039
Other cash and investments	5,372,229	-	5,372,229
Receivables:			
Accounts	717	91,375	92,092
Property taxes	3,349,771	-	3,349,771
Total Current Assets	9,581,648	889,483	10,471,131
Noncurrent Assets:			
Capital assets:			
Nondepreciable capital assets	144,263	49,775	194,038
Depreciable capital assets, net	3,893,845	203,155	4,097,000
Total Noncurrent Assets	4,038,108	252,930	4,291,038
Total Assets	13,619,756	1,142,413	14,762,169
Liabilities			
Current Liabilities:			
Accounts payable	47,839	1,254	49,093
Accrued liabilities	23,190	-	23,190
Intergovernmental payable	246	-	246
Deferred revenue	3,349,771	-	3,349,771
Compensated absences (net of current portion)	24,479	-	24,479
Total Current Liabilities	3,445,525	1,254	3,446,779
Long-term Liabilities			
Compensated absences	97,914	-	97,914
Total Long-term Liabilities	97,914	-	97,914
Total Liabilities	3,543,439	1,254	3,544,693
Net Assets			
Invested in capital assets, net of related debt	4,038,108	252,930	4,291,038
Restricted for :			
Statutory reserve	112,108	33,336	145,444
Program purposes	553,413	854,893	1,408,306
Unrestricted for:			
Capital projects	5,372,688	-	5,372,688
Total Net Assets	\$ 10,076,317	\$ 1,141,159	\$ 11,217,476

See accompanying notes to the basic financial statements

Pitkin County, Colorado
Combining Statement of Activities
Component Units
For the Year Ended December 31, 2011

	Pitkin County Library District	Emergency Telephone Authority	Total
Expenses			
Public safety	\$ -	\$ 578,153	\$ 578,153
Culture and recreation	3,478,956	-	3,478,956
Total Expenses	<u>3,478,956</u>	<u>578,153</u>	<u>4,057,109</u>
Revenues			
Program revenues:			
Charges for services	12,602	561,543	574,145
Net Program Revenue (Expense)	<u>(3,466,354)</u>	<u>(16,610)</u>	<u>(3,482,964)</u>
General revenues			
Taxes	3,221,484	-	3,221,484
Investment earnings	37,141	8,574	45,715
Miscellaneous	60,244	-	60,244
Total General Revenues	<u>3,318,869</u>	<u>8,574</u>	<u>3,327,443</u>
Change in Net Assets	(147,485)	(8,036)	(155,521)
Net Assets Beginning of Year	<u>10,223,802</u>	<u>1,149,195</u>	<u>11,372,997</u>
Net Assets End of Year	<u>\$ 10,076,317</u>	<u>\$ 1,141,159</u>	<u>\$ 11,217,476</u>

See accompanying notes to the basic financial statements

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**NOTES TO THE
BASIC FINANCIAL STATEMENTS**

Pitkin County, Colorado
Notes to the Financial Statements
December 31, 2011

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 17,163. 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 and affordable housing. 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 enterprise funds apply only the pronouncements of the Financial Accounting Standards Board (FASB) statements and interpretations issued prior to November 30, 1989 and the relevant pronouncements of GASB after that date.

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 departments, boards, agencies and funds 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. Separate financial statements are not prepared for the blended component units.

Pitkin County, Colorado
Notes to the Financial Statements
December 31, 2011

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 following is the County's Fiduciary component unit. Separate financial statements are not prepared for the fiduciary component units.

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.

The County has two General Improvement Districts that were formed upon presentation of a petition of the citizens by 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. Separate financial statements are not prepared for discretely presented component units.

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.

Pitkin County, Colorado
Notes to the Financial Statements
December 31, 2011

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 on 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*.

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.

Pitkin County, Colorado
Notes to the Financial Statements
December 31, 2011

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 Financial Statements
December 31, 2011

Fiduciary Funds – Fiduciary funds are custodial in nature and do not present results of operations. The County’s fiduciary funds include the Pitkin County Public Employees Retirement Plan (PCPERP) retirement trust fund, Treasurer’s and Clerk’s clearing funds, and the Treasurer’s tax distribution funds. These funds are used to account for monies collected by the County Clerk and Recorder and the County Treasurer for distribution to other local governments.

1-C. Measurement Focus

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.

Pitkin County, Colorado
Notes to the Financial Statements
December 31, 2011

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.

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-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. For the purpose of reporting cash flows, cash and cash equivalents are considered to be cash on hand, demand deposits and equity in pooled cash and investments of the County Treasurer.

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).

Pitkin County, Colorado
Notes to the Financial Statements
December 31, 2011

- Time certificates of deposit 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 by the State of Colorado Banking Commissioner or Savings and Loan Commissioner. Depositories must be rated “3 stars” or more (on a scale of 0 to 5 stars, with 5 the highest) by Bauer Financial or an equivalent rating agency.
- Demand deposit accounts in state banks or national banks located in Colorado which are insured by the Federal Deposit Insurance Corporation and which are approved as public fund depositories by the State of Colorado Banking Commissioner. Depositories must be rated “3 stars” or more (on a scale of 0- 5 stars, with 5 being the highest by Bauer Financial or an equivalent rating agency.
- Shares of any local government surplus funds trust established under the provisions of 24-75-701, CRS, as amended.
- Money market mutual 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.
- 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), 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.
- Investment terms 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.

Pitkin County Public Employee’s Retirement Plan (PCPERP) and the library capital fund generally follow the County investment policies with the exception of the following expanded investment options:

Retirement Plan - The objective of the Pitkin County Retirement Plan Retirement Plan investment policy is to establish an investment structure that will meet a broad range and diverse set of current and projected financial needs of the Plan’s participants. The policy outlines fiduciary responsibility, prudence and due diligence requirements that experienced fund managers and other fiduciaries would utilize, and with all applicable laws, rules and regulations, that may impact plan assets. Accordingly, the policy allows for the design of various investment options into an overall structure that will include various asset classes, investment management styles and asset allocation portfolios in order that, when viewed as a whole, the

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investment options are expected to allow a participant to achieve a sufficient level of overall diversification and total investment return over the long-term. Additionally, investment instruments are monitored and evaluated for both performance and management by the retirement board on a regular basis. Changes to investment options are made according to the criteria set out in this policy. Wells Fargo Bank acts as trustee for the assets of the plan. Participants have the option of self-directing investments in eligible investment options or selecting from five investment models based on the participants' risk tolerance. Investment models are comprised of bond funds, equity funds, real estate and commodities with equity allocations ranging from 12% to 79% depending on the model.

Library - The Library manages a fund designed for future capital expansion of its facility by 2015. The investments managed under this policy are authorized under the provisions of the Uniform Management of Institutional Funds Act, C.R.S. 15-1-1101 et.seq. The Library uses mutual fund selections of the County Retirement plan declining from 71% stocks in 2005, to 24% by year-end 2011 and finally 0% in 2014.

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 Inventories

Enterprise fund inventories consist of materials. These inventories are valued at cost using the first-in, first-out method. There are no inventories in governmental funds.

1-E-5 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.

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1-E-6 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 \$5,000 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-7 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."

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1-E-8 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-9 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 expenditure.

1-E-10 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 – Beginning with fiscal year 2011, the County implemented GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance—amounts that are not in nonspendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, by enabling legislation or voter approval.
- Committed fund balance—amounts constrained to specific purposes by the County itself, using its highest level of decision-making authority (i.e., Board of County Commissioners). To be reported as committed, amounts cannot be used for any other purpose unless the County takes the same highest level action to remove or change the constraint.
- Assigned fund balance—amounts the County intends to use for a specific purpose. Intent can be expressed by the Board of County Commissioners (BOCC) or by an official or body to which the BOCC delegates the authority.

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- Unassigned fund balance—amounts that are available for any purpose. Positive amounts are reported only in the general fund.

Beginning fund balances for the County's governmental funds have been reclassified to reflect the above classifications.

The BOCC establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by BOCC through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes). The County's policy is that if both restricted and unrestricted amounts are available for expenditure, the restricted amount is spent first. Likewise, if any unrestricted is available for expenditure, the committed is spent first if allowable, before assigned or unassigned is spent.

In the general fund, the County strives to maintain an assigned fund balance to be used for unanticipated emergencies and working capital of approximately \$4 million, including the Emergency Reserve requirement specified by the Colorado constitution.

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-11 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-12 Encumbrances

The County uses encumbrance accounting as an extension of its budgetary scheme. Encumbrances are recorded when a purchase order or contract is issued. They are reduced when the related expenditure/expense is made. Encumbrances lapse at year-end but may be reestablished in the subsequent year if the budget related to the encumbrance is approved by the Board of county Commissioners to be reappropriated to the subsequent year.

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1-E-13 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.

1-E-14 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 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-15 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.

1-E-16 Reclassifications

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

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.

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General Fund Section	<u>Original budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Administration Facilities	\$ 335,284	\$ 1,014,268	\$ 538,802	\$ 475,466
Administrative Services	3,990,136	5,456,523	4,134,399	1,322,124
Clerk and Elections	1,081,434	1,279,864	1,000,708	279,156
Culture and Recreation	-	-	-	-
Environmental Quality	3,147,061	3,631,552	3,334,959	296,593
Human Services	1,665,820	1,923,518	1,483,633	439,885
Public Safety	7,267,963	8,253,432	7,884,680	368,752
Public Works	276,733	385,514	161,503	224,011
	<u>\$ 17,764,431</u>	<u>\$ 21,944,671</u>	<u>\$ 18,538,684</u>	<u>\$ 3,405,987</u>

Any change in total to a fund requires approval of the Board of County Commissioners. Expenditures exceeded revenues in several funds. The General Fund housing category exceeded budget by \$1,587 and actual expenditures exceeded the budget in the Healthy Community by \$328. There was adequate fund balance in these funds to cover these overages. The Transportation Sales and Use Tax fund and the Social Services funds exceeded the budget expenditures by \$696,849 and \$289,064. In both of these instances revenues also exceeded budget.

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 to establish an emergency reserve equal to 3% of revenues. At December 31, 2011, the following fund balances have been reserved to meet the "emergency reserve" requirement.

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Fund	Amount
General	\$ 642,049
Transportation Sales and Use Tax Fund	344,126
Open Space	466,134
Social Services	7,591
Translator Fund	21,434
Healthy Community Fund	45,115
Conservation Trust Fund	1,551
Healthy Rivers and Streams	22,863
Ambulance District	11,916
Housing Impact	16,020
Redstone Ranch Acres	266
Twining Flats Improvement District	533
Total Primary Government	1,579,598
Library District	112,108
Emergency Telephone Authority	16,673
Total Reporting Entity	\$ 1,708,379

Note 3 - Detailed Notes on All Funds

3-A. Deposits and Investments

Deposits – At December 31, 2011, the carrying amount of the County’s deposits was \$52,077,487 and the bank balance was \$52,872,949. Of the bank deposits \$1,278,558 was covered by Federal Depository insurance and \$51,594,391 was covered by single institution collateral pools. Additionally, the County had cash on hand of \$8,400 at December 31, 2011.

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 as specified in the CPDPA. The pool is to be or held in trust by another institution 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.

Investments – At December 31, 2011, the County’s investments (excluding fiduciary funds and component units other cash and investments) totaled \$17,378,082. At December 31, 2011, the credit ratings and weighted average maturity of the County’s pooled investment portfolio was as follows:

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<u>Investments</u>	Fair Value	S & P / Moody's Rating	Weighted Average Maturity (Years)
U.S Agencies & Instrumentalities	\$ 4,241,660	AA+/Aaa	1.81%
Local Government's Investment Pool	10,042,037	AAAm	N/A
Money Market Mutual Funds	2,578,848	N/A	N/A
Repurchase Agreements	515,537	N/A	N/A
	\$ 17,378,082		

The County invests with local government investment pools including the Colorado Local Government Liquid Asset Trust Fund (COLOTRUST PLUS+ and Colorado Statewide Investment Program (CSIP). These investment pools operate similar to a money market fund with each share maintaining a value of \$1. The Colorado Division of Securities routinely monitors the investment pools with regard to operations and investments.

Credit Risk – Investments

Credit risk is the risk that an issuer or other counter-party 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 addressed within the investment policy by reference to the relevant Colorado Statutes.

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 maturity of its investments is disclosed in Note 1-E-1.

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. To minimize custodial credit risk, the County requires SIPC and supplemental insurance coverage of investments held in the County's accounts at broker-dealers. Also, the County only maintains accounts with primary dealers, i.e., securities broker-dealers and banks that trade in U.S. Government securities with the Federal Reserve Bank of New York.

The County's repurchase agreement investments are subject to custodial risk because the counterparty also has custody of the securities. The County's primary depository, Vectra Bank Colorado, sweeps funds in excess of \$2 million in the County's operating account each day into an overnight repurchase agreement investment. Under the repurchase agreement the bank sells government securities with a value of at least 102% of the excess amount to the County and then repurchases the securities the next day for the same amount plus interest at 0.25% per annum. The bank holds the securities overnight for the County in its trust department.

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, 2011, five percent or more of the county's investments were in the following issuers:

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<u>Issuer</u>	<u>Fair Value</u>	<u>Percentage of Portfolio</u>
Colorado State Wide Investment Program	\$ 9,000,096	51.8%
COLOTRUST+	1,041,941	6.0%
Federal Home Loan Mortgage Corp.	1,092,790	6.3%
Federal National Mortgage Assoc.	1,054,560	12.1%
Federal Home Loan Bank	2,094,310	6.1%
Vanguard Prime Money Market Instl.	2,578,848	14.8%

Investments – Fiduciary Funds and Component Units Other Cash and Investments

At December 31, 2011, the County’s pension trust fund’s investments included \$21,181,586 of mutual funds held by its third-party trustee, Wells Fargo. In addition, the Pitkin County Library District, a component unit of the County, had mutual fund investments totaling \$5,372,229 held in accounts with the various mutual fund companies and at Charles Schwab and Co., Inc. These entities have developed their own investment policies addressing credit risk independent of the County that are described in Note 1-E-1. At December 31, 2011, five percent of more of the library’s investments were in the following issuers:

<u>Issuer</u>	<u>Fair Value</u>	<u>Percentage of Portfolio</u>
Fidelity Floating Rate	\$ 742,371	13.8%
Loomis Sales Investment Grade Bond	562,913	10.5%
PIMCO Low Duration Bond	704,710	13.1%
PIMCO Total Return Inst	572,566	10.7%
Vanguard Int Term Bond Index	288,141	5.4%
Vanguard Short-term Bond Index	742,837	13.8%
Vanguard Total Stock Market	288,188	5.4%

Summary of County’s total cash and investments as reported in accompanying financial statements are as follows:

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	<u>Pooled Cash and Investments</u>	<u>Investments</u>
Fund Reporting Level:		
Governmental Funds - Balance Sheet	\$ 52,360,168	\$ -
Governmental Funds - Balance Sheet - Restricted Assets	55,172	-
Proprietary Fund Type Statement of Net Assets	11,127,434	-
Proprietary Fund Type Statement of Net Assets - Restricted Ass	<u>3,105,516</u>	<u>-</u>
Subtotal Primary Government	66,648,290	-
Component Units - Balance Sheet	1,657,039	5,372,229
Statement of Fiduciary Assets and Liabilities	<u>1,158,640</u>	<u>21,181,586</u>
Total	<u>\$ 69,463,969</u>	<u>\$ 26,553,815</u>

3-B. Receivables

Receivables at December 31, 2011, 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, collectability.

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.

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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 Pitkin County Commissioners.

On November 4, 2008, Pitkin County voters authorized a sales tax of .1% to be dedicated to establishing a Healthy Rivers and Streams Fund to fund programs to protect the County’s rivers and streams. Goals include 1) maintaining and improving water quality and quantity within the Roaring Fork watershed; 2) purchasing adjudicating changes of, leasing, using, banking, selling, and protecting water rights for the benefit of the Roaring Fork watershed; 3) working to secure, create and augment minimum stream flows in conjunction with non-profits, grant agencies, and appropriate State and Federal agencies to ensure ecological health, recreational opportunities, and wildlife and riparian habitat; promoting water conservation; and 4) improving and constructing capital facilities that contribute to the objectives listed above.

3-E. Commitments

The County is in the process of installing a new jail security system which is funded by the General Fund. Road and Bridge is working on the intersection at the AABC which will enhance access to the Airport and assist with RFTA’s BRT station. Open Space and Trails is conducting a wildlife survey on the newly acquired Sky Mountain Park (Droste). The Airport is managing several capital projects, the most significant of which is the extension of the runway and the planning and design for the new terminal area. Additionally, the Solid Waste Center is completing their materials recycling facility and has a contract for the operation of the landfill that runs through 2017 that requires payments of \$1,388,000 annually. E911 is installing a countywide fire channel which will link all emergency services. Lastly, an expansion of the Library facility is being designed. A summary of these projects follows:

Projects	Original Commitments	Spent to Date	Remaining Commitments
General Capital Projects	\$ 258,000	\$ 190,897	\$ 67,103
Road and Bridge Project	543,307	367,554	175,753
Open Space and Trails Projects	83,915	80,047	3,868
Airport Projects	12,482,963	9,701,969	2,780,995
Solid Waste Center Projects	149,016	47,648	101,367
E911	212,706	170,165	42,541
Library Projects	591,634	349,811	241,823
	\$ 14,321,541	\$ 10,908,091	\$ 3,413,451

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3-F. Capital Assets

Capital asset activity for the primary government for the year ended December 31, 2011, was as follows:

	Balance 1/1/2011	Additions	Deductions	Balance 12/31/2011
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 86,388,964	\$ -	\$ -	\$ 86,388,964
Intangibles	46,050,021	-	-	46,050,021
Construction in progress	1,649,975	413,418	1,435,451	627,942
Total capital assets not being depreciated	<u>134,088,960</u>	<u>413,418</u>	<u>1,435,451</u>	<u>133,066,927</u>
Depreciable capital assets:				
Buildings	24,193,972	591,951	37,172	24,748,751
Improvements other than buildings	1,409,931	743,262	65,907	2,087,286
Machinery and equipment	13,661,615	508,622	753,477	13,416,760
Infrastructure	44,852,747	1,099,952	-	45,952,699
Total depreciable capital assets	<u>84,118,265</u>	<u>2,943,787</u>	<u>856,556</u>	<u>86,205,496</u>
Total capital assets	<u>218,207,225</u>	<u>3,357,205</u>	<u>2,292,007</u>	<u>219,272,423</u>
Accumulated depreciation:				
Buildings	(14,808,479)	(609,981)	(49,251)	(15,369,209)
Improvements other than buildings	(798,994)	(58,831)	(57,290)	(800,535)
Machinery and equipment	(6,743,965)	(1,071,133)	(512,301)	(7,302,797)
Infrastructure	(22,243,949)	(1,679,996)	-	(23,923,945)
Total accumulated depreciation	<u>(44,595,387)</u>	<u>(3,419,941)</u>	<u>(618,842)</u>	<u>(47,396,486)</u>
Governmental activities capital assets, net	<u>\$173,611,838</u>	<u>\$ (62,736)</u>	<u>\$ 1,673,165</u>	<u>\$171,875,937</u>

Governmental activities depreciation expense

General government	\$ 453,348
Public safety	466,184
Public works	1,462,589
Health and welfare	230,407
Culture and recreation	797,415
Conservation of natural resources	<u>9,998</u>
Total governmental activities depreciation expense	<u>\$ 3,419,941</u>

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Capital asset activity for the proprietary funds for the year ended December 31, 2011, was as follows:

	Balance 1/1/2011	Additions	Deductions	Balance 12/31/2011
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 7,923,279	\$ -	\$ -	\$ 7,923,279
Intangible assets	2,955,956	-	-	2,955,956
Construction in progress	5,334,245	13,606,533	25,992	18,914,786
Total capital assets not being depreciated	<u>16,213,480</u>	<u>13,606,533</u>	<u>25,992</u>	<u>29,794,021</u>
Depreciable capital assets:				
Buildings	19,131,838	-	-	19,131,838
Improvements other than buildings	53,748,620	24,314	-	53,772,934
Machinery and equipment	9,745,666	495,706	661,496	9,579,876
Total depreciable capital assets	<u>82,626,124</u>	<u>520,020</u>	<u>661,496</u>	<u>82,484,648</u>
Total capital assets	<u>98,839,604</u>	<u>14,126,553</u>	<u>687,488</u>	<u>112,278,669</u>
Accumulated depreciation:				
Buildings	(4,773,926)	(588,766)	-	(5,362,692)
Improvements other than buildings	(16,028,782)	(3,004,643)	-	(19,033,425)
Machinery and equipment	(5,254,933)	(671,444)	(634,790)	(5,291,587)
Total accumulated depreciation	<u>(26,057,641)</u>	<u>(4,264,853)</u>	<u>(634,790)</u>	<u>(29,687,704)</u>
Business-type activities capital assets, net	<u>\$ 72,781,963</u>	<u>\$ 9,861,700</u>	<u>\$ 52,698</u>	<u>\$ 82,590,965</u>

Capital asset activity for the Library component unit for the year ended December 31, 2011, was as follows:

	Balance 1/1/2011	Additions	Deductions	Balance 12/31/2011
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	6,053,922	-	-	6,053,922
Improvements other than buildings	13,672	-	-	13,672
Library collections	2,833,566	151,638	229,641	2,755,563
Machinery and equipment	402,340	-	-	402,340
Total depreciable capital assets	<u>9,303,500</u>	<u>151,638</u>	<u>229,641</u>	<u>9,225,497</u>
Total capital assets	<u>9,447,763</u>	<u>151,638</u>	<u>229,641</u>	<u>9,369,760</u>
Accumulated depreciation:				
Buildings	(2,741,311)	(187,432)	-	(2,928,743)
Improvements other than buildings	(11,200)	(418)	-	(11,618)
Library collections	(2,096,506)	(124,879)	(167,702)	(2,053,683)
Machinery and equipment	(323,288)	(14,320)	-	(337,608)
Total accumulated depreciation	<u>(5,172,305)</u>	<u>(327,049)</u>	<u>(167,702)</u>	<u>(5,331,652)</u>
Governmental activities capital assets, net	<u>\$ 4,275,458</u>	<u>\$ (175,411)</u>	<u>\$ 61,939</u>	<u>\$ 4,038,108</u>

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Capital asset activity for the Emergency Telephone Authority component unit for the year ended December 31, 2011, was as follows:

	Balance 1/1/2011	Additions	Deductions	Balance 12/31/2011
Governmental activities:				
Construction in progress	\$ 49,775	\$ -	\$ -	\$ 49,775
Machinery and equipment	456,352	-	-	456,352
Depreciation on machinery and equipment	(201,618)	(51,579)	-	(253,197)
Governmental activities capital assets, net	<u>\$ 304,509</u>	<u>\$ (51,579)</u>	<u>\$ -</u>	<u>\$ 252,930</u>

3-G. - Interfund Transfers and Due to/Due from

Transfers are indicative of funding for projects or debt service, subsidies of various County operations and re-allocation of special revenues. All County transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer. The following schedule briefly summarizes the County's transfer activity.

Transfer to	Transfers From:			Total
	General Fund	Nonmajor Governmental Funds	Solid Waste Center Fund	
General Fund	\$ -	\$ 395,066	\$ 270,000	\$ 665,066
Open Space and Trails Fund	69,000	-	-	69,000
Nonmajor Governmental Funds	-	40,000	-	40,000
	<u>\$ 69,000</u>	<u>\$ 435,066</u>	<u>\$ 270,000</u>	<u>\$ 774,066</u>

3-H. 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-I. Long-Term Debt

County Debt - The following is a summary of the outstanding long-term debt at December 31, 2011:

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.

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2000 General Obligation Bonds - 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, 2011 was \$140,000.

2006 General Obligation Bonds - 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 were called for redemption at a redemption price equal to the principal amount plus accrued interest on December 1, 2010. The principal balance outstanding at December 31, 2011 was \$9,455,000.

2003 General Obligation Bonds - 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, 2011 is \$3,455,000.

Note Payable- 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, 2011 was \$38,206.

County Sales Tax Revenue Bonds - On December 22, 2010 The County issued \$2,530,000 of Taxable Sales Tax Revenue Build America Bonds and \$5,830,000 of Tax-Exempt Sales Tax Revenue Refunding Bonds with interest rates on the tax exempt bonds ranging from 2% to 4.25% and taxable bonds ranging from 6.69% to 6.94%. The proceeds of the bonds were issues to: (i) refund the County's outstanding Sales Tax Revenue Bonds, Series 1998; (ii) refund the County's outstanding Sales Tax Revenue Refunding and improvement bonds, Series 2001; (iii) construct or acquire certain maintenance facility improvements for the Authority; and, (iv) pay costs of issuance of the Bonds.

A portion of the proceeds from the 2010 Sales Tax Revenue Bonds were used to refund the outstanding 1998 Sales Tax Revenue Bonds and advance refund the 2001 Sales Tax Revenue bonds. Despite extending the term

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and increasing the debt service by \$252,371 of the Series 1998 and Series 2001 bonds the County realized a net present value savings of \$295,752. At December 31, 2011 entire amount of the defeased debt was repaid.

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. The outstanding balance of sales tax bonds at December 31, 2011 was \$8,075,000 with future principal and interest payments on these bonds totaling \$13,796,468 through December 2040. During 2011 the principal and interest paid on these bonds was \$621,547 and the pledged revenue was \$7,367,997 requiring approximately 1185% of the pledged revenues. The annual Payment of principal and interest on the bonds is also secured by a reserve fund equaling one-sixth of the next interest payment one one-twelfth of the next interest payment.

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, 2011 is \$147,345. 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, 2011 is \$375,929.

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, 2011 is \$402,781.

Debt Service Requirements to Maturity - Annual debt service requirements to amortize all obligations outstanding of the primary government, as of December 31, 2011 follow:

Year	Airport Loans		General Obligation Notes and Bonds		Sales Tax Revenue Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2012	330,722	34,095	605,000	767,634	305,000	349,263	6,778	1,948
2013	190,714	23,813	620,000	743,259	315,000	343,163	7,184	1,603
2014	198,343	16,184	645,000	719,696	320,000	336,863	7,615	1,237
2015	206,276	8,251	675,000	695,086	325,000	330,463	8,072	848
2016	-	-	700,000	668,974	330,000	323,963	8,557	436
2017-2021	-	-	7,180,000	2,981,781	1,805,000	1,474,401	-	-
2022-2026	-	-	3,055,000	1,213,227	2,145,000	1,135,584	-	-
2027-2031	-	-	2,505,000	609,525	735,000	771,179	-	-
2032-2036	-	-	1,315,000	182,700	910,000	500,115	-	-
2037-2040	-	-	-	-	885,000	156,474	-	-
	<u>\$ 926,055</u>	<u>\$ 82,343</u>	<u>\$ 17,300,000</u>	<u>\$ 8,581,882</u>	<u>\$ 8,075,000</u>	<u>\$ 5,721,468</u>	<u>\$ 38,206</u>	<u>\$ 6,072</u>

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Changes in Long-term Debt - Changes in the County's long-term obligations consisted of the following for the year ended December 31, 2011:

	Balance 1/1/11	Additions	Deletions	Balance 12/31/11	Current Portion
Primary Government					
Governmental activities					
General obligation bonds and notes	18,175,000	-	875,000	17,300,000	605,000
Sales tax revenue bonds	8,360,000	-	285,000	8,075,000	305,000
Special assessment bonds with governmental commitment	44,600	-	6,394	38,206	6,778
Unamortized bond premium	123,885	-	5,373	118,512	-
Deferred refunding loss	(922,949)	-	(65,298)	(857,651)	-
Claims	825,110	3,747,502	3,794,397	778,215	311,286
Compensated absences	1,302,040	1,493,488	1,505,123	1,290,405	258,081
Total governmental activities	<u>27,907,686</u>	<u>5,240,990</u>	<u>6,405,989</u>	<u>26,742,687</u>	<u>1,486,145</u>
Business-type activities					
Airport loans	1,246,831	-	320,776	926,055	330,722
Landfill closure and postclosure care	2,989,241	116,275	-	3,105,516	-
Compensated absences	168,469	257,724	279,513	146,680	29,336
Total business-type activities	<u>4,404,541</u>	<u>373,999</u>	<u>600,289</u>	<u>4,178,251</u>	<u>360,058</u>
Component Units					
Compensated absences	122,538	164,700	164,845	122,393	24,479
Total for component units	<u>122,538</u>	<u>164,700</u>	<u>164,845</u>	<u>122,393</u>	<u>24,479</u>
Total Changes in long-term debt	<u>\$ 32,434,765</u>	<u>\$ 5,779,689</u>	<u>\$ 7,171,123</u>	<u>\$ 31,043,331</u>	<u>\$ 1,870,682</u>

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. Approximately 89% of the salaries are incurred in the general fund. The outstanding claims are being paid by the general fund.

Conduit Debt - 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, 2011, Mortgage Revenue Bonds were repaid in full and there were three series of Industrial Revenue bonds outstanding with an aggregate principal amount payable of \$49,750,000.

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Note 3-J. 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 \$3,105,516 reported as landfill closure and postclosure care liability at December 31, 2011 represents the cumulative amount reported to date based on the use of 63.4% of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$1,802,840 as the remaining estimated capacity is filled. Postclosure care of \$1,708,630 is included in these estimated costs. These amounts are based on what it would cost to perform all closure and postclosure care in 2011. The County expects to close the landfill in the year 2041. Actual cost may be higher or lower due to inflation or deflation, 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-K. 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. The plan does not issue a separate financial report.

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 12.45% of participants' compensation to the plan during 2011 and purchased replacement insurance coverage for Social Security's life, disability and survivor benefits at a cost of 1.55% 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 Great West Retirement Services 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.

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The following table reflects information about the contributions to the retirement plane for the last three years. Employee contributions are not allowed under the plan.

	2011	2010	2009
Total salaries	\$ 15,444,959	\$ 15,516,263	\$ 15,697,627
Eligible salaries	14,037,968	14,471,036	14,267,373
Percent of contribution by County	12.45%	12.45%	12.45%
County contributions	1,747,727	1,801,644	1,776,288

3-L. Net Assets/Fund Balances

Net Assets - Net assets on the government-wide statement of net assets as of December 31, 2011 are as follows:

	Governmental Activities	Business Type Activities
Investments in capital assets, net of related debt:		
Cost of capital assets	\$ 218,529,161	\$112,278,669
Less accumulated depreciation	47,396,486	29,687,704
Book value	171,132,675	82,590,965
Less capital related debt	17,300,000	926,055
Plus bond premiums and refunding loss	739,139	-
Investments in capital assets, net of related debt	<u>\$ 154,571,814</u>	<u>\$ 81,664,910</u>

The County has changed accounting policies due to the implementation of Governmental Accounting Standards board (GASB) Statement No. 54, "Fund balance Reporting and Governmental Fund type Definitions." This statement redefines the elements of fund balance in governmental funds and more clearly describes the different types of governmental funds.

Restricted Fund Balances – The reserved fund balances are as follows:

	Primary Government		Component Units	
	General Fund	Other funds	Pitkin County Library	Emergency Telephone Authority
Restricted fund balance for debt service	\$ -	\$ 168,614	\$ -	\$ -
Restricted fund balance for statutory reserves	642,049	937,549	112,108	16,673
Restricted for hazardous waste site remediation	460,718	-	-	-
Restricted for voter approved programs	-	13,130,474	553,413	871,556
	<u>\$ 1,102,767</u>	<u>\$ 14,236,637</u>	<u>\$ 665,521</u>	<u>\$ 888,229</u>

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Committed Fund Balances – The committed fund balances are as follows:

	Primary Government		Component Units	
Committed for open space and parks	\$ 799,096	\$ -	\$ -	\$ -
Committed for affordable housing	4,343,651	5,851,919	-	-
	<u>\$ 5,142,747</u>	<u>\$ 5,851,919</u>	<u>\$ -</u>	<u>\$ -</u>

Assigned Fund Balances

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

Fund Balance Assignments	Primary Government		Component Units
	General Fund	Other funds	
Appropriated for expenditures in the 2012 budget for operations	\$ 1,128,359	\$ -	\$ -
Appropriated for expenditures in the 2012 budget for capital	1,306,231	-	-
Air quality mitigation	24,666	-	-
Assigned to balance 5 year budget	350,000	-	-
A minimum fund balance for working capital	3,357,951	-	-
The balance of contributions assigned for the Topsy Taxi program	156,498	-	-
Public contributions for a Vietnam Veteran Memorial are assigned for maintenance of the monument	3,863	-	-
A fund balance to fund future workers' compensation liability and employee health claims	2,139,040	-	-
A fund balance assigned to fund claims payable	778,214	-	-
A fund balance assigned for future capital projects	6,784,869	1,540,821	-
A contribution to the library has been assigned for the future library expansion	-	-	5,372,688
Total Assigned Fund Balances	<u>\$ 16,029,691</u>	<u>\$ 1,540,821</u>	<u>\$ 5,372,688</u>

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 and an excess insurance policy covers individual claims that exceed \$325,000. There has been no significant reduction in insurance coverage from the prior year and no settlements exceeding the self-insured retention in any of the last three years. Claims administration and medical services are provided through contract and the County's Human Resources 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 \$331,000 to cover the County's risk retention portion.

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and control program as well as self-insurer's bond with a bond sum of \$331,000 to cover the County's risk retention portion.

All operating funds of the County, including its blended 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 three years are as follows:

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Unpaid claims, January 1	\$ 156,525	\$ 201,040	\$ 223,365
Incurred claims (including IBNR's)	86,387	132,672	162,629
Claims payments	<u>(49,414)</u>	<u>(177,187)</u>	<u>(184,954)</u>
Unpaid claims, December 31	<u>\$ 193,498</u>	<u>\$ 156,525</u>	<u>\$ 201,040</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 excess 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 reasonably estimated. These losses included an estimate of claims that have been incurred but not reported. Changes in the liability during the past three years are as follows:

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Unpaid claims, January 1	\$ 158,757	\$ 87,569	\$ 86,028
Incurred claims (including IBNR's)	4,427	150,601	61,739
Claims payments	<u>(118,449)</u>	<u>(79,413)</u>	<u>(60,198)</u>
Unpaid claims, December 31	<u>\$ 44,735</u>	<u>\$ 158,757</u>	<u>\$ 87,569</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 \$75,000 per individual and \$2,883,067 for the year. Changes in the liability during the past three years are as follows:

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Unpaid claims, January 1	\$ 509,828	\$ 552,307	\$ 414,506
Incurred claims (including IBNR's)	3,656,688	3,181,428	4,182,963
Claims payments	<u>(3,626,534)</u>	<u>(3,223,907)</u>	<u>(4,045,162)</u>
Unpaid claims, December 31	<u>\$ 539,982</u>	<u>\$ 509,828</u>	<u>\$ 552,307</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.

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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, 2011. In the opinion of County management, the outcome of any other 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 of rent charged or the 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 the 2011 joint net operating expenditures (\$184,142) 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 2011 general ledger:

Assets	<u>\$ 1,747,044</u>	Revenues	\$ 1,526,582
Liabilities	111,497	Expenses	<u>1,444,477</u>
Equity	<u>1,635,547</u>	Net income	<u>\$ 82,105</u>
	<u>\$ 1,747,044</u>		

4-D. Prior Period Adjustments

The accompanying financial statements include one prior period adjustment.

Governmental net assets and fund balance of the General fund as of January 1, 2011 have been restated to reflect the transfer of funds from the County's Agency Fund that were determined to be County funds remaining from a housing project completed in previous years. A summary of the restatement is as follows:

	<u>Governmental Net Assets</u>	<u>General Fund fund balance</u>	<u>Agency fund - total liabilities</u>
Balance at January 1, 2011 as previously reported	\$ 83,433,679	\$ 25,702,104	\$ 3,629,541
Restatement	1,158,720	1,158,720	(1,158,720)
Balance at January 1, 2011 as restated	<u>\$ 84,592,399</u>	<u>\$ 26,860,824</u>	<u>\$ 2,470,821</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, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	<u>2011</u>			<u>2010</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Restated Actual</u>
Revenues					
Taxes	\$ 10,171,121	\$ 10,132,955	\$ 11,288,860	\$ 1,155,905	\$ 10,618,282
Intergovernmental	1,968,320	3,085,499	2,755,678	(329,821)	2,016,001
Licenses and permits	733,090	733,090	715,127	(17,963)	677,946
Charges for services	4,620,513	4,620,513	5,833,080	1,212,567	5,455,824
Fines and forfeitures	58,000	58,000	30,139	(27,861)	15,829
Investment earnings	275,072	275,072	250,846	(24,226)	299,919
Impact fees	-	-	-	-	203,923
Miscellaneous	345,277	405,820	391,206	(14,614)	2,191,635
Total Revenues	<u>18,171,393</u>	<u>19,310,949</u>	<u>21,264,936</u>	<u>1,953,987</u>	<u>21,479,359</u>
Expenditures					
Current:					
General government	7,827,383	9,811,738	7,670,106	2,141,632	8,615,171
Public safety	7,449,156	8,436,125	8,009,087	427,038	8,097,589
Public works	108,226	212,081	101,907	110,174	230,632
Health and welfare	2,020,076	2,279,454	1,756,577	522,877	1,782,583
Culture and recreation	170,654	1,016,337	810,484	205,853	286,512
Housing and development	188,936	188,936	190,523	(1,587)	407,926
Total Expenditures	<u>17,764,431</u>	<u>21,944,671</u>	<u>18,538,684</u>	<u>3,405,987</u>	<u>19,420,413</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>406,962</u>	<u>(2,633,722)</u>	<u>2,726,252</u>	<u>5,359,974</u>	<u>2,058,946</u>
Other Financing Sources (Uses)					
Sale of capital assets	27,660	977,660	1,018,786	41,126	55,420
Transfers in	665,086	665,086	665,066	(20)	665,358
Transfers out	(179,799)	(179,799)	(69,000)	110,799	(727,361)
Total Other Financing Sources (Uses)	<u>512,947</u>	<u>1,462,947</u>	<u>1,614,852</u>	<u>151,905</u>	<u>(6,583)</u>
Net Change in Fund Balances	<u>\$ 919,909</u>	<u>\$ (1,170,775)</u>	<u>4,341,104</u>	<u>\$ 5,511,879</u>	<u>2,052,363</u>
Fund Balances Beginning of Year (restated)			<u>26,860,824</u>		<u>24,808,461</u>
Fund Balances End of Year			<u>\$ 31,201,928</u>		<u>\$ 26,860,824</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, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	2011			2010	
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues					
Taxes	\$ 1,923,267	\$ 1,961,433	\$ 1,292,049	\$ (669,384)	\$ 1,461,613
Intergovernmental	1,376,812	1,446,412	1,419,405	(27,007)	1,383,683
Licenses and permits	10,000	10,000	7,745	(2,255)	18,390
Charges for services	3,500	3,500	47,641	44,141	6,656
Investment earnings	34,309	34,309	14,790	(19,519)	19,455
Impact fees	100,000	100,000	96,863	(3,137)	123,407
Miscellaneous	500	500	1,200	700	125,000
Total Revenues	3,448,388	3,556,154	2,879,693	(676,461)	3,138,204
Expenditures					
Current:					
Public works	3,381,365	4,581,736	3,165,401	1,416,335	4,285,393
Total Expenditures	3,381,365	4,581,736	3,165,401	1,416,335	4,285,393
Excess (Deficiency) of Revenues Over (Under) Expenditures	67,023	(1,025,582)	(285,708)	739,874	(1,147,189)
Other Financing Sources					
Sale of capital assets	61,800	61,800	9,065	(52,735)	121,565
Total Other Financing Sources	61,800	61,800	9,065	(52,735)	121,565
Net Change in Fund Balances	\$ 128,823	\$ (963,782)	(276,643)	\$ 687,139	(1,025,624)
Fund Balances Beginning of Year			1,817,464		2,843,088
Fund Balances End of Year			\$ 1,540,821		\$ 1,817,464

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, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	2011			2010	
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues					
Taxes	\$ 10,582,235	\$ 10,582,235	\$ 11,374,953	\$ 792,718	\$ 10,525,030
Investment earnings	101,687	101,687	91,888	(9,799)	112,981
Miscellaneous	15,600	15,600	4,009	(11,591)	12,550
Total Revenues	<u>10,699,522</u>	<u>10,699,522</u>	<u>11,470,850</u>	<u>771,328</u>	<u>10,650,561</u>
Expenditures					
Current:					
Public works	10,010,405	10,010,405	10,707,254	(696,849)	10,346,089
Total Expenditures	<u>10,010,405</u>	<u>10,010,405</u>	<u>10,707,254</u>	<u>(696,849)</u>	<u>10,346,089</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 689,117</u>	<u>\$ 689,117</u>	763,596	<u>\$ 74,479</u>	304,472
Fund Balances Beginning of Year, restated			<u>9,428,666</u>		<u>9,124,194</u>
Fund Balances End of Year			<u>\$ 10,192,262</u>		<u>\$ 9,428,666</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, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	2011			2010	
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues					
Taxes	\$ 12,665,734	\$ 12,665,734	\$ 12,507,166	\$ (158,568)	\$ 12,446,673
Intergovernmental	-	3,451,095	3,004,791	(446,304)	1,377,082
Licenses and permits	-	-	-	-	12,500
Charges for services	-	-	10,396	10,396	6,597
Fines and forfeitures	-	-	3,450	3,450	3,014
Investment earnings	36,190	36,190	-	(36,190)	73,544
Miscellaneous	-	1,500,000	333,555	(1,166,445)	31,580
Total Revenues	<u>12,701,924</u>	<u>17,653,019</u>	<u>15,859,358</u>	<u>(1,793,661)</u>	<u>13,950,990</u>
Expenditures					
Current:					
Culture and recreation	2,791,367	4,784,007	2,983,008	1,800,999	25,039,373
Debt Service:					
Principal retirement	455,000	455,000	455,000	-	450,000
Interest and fiscal charges	778,996	777,296	799,875	(22,579)	793,109
Total Expenditures	<u>4,025,363</u>	<u>6,016,303</u>	<u>4,237,883</u>	<u>1,778,420</u>	<u>26,282,482</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>8,676,561</u>	<u>11,636,716</u>	<u>11,621,475</u>	<u>(15,241)</u>	<u>(12,331,492)</u>
Other Financing Sources (Uses)					
Sale of capital assets	5,820	5,820	230	(5,590)	2,053,000
Bonds issued	-	10,000,000	-	(10,000,000)	-
Transfers in	69,000	69,000	69,000	-	69,000
Total Other Financing Sources (Uses)	<u>74,820</u>	<u>10,074,820</u>	<u>69,230</u>	<u>(10,005,590)</u>	<u>2,122,000</u>
Net Change in Fund Balances	<u>\$ 8,751,381</u>	<u>\$ 21,711,536</u>	11,690,705	<u>\$ (10,020,831)</u>	(10,209,492)
Fund Balances Beginning of Year			(10,862,221)		(652,729)
Fund Balances End of Year			<u>\$ 828,484</u>		<u>\$ (10,862,221)</u>

Pitkin County, Colorado
Note to Required Supplemental Information
For the Year Ended December 31, 2011

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, 2011

	Non-major Special Revenue Funds	Non-major Debt Service Fund	Total Non-major Governmental Funds
Assets			
Equity in pooled cash and investments	\$ 8,808,274	\$ 5,048	\$ 8,813,322
Receivables:			
Accounts	1,960	-	1,960
Property taxes	2,881,356	152,246	3,033,602
Sales taxes	-	109,044	109,044
Intergovernmental	204,898	-	204,898
Restricted cash and investments	-	55,172	55,172
Total Assets	\$ 11,896,488	\$ 321,510	\$ 12,217,998
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 55,534	\$ 650	\$ 56,184
Accrued liabilities	4,813	-	4,813
Intergovernmental payable	40,991	-	40,991
Due to other funds	-	-	-
Deferred revenue	2,895,954	152,246	3,048,200
Total Liabilities	2,997,292	152,896	3,150,188
Fund Balances			
Restricted for:			
Statutory reserve	127,289	-	127,289
Debt service	-	168,614	168,614
Voter approved programs	2,919,988	-	2,919,988
Committed for:			
Program purposes	5,851,919	-	5,851,919
Total Fund Balances	8,899,196	168,614	9,067,810
Total Liabilities and Fund Balances	\$ 11,896,488	\$ 321,510	\$ 12,217,998

Pitkin County, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended December 31, 2011

	Non-major Special Revenue Funds	Non-major Debt Service Funds	Total Non-major Governmental Funds
Revenues			
Taxes	\$ 3,579,800	\$ 1,029,046	\$ 4,608,846
Intergovernmental	1,191,949	57,029	1,248,978
Charges for services	797	-	797
Investment earnings	83,106	4,240	87,346
Impact fees	482,542	-	482,542
Miscellaneous	49,762	-	49,762
Total Revenues	5,387,956	1,090,315	6,478,271
Expenditures			
Current:			
Public safety	520,120	-	520,120
Public works	435,847	-	435,847
Health and welfare	2,445,559	-	2,445,559
Culture and recreation	873,594	-	873,594
Debt Service:			
Principal retirement	6,394	705,000	711,394
Interest and fiscal charges	2,675	385,366	388,041
Total Expenditures	4,284,189	1,090,366	5,374,555
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,103,767	(51)	1,103,716
Other Financing Sources (Uses)			
Transfers in	40,000	-	40,000
Transfers out	(435,066)	-	(435,066)
Total Other Financing Sources (Uses)	(395,066)	-	(395,066)
Net Change in Fund Balances	708,701	(51)	708,650
Fund Balances Beginning of Year	8,190,495	168,665	8,359,160
Fund Balances End of Year	\$ 8,899,196	\$ 168,614	\$ 9,067,810

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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.

Healthy Rivers and Streams Fund - On November 4, 2008, Pitkin County voters authorized a sales tax of .1% to be dedicated to establishing a Healthy Rivers and Streams Fund. The voters also authorized that the Pitkin County debt may be increased to an amount not to exceed \$12 million in relation to this fund with a repayment out of the Healthy Rivers and Streams Fund. No debt has been issued to date. The goals ballot question outlined four specific objectives for the fund: 1) Maintaining and improving water quality and quantity within the Roaring Fork watershed; 2) Purchasing, adjudicating changes of, leasing, using, banking, selling, and protecting water rights for the benefit of the Roaring Fork watershed; 3) Working to secure, create and augment minimum stream flows in conjunction with non-profits, grant agencies, and appropriate State and Federal agencies to ensure ecological health, recreational opportunities, and wildlife and riparian habitat; promoting water conservation; and 4) Improving and constructing capital facilities that contribute to the objectives listed above.

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 Districts - 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.

Combining Balance Sheet
Non-major Special Revenue Funds
December 31, 2011

	<u>Social Services</u>	<u>Translator</u>	<u>Healthy Community</u>	<u>Conservation Trust</u>	<u>Healthy Rivers and Streams Fund</u>
Assets					
Equity in pooled cash and investments	\$ 126,417	\$ 1,056,485	\$ 99,000	\$ 2,383	\$ 967,664
Receivables:					
Accounts	-	1,960	-	-	-
Property taxes	179,928	697,565	1,569,523	-	-
Intergovernmental	62,592	-	-	-	142,306
Total Assets	<u>\$ 368,937</u>	<u>\$ 1,756,010</u>	<u>\$ 1,668,523</u>	<u>\$ 2,383</u>	<u>\$ 1,109,970</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 9,370	\$ 13,950	\$ -	\$ -	\$ 19,529
Accrued liabilities	3,881	357	-	-	568
Intergovernmental payable	24,898	-	-	-	-
Deferred revenue	194,526	697,565	1,569,523	-	-
Total Liabilities	<u>232,675</u>	<u>711,872</u>	<u>1,569,523</u>	<u>-</u>	<u>20,097</u>
Fund Balances					
Restricted for:					
Statutory reserve	7,591	21,434	45,115	1,551	22,863
Voter approved programs	128,671	1,022,704	53,885	832	1,067,010
Committed for:					
Program purposes	-	-	-	-	-
Total Fund Balances	<u>136,262</u>	<u>1,044,138</u>	<u>99,000</u>	<u>2,383</u>	<u>1,089,873</u>
Total Liabilities and Fund Balances	<u>\$ 368,937</u>	<u>\$ 1,756,010</u>	<u>\$ 1,668,523</u>	<u>\$ 2,383</u>	<u>\$ 1,109,970</u>

Ambulance District	Employee Housing Impact	Redstone Ranch Acres Improvement District	Twining Flats Improvement District	Total Nonmajor Special Revenue Funds
\$ 666,575	\$ 5,867,939	\$ 3,828	\$ 17,983	\$ 8,808,274
-	-	-	-	1,960
407,694	-	9,059	17,587	2,881,356
-	-	-	-	204,898
<u>\$ 1,074,269</u>	<u>\$ 5,867,939</u>	<u>\$ 12,887</u>	<u>\$ 35,570</u>	<u>\$ 11,896,488</u>

\$ 12,205	\$ -	\$ -	\$ 480	\$ 55,534
7	-	-	-	4,813
16,093	-	-	-	40,991
407,694	-	9,059	17,587	2,895,954
<u>435,999</u>	<u>-</u>	<u>9,059</u>	<u>18,067</u>	<u>2,997,292</u>

11,916	16,020	266	533	127,289
626,354	-	3,562	16,970	2,919,988
-	5,851,919	-	-	5,851,919
<u>638,270</u>	<u>5,867,939</u>	<u>3,828</u>	<u>17,503</u>	<u>8,899,196</u>
<u>\$ 1,074,269</u>	<u>\$ 5,867,939</u>	<u>\$ 12,887</u>	<u>\$ 35,570</u>	<u>\$ 11,896,488</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, 2011

	Social Services	Translator	Healthy Community	Conservation Trust	Healthy Rivers and Streams Fund
Revenues					
Taxes	\$ 243,266	\$ 667,918	\$ 1,499,987	\$ -	\$ 752,712
Intergovernmental	1,140,442	-	-	51,507	-
Charges for services	-	797	-	-	-
Investment earnings	1,215	9,163	3,850	208	9,388
Impact fees	-	-	-	-	-
Miscellaneous	13,052	36,598	-	-	-
Total Revenues	1,397,975	714,476	1,503,837	51,715	762,100
Expenditures					
Current:					
Public safety	-	-	-	-	-
Public works	-	406,639	16,000	-	-
Health and welfare	1,388,728	-	1,056,831	-	-
Culture and recreation	-	-	186,300	-	687,294
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	1,388,728	406,639	1,259,131	-	687,294
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,247	307,837	244,706	51,715	74,806
Other Financing Sources (Uses)					
Transfers in	40,000	-	-	-	-
Transfers out	-	-	(383,351)	(51,715)	-
Total Other Financing Sources (Uses)	40,000	-	(383,351)	(51,715)	-
Net Change in Fund Balances	49,247	307,837	(138,645)	-	74,806
Fund Balances Beginning of Year	87,015	736,301	237,645	2,383	1,015,067
Fund Balances End of Year	\$ 136,262	\$ 1,044,138	\$ 99,000	\$ 2,383	\$ 1,089,873

Ambulance District	Housing Impact Fund	Redstone Ranch Acres Improvement District	Twining Flats Improvement District	Total Nonmajor Special Revenue Funds
\$ 389,524	\$ -	\$ 8,816	\$ 17,577	\$ 3,579,800
-	-	-	-	1,191,949
-	-	-	-	797
7,565	51,462	63	192	83,106
-	482,542	-	-	482,542
112	-	-	-	49,762
<u>397,201</u>	<u>534,004</u>	<u>8,879</u>	<u>17,769</u>	<u>5,387,956</u>
520,120	-	-	-	520,120
-	-	10,430	2,778	435,847
-	-	-	-	2,445,559
-	-	-	-	873,594
-	-	-	6,394	6,394
-	-	-	2,675	2,675
<u>520,120</u>	<u>-</u>	<u>10,430</u>	<u>11,847</u>	<u>4,284,189</u>
<u>(122,919)</u>	<u>534,004</u>	<u>(1,551)</u>	<u>5,922</u>	<u>1,103,767</u>
-	-	-	-	40,000
-	-	-	-	(435,066)
-	-	-	-	(395,066)
(122,919)	534,004	(1,551)	5,922	708,701
<u>761,189</u>	<u>5,333,935</u>	<u>5,379</u>	<u>11,581</u>	<u>8,190,495</u>
<u>\$ 638,270</u>	<u>\$ 5,867,939</u>	<u>\$ 3,828</u>	<u>\$ 17,503</u>	<u>\$ 8,899,196</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, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	2011			2010	
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues					
Taxes	\$ 242,094	\$ 242,094	\$ 243,266	\$ 1,172	\$ 179,354
Intergovernmental	726,250	726,250	1,140,442	414,192	760,917
Investment earnings	708	708	1,215	507	680
Miscellaneous	-	-	13,052	13,052	9,012
Total Revenues	969,052	969,052	1,397,975	428,923	949,963
Expenditures					
Current:					
Health and welfare	1,101,264	1,108,664	1,388,728	(280,064)	937,032
Total Expenditures	1,101,264	1,108,664	1,388,728	(280,064)	937,032
Excess (Deficiency) of Revenues Over (Under) Expenditures	(132,212)	(139,612)	9,247	148,859	12,931
Other Financing Sources (Uses)					
Transfers from other funds	150,799	150,799	40,000	(110,799)	40,000
Total Other Financing Sources	150,799	150,799	40,000	(110,799)	40,000
Net Change in Fund Balances	\$ 18,587	\$ 11,187	49,247	\$ 38,060	52,931
Fund Balances Beginning of Year			87,015		34,084
Fund Balances End of Year			\$ 136,262		\$ 87,015

Pitkin County, Colorado
Translator Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	<u>2011</u>			<u>2010</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual</u>
Revenues					
Taxes	\$ 675,741	\$ 675,741	\$ 667,918	\$ (7,823)	\$ 653,360
Intergovernmental	-	-	-	-	360,252
Charges for services	-	-	797	797	2,632
Investment earnings	13,147	13,147	9,163	(3,984)	6,813
Miscellaneous	29,715	29,715	36,598	6,883	13,468
Total Revenues	<u>718,603</u>	<u>718,603</u>	<u>714,476</u>	<u>(4,127)</u>	<u>1,036,525</u>
Expenditures					
Current:					
Public works	<u>595,485</u>	<u>759,799</u>	<u>406,639</u>	<u>353,160</u>	<u>519,883</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>123,118</u>	<u>(41,196)</u>	<u>307,837</u>	<u>349,033</u>	<u>516,642</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 123,118</u>	<u>\$ (41,196)</u>	<u>307,837</u>	<u>\$ 349,033</u>	<u>516,642</u>
Fund Balances Beginning of Year			<u>736,301</u>		<u>219,659</u>
Fund Balances End of Year			<u>\$ 1,044,138</u>		<u>\$ 736,301</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, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	2011			2010	
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues					
Taxes	\$ 1,517,589	\$ 1,517,589	\$ 1,499,987	\$ (17,602)	\$ 1,470,989
Investment earnings	7,180	7,180	3,850	(3,330)	6,267
Total Revenues	<u>1,524,769</u>	<u>1,524,769</u>	<u>1,503,837</u>	<u>(20,932)</u>	<u>1,477,256</u>
Expenditures					
Current:					
Public works	16,000	16,000	16,000	-	16,000
Health and welfare	1,045,003	1,045,003	1,056,831	(11,828)	1,027,197
Culture and recreation	188,300	197,800	186,300	11,500	176,050
Total Expenditures	<u>1,249,303</u>	<u>1,258,803</u>	<u>1,259,131</u>	<u>(328)</u>	<u>1,219,247</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>275,466</u>	<u>265,966</u>	<u>244,706</u>	<u>(21,260)</u>	<u>258,009</u>
Other Financing Sources					
Transfers out	(385,086)	(385,086)	(383,351)	1,735	(384,118)
Total Other Financing Sources	<u>(385,086)</u>	<u>(385,086)</u>	<u>(383,351)</u>	<u>1,735</u>	<u>(384,118)</u>
Net Change in Fund Balances	<u>\$ (109,620)</u>	<u>\$ (119,120)</u>	<u>(138,645)</u>	<u>\$ (19,525)</u>	<u>(126,109)</u>
Fund Balances Beginning of Year			<u>237,645</u>		<u>363,754</u>
Fund Balances End of Year			<u>\$ 99,000</u>		<u>\$ 237,645</u>

Pitkin County, Colorado
Conservation Trust Fund
Schedule of Revenues and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	2011			2010	
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues					
Intergovernmental	\$ 50,000	\$ 50,000	\$ 51,507	\$ 1,507	\$ 51,238
Investment earnings	243	243	208	(35)	253
Total Revenues	50,243	50,243	51,715	1,472	51,491
Other Financing Uses					
Transfers out	(50,000)	(50,000)	(51,715)	(1,715)	(51,240)
Total Other Financing Uses	(50,000)	(50,000)	(51,715)	(1,715)	(51,240)
Net Change in Fund Balances	\$ 243	\$ 243	-	\$ (243)	251
Fund Balances Beginning of Year			2,383		2,132
Fund Balances End of Year			\$ 2,383		\$ 2,383

Pitkin County, Colorado
Healthy Rivers and Streams Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	2011			2010	
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues					
Taxes	\$ 696,588	\$ 696,588	\$ 752,712	\$ 56,124	\$ 691,832
Investment earnings	2,614	2,614	9,388	6,774	9,340
Total Revenues	699,202	699,202	762,100	62,898	701,172
Expenditures					
Current:					
Culture and recreation	284,635	792,317	687,294	105,023	332,236
Total Expenditures	284,635	792,317	687,294	105,023	332,236
Excess (Deficiency) of Revenues Over (Under) Expenditures	414,567	(93,115)	74,806	167,921	368,936
Net Change in Fund Balances	\$ 414,567	\$ (93,115)	74,806	\$ 167,921	368,936
Fund Balances Beginning of Year			1,015,067		646,131
Fund Balances End of Year			\$ 1,089,873		\$ 1,015,067

Pitkin County, Colorado
Ambulance District Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	2011			2010	
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues					
Taxes	\$ 393,492	\$ 393,492	\$ 389,524	\$ (3,968)	\$ 379,035
Intergovernmental	-	69,901	-	(69,901)	-
Investment earnings	11,130	11,130	7,565	(3,565)	10,779
Miscellaneous	-	-	112	112	12
Total Revenues	404,622	474,523	397,201	(77,322)	389,826
Expenditures					
Current:					
Public safety	607,076	627,576	520,120	107,456	504,466
Excess (Deficiency) of Revenues Over (Under) Expenditures	(202,454)	(153,053)	(122,919)	30,134	(114,640)
Net Change in Fund Balances	\$ (202,454)	\$ (153,053)	(122,919)	\$ 30,134	(114,640)
Fund Balances Beginning of Year			761,189		875,829
Fund Balances End of Year			\$ 638,270		\$ 761,189

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, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	2011			2010	
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues					
Investment earnings	\$ 52,407	\$ 52,407	\$ 51,462	\$ (945)	\$ 61,401
Impact fees	350,000	350,000	482,542	132,542	312,051
Total Revenues	<u>402,407</u>	<u>402,407</u>	<u>534,004</u>	<u>131,597</u>	<u>373,452</u>
Expenditures					
Current:					
Housing	1,487	1,487	-	1,487	-
Excess (Deficiency) of Revenues Over Expenditures	<u>400,920</u>	<u>400,920</u>	<u>534,004</u>	<u>133,084</u>	<u>373,452</u>
Net Change in Fund Balances	<u>\$ 400,920</u>	<u>\$ 400,920</u>	534,004	<u>\$ 133,084</u>	373,452
Fund Balances Beginning of Year			<u>5,333,935</u>		<u>4,960,483</u>
Fund Balances End of Year			<u>\$ 5,867,939</u>		<u>\$ 5,333,935</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, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	2011			2010	
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues					
Taxes	\$ 8,811	\$ 8,811	\$ 8,816	\$ 5	\$ 8,723
Investment earnings	58	58	63	5	82
Total Revenues	8,869	8,869	8,879	10	8,805
Expenditures					
Current:					
Public works	8,430	10,930	10,430	500	7,576
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 439	\$ (2,061)	(1,551)	\$ 510	1,229
Fund Balances Beginning of Year			5,379		4,150
Fund Balances End of Year			\$ 3,828		\$ 5,379

Changes in Fund Balances - Budget and Actual
Twining Flats Improvement District Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	2011			2010	
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues					
Taxes	\$ 17,550	\$ 17,550	\$ 17,577	\$ 27	\$ 17,446
Investment earnings	110	110	192	82	186
Total Revenues	17,660	17,660	17,769	109	17,632
Expenditures					
Current:					
Public works	6,356	6,356	2,778	3,578	5,971
Debt Service:					
Principal retirement	6,394	6,394	6,394	-	6,032
Interest and fiscal charges	2,774	2,774	2,675	99	2,582
Total Expenditures	15,524	15,524	11,847	3,677	14,585
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 2,136</u>	<u>\$ 2,136</u>	5,922	<u>\$ 3,786</u>	3,047
Fund Balances Beginning of Year			11,581		8,534
Fund Balances End of Year			<u>\$ 17,503</u>		<u>\$ 11,581</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. During 2010, The County issued a \$8,360,000 Sales Tax Revenue bonds that consisted of \$5,830,000 Tax Exempt Refunding bonds \$2,530,000 of Taxable Sales Tax Revenue Build America Bonds. The refunding bonds defeased the outstanding 1998 and 2001 Sales Tax Revenue Bonds. The bond proceeds of the refunded debt and current debt were issued to acquire buses and improve certain facilities for the Roaring Fork Transit Agency. Funding is provided by a 1% County sales tax implemented on July 1, 1985, and by interest earned by the fund.

Pitkin County, Colorado
Combining Balance Sheet
Non-major Debt Service Funds
December 31, 2011

	County GO Debt Service	Transit Debt Service	Total Non-major Debt Service Funds
Assets			
Equity in pooled cash and investments	\$ 5,048	\$ -	\$ 5,048
Receivables:			
Property taxes	152,246	-	152,246
Sales taxes	-	109,044	109,044
Restricted cash and investments	-	55,172	55,172
Total Assets	\$ 157,294	\$ 164,216	\$ 321,510
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ -	\$ 650	\$ 650
Due to other funds	-	-	-
Deferred revenue	152,246	-	152,246
Total Liabilities	152,246	650	152,896
Fund Balances			
Restricted for debt service	5,048	163,566	168,614
Total Fund Balances	5,048	163,566	168,614
Total Liabilities and Fund Balances	\$ 157,294	\$ 164,216	\$ 321,510

Pitkin County, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Debt Service Funds
For the Year Ended December 31, 2011

	County GO Debt Service	Transit Debt Service	Non-major Debt Service Funds
Revenues			
Taxes	\$ 473,915	\$ 555,131	\$ 1,029,046
Intergovernmental revenue	-	57,029	57,029
Investment earnings	2,310	1,930	4,240
Total Revenues	<u>476,225</u>	<u>614,090</u>	<u>1,090,315</u>
Expenditures			
Debt Service:			
Principal retirement	420,000	285,000	705,000
Interest and fiscal charges	48,819	336,547	385,366
Total Expenditures	<u>468,819</u>	<u>621,547</u>	<u>1,090,366</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,406</u>	<u>(7,457)</u>	<u>(51)</u>
Net Change in Fund Balances	7,406	(7,457)	(51)
Fund Balances Beginning of Year	<u>(2,358)</u>	<u>171,023</u>	<u>168,665</u>
Fund Balances End of Year	<u>\$ 5,048</u>	<u>\$ 163,566</u>	<u>\$ 168,614</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, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	<u>2011</u>			<u>2010</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual</u>
Revenues					
Taxes	\$ 479,552	\$ 479,552	\$ 473,915	\$ (5,637)	\$ 470,443
Investment earnings	2,568	2,568	2,310	(258)	2,947
Total Revenues	<u>482,120</u>	<u>482,120</u>	<u>476,225</u>	<u>(5,895)</u>	<u>473,390</u>
Expenditures					
Debt Service:					
Principal retirement	420,000	420,000	420,000	-	410,000
Interest and fiscal charges	49,954	49,954	48,819	1,135	64,132
Total Expenditures	<u>469,954</u>	<u>469,954</u>	<u>468,819</u>	<u>1,135</u>	<u>474,132</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>12,166</u>	<u>12,166</u>	<u>7,406</u>	<u>(4,760)</u>	<u>(742)</u>
Net Change in Fund Balances	<u>\$ 12,166</u>	<u>\$ 12,166</u>	<u>7,406</u>	<u>\$ (4,760)</u>	<u>(742)</u>
Fund Balances Beginning of Year			<u>(2,358)</u>		<u>(1,616)</u>
Fund Balances End of Year			<u>\$ 5,048</u>		<u>\$ (1,616)</u>

Pitkin County, Colorado
Transit Sales Tax Revenue Bonds
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	2011			2010	
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues					
Taxes	\$ 602,515	\$ 602,515	\$ 555,131	\$ (47,384)	\$ 696,559
Intergovernmental revenue	60,671	60,671	57,029	(3,642)	-
Investment earnings	3,219	3,219	1,930	(1,289)	3,344
Total Revenues	<u>666,405</u>	<u>666,405</u>	<u>614,090</u>	<u>(52,315)</u>	<u>699,903</u>
Expenditures					
Current					
Public works	-	-	-	-	2,500,000
Debt Service:					
Principal retirement	305,000	305,000	285,000	20,000	380,000
Interest and fiscal charges	361,405	361,405	336,547	24,858	304,771
Bond issuance costs	-	-	-	-	102,030
Total Expenditures	<u>666,405</u>	<u>666,405</u>	<u>621,547</u>	<u>44,858</u>	<u>3,286,801</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(7,457)</u>	<u>(7,457)</u>	<u>(2,586,898)</u>
Other Financing Sources (Uses)					
Issuance of bonds	-	-	-	-	8,360,000
Premium on debt issuance	-	-	-	-	2,616
Payment to refunded bond escrow agent	-	-	-	-	(5,818,920)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,543,696</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>(7,457)</u>	<u>\$ (7,457)</u>	<u>(43,202)</u>
Fund Balances Beginning of Year			<u>171,023</u>		<u>214,225</u>
Fund Balances End of Year			<u>\$ 163,566</u>		<u>\$ 171,023</u>

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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, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	<u>2011</u>	<u>2010</u>
Operating Revenues		
Charges for services	\$ 3,022,244	\$ 2,837,359
Rents and franchises	4,138,079	4,339,085
Miscellaneous	400	325
Total Operating Revenues	<u>7,160,723</u>	<u>7,176,769</u>
Operating Expenses		
Personnel services	2,089,634	2,093,623
Purchased services	4,883,761	4,937,012
Materials and supplies	294,594	443,280
Depreciation	4,136,884	3,933,204
Total Operating Expenses	<u>11,404,873</u>	<u>11,407,119</u>
Operating (Loss)	(4,244,150)	(4,230,350)
Non-operating Revenues (Expenses)		
Interest revenue	92,670	126,461
Intergovernmental revenue	719,858	388,868
Interest expense and fiscal charge	(40,753)	(50,477)
Net (loss) on disposition of capital assets	66,270	(197,249)
Total Non-operating Revenues	<u>838,045</u>	<u>267,603</u>
(Loss) Before Capital Contributions	(3,406,105)	(3,962,747)
Capital contributions	11,800,224	3,468,958
Change in Net Assets	8,394,119	(493,789)
Net Assets Beginning of Year	<u>81,113,373</u>	<u>81,607,162</u>
Net Assets End of Year	<u>\$ 89,507,492</u>	<u>\$ 81,113,373</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, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	2011			2010	
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues					
GAAP-based operating revenues	\$ 7,051,340	\$ 7,067,340	\$ 7,160,723	\$ 93,383	\$ 7,176,769
GAAP-based interest revenues	118,000	118,000	92,670	(25,330)	126,461
GAAP-based non-operating revenue	398,695	398,695	719,858	321,163	388,868
GAAP-based contributions from federal government and others	1,273,604	17,700,078	11,800,224	(5,899,854)	3,468,958
Total Budgetary-Based Revenues	\$ 8,841,639	\$ 25,284,113	\$ 19,773,475	\$ (5,510,638)	\$ 11,161,056
Expenditures					
GAAP-based operating expenditures	\$ 5,993,716	\$ 11,829,678	\$ 11,404,873	\$ 424,805	\$ 7,473,915
GAAP-based interest expense and fiscal charges	44,037	44,037	40,753	3,284	50,477
Deduct depreciation	-	-	(4,136,884)	4,136,884	(3,933,204)
Add accrued interest payable	-	-	3,284	(3,284)	-
Add acquisition of property and equipment	1,071,000	17,844,647	13,770,215	4,074,432	2,536,366
Add debt principal retirement	320,780	320,780	320,780	-	311,166
Total Budgetary-Based Expenditures	\$ 7,429,533	\$ 30,039,142	\$ 21,403,021	\$ 8,636,121	\$ 6,438,720
Other Financing Sources (Uses)					
GAAP-based proceeds from sale of capital assets	\$ 210,000	\$ 210,000	\$ 92,976	\$ (117,024)	\$ 43,500
Total Budgetary-Based Other Financing Sources (Uses)	\$ 210,000	\$ 210,000	\$ 92,976	\$ (117,024)	\$ 43,500

Pitkin County, Colorado
Solid Waste Center Fund
Statement of Revenues,
Expenses and Changes in Fund Net Assets
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	2011	2010
Operating Revenues		
Charges for services	\$ 4,204,774	\$ 3,972,556
Miscellaneous	8,139	-
Total Operating Revenues	4,212,913	3,972,556
Operating Expenses		
Personal services	792,698	852,871
Purchased services	3,251,253	3,074,489
Materials and supplies	52,088	53,170
Depreciation	127,969	147,940
Postclosure	116,276	102,894
Total Operating Expenses	4,340,284	4,231,364
Operating (Loss)	(127,371)	(258,808)
Non-Operating Revenues (Expenses)		
Interest	37,022	50,236
Gain on disposition of capital assets	-	-
Total Non-Operating Revenues (Expenses)	37,022	50,236
(Loss) Before Transfers Out	(90,349)	(208,572)
Transfers out	(270,000)	(270,000)
Change in Net Assets	(360,349)	(478,572)
Net Assets Beginning of Year	3,479,026	3,957,598
Net Assets End of Year	\$ 3,118,677	\$ 3,479,026

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, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	2011			2010	
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues					
GAAP-based operating revenues	\$ 3,900,168	\$ 3,900,168	\$ 4,212,913	\$ 312,745	\$ 3,972,556
GAAP-based interest revenues	63,040	63,040	37,022	(26,018)	50,236
Total Budgetary-Based Revenues	\$ 3,963,208	\$ 3,963,208	\$ 4,258,074	\$ 294,866	\$ 4,022,792
Expenditures					
GAAP-based operating expenditures	\$ 4,317,009	\$ 4,716,019	\$ 4,340,284	\$ 375,735	\$ 3,980,530
Deduct depreciation	-	-	(127,969)	127,969	(147,940)
Deduct postclosure accrual	-	-	(116,276)	116,276	(102,894)
Increase (decrease) in inventory	-	-	(138,509)	138,509	(234,914)
Add acquisition of property and equipment	227,606	448,606	330,349	118,257	31,990
Total Budgetary-Based Expenditures	\$ 4,544,615	\$ 5,164,625	\$ 4,287,879	\$ 876,746	\$ 3,526,772
Other Financing Sources (Uses)					
GAAP-based proceeds from sale of capital assets	\$ 15,000	\$ 19,000	\$ -	\$ (19,000)	\$ -
GAAP-based transfer to general fund	(270,000)	(270,000)	(270,000)	-	(270,000)
Total Budgetary-Based Other Financing Sources (Uses)	\$ (255,000)	\$ (251,000)	\$ (270,000)	\$ (19,000)	\$ (270,000)

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, 2011

County Clearing Funds	Restated Balance January 1, 2011	Additions	Deductions	Balance December 31, 2011
Assets				
Equity in pooled cash and investments	\$ 1,929,798	\$ 229,108,552	\$ 230,505,733	\$ 532,617
Liabilities				
Due to other governments	\$ -	\$ 4,304,623	\$ 3,971,129	\$ 333,494
Funds held for others	1,929,798	224,803,929	226,534,604	199,123
Total Liabilities	\$ 1,929,798	\$ 229,108,552	\$ 230,505,733	\$ 532,617
Taxing Districts				
Assets				
Equity in pooled cash and investments	\$ 156,588	\$ 94,276,485	\$ 94,348,701	\$ 84,372
Liabilities				
Due to other governments	\$ 156,588	\$ 94,276,485	\$ 94,348,701	\$ 84,372
Housing Funds				
Assets				
Equity in pooled cash and investments	\$ 73,119	\$ 662	\$ -	\$ 73,781
Liabilities				
Funds held for others	\$ 73,119	\$ 662	\$ -	\$ 73,781
Other Clearing Funds				
Assets				
Equity in pooled cash and investments	\$ 311,316	\$ 3,159	\$ -	\$ 314,475
Liabilities				
Due to other governments	\$ 311,316	\$ 3,159	\$ -	\$ 314,475
Total - All Agency Funds				
Assets				
Equity in pooled cash and investments	\$ 2,470,821	\$ 323,388,858	\$ 324,854,434	\$ 1,005,245
Liabilities				
Due to other governments	\$ 467,904	\$ 98,584,267	\$ 98,319,830	\$ 732,341
Funds held for others	2,002,917	224,804,591	226,534,604	272,904
Total Liabilities	\$ 2,470,821	\$ 323,388,858	\$ 324,854,434	\$ 1,005,245

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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, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	<u>2011</u>			<u>2010</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual</u>
Revenues					
Taxes	\$ 3,261,168	\$ 3,261,168	\$ 3,221,484	\$ (39,684)	\$ 3,132,251
Charges for services	9,425	9,425	12,602	3,177	14,732
Fines and forfeits	20,000	20,000	22,065	2,065	20,354
Investment earnings	546,069	546,069	37,141	(508,928)	569,592
Miscellaneous	16,000	16,000	29,159	13,159	22,351
Total Revenues	<u>3,852,662</u>	<u>3,852,662</u>	<u>3,322,451</u>	<u>(530,211)</u>	<u>3,759,280</u>
Expenditures					
Current:					
Culture and recreation	3,646,709	3,860,509	3,241,751	618,758	3,068,633
Total Expenditures	<u>3,646,709</u>	<u>3,860,509</u>	<u>3,241,751</u>	<u>618,758</u>	<u>3,068,633</u>
Excess of Revenues Over (Under) Expenditures	<u>205,953</u>	<u>(7,847)</u>	<u>80,700</u>	<u>88,547</u>	<u>690,647</u>
Other Financing Sources					
Proceeds from sale of capital assets	8,000	8,000	9,020	1,020	9,441
Total Other Financing Sources	<u>8,000</u>	<u>8,000</u>	<u>9,020</u>	<u>1,020</u>	<u>9,441</u>
Net Change in Fund Balances	<u>\$ 213,953</u>	<u>\$ 153</u>	89,720	<u>\$ 89,567</u>	700,088
Fund Balances Beginning of Year			6,070,882		5,370,794
Fund Balances End of Year			<u>\$ 6,160,602</u>		<u>\$ 6,070,882</u>
Reconciliation to Statement of Net Assets					
Capital outlays are reported 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.					
Accumulated depreciation		\$ (5,331,652)			
Cost of capital assets		<u>9,369,760</u>	\$ 4,038,108		
Compensated absences			<u>(122,393)</u>		
Total Net Assets			<u>\$ 10,076,317</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, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	<u>2011</u>			<u>2010</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual</u>
Revenues					
Charges for services	\$ 584,430	\$ 584,430	\$ 561,543	\$ (22,887)	\$ 547,734
Investment earnings	6,396	6,396	8,574	2,178	8,019
Total Revenues	<u>590,826</u>	<u>590,826</u>	<u>570,117</u>	<u>(20,709)</u>	<u>555,753</u>
Expenditures					
Current:					
Public Safety	626,990	626,990	526,574	100,416	338,479
Total Expenditures	<u>626,990</u>	<u>626,990</u>	<u>526,574</u>	<u>100,416</u>	<u>338,479</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (36,164)</u>	<u>\$ (36,164)</u>	43,543	<u>\$ 79,707</u>	217,274
Fund Balances Beginning of Year			<u>844,686</u>		<u>627,412</u>
Fund Balances End of Year			<u>\$ 888,229</u>		<u>\$ 844,686</u>
Reconciliation to Statement of Net Assets					
Capital outlays are reported 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.					
Accumulated depreciation		\$ (253,197)			
Cost of capital assets		<u>506,127</u>	\$ 252,930		
Total Net Assets			<u>\$ 1,141,159</u>		

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COMBINED SCHEDULE OF CASH AND INVESTMENTS

Pitkin County, Colorado

COMBINED SCHEDULE OF CASH AND INVESTMENTS

December 31, 2011

	Interest Rate	Maturity Date	Fair Value
Pooled cash and investments			
U.S. Agencies and Instrumentalities			
Federal Home Loan Mortgage Corp.			
Par Value \$1,000,000	5.000%	1/30/2014	\$ 1,092,790
Federal National Mortgage Assoc.			
Par Value \$1,000,000	3.875%	7/12/2013	1,054,560
Federal Home Loan Bank			
Par Value \$1,000,000	1.000%	9/13/2013	1,010,170
Par Value \$1,000,000	4.875%	11/27/2013	1,084,140
Total U.S. Agencies and Instrumentalities			\$ 4,241,660
Bank Certificates of Deposit			
City Wide Bank	2.780%	3/20/2012	1,000,000
City Wide Bank	2.780%	5/19/2012	1,000,000
City Wide Bank	1.300%	9/23/2014	1,000,000
Bank of San Juan, Durango	2.280%	8/25/2012	1,000,000
Bank of San Juan, Durango	2.280%	9/18/2012	1,000,000
Bank of San Juan, Durango	2.280%	11/14/2012	1,000,000
Bank of San Juan, Durango	2.250%	1/15/2013	1,000,000
Bank of San Juan, Durango	2.000%	3/19/2013	1,000,000
Bank of San Juan, Durango	1.250%	3/17/2014	1,000,000
Total Bank Certificates of Deposit			\$ 9,000,000
Money Market Demand Deposits			
Alpine Bank, Aspen	0.550%	-	1,707,973
Vectra Bank, Colorado	0.000%	-	2,173,671
Vectra Bank, Colorado	0.250%	-	38,962,007
Vectra Bank, Colorado Repurchase Agreement	0.250%	-	515,537
Wells Fargo Bank	-	-	4,180
Centennial Bank	0.450%	-	1,000,740
Morgan Stanley Bank NA	-	-	24,378
Local Government Surplus Trust Funds			
COLOTRUST	0.080%	-	1,041,941
Colorado Statewide Investment Program	0.190%	-	9,000,096
Money Market Mutual Funds			
Vanguard Prime Money Market Instl.	0.100%	-	2,578,848
Petty cash			8,400
Deposits in transit less bank transfers in process			172,364
Less outstanding warrants			(967,826)
TOTAL POOLED CASH AND INVESTMENTS			\$ 69,463,969

Pitkin County, Colorado

COMBINED SCHEDULE OF CASH AND INVESTMENTS (CONTINUED)

December 31, 2011

	Interest Rate	Maturity Date	Fair Value
Other Cash and Investments			
Institutional Mutual Funds held for Pitkin County Library District			
Mutual Funds			
Allianz Pimco RCM Large Cap Growth			\$ 165,786
Davis New York Venture			164,174
Diamond Hill Small Cap			103,001
Euro Pacific Growth			165,932
Fidelity Floating Rate			742,371
Harbor High-yield bond			221,628
ING Global Real Estate			106,772
Loomis Sales Investment Grade Bond			562,913
Oakmark Intl Small Cap			83,121
PIMCO Commodity Real Return			152,736
PIMCO Low Duration Bond			704,710
PIMCO RCM Total Return Inst			572,566
T. Rowe Price Mid-cap			143,237
Thornburg International Value Instl.			164,116
Vanguard Intermediate Term Bond Index			288,141
Vanguard Short-term Bond Index			742,837
Vanguard Total Stock			288,188
Total library other cash and investments			\$ 5,372,229
Retirement Trust Fund			
Mutual Funds held at Wells Fargo Bank, trustee			\$ 21,181,586
TOTAL OTHER CASH AND INVESTMENTS			\$ 26,553,815
		Pooled cash and investments	Other cash and Investments
Fund Reporting Level:			
Governmental Funds - Balance Sheet	\$	52,360,168	\$ -
Governmental Funds - Balance Sheet - Restricted Assets		55,172	-
Proprietary Fund Type Statement of Net Assets		11,127,434	-
Proprietary Fund Type Statement of Net Assets - Restricted Assets		3,105,516	-
Component Units - Balance Sheet		1,657,039	5,372,229
Statement of Fiduciary Assets and Liabilities		1,158,640	21,181,586
Total	\$	69,463,969	\$ 26,553,815

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COMBINED SCHEDULE OF GOVERNMENTAL REVENUE BY SOURCE

Pitkin County, Colorado

COMBINED SCHEDULE OF GOVERNMENTAL REVENUE BY SOURCE

For the Year Ended December 31, 2011

	MAJOR FUNDS			
	General Fund	Road & Bridge Fund	Transportation Sales and Use Tax Fund	Open Space and Trails Fund
Taxes and special assessments				
Property	\$ 5,453,410	\$ 406,965	\$ -	\$ 12,180,495
Specific ownership	134,866	10,040	-	300,417
General sales tax	5,668,409	874,163	10,609,384	-
Selective sales and use tax	20,348	-	765,569	-
Penalties and interest	11,827	881	-	26,254
Total taxes	11,288,860	1,292,049	11,374,953	12,507,166
Intergovernmental revenue				
Federal	2,682,194	-	-	-
State	35,610	1,419,405	-	2,500,100
Other governmental	37,874	-	-	504,691
Total intergovernmental revenue	2,755,678	1,419,405	-	3,004,791
Licenses and Permits				
Business	714,098	7,745	-	-
Nonbusiness	1,029	-	-	-
Total licenses and permits	715,127	7,745	-	-
Charges for services				
General government	4,420,537	-	-	-
Public safety	778,813	-	-	-
Public works	275,367	39,043	-	-
Health and welfare	71,939	-	-	-
Culture and recreation	37,948	-	-	-
Conservation of natural resources	-	-	-	8,949
Refunds	248,476	8,598	-	1,447
Total charges for services	5,833,080	47,641	-	10,396
Fines and forfeits				
Courts	29,954	-	-	-
County fines	185	-	-	3,450
Library	-	-	-	-
Total fines and forfeits	30,139	-	-	3,450
Miscellaneous				
Earnings on deposits and investments	250,846	14,790	91,888	-
Impact fees	-	96,863	-	-
Rents and royalties	315,940	1,200	4,009	12,000
Contributions	60,795	-	-	321,555
Other	14,471	-	-	-
Total miscellaneous	642,052	112,853	95,897	333,555
TOTAL REVENUES	\$ 21,264,936	\$ 2,879,693	\$ 11,470,850	\$ 15,859,358

NON-MAJOR FUNDS

Social Services Fund	Translator Fund	Healthy Community Fund	Conservation Trust Fund	Healthy River and Streams Fund	Ambulance District
\$ 236,948	\$ 650,459	\$ 1,460,775	\$ -	\$ -	\$ 379,364
5,823	16,046	36,038	-	-	9,343
-	-	-	-	752,712	-
-	-	-	-	-	-
495	1,413	3,174	-	-	817
<u>243,266</u>	<u>667,918</u>	<u>1,499,987</u>	<u>-</u>	<u>752,712</u>	<u>389,524</u>
-	-	-	-	-	-
1,140,442	-	-	51,507	-	-
-	-	-	-	-	-
<u>1,140,442</u>	<u>-</u>	<u>-</u>	<u>51,507</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	797	-	-	-	-
-	<u>797</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,215	9,163	3,850	208	9,388	7,565
-	-	-	-	-	-
-	36,598	-	-	-	-
4,500	-	-	-	-	-
8,552	-	-	-	-	112
<u>14,267</u>	<u>45,761</u>	<u>3,850</u>	<u>208</u>	<u>9,388</u>	<u>7,677</u>
<u>\$ 1,397,975</u>	<u>\$ 714,476</u>	<u>\$ 1,503,837</u>	<u>\$ 51,715</u>	<u>\$ 762,100</u>	<u>\$ 397,201</u>

(continued)

Pitkin County, Colorado

COMBINED SCHEDULE OF GOVERNMENTAL REVENUE BY SOURCE (CONTINUED)

For the Year Ended December 31, 2011

	NON-MAJOR FUNDS					Primary Government Combined Total
	Housing Impact Fund	Redstone Ranch Acres Improvement District	Twining Flats Improvement District	GO Debt Service Fund	Transit Debt Service Fund	
Taxes and special assessments						
Property	\$ -	\$ 8,596	\$ 17,122	\$ 461,524	\$ -	\$ 21,255,658
Specific ownership	-	209	417	11,385	-	524,584
General sales tax	-	-	-	-	555,131	18,459,799
Selective sales and use tax	-	-	-	-	-	785,917
Penalties and interest	-	11	38	1,006	-	45,916
Total taxes	-	8,816	17,577	473,915	555,131	41,071,874
Intergovernmental revenue						
Federal	-	-	-	-	57,029	2,739,223
State	-	-	-	-	-	5,147,064
Other governmental	-	-	-	-	-	542,565
Total intergovernmental revenue	-	-	-	-	57,029	8,428,852
Licenses and Permits						
Business	-	-	-	-	-	721,843
Nonbusiness	-	-	-	-	-	1,029
Total licenses and permits	-	-	-	-	-	722,872
Charges for services						
General government	-	-	-	-	-	4,420,537
Public safety	-	-	-	-	-	778,813
Public works	-	-	-	-	-	314,410
Health and welfare	-	-	-	-	-	71,939
Culture and recreation	-	-	-	-	-	37,948
Conservation of natural resources	-	-	-	-	-	8,949
Refunds	-	-	-	-	-	259,318
Total charges for services	-	-	-	-	-	5,891,914
Fines and forfeits						
Courts	-	-	-	-	-	29,954
Open space violations	-	-	-	-	-	3,635
Library	-	-	-	-	-	-
Total fines and forfeits	-	-	-	-	-	33,589
Miscellaneous						
Earnings on deposits and investments	51,462	63	192	2,310	1,930	444,870
Impact fees	482,542	-	-	-	-	579,405
Rents and royalties	-	-	-	-	-	369,747
Contributions	-	-	-	-	-	386,850
Other	-	-	-	-	-	23,135
Total miscellaneous	534,004	63	192	2,310	1,930	1,804,007
TOTAL REVENUES	\$ 534,004	\$ 8,879	\$ 17,769	\$ 476,225	\$ 614,090	\$ 57,953,108

COMPONENT UNITS

Pitkin County Library District	Emergency Telephone Authority	Reporting Entity Combined Total
\$ 3,137,612	\$ -	\$ 24,393,270
77,423	-	602,007
-	-	18,459,799
-	-	785,917
6,449	-	52,365
3,221,484	-	44,293,358
-	-	2,739,223
-	-	5,147,064
-	-	542,565
-	-	8,428,852
-	-	721,843
-	-	1,029
-	-	722,872
-	-	4,420,537
-	561,318	1,340,131
-	-	314,410
-	-	71,939
12,602	-	50,550
-	-	8,949
-	225	259,543
12,602	561,543	6,466,059
-	-	29,954
-	-	3,635
22,065	-	22,065
22,065	-	55,654
37,141	8,574	490,585
-	-	579,405
-	-	369,747
29,159	-	416,009
-	-	23,135
66,300	8,574	1,878,881
\$ 3,322,451	\$ 570,117	\$ 61,845,676

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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 31, 2011
This Information From The Records Of (example - City of _ or County of _): County of Pitkin, Colorado	Prepared By: John Redmond Phone: (970) 920-5225	

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	1,064,872
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	734,653
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	100,706
2. General fund appropriations (Note 1)	493,290	b. Snow and ice removal	647,788
3. Other local imposts (from page 2)	1,444,739	c. Other	1,274
4. Miscellaneous local receipts (from page 2)	169,056	d. Total (a. through c.)	749,768
5. Transfers from toll facilities	-	4. General administration & miscellaneous	629,301
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	486,988
a. Bonds - Original Issues	-	6. Total (1 through 5)	3,665,582
b. Bonds - Refunding Issues	-	B. Debt service on local obligations:	
c. Notes	-	1. Bonds:	
d. Total (a. + b. + c.)	-	a. Interest	2,675
7. Total (1 through 6)	2,107,085	b. Redemption	6,394
B. Private Contributions	35,000	c. Total (a. + b.)	9,069
C. Receipts from State government (from page 2)	1,149,712	2. Notes:	
D. Receipts from Federal Government (from page 2)	110,582	a. Interest	-
E. Total receipts (A.7 + B + C + D)	3,402,379	b. Redemption	-
		c. Total (a. + b.)	-
		3. Total (1.c + 2.c)	9,069
		C. Payments to State for highways	-
		D. Payments to toll facilities	-
		E. Total disbursements (A.6 + B.3 + C + D)	3,674,651

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	44,600	-	6,394	38,206
1. Bonds (Refunding Portion)				
B. Notes (Total)				-

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	1,834,424	3,402,379	3,674,651	1,562,152	-

Notes and Comments:

Note 1 General Fund Appropriations:
Transfer from General Fund 486,988
Sheriff expenditures for traffic 1,274
Amount Available from Non-highway 50,285
538,547

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2011

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	432,324	a. Interest on investments	15,045
b. Other local imposts:		b. Traffic Fines & Penalties	-
1. Sales Taxes	874,163	c. Parking Garage Fees	-
2. Infrastructure & Impact Fees	96,863	d. Parking Meter Fees	-
3. Liens	-	e. Sale of Surplus Property	9,065
4. Licenses	-	f. Charges for Services	-
5. Specific Ownership &/or Other	41,389	g. Other Misc. Receipts (Note 2)	144,946
6. Total (1. through 5.)	1,012,415	h. Other (Reimbursements of expense)	-
c. Total (a. + b.)	1,444,739	i. Total (a. through h.)	169,056
	(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	1,056,011	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	110,582
a. State bond proceeds		b. FEMA	-
b. Project Match		c. HUD	-
c. Motor Vehicle Registrations	35,397	d. Federal Transit Admin	-
d. Other (Specify) Ind Pass Grt.	58,304	e. U.S. Corps of Engineers	-
e. Other (Specify)	-	f. Other Federal-Reimburse Road Project	-
f. Total (a. through e.)	93,701	g. Total (a. through f.)	110,582
4. Total (1. + 2. + 3.f)	1,149,712	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM	OFF NATIONAL HIGHWAY SYSTEM	TOTAL
A.1. Capital outlay:			
a. Right-Of-Way Costs	-	5,715	5,715
b. Engineering Costs	-	276,027	276,027
c. Construction:			
(1). New Facilities	-	-	-
(2). Capacity Improvements	-	-	-
(3). System Preservation	-	757,653	757,653
(4). System Enhancement & Operation	-	25,477	25,477
(5). Total Construction (1) + (2) + (3) + (4)	-	783,130	783,130
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	-	1,064,872	1,064,872
			(Carry forward to page 1)

Notes and Comments:

Note 2	
Access Permits	7,745
Contribution	128,389
Misc Reimbursement	8,812
Total	144,946

2011
Annual Financial Report

STATISTICAL SECTION

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.	124-131
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	132-141
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	142-147
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.	148-152
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.	153-161

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 Nine Years

	2003	2004	2005
Governmental activities			
Invested in capital assets, net of related debt	\$ 54,508,038	\$ 63,474,673	\$ 71,576,959
Restricted			
Open space	17,233,939	15,046,683	6,751,388
Transportation and roads	13,028,903	15,328,837	14,917,328
Affordable housing	3,608,338	595,506	4,212,900
Highway 82 construction	2,052,508	2,138,165	965,876
Statutory reserve for emergencies	1,030,048	1,058,645	1,243,429
Debt service	661,143	611,194	527,780
Ambulance district	646,015	682,057	874,053
General Fund local restrictions	499,500	580,848	667,871
Human services and public welfare services	162,659	171,639	268,269
TV and FM broadcast services	233,930	331,203	465,203
Public Improvement Districts	12,364	10,658	5,537
Health Rivers and Streams fund	-	-	-
Unrestricted	9,236,600	11,215,180	14,529,046
Total governmental activities net assets	\$ 102,913,985	\$ 111,245,288	\$ 117,005,639
Business-type activities			
Invested in capital assets, net of related debt	\$ 29,458,287	\$ 43,888,509	\$ 56,204,425
Restricted			
Debt service	445,500	-	-
Inventory	-	-	-
Airport	5,964,016	4,001,848	5,531,446
Unrestricted	1,978,566	2,114,451	1,523,330
Total business-type activities net assets	\$ 37,846,369	\$ 50,004,808	\$ 63,259,201
Primary government			
Invested in capital assets, net of related debt	\$ 83,966,325	\$ 107,363,182	\$ 127,781,384
Restricted			
Open space	17,233,939	15,046,683	6,751,388
Transportation	13,028,903	15,328,837	14,917,328
Affordable housing	3,608,338	595,506	4,212,900
Highway 82 construction	2,052,508	2,138,165	965,876
Statutory reserve for emergencies	1,030,048	1,058,645	1,243,429
Debt service	1,106,643	611,194	527,780
Ambulance district	646,015	682,057	874,053
Airport	5,964,016	4,001,848	5,531,446
General Fund local restrictions	499,500	580,848	667,871
Human services and public welfare services	162,659	171,639	268,269
TV and FM broadcast services	233,930	331,203	465,203
Public Improvement Districts	12,364	10,658	5,537
Health Rivers and Streams fund	-	-	-
Inventory	-	-	-
Unrestricted	11,215,166	13,329,631	16,052,376
Total primary government net assets	\$ 140,760,354	\$ 161,250,096	\$ 180,264,840

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

	2006	2007	2008	2009	2010	2011
\$	74,991,785	\$ 102,497,894	\$ 118,334,844	\$ 134,717,335	\$ 155,994,598	\$ 155,315,076
	8,278,566	124,702	357,824	-	(10,371,301)	1,271,200
	16,955,481	16,316,370	11,621,432	11,510,491	10,926,613	11,388,957
	5,876,481	7,753,510	8,851,035	9,359,852	9,627,638	10,156,826
	923,449	663,633	547,179	429,955	-	-
	1,418,544	1,439,952	1,531,840	1,479,061	1,549,059	1,579,598
	487,318	482,170	185,560	144,210	38,088	38,238
	1,178,700	1,148,965	1,065,919	864,120	749,494	626,354
	551,889	1,109,157	1,199,502	1,175,261	462,386	462,380
	234,576	257,316	379,060	327,952	251,858	182,556
	637,385	842,480	1,069,303	199,883	705,205	1,022,704
	3,326	5,957	4,973	12,380	16,167	20,532
	-	-	-	626,522	994,032	1,067,010
	18,890,058	11,224,305	10,715,439	9,475,854	9,312,588	14,930,468
\$	<u>130,427,558</u>	<u>\$ 143,866,411</u>	<u>\$ 155,863,910</u>	<u>\$ 170,322,876</u>	<u>\$ 180,256,425</u>	<u>\$ 198,061,899</u>
\$	61,778,381	\$ 73,322,031	\$ 71,671,246	\$ 72,977,503	\$ 71,535,132	\$ 81,664,910
	-	-	-	-	-	-
	-	-	-	-	328,500	189,991
	6,067,769	6,349,656	10,542,488	10,438,724	11,271,356	9,738,075
	2,745,393	3,849,070	3,791,453	1,585,119	1,457,411	1,033,193
\$	<u>70,591,543</u>	<u>\$ 83,520,757</u>	<u>\$ 86,005,187</u>	<u>\$ 85,001,346</u>	<u>\$ 84,592,399</u>	<u>\$ 92,626,169</u>
\$	136,770,166	\$ 175,819,925	\$ 190,006,090	\$ 207,694,838	\$ 227,529,730	\$ 236,979,986
	8,278,566	124,702	357,824	-	(10,371,301)	1,271,200
	16,955,481	16,316,370	11,621,432	11,510,491	10,926,613	11,388,957
	5,876,481	7,753,510	8,851,035	9,359,852	9,627,638	10,156,826
	923,449	663,633	547,179	429,955	-	-
	1,418,544	1,439,952	1,531,840	1,479,061	1,549,059	1,579,598
	487,318	482,170	185,560	144,210	38,088	38,238
	1,178,700	1,148,965	1,065,919	864,120	749,494	626,354
	6,067,769	6,349,656	10,542,488	10,438,724	11,271,356	9,738,075
	551,889	1,109,157	1,199,502	1,175,261	462,386	462,380
	234,576	257,316	379,060	327,952	251,858	182,556
	637,385	842,480	1,069,303	199,883	705,205	1,022,704
	3,326	5,957	4,973	12,380	16,167	20,532
	-	-	-	626,522	994,032	1,067,010
	-	-	-	-	-	189,991
	21,635,451	15,073,375	14,506,892	11,060,973	10,769,999	15,963,661
\$	<u>201,019,101</u>	<u>\$ 227,387,168</u>	<u>\$ 241,869,097</u>	<u>\$ 255,324,222</u>	<u>\$ 264,520,324</u>	<u>\$ 290,688,068</u>

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

Last Nine Years

	2003	2004	2005	2006
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	28,897,922	31,020,639	39,465,401	37,309,765
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	4,076,353
Total business-type activities expenses	8,400,136	8,329,742	9,872,010	10,288,644
Program Revenues				
Governmental activities:				
Charges for services				
General government	3,137,379	3,011,132	5,155,163	3,815,431
Public safety	1,346,168	1,473,829	2,143,282	2,148,058
Public works	372,295	820,534	229,036	824,047
Health and welfare	261,146	304,930	277,373	441,055
Culture and recreation	45,527	105,878	44,114	223,592
Conservation of natural resources	1,964	13,433	24,630	31,029
Housing and development	150	54,751	741,363	1,430,031
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	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 program revenues	8,647,609	20,601,694	23,120,475	17,413,267
Total primary government program revenues	\$ 17,165,978	\$ 29,270,587	\$ 34,954,911	\$ 31,924,221
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	7,124,623
Total primary government net expense	\$ (20,132,080)	\$ (10,079,794)	\$ (14,382,500)	\$ (15,674,188)
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
Gain on sale of fixed assets	-	-	-	-
Transfers	270,000	270,000	270,000	270,000
Total governmental activities	\$ 29,084,728	\$ 30,683,049	\$ 33,391,316	\$ 36,220,730
Business-type activities:				
Investment earnings	\$ 146,360	\$ 156,487	\$ 275,928	\$ 474,719
Gain on sale of fixed assets	-	-	-	-
Transfers	(270,000)	(270,000)	(270,000)	(270,000)
Total business-type activities	(123,640)	(113,513)	5,928	204,719
Total primary government	\$ 28,961,088	\$ 30,569,536	\$ 33,397,244	\$ 36,425,449
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	7,329,342
Total primary government	\$ 8,829,008	\$ 20,489,742	\$ 19,014,744	\$ 20,751,261

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

	2007	2008	2009	2010	2011
\$	8,160,025	\$ 8,441,523	\$ 9,112,735	\$ 9,023,399	\$ 8,051,591
	7,215,619	7,781,623	8,585,020	7,677,119	8,315,629
	16,778,835	24,468,535	16,126,086	17,821,483	15,695,207
	3,198,700	3,634,941	4,159,235	4,209,970	4,437,922
	1,110,754	3,220,314	7,872,276	6,358,219	4,408,254
	13,812	17,947	17,169	8,857	9,998
	195,534	245,997	231,392	407,926	190,523
	1,373,501	1,332,285	1,282,901	1,229,392	1,257,597
	<u>38,046,780</u>	<u>49,143,165</u>	<u>47,386,814</u>	<u>46,736,365</u>	<u>42,366,721</u>
	7,098,923	9,311,279	10,899,761	11,654,845	11,445,626
	4,355,822	4,960,238	5,577,238	4,231,364	4,340,284
	<u>11,454,745</u>	<u>14,271,517</u>	<u>16,476,999</u>	<u>15,886,209</u>	<u>15,785,910</u>
	4,080,854	4,899,997	4,114,865	4,782,871	4,672,729
	1,894,897	356,337	2,297,844	1,908,214	1,734,398
	510,097	347,218	263,286	1,005,603	715,231
	456,344	347,874	377,280	462,440	382,618
	657,433	68,899	240,531	350,487	120,316
	-	63,855	2,000	31,167	-
	1,522,276	848,244	368,007	312,051	482,542
	2,683,108	2,999,026	3,791,225	3,294,485	4,230,137
	1,470,619	8,179,497	12,402,832	4,306,982	4,098,393
	<u>13,275,628</u>	<u>18,110,947</u>	<u>23,857,870</u>	<u>16,454,300</u>	<u>16,436,364</u>
\$	18,203,944	\$ 11,082,355	\$ 13,222,489	\$ 11,034,595	\$ 19,680,805
	5,839,011	5,551,754	3,424,031	3,972,556	4,212,913
	24,042,955	16,634,109	16,646,520	15,007,151	23,893,718
\$	<u>37,318,583</u>	<u>34,745,056</u>	<u>40,504,390</u>	<u>31,461,451</u>	<u>40,330,082</u>
\$	(24,771,152)	\$ (31,032,218)	\$ (23,528,944)	\$ (30,282,065)	\$ (25,930,357)
	12,588,210	2,362,592	169,521	(879,058)	8,107,808
\$	<u>(12,182,942)</u>	<u>(28,669,626)</u>	<u>(23,359,423)</u>	<u>(31,161,123)</u>	<u>(17,822,549)</u>
\$	14,572,139	\$ 18,046,484	\$ 18,594,523	\$ 20,546,313	\$ 20,794,134
	430,048	306,838	478,644	457,332	461,524
	19,215,296	19,515,789	17,120,380	18,013,414	19,245,716
	707,765	837,260	660,496	602,280	570,500
	3,014,757	2,100,021	863,868	607,991	444,870
	-	-	-	-	790,367
	270,000	270,000	270,000	270,000	270,000
\$	<u>38,210,005</u>	<u>41,076,392</u>	<u>37,987,911</u>	<u>40,497,330</u>	<u>42,577,111</u>
\$	611,004	\$ 575,780	\$ 288,825	\$ 176,697	\$ 129,692
	-	702,250	-	-	66,270
	(270,000)	(270,000)	(270,000)	(270,000)	(270,000)
	341,004	1,008,030	18,825	(93,303)	(74,038)
\$	<u>38,551,009</u>	<u>42,084,422</u>	<u>38,006,736</u>	<u>40,404,027</u>	<u>42,503,073</u>
\$	13,438,853	\$ 10,044,174	\$ 14,458,967	\$ 10,215,265	\$ 16,646,754
	12,929,214	3,370,622	188,346	(972,361)	8,033,770
\$	<u>26,368,067</u>	<u>13,414,796</u>	<u>14,647,313</u>	<u>9,242,904</u>	<u>24,680,524</u>

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

Last Ten Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General Fund				
Restricted for:				
Debt service	\$ 387,722	\$ 325,308	\$ 262,635	\$ 223,347
Statutory reserves	493,495	483,608	498,891	619,328
State of Colorado landfill fees retained to remediate State designated hazardous waste sites	195,253	213,797	231,772	265,511
Committed for:				
Open space and trails Park dedication fees	276,604	285,703	349,076	402,360
Affordable housing	3,678,520	3,608,338	595,506	3,558,436
Assigned for:				
Appropriated for expenditures in next year's budget	176,606	-	-	5,234
To complete projects begun but not completed in prior year	1,632,081	1,808,224	1,666,611	2,547,617
To fund discretionary projects in following year	2,295,377	2,397,062	813,422	442,230
To fund contingencies over amount required by state constitution	2,106,505	3,516,392	3,501,109	3,428,652
To balance 5 year budget	343,921	777,995	575,122	3,673,074
Air Mitigation Program	-	-	-	-
Topsy Taxi program	220,602	212,290	203,829	198,995
Veteran's Memorial maintenance	6,756	6,850	6,953	7,100
Translator capital project funds derived from unspent translator property tax mill levy	238,225	-	-	-
Asset replacement for information services, dispatch, and various other programs	698,463	681,831	735,468	633,382
Workers' compensation insurance reserve	550,000	700,000	350,000	350,000
Funded employee health claims	-	-	250,000	340,858
To fund future workers' compensation liability and employee health claims	-	471,662	615,040	719,696
To fund capital projects	-	-	-	-
To fund future building needs	-	-	4,000,000	3,769,690
Unassigned	-	-	-	-
Total General Fund	<u><u>\$ 13,300,130</u></u>	<u><u>\$ 15,489,060</u></u>	<u><u>\$ 14,655,434</u></u>	<u><u>\$ 21,185,510</u></u>
All Other Governmental Funds				
Reserved for:				
Debt service	\$ 677,859	\$ 461,916	\$ 466,984	\$ 471,394
Statutory reserves	554,429	546,440	559,753	624,101
Voter approved programs	23,315,055	27,879,435	27,961,228	21,278,996
Improvements to Highway 82	1,952,088	1,852,508	2,138,166	965,876
Committed for:				
Affordable housing	-	-	-	674,705
Assigned for:				
Appropriated for expenditures in next year's budget	183,168	190,471	171,516	187,897
Capital projects	-	-	-	-
Total all other governmental funds	<u><u>\$ 26,682,599</u></u>	<u><u>\$ 30,930,770</u></u>	<u><u>\$ 31,297,647</u></u>	<u><u>\$ 24,202,969</u></u>
Total all governmental funds	<u><u>\$ 39,982,729</u></u>	<u><u>\$ 46,419,830</u></u>	<u><u>\$ 45,953,081</u></u>	<u><u>\$ 45,388,479</u></u>

	2006	2007	2008	2009	2010	2011
\$	174,536	\$ 140,813	\$ 105,591	\$ 70,866	\$ -	\$ -
	649,592	690,175	671,664	627,570	661,442	642,049
	298,003	362,243	405,959	430,857	436,882	460,718
	253,886	772,248	768,877	719,738	908,850	799,096
	3,744,338	4,268,343	4,366,756	4,412,917	4,304,907	4,343,651
	-	648,099	-	179,400	-	-
	3,190,715	3,460,441	3,099,179	3,302,970	4,578,094	1,128,359
	4,471,563	2,995,115	3,187,142	3,113,472	2,577,537	-
	3,350,408	3,309,825	3,328,336	3,372,430	3,338,558	3,357,951
	3,100,000	664,623	800,000	200,000	200,000	350,000
	-	24,666	24,666	24,666	24,666	24,666
	202,602	203,665	200,218	190,111	173,569	156,498
	5,368	4,448	4,375	4,265	4,120	3,863
	-	-	-	-	-	-
	546,970	395,676	408,857	420,552	353,800	-
	350,000	350,000	350,000	350,000	350,000	350,000
	660,017	779,629	861,260	847,152	1,263,990	778,214
	780,280	702,199	723,896	840,915	825,109	1,789,040
	-	-	-	-	-	8,091,100
	3,901,027	6,000,000	5,730,471	5,700,580	5,700,580	-
	-	-	-	-	-	8,926,723
	<u>\$ 25,679,305</u>	<u>\$ 25,772,208</u>	<u>\$ 25,037,247</u>	<u>\$ 24,808,461</u>	<u>\$ 25,702,104</u>	<u>\$ 31,201,928</u>
\$	465,777	\$ 490,548	\$ 226,790	\$ 212,886	\$ 168,665	\$ 168,614
	768,952	749,777	860,176	851,491	887,617	937,549
	25,374,612	16,613,958	13,912,231	12,061,892	6,723,735	13,130,474
	923,449	663,633	547,179	429,955	-	-
	2,177,218	3,525,619	4,508,868	4,960,483	533,934	5,851,919
	73,702	246,745	556,783	407,203	429,118	-
	-	-	-	-	-	1,540,821
	<u>\$ 29,783,710</u>	<u>\$ 22,290,280</u>	<u>\$ 20,612,027</u>	<u>\$ 18,923,910</u>	<u>\$ 8,743,069</u>	<u>\$ 21,629,377</u>
\$	<u>55,463,015</u>	<u>\$ 48,062,488</u>	<u>\$ 45,649,274</u>	<u>\$ 43,732,371</u>	<u>\$ 34,445,173</u>	<u>\$ 52,831,305</u>

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

Last Ten Years

	2002	2003	2004	2005
Revenues				
Taxes	\$ 27,966,329	\$ 28,048,506	\$ 29,584,107	\$ 31,377,722
Intergovernmental	12,965,686	3,293,337	2,860,717	2,932,127
Licenses and permits	785,076	715,147	714,728	989,741
Charges for services	3,356,904	4,112,405	4,373,869	5,645,974
Fines and forfeitures	17,170	22,975	25,013	15,286
Investment earnings	-	766,222	828,942	1,743,594
Impact fees	-	-	-	-
Miscellaneous	3,143,990	374,505	694,566	2,251,309
Total Revenues	\$ 48,235,155	\$ 37,333,097	\$ 39,081,942	\$ 44,955,753
Expenditures				
Current:				
General government	5,030,542	5,957,918	6,783,761	7,447,947
Public safety	5,271,824		5,972,843	5,491,587
Public works	13,008,026		10,372,756	16,355,249
Health and welfare	1,893,216	2,022,959	2,077,305	2,568,086
Culture and recreation	2,877,505	4,928,677	8,599,553	13,208,380
Conservation of natural resources	93,616	136,538	58,535	147
Housing and development	433,916	211,498	3,161,299	1,548,357
Intergovernmental	7,373,715	-	-	-
Debt Service:				
Principal retirement	1,595,000	1,375,000	1,575,000	1,690,000
Interest and fiscal charges	1,916,922	1,678,577	1,536,199	1,479,304
Bond Issuance costs	-	57,657	-	-
Advance refunding escrow	-	484,569	-	-
Total Expenditures	39,494,282	16,853,393	40,137,251	49,789,057
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,740,873	20,479,704	(1,055,309)	(4,833,304)
Other Financing Sources (Uses)				
Payoff of note receivable	940,543	-	-	-
Sales of capital assets	1,126,801	175,411	318,560	3,998,703
Proceeds of general long term debt	-	7,685,000	-	-
Premium on debt issuance	-	26,776	-	-
Escrow to defease debt	-	(7,654,113)	-	-
Transfers in	1,262,104	1,225,188	768,749	844,150
Transfers out	(1,012,104)	(955,188)	(498,749)	(574,151)
Transfers (to) from component units	100,382	-	-	-
Total Other Financing Sources (Uses)	2,417,726	503,074	588,560	4,268,702
Special and Extraordinary Items:				
Sale of Land	-	1,156,313	-	-
Net Change in Fund Balance	\$ 11,158,599	\$ 22,139,091	\$ (466,749)	\$ (564,602)
Debt service as a percentage of non-capital expenditures	11.77%	28.54%	10.41%	8.50%

	2006	2007	2008	2009	2010	2011
\$	33,162,718	\$ 34,925,248	\$ 38,706,371	\$ 36,854,043	\$ 39,619,339	\$ 41,071,874
	5,671,479	4,320,010	4,688,484	6,518,272	6,190,993	8,428,852
	976,895	1,006,987	1,057,109	712,890	708,836	722,872
	7,325,511	6,326,624	5,285,346	6,187,281	5,471,709	5,891,914
	7,578	9,254	7,859	15,920	18,843	33,589
	2,788,012	3,014,757	2,100,021	863,868	607,991	444,870
	-	-	-	-	639,381	579,405
	529,491	1,612,752	1,579,049	1,016,578	1,224,537	779,732
\$	50,461,684	\$ 51,215,632	\$ 53,424,239	\$ 52,168,852	\$ 54,481,629	\$ 57,953,108
	7,184,934	9,948,033	8,706,359	8,477,240	8,615,171	7,670,106
	5,996,928	7,181,237	8,362,918	8,594,671	8,602,055	8,529,207
	14,280,465	18,834,184	23,415,143	15,981,646	17,911,544	14,410,409
	2,544,251	3,615,974	4,018,150	4,081,533	3,988,632	4,202,136
	10,026,767	16,234,765	9,148,625	14,307,057	25,834,171	4,667,086
	58,232	-	-	-	-	-
	184,119	195,534	245,997	231,392	407,926	190,523
	-	-	-	-	-	-
	1,580,000	1,668,308	1,445,369	1,485,691	1,871,032	1,166,394
	1,428,404	1,337,180	1,294,530	1,250,055	1,198,232	1,187,916
	113,147	-	-	-	102,030	-
	-	-	-	-	-	-
	43,397,247	59,015,215	56,637,091	54,409,285	68,530,793	42,023,777
	7,064,437	(7,799,583)	(3,212,852)	(2,240,433)	(14,049,164)	15,929,331
	-	-	-	-	-	-
	1,001,089	129,056	529,638	53,530	2,229,985	1,028,081
	9,880,000	-	-	-	8,360,000	-
	119,785	-	-	-	2,616	-
	(8,260,775)	-	-	-	(5,818,920)	-
	818,949	1,029,578	1,079,758	1,080,533	1,432,719	774,066
	(548,949)	(759,578)	(809,758)	(810,533)	(1,162,719)	(504,066)
	-	-	-	-	-	-
	3,010,099	399,056	799,638	323,530	5,043,681	1,298,081
	-	-	-	-	-	-
\$	10,074,536	\$ (7,400,527)	\$ (2,413,214)	\$ (1,916,903)	\$ (9,005,483)	\$ 17,227,412
	9.15%	8.41%	6.60%	6.80%	7.17%	5.76%

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

Last Nine Years

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

2006	2007	2008	2009	2010	2011
\$ 4,564,438	\$ 4,705,166	\$ 5,957,833	\$ 5,251,618	\$ 5,819,935	\$ 5,782,618
2,218,857	2,072,259	1,499,151	2,454,209	2,281,294	2,298,544
2,453,303	2,379,526	1,914,894	1,816,233	2,381,658	2,012,299
942,159	880,407	1,173,596	1,506,353	1,596,941	1,783,475
2,806,542	1,658,533	8,482,342	12,393,160	3,980,016	4,025,379
92,529	57,461	129,834	68,290	82,405	51,507
1,433,126	1,522,276	848,244	368,007	312,051	482,542
<u>14,510,954</u>	<u>13,275,628</u>	<u>20,005,894</u>	<u>23,857,870</u>	<u>16,454,300</u>	<u>16,436,364</u>
11,938,198	18,203,944	11,082,355	13,222,489	11,034,595	19,680,805
5,475,069	5,839,011	5,551,754	3,424,031	3,972,556	4,212,913
<u>17,413,267</u>	<u>24,042,955</u>	<u>16,634,109</u>	<u>16,646,520</u>	<u>15,007,151</u>	<u>23,893,718</u>
<u>\$ 31,924,221</u>	<u>\$ 37,318,583</u>	<u>\$ 36,640,003</u>	<u>\$ 40,504,390</u>	<u>\$ 31,461,451</u>	<u>\$ 40,330,082</u>

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

Last Ten Years

Year	Property	Special Assessments	General Sales	Selective Sales and Use	Motor Vehicle	Other	Total
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
2007	14,662,230	339,957	18,478,879	736,417	683,561	24,204	34,925,248
2008	20,800,559	365,402	18,782,483	733,306	915,483	49,906	41,647,139
2009	21,641,250	385,342	16,129,081	991,299	712,065	50,484	39,909,521
2010	20,609,712	393,933	17,182,317	831,097	545,970	56,310	39,619,339
2011	20,850,576	405,082	18,459,799	785,917	524,584	45,916	41,071,874
Change 2002-2011	30%	31%	26%	37%	-40%	36%	28%

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

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

Last Ten Years

(1) Year Ended December 31,	Real Property					
	Vacant Land	Residential	Commercial	Industrial	Natural Resources	Agricultural
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
2007	317,608	1,835,273	525,402	701	6,125	18,237
2008	295,853	1,890,761	537,651	701	5,748	21,059
2009	404,423	2,533,478	670,692	894	6,315	26,050
2010	398,232	2,560,936	664,170	894	5,489	27,586
2011	275,961	1,887,749	550,476	745	3,858	22,796

State Assessed Property (2)	Personal Property (3)	Total Taxable Assessed Property	Tax Exempt Property	Total Direct Tax Rate	Actual Taxable Value	Assessed Value as a Percentage of Actual Value
\$ 19,795	\$ 38,959	\$ 1,799,987	\$ 80,472	8.471	14,838,113	12.13%
18,613	36,792	1,775,807	85,700	8.784	16,213,974	10.95%
15,488	33,320	1,781,447	90,509	9.124	16,490,093	10.80%
15,358	36,689	1,887,535	94,611	8.949	17,634,639	10.70%
16,419	43,183	1,934,053	95,979	9.228	18,182,911	10.64%
23,305	51,369	2,726,651	101,812	7.903	26,064,189	10.46%
25,396	51,761	2,777,169	102,352	8.080	26,756,103	10.38%
25,396	52,392	3,667,491	94,300	6.721	35,709,237	10.27%
26,521	53,948	3,683,830	104,990	6.811	36,028,432	10.22%
26,530	46,692	2,768,117	95,167	8.538	26,680,594	10.38%

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
2002	9.15%	2000 appraised value
2003	7.96%	2002 appraised value
2004	7.96%	2002 appraised value
2005	7.96%	2004 appraised value
2006	7.96%	2004 appraised value
2007	7.96%	2006 appraised value
2008	7.96%	2006 appraised value
2009	7.96%	2008 appraised value
2010	7.96%	2008 appraised value
2011	7.96%	2010 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.
- (3) This column totals the personal property values which are included in each of the real property value categories.

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>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
County direct rates				
General Fund	2.231	2.456	2.508	2.413
Road and Bridge	0.168	0.178	0.170	0.175
Social Services	-	-	0.027	0.026
Healthy Community Fund	0.463	0.488	0.501	0.484
Bond Redemption	0.290	0.260	0.255	0.233
Open Space	3.773	3.772	3.769	3.764
Radio and TV. Translator	0.265	0.278	0.285	0.276
Total direct rates	<u>7.190</u>	<u>7.432</u>	<u>7.515</u>	<u>7.371</u>
School Districts rates				
Aspen School District RE-1	8.926	8.955	8.969	10.458
Roaring Fork School District REJT1.12	34.556	33.709	41.246	37.265
City and Town rates				
City of Aspen	5.442	5.431	5.437	5.471
Town of Basalt	6.498	6.447	6.669	6.474
Town of Snowmass Village	10.163	10.328	11.030	10.705
County-wide Districts rates				
Colorado Mountain College	3.997	3.997	3.997	3.997
Colorado River Water Conservancy	0.255	0.255	0.252	0.230
Aspen Valley Hospital (1)	1.500	1.500	1.500	1.500
Pitkin County Library (1)	1.072	1.131	1.383	1.357
Ambulance District rate	0.209	0.221	0.226	0.221
Fire Protection Districts rates	15.872	15.767	19.044	18.674
Water and Sanitation Districts rates	40.730	46.406	33.421	29.647
Other Special Districts rates	185.075	206.535	318.780	391.604

(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	98.9%
Pitkin County Library District	93.0%

Source: Pitkin County Assessor's Office

2006	2007	2008	2009	2010	2011
2.483	1.871	1.922	1.491	1.501	2.150
0.180	0.137	0.141	0.110	0.112	0.158
0.025	0.037	0.036	0.048	0.065	0.065
0.648	0.489	0.501	0.394	0.402	0.567
0.223	0.113	0.173	0.126	0.127	0.055
3.760	3.757	3.760	3.333	3.351	3.797
0.283	0.216	0.223	0.175	0.179	0.252
7.602	6.620	6.756	5.677	5.737	7.044
10.294	8.622	9.355	7.846	8.254	9.105
37.009	34.246	33.942	30.984	30.992	39.589
5.419	5.459	5.467	4.042	3.854	5.236
6.560	5.058	5.181	3.873	4.066	6.139
11.015	9.546	9.509	7.485	7.356	8.940
3.997	3.997	3.997	3.997	3.997	3.997
0.221	0.191	0.198	0.166	0.188	0.228
1.500	1.280	1.280	0.969	1.931	2.664
1.398	1.113	1.148	0.906	0.932	1.296
0.228	0.170	0.176	0.138	0.142	0.198
20.321	19.193	19.198	17.246	18.367	21.619
31.721	28.110	28.288	22.624	23.595	31.003
440.089	387.632	432.590	362.557	410.245	470.465

Pitkin County, Colorado
Principal Property Taxpayers
(Unaudited)

Current Year and Ten Years Ago

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Sheridan Luxury Trust, Aspen Dean Street, LLC	-	-	-	\$ 25,295,250	1	1.43%
Aspen/Buttermilk/Snowmass Skiing Co./ Little Nell	\$ 58,732,020	1	2.12%	19,503,980	2	1.10%
315 East Dean Assoc. Inc.	20,064,350	2	0.72%	-	-	-
Silvertree Hotel of Snowmass	14,724,190	3	0.53%	10,440,000	4	0.59%
Hyatt Grand Aspen	13,051,420	4	0.47%	-	-	-
Base Village Owner LLC	12,452,880	5	0.45%	-	-	-
Snowmass Base Village Holding Co , LLC	12,153,720	6	0.44%	-	-	-
The Residences at the Little Nell Condo Assoc. Inc.	11,324,780	7	0.41%	-	-	-
Aspen Highlands Condo Assoc., Inc.	11,034,390	8	0.40%	-	-	-
Holy Cross Electric Assn.	8,919,500	9	0.32%	8,089,500	6	0.46%
Hotel Jerome/Jerome Ventures LLC	8,461,010	10	0.31%	8,506,400	5	0.48%
Little Nell Hotel	-	-	-	15,346,840	3	0.87%
Hines Highland Ltd Partnership	-	-	-	7,683,780	7	0.43%
Maroon Creek, LLC	-	-	-	6,947,940	8	0.39%
Snowmass Club	-	-	-	6,518,020	9	0.37%
Roaring Fork Club, LP	-	-	-	5,987,550	10	0.34%
Total	\$ 170,918,260		6.17%	\$ 114,319,260		6.46%
Total assessed valuation	\$ 2,768,117,000			\$ 1,771,570,340		

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
			Amount	Percent of Levy		
2001	2002	\$ 14,669,017	\$ 14,538,835	99.11%	\$ 28,523	\$ 14,567,358
2002	2003	14,734,146	14,666,199	99.54%	32,774	14,698,973
2003	2004	15,057,705	14,985,290	99.52%	27,855	15,013,145
2004	2005	15,670,264	15,645,259	99.84%	29,917	15,675,176
2005	2006	16,269,924	16,225,100	99.72%	29,436	16,254,536
2006	2007	17,193,155	17,146,326	99.73%	28,125	17,174,451
2007	2008	20,872,808	20,800,559	99.65%	48,831	20,849,390
2008	2009	21,728,453	21,641,250	99.60%	48,831	21,690,081
2009	2010	23,895,431	23,655,021	98.99%	51,937	23,706,958
2010	2011	24,315,777	23,895,885	98.27%	52,905	23,948,790

- (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 for debt service (1)	Debt Service Requirements			Times coverage (2)
				Principal	Interest and Fiscal Charges	Total	
2002 (3)	\$ 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
2007	27,143	7,628,874	7,656,017	625,000	352,840	977,840	7.8
2008	15,722	7,715,882	7,731,604	350,000	328,310	678,310	11.4
2009	5,143	6,393,062	6,398,205	365,000	316,150	681,150	9.4
2010	2,947	6,825,847	6,828,794	380,000	304,771	684,771	10.0
2011	1,930	7,366,067	7,367,997	285,000	336,547	621,547	11.9

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

**SALES TAX REVENUE BONDS
Maximum Annual Debt Service Coverage Ratio
(Unaudited)
Since Issuance of the 2010 Sales Tax Revenue Bonds**

Year	Interest income	County 1% sales tax	Net revenue available for for debt service	Maximum Annual Net Debt Service (1)	Maximum Annual Debt Service Coverage Ratio
2010	\$ 2,947	\$ 6,825,847	\$ 6,828,794	\$ 597,789	1142%
2011	1,930	7,366,067	7,367,997	597,789	1233%

- (1) Net of Federal Direct Payments

Pitkin County, Colorado

**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 (5)	Debt service moneys available	Net bonded debt	Ratio of net bonded debt to assessed value	Net bonded debt per capita
2002	16,101	\$ 1,799,987,440	\$ 21,775,000	\$ 248,112	\$ 21,526,888	1.20%	\$ 1,337
2003	16,275	1,775,806,980	21,595,000	67,035	21,527,965	1.21%	1,322.76
2004	16,077	1,781,447,430	20,925,000	82,181	20,842,819	1.17%	1,296.44
2005	16,136	1,887,535,000	20,235,000	98,693	20,136,307	1.07%	1,247.91
2006	16,087	1,934,052,050	21,445,000	105,737	21,339,263	1.10%	1,326.49
2007	16,236	2,726,651,000	20,670,000	105,000	20,565,000	0.75%	1,266.63
2008	16,673	2,777,168,530	19,860,000	-	19,860,000	0.72%	1,191.15
2009	17,053	3,667,491,080	19,035,000	-	19,035,000	0.52%	1,116.23
2010	17,163	3,683,830,340	18,175,000	-	18,175,000	0.49%	1,058.96
2011	17,163	2,768,117,000	17,300,000	5,048	17,294,952	0.62%	1,007.69

**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
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%
2007	775,000	910,246	1,685,246	59,015,215	2.9%
2008	810,000	1,151,487	1,961,487	56,695,469	3.5%
2009	825,000	861,490	1,686,490	54,409,285	3.1%
2010	860,000	832,740	1,692,740	68,530,793	2.5%
2011	875,000	802,876	1,677,876	42,023,777	4.0%

(4) Source: Demographics Statistics, page 148.

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

Pitkin County, Colorado
Ratio of Outstanding Debt by Type
(Unaudited)

Last Ten Years

Year	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita Personal Income (1)
	General Obligation Bonds & Notes	Sales Tax Revenue Bonds	Lease Certificates of Participation	Airport Revenue Bonds	Special Assessment bonds			
2002	\$ 21,775,000	\$ 9,620,000	\$ 2,980,000	\$ 3,705,000	\$ 25,000	\$ 38,105,000	0.18%	\$ 69,681
2003	21,078,345	9,070,000	2,455,000	3,246,726	-	35,850,071	0.19%	68,504
2004	20,925,000	8,495,000	2,125,000	1,100,952	-	32,645,952	0.23%	75,454
2005	20,235,000	7,905,000	1,715,000	1,812,681	-	31,667,681	0.22%	70,007
2006	21,445,000	7,295,000	1,460,000	2,436,918	65,000	32,701,918	0.24%	80,062
2007	20,670,000	6,670,000	1,195,000	2,152,740	61,692	30,749,432	0.28%	86,609
2008	19,860,000	6,320,000	915,000	1,859,865	56,323	29,011,188	0.21%	92,680
2009	19,035,000	5,955,000	625,000	1,557,997	50,632	27,223,629	0.31%	84,264
2010	18,175,000	8,360,000	-	1,246,831	44,600	27,826,431	0.27%	76,318
2011	17,300,000	8,075,000	-	926,055	38,206	26,339,261	0.29%	76,318 (2)

Note: Details regarding the county's outstanding debt can be found in the notes to the basic financial statements.

(1) See page 148 for personal income and population data.

(2) 2010 information latest available

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

As of December 31, 2011

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	\$ 63,485,000	\$ -	\$ 63,485,000	100.00%	\$ 63,485,000
Roaring Fork School District REJT1.12	98,329,984	-	98,329,984	21.00%	20,649,297
City and Towns					
City of Aspen (1)	13,335,000	13,335,000		100.00%	-
Town of Basalt	842,810			36.20%	-
Town of Snowmass Village	12,685,000	3,885,000		100.00%	-
Fire Districts					
Aspen Fire Protection District	11,730,000	-		100.00%	-
Basalt and Rural Fire Protection District	1,133,952	-	1,133,952	53.20%	603,262
Carbondale Fire Protection District	5,669,998	-	5,669,998	9.40%	532,980
Water and Sanitation Districts					
Aspen Consolidated Sanitation District	-	-	-	100.00%	-
Basalt Sanitation District	2,275,000	-	2,275,000	55.20%	1,255,800
Redstone Water and Sanitation District	2,165,615	-	2,165,615	100.00%	2,165,615
Snowmass Water and Sanitation District	1,115,000	-	1,115,000	100.00%	1,115,000
Library Districts					
Basalt Regional Library	9,773,699	-	9,773,699	49.40%	4,828,207
Other Districts					
Aspen Highlands Residential Metro District	6,580,000	-	6,580,000	100.00%	6,580,000
Aspen Valley Hospital	48,050,000	-	48,050,000	100.00%	50,000,000
Base Village Metro District #2	15,200,000	-	15,200,000	100.00%	50,000,000
Brush Creek Metro District	1,125,000	-	1,125,000	100.00%	1,125,000
Buttermilk Metro District	3,050,000	-	3,050,000	100.00%	3,050,000
Crown Mountain Recreation District	4,025,000	-	4,025,000	44.30%	1,783,075
Holland Hills Metro District	930,000	-	930,000	100.00%	930,000
Meadowood Metro District	2,927,650	-	2,927,650	100.00%	2,927,650
Starwood Metro District	3,303,464	-	3,303,464	100.00%	3,303,464
Total Overlapping Debt					<u>208,103,236</u>
Direct Debt					
Pitkin County					38,206
					<u>17,300,000</u>
Total Direct Debt					<u>17,338,206</u>
Total Overlapping and Direct Debt					<u>\$ 225,441,442</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

	2002	2003	2004	2005
Valuation for Assessment of Property	\$ 1,775,806,980	\$ 1,781,447,430	\$ 1,781,447,430	\$ 1,887,535,000
Debt Limit, 3% of Valuation for Assessment (Per Colorado Revised Statutes, Section 30-35-201 (6b))	53,274,209	53,443,423	53,443,423	56,626,050
Amount of Debt Applicable to Limit General Obligation Bonds	<u>21,775,000</u>	<u>21,595,000</u>	<u>20,925,000</u>	<u>20,235,000</u>
Legal Debt Margin	<u>\$ 31,499,209</u>	<u>\$ 31,848,423</u>	<u>\$ 32,518,423</u>	<u>\$ 36,391,050</u>
Total debt applicable to the limit as a percentage of debt limit	40.87%	40.41%	39.15%	35.73%

2006	2007	2008	2009	2010	2010
\$ 1,934,052,050	\$ 2,726,650,670	\$ 2,777,168,530	\$ 2,777,168,530	\$ 3,683,830,340	\$ 2,768,117,000
58,021,562	81,799,520	83,315,056	83,315,056	110,514,910	83,043,510
21,445,000	20,670,000	19,860,000	19,035,000	18,175,000	17,300,000
\$ 36,576,562	\$ 61,129,520	\$ 63,455,056	\$ 64,280,056	\$ 92,339,910	\$ 65,743,510
36.96%	25.27%	23.84%	22.85%	16.45%	20.83%

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
2002	16,101	\$ 1,121,933,781	69,681	38.9	1,684	4.4%
2003	16,275	\$ 1,114,902,600	68,504	39.1	1,673	4.2%
2004	16,077	\$ 1,213,073,958	75,454	39.9	1,778	3.4%
2005	16,136	\$ 1,129,634,726	70,007	40.3	1,806	2.8%
2006	16,087	\$ 1,287,950,000	80,062	41.5	1,792	2.3%
2007	16,236	\$ 1,406,178,000	86,609	42.0	1,736	2.5%
2008	16,673	\$ 1,584,920,680	92,680	41.9	1,854	3.7%
2009	17,053	\$ 1,436,953,992	84,264	42.0	1,905	4.3%
2010	17,163	\$ 1,309,845,834	76,318	42.1	1,932	7.1%
2011	N/A	N/A	N/A	42.1	1,917	6.5%

(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 Ten Years Ago

Employers	2011			2001		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Aspen Skiing Company/Little Nell Hotel	3,384	1	27.64%	N/A		N/A
Aspen Valley Hospital	278	2	1.96%	N/A		N/A
City of Aspen	318	3	1.78%	N/A		N/A
St. Regis Aspen Resort	240	4	1.78%	N/A		N/A
Pitkin County	256	5	1.96%	N/A		N/A
Roaring Fork Transit Agency	276	6	2.09%	N/A		N/A
Aspen School District	238	7	1.94%	N/A		N/A
Silvertree Hotel of Snowmass Westin Snowmass Wildwood Resort Hotel	218	8	1.63%	N/A		N/A
Ritz Carlton	200	9	1.63%	N/A		N/A
Viceroy Snowmass Resort	200	10	1.63%	N/A		N/A
Total	<u>5,608</u>		<u>44.04%</u>			
Total Pitkin County Labor Force (1)	<u>12,243</u>					

(1) Total Pitkin County Labor Force provided by Colorado Dept. of Local Affairs data used.

Source: Number of Employees obtained directly from the employer.

Pitkin County, Colorado

SALES TAX COLLECTIONS
(Unaudited)
Last ten years

	2002	2003	2004	2005
2-Percent sales tax (1)	<u>\$ 11,737,896</u>	<u>\$ 11,831,990</u>	<u>\$ 12,822,448</u>	<u>\$ 14,178,348</u>
Seasonal composition				
Winter	58.8%	58.8%	58.8%	58.8%
Summer	41.2%	41.2%	41.2%	41.2%
Percentage increase (decrease)	-3.8%	0.8%	8.4%	10.6%
1-Percent Transit sales tax (2)	<u>\$ 5,676,508</u>	<u>\$ 5,705,819</u>	<u>\$ 6,181,421</u>	<u>\$ 6,788,139</u>
Percentage increase (decrease)	-3.6%	0.5%	8.3%	9.8%
Less payments				
To City of Aspen	2,265,588	2,332,993	2,530,610	2,818,340
To Snowmass Village	<u>678,760</u>	<u>626,558</u>	<u>675,631</u>	<u>702,668</u>
Total Deductions	<u>2,944,348</u>	<u>2,959,551</u>	<u>3,206,241</u>	<u>3,521,008</u>
Net payments to RFTA	<u>\$ 2,732,160</u>	<u>\$ 2,746,268</u>	<u>\$ 2,975,180</u>	<u>\$ 3,267,131</u>
Percentage increase (decrease)	-3.6%	0.5%	8.3%	9.8%
1/2 Percent Transit Sales and Use Tax (3)				
Sales tax	\$ 2,947,576	\$ 2,937,595	\$ 3,203,296	\$ 3,541,310
Use Tax	<u>469,937</u>	<u>444,861</u>	<u>542,548</u>	<u>537,039</u>
	<u>\$ 3,417,513</u>	<u>\$ 3,382,456</u>	<u>\$ 3,745,844</u>	<u>\$ 4,078,349</u>
Percentage increase	-4.4%	-1.0%	10.7%	8.9%
.1% Sales Tax for Healthy Rivers and Streams	\$ -	\$ -	\$ -	\$ -
	N/A	N/A	N/A	N/A

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. The winter season is December through May and the summer season is June through November.
2. 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.

2006	2007	2008	2009	2010	2011
<u>\$ 15,203,474</u>	<u>\$ 15,938,167</u>	<u>\$ 16,088,635</u>	<u>\$ 13,313,300</u>	<u>\$ 14,148,776</u>	<u>\$ 15,215,285</u>
58.8%	58.5%	60.0%	60.6%	41.0%	50.3%
41.2%	41.5%	40.0%	39.4%	59.0%	49.7%
7.2%	4.8%	0.9%	-17.3%	6.3%	7.5%
<u>\$ 7,268,521</u>	<u>\$ 7,628,874</u>	<u>\$ 7,715,882</u>	<u>\$ 6,393,062</u>	<u>\$ 6,825,847</u>	<u>\$ 7,366,067</u>
7.1%	5.0%	1.1%	-17.1%	6.8%	7.9%
3,001,172	3,150,600	3,169,050	2,636,622	2,830,663	3,048,981
<u>769,010</u>	<u>806,497</u>	<u>833,178</u>	<u>679,459</u>	<u>709,904</u>	<u>771,798</u>
3,770,182	3,957,097	4,002,228	3,316,081	3,540,567	3,820,779
<u>\$ 3,498,339</u>	<u>\$ 3,671,777</u>	<u>\$ 3,713,654</u>	<u>\$ 3,076,981</u>	<u>\$ 3,285,280</u>	<u>\$ 3,545,288</u>
7.1%	5.0%	1.1%	-17.1%	6.8%	7.9%
\$ 3,825,453	\$ 3,997,592	\$ 4,034,722	\$ 3,371,170	\$ 3,580,664	\$ 3,798,447
574,180	642,209	713,209	691,037	815,077	-
<u>\$ 4,399,633</u>	<u>\$ 4,639,801</u>	<u>\$ 4,747,931</u>	<u>\$ 4,062,207</u>	<u>\$ 4,395,741</u>	<u>\$ 3,798,447</u>
7.9%	5.5%	2.3%	-14.4%	8.2%	-13.6%
\$ -	\$ -	\$ -	\$ 649,456	\$ 691,832	\$ 752,712
N/A	N/A	N/A	N/A	6.5%	8.8%

3. On November 2, 1993, the voters of the County approved the imposition of an additional 0.5% sales tax for the purpose of funding certain mass transportation improvements within the County that became effective in January 1995. This revenue was originally dedicated to purchase the Denver Rio Grande right-of-way. The right-of-way was acquired in 1997.

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>
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%
2007/2008	332,981	154,926	771,455	211,635	1,470,997	1.8%
2008/2009	284,781	120,084	694,773	183,710	1,283,348	-12.8%
2009/2010	294,439	143,115	725,709	174,947	1,338,210	4.3%
2010/2011	291,904	131,995	737,066	199,567	1,360,532	1.7%
2011/2012	295,749	146,577	731,786	161,984	1,336,096	-1.8%

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

Source: Aspen Ski Company

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

Last Ten Years

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
Administrative Services	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	-	-
Assessor	9.00	9.00	9.00	9.00	9.00	10.00	10.00	10.00	9.00	10.00
Board of County Commissioners	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Clerk and Recorder	9.80	9.70	9.70	9.45	9.55	10.55	10.55	10.55	9.55	10.55
County Attorney	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00
County Manager	4.60	3.80	3.80	3.80	4.80	4.80	3.80	3.80	3.80	3.80
Facilities	9.75	9.25	9.25	9.75	10.75	10.75	10.00	10.00	10.00	9.75
Finance	10.80	11.80	11.80	10.40	8.80	8.80	8.80	8.80	8.80	8.00
Human Resources	4.60	3.60	3.60	3.40	3.40	3.80	3.80	4.00	4.00	4.00
Public Relations	1.30	1.30	1.30	1.30	1.30	1.25	1.00	1.00	1.00	1.00
Technical Coordinator	-	-	-	-	-	-	1.00	-	-	-
Treasurer	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.60	3.60
Use Tax									1.00	1.00
Judicial and Public Safety										
Civil	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.00	1.00	1.00
Communications Center	15.00	15.00	15.00	15.00	15.00	15.00	16.00	16.00	16.00	17.00
Detention	12.00	11.80	11.80		11.80	11.80	11.80	12.80	13.80	14.00
District Attorney	3.00	3.00	3.00	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	1.00	1.00	1.00	2.75
Sheriff	24.00	24.00	24.00	24.00	24.00	24.00	26.00	26.00	26.00	26.00
Radio/Phones	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Building Inspections	6.00	6.00	6.00	6.00	7.00	7.00	7.00	6.00	6.00	5.00
Planning and Zoning	10.33	9.33	9.33	9.33	10.00	10.50	10.50	10.50	10.00	8.00
Public Works										
Administrative Services	5.50	5.00	5.00	6.20	5.20	5.20	6.20	5.00	5.00	4.00
Fleet Services	5.00	5.00	5.00	5.00	5.00	6.00	6.00	6.00	6.00	6.00
Land Management	0.50	0.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Road and Bridge	11.50	11.50	12.00	10.00	10.00	10.00	10.00	10.00	10.00	9.00
Translator	1.80	1.80	0.80	0.80	0.80	0.80	0.80	1.00	1.00	1.00
Health and Welfare										
Animal Safety	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Environmental Health	4.00	3.00	3.00	5.00	5.00	5.00	6.00	2.00	2.00	2.00
Human Services	1.50	1.50	1.50	1.50	1.50	1.75	2.00	2.00	2.00	2.80
Senior Services	3.50	3.50	3.50	3.50	4.05	4.85	5.05	5.20	5.20	5.28
Social Services	3.00	3.00	3.00	3.00	3.00	3.00	2.00	3.00	3.00	4.00
Wildlife Management	0.34	0.34	0.34	-	-	-	-			
Cultural and Recreation										
Library	17.05	17.70	18.10	17.75	21.20	20.98	20.98	21.13	21.13	21.80
Open Space and Trails	3.93	3.33	3.33	3.33	5.00	5.00	5.00	5.00	7.00	7.00
Business-type										
Airport Operations	24.20	25.00	24.00	23.00	23.00	25.40	25.40	24.00	24.00	25.00
Solid Waste and Recycling	15.40	16.90	16.90	16.15	12.00	12.00	12.00	12.00	11.00	10.00
	<u>235.75</u>	<u>234.00</u>	<u>233.40</u>	<u>219.01</u>	<u>234.50</u>	<u>241.58</u>	<u>245.03</u>	<u>238.38</u>	<u>238.88</u>	<u>240.33</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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
Assessor										
Property transfers	1,550	1,720	1,870	2,257	2,138	1,505	1,453	1,288	1,474	1,690
Public Trustee										
Number of foreclosures filed	-	-	-	12	22	12	35	105	144	113
Clerk and Recorder										
Number of vehicle registrations	19,536	19,673	16,839	17,435	18,132	18,419	18,990	18,447	17,687	18,099
Number of registered voters	12,973	11,881	13,279	12,509	12,980	12,142	13,307	13,537	13,617	13,751
Human Resources										
Number of job applications processed	N/A	N/A	450	900	650	852	1046	634	1,042	818
Judicial and Public Safety										
Coroner										
Number of deaths investigated	29	24		30	33	23	29	21	22	28
Detention										
Average daily population	21	14	14	14	16	15	16	16	17	16
District Attorney										
Number of Felony cases	73	72	91	120	84	65	96	100	94	114
Number of juvenile cases	19	9	19	10	34	24	9	23	49	22
Sheriff										
Incidents handled by patrol and investigations	889	837	749	910	856	926	812	813	832	776
Building Inspections										
Number of building permits issued	177	141	154	220	220	415	364	282	320	290
Planning and Zoning										
Number of land use applications processed	182	152	227	258	271	182	199	172	148	143
Public Works										
Road and Bridge										
County roads (center lane miles)	266	266	266	264	265	265	265	265	265	265
Bridges	26	26	26	26	26	26	26	26	24	24
Health and Welfare										
Animal Control										
Number of animals placed in shelter	163	230	156	139	169	127	152	162	147	159
Environmental Health										
Number of food service inspections	86	176	168	169	165	156	165	165	167	155
Number of septic system permit reviews	102	82	101	96	101	102	104	45	66	84
Grant Administration										
Number of county grant applications processed	28	28	39	39	44	57	55	71	76	77
Senior Services										
Number of senior lunches	7,420	8,104	9,392	9,928	10,891	10,570	10,047	10,735	11,438	10,935
Number of requests for transportation	5,075	5,819	6,799	7,395	7,592	6,985	6,498	7,399	7,906	8,206
Social Services										
Caseload	187	167	201	N/A	184	165	250	328	346	465
Cultural and Recreation										
Library										
Number of books	87,858	92,604	94,163	95,331	100,936	104,541	109,413	111,599	112,491	93,277
Open Space and Trails										
Acres of land reserved for open space	8,729	10,256	10,646	12,840	14,923	16,000	16,431	17,753	18,500	18,630
Trails maintained (lane miles)	34.62	34.89	35.18	38.01	40.00	40.00	43.00	47.00	48	48
Business-type										
Airport Operations										
Number of enplaned passengers	183,704	189,604	183,719	198,422	204,678	183,632	222,881	219,678	227,784	223,078
Solid Waste and Recycling										
Cubic yards of solid waste processed	207,000	228,000	216,000	224,000	323,000	295,000	347,094	220,000	106,000	70,733
Recycled tons processed	3.2	3.7	4.3	4.8	4.4	5.5	3.0	5.0	6.3	3.7

Source: Information provided by individual Pitkin County departments

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			
2002	16,936	27,427	44,363	2,078	46,441	1.0%	183,704	-2.1%
2003	16,614	24,620	41,234	1,745	42,979	-7.5%	189,604	3.2%
2004	17,670	25,094	42,764	1,227	43,991	2.4%	183,719	-3.1%
2005	17,745	25,250	42,995	1,258	44,253	0.6%	198,422	8.0%
2006	19,314	24,792	44,106	632	44,738	1.1%	204,678	3.2%
2007	19,166	22,397	41,563	1,181	42,744	-4.5%	183,632	-10.3% (3)
2008	20,599	22,385	42,984	3,602	46,586	9.0%	222,881	21.4%
2009	18,606	19,767	38,373	1,413	39,786	-14.6%	219,678	-1.4%
2010	17,643	16,092	33,735	3,868	37,603	-5.5%	227,784	3.7%
2011	18,346	15,753	34,099	3,516	37,615	0.0%	223,078	-2.1%

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

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

(3) Pitkin County Airport was closed from April 9, 2007 to June 7, 2007

Source: Pitkin County Airport Manager

Pitkin County, Colorado

CONSTRUCTION AND PROPERTY VALUE

(Unaudited)

Last ten years

Levy Year	Non-residential construction		Residential Construction	
	Number of units	Value	Number of units	Value
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
2007	94	38,217,615	676	188,959,446
2008	122	126,031,231	213	157,219,095
2009	51	6,763,400	187	88,570,627
2010	62	11,674,282	131	96,410,838
2011	55	14,946,252	249	88,326,929

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

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

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

Last Ten Years

Function/Program	2002	2003	2004	2005	2006
General Government					
Land	\$ 10,800	\$ 10,800	\$ 10,800	\$ 10,800	\$ 10,800
Buildings	7,105,516	7,243,222	7,307,461	7,538,569	7,666,508
Improvements	64,935	204,512	204,512	204,512	204,512
Equipment	2,357,921	2,243,150	2,549,173	2,942,661	3,033,194
Infrastructure	-	-	32,768	32,768	32,768
Total General Government	9,539,172	9,701,684	10,104,714	10,729,310	10,947,782
Public Safety					
Land	392,693	392,693	392,694	392,693	392,693
Buildings	3,769,280	4,213,259	4,218,711	4,284,361	4,290,043
Improvements	-	23,696	-	23,696	23,696
Equipment	-	2,235,984	2,437,173	2,272,991	2,445,054
Total Public Safety	4,161,973	6,865,632	7,048,578	6,973,741	7,151,486
Public Works					
Land	1,242,025	2,636,599	2,636,598	2,636,598	2,636,598
Intangible Assets	-	-	-	-	-
Buildings	8,604,791	8,604,792	8,604,791	8,622,819	8,622,819
Improvements	532,675	519,597	519,598	519,598	519,598
Equipment	3,539,150	3,733,106	3,759,407	4,040,549	3,488,445
Infrastructure	-	25,981,675	25,981,675	26,035,967	27,058,668
Total Public Works	13,918,641	41,475,769	41,502,069	41,855,531	42,326,128
Health and Welfare					
Buildings	2,950,918	2,950,917	2,956,939	3,156,939	3,166,861
Improvements	79,770	95,243	95,242	95,242	95,242
Equipment	117,104	119,549	130,292	152,589	146,227
Infrastructure	-	-	56,374	56,374	56,373
Total Health and Welfare	3,147,792	3,165,709	3,238,847	3,461,144	3,464,703
Cultural and Recreation					
Land	32,759,043	40,523,880	46,338,991	58,142,877	58,444,248
Intangible Assets	-	-	-	-	-
Buildings	10,256	54,854	59,181	59,181	59,181
Improvements	224,216	418,739	418,740	436,771	498,870
Equipment	69,546	122,150	130,952	156,278	180,249
Infrastructure	-	5,903,775	5,903,775	6,494,844	6,494,844
Total Cultural and Recreation	33,063,061	47,023,398	52,851,639	65,289,951	65,677,392

	2007	2008	2009	2010	2011
\$	2,263,452	\$ 2,263,452	\$ 2,263,452	\$ 2,263,452	\$ 2,263,452
	7,666,508	6,702,330	6,702,330	6,858,306	6,821,667
	204,511	169,292	157,340	157,340	157,339
	3,130,537	3,813,303	3,004,281	3,234,512	3,033,682
	32,768	32,768	32,768	32,768	32,768
	<u>13,297,776</u>	<u>12,981,145</u>	<u>12,160,171</u>	<u>12,546,378</u>	<u>12,308,908</u>
	392,693	392,693	392,693	392,693	392,693
	4,295,094	4,188,220	4,260,770	4,255,455	4,243,280
	23,696	23,696	23,696	23,696	23,696
	<u>2,571,506</u>	<u>2,932,562</u>	<u>3,317,375</u>	<u>3,932,875</u>	<u>3,887,338</u>
	<u>7,282,989</u>	<u>7,537,171</u>	<u>7,994,534</u>	<u>8,604,719</u>	<u>8,547,007</u>
	2,636,598	2,134,603	2,076,225	2,076,225	2,076,225
	-	501,996	501,996	501,995	501,992
	8,647,833	8,650,590	8,631,737	8,631,737	8,652,750
	519,598	658,646	658,646	658,646	658,646
	3,808,547	4,172,762	4,389,229	5,853,702	5,880,409
	27,222,384	30,175,659	30,175,659	31,275,659	31,275,662
	<u>42,834,960</u>	<u>46,294,256</u>	<u>46,433,492</u>	<u>48,997,964</u>	<u>49,045,684</u>
	3,166,861	4,280,106	4,290,099	4,389,292	4,379,922
	95,243	95,243	95,243	81,380	15,473
	151,664	149,703	148,807	148,807	146,518
	56,373	56,373	56,373	56,373	56,373
	<u>3,470,141</u>	<u>4,581,425</u>	<u>4,590,522</u>	<u>4,675,852</u>	<u>4,598,286</u>
	74,832,801	61,205,398	65,603,726	80,926,544	80,926,544
	-	27,432,967	43,473,026	45,548,027	45,548,029
	59,181	59,181	59,181	59,181	651,132
	498,870	488,870	488,870	488,870	1,232,132
	251,059	201,580	336,252	356,682	356,682
	<u>10,054,340</u>	<u>10,054,340</u>	<u>10,054,340</u>	<u>13,487,947</u>	<u>14,587,896</u>
	<u>85,696,251</u>	<u>99,442,336</u>	<u>120,015,395</u>	<u>140,867,251</u>	<u>143,302,415</u>

(Continued)

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

Last Ten Years

Function/Program	2002	2003	2004	2005	2006
Conservation of Natural Resources					
Equipment	131,702	137,734	130,821	130,821	137,823
Total Conservation of Nat. Resources	<u>131,702</u>	<u>137,734</u>	<u>130,821</u>	<u>130,821</u>	<u>137,823</u>
Housing and Development					
Land	5,507,548	5,573,262	5,573,262	2,758,510	730,050
Buildings	900,000	-	-	-	-
Improvements	32,562	32,562	32,562	-	-
Total Housing and Development	<u>6,440,110</u>	<u>5,605,824</u>	<u>5,605,824</u>	<u>2,758,510</u>	<u>730,050</u>
Construction in Progress	546,683	470,697	3,748,740	477,859	8,683,598
Total Governmental	<u>\$ 70,949,134</u>	<u>\$ 114,446,447</u>	<u>\$ 124,231,232</u>	<u>\$ 131,676,867</u>	<u>\$ 139,118,962</u>
Business-type					
Airport					
Land	\$ 10,480,840	\$ 10,480,840	\$ 10,480,840	\$ 10,480,840	\$ 10,480,840
Intangible Assets	-	-	-	-	-
Construction in Progress	8,222,305	3,015,331	13,937,749	20,878,078	28,187,163
Buildings	5,545,589	5,735,816	7,566,547	6,706,182	6,798,861
Improvements	15,573,644	22,028,413	22,811,019	29,961,930	30,401,479
Equipment	3,809,185	3,820,695	4,244,718	5,678,188	6,252,770
Total Airport	<u>43,631,563</u>	<u>45,081,095</u>	<u>59,040,873</u>	<u>73,705,218</u>	<u>82,121,113</u>
Solid Waste Center					
Land	50,000	50,000	50,000	50,000	50,000
Construction in Progress	-	37,394	214,765	37,394	2,531
Buildings	503,175	503,175	493,183	665,070	665,070
Improvements	1,201,862	1,243,729	1,308,725	1,387,152	1,639,451
Equipment	907,264	1,065,143	1,050,430	1,145,153	1,170,746
Total Solid Waste Center	<u>2,662,301</u>	<u>2,899,441</u>	<u>3,117,103</u>	<u>3,284,769</u>	<u>3,527,798</u>
Total business-type	<u>\$ 46,293,864</u>	<u>\$ 47,980,536</u>	<u>\$ 62,157,976</u>	<u>\$ 76,989,987</u>	<u>\$ 85,648,911</u>

Source: Pitkin County Fixed Asset Management System

2007	2008	2009	2010	2010
127,833	127,833	127,833	135,036	112,131
127,833	127,833	127,833	135,036	112,131
730,050	730,050	730,050	730,050	730,050
-	-	-	-	-
-	-	-	-	-
730,050	730,050	730,050	730,050	730,050
7,659,721	4,150,177	3,875,926	1,649,975	627,942
<u>\$ 161,099,721</u>	<u>\$ 175,844,393</u>	<u>\$ 195,927,923</u>	<u>\$ 218,207,225</u>	<u>\$ 219,272,423</u>
\$ 10,480,840	\$ 7,873,279	\$ 7,873,279	\$ 7,873,279	\$ 7,873,279
-	2,955,956	2,955,956	2,955,956	2,955,956
40,662,297	21,097,613	4,318,461	5,302,255	18,885,024
7,122,651	18,717,688	18,749,257	18,749,257	18,749,257
30,964,267	30,841,247	51,970,342	52,118,955	52,143,270
6,287,745	6,504,783	7,369,076	8,651,643	8,153,276
95,517,800	87,990,566	93,236,371	95,651,345	108,760,062
50,000	50,000	50,000	50,000	50,000
263,799	25,235	-	31,990	29,762
665,070	546,460	530,811	382,581	382,581
2,055,845	3,337,549	1,629,664	1,629,664	1,629,664
1,227,292	1,054,674	1,094,024	1,094,024	1,426,600
4,262,006	5,013,918	3,304,499	3,188,259	3,518,607
<u>\$ 99,779,806</u>	<u>\$ 93,004,484</u>	<u>\$ 96,540,870</u>	<u>\$ 98,839,604</u>	<u>\$ 112,278,669</u>