

PITKIN COUNTY, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year ended December 31, 2012



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, 2012

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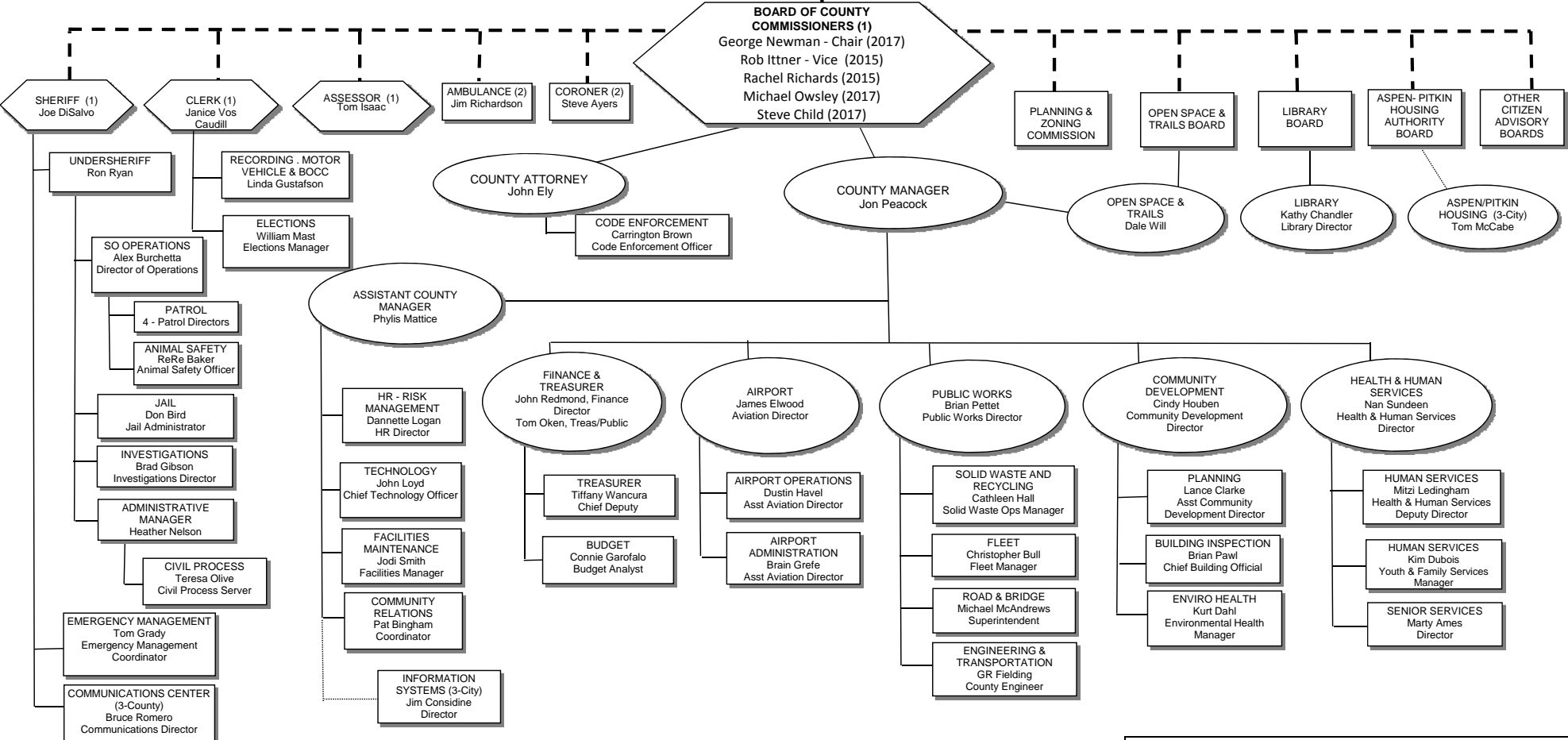
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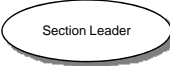




2012
Annual Financial Report

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 27, 2013

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, 2012.

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 of County Commissioners (BOCC), the financial community, and the public in understanding the County's financial affairs.

This report includes all activities for which the BOCC 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

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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 unmodified opinion that the County's financial statements for the year ended December 31, 2012 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. 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%
2012	\$ 128.2	24.0%	\$15,659,280	2.9%	\$ 782,964,000	2.9%	\$ 1,486.7	17.2%

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. A 24% increase was seen in 2012; however, this was due to mostly to a large project. (Aspen Music Festival & School) Looking forward, management is taking a 5% 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% and slowed to an increase of 2.9% in 2012. Looking forward, management is taking a modest 3.5% 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 2012 increased by a substantial 17.1%.

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 the projected deficit in an effort to avoid additional reductions in services and staffing. We have seen an overall increase in revenues in 2010, 2011, and 2012. Those increases in revenue, along with caution in replacing vacant or creating new positions, will assist us in our achieving a balanced budget over the next five years.

One of our most impactful financial initiatives in the last four years was 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 affected our planning process for the 2013 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 2012 that support the plan's strategic statements (listed in bold italics)

❖ Vibrant and Supportive Community

- **Healthy Community Fund** - The Citizen Grant Review Committee reviewed 75 applications and recommended 2012 grant funding for 75 programs (nonprofits, county senior services and contract management) in the amount of \$2,356,454, broken down as follows:
 - 36 Health & Human Service agency proposals in the amount of \$1,973,437, and
 - 39 Community Non-Profit proposals in the amount of \$378,017.
- **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. Two housing acquisitions were made in 2012. \$2,000,000 was allocated to the 2013 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.

- **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 continued through 2012.

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

- **Aspen Area Community Plan** - The City of Aspen and Pitkin County have adopted the 2012 Aspen Area Community Plan (AACP). 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 2012, a management plan for Sky Mountain Park was adopted and implementation began rerouting unsustainable trails and doing formal biological studies identifying all locations of rare plants. OST purchased Red Ridge Ranch Open Space in Emma with financial assistance from Eagle County, the Town of Basalt and Great Outdoors Colorado. This property provides critical access to the Crown and has significant water rights and agricultural meadows.
- **Airport Master Plan Update** – The master plan update was approved in 2012. The objectives of a 20-year development plan that is technically correct, environmentally sound, financially viable, and implementable, were met. The process involved extensive public input along with review and analysis by the Financial Advisory Board, and the Planning and Zoning Commission.
- **Airport Construction** – Last fall the airport completed a number of airfield improvement projects. These projects included a taxiway connector, relocated and improved de-icing pads and additional drainage on the west side of the airport. These improvements have helped to make the airport more efficient, environmentally responsible and are working well to date.
- **Fire Safety** – A fire ban was enacted in April of 2012 after a record dry winter and spring with an all-out effort to inform employees, locals, and visitors about the specifics of the ban and to assist in preparation of a possible wildfire incident. Publicity included a website, newspaper, radio, and television ads in addition to the activation of a telephone hotline, and other programs. A total of \$125,000 was allocated to potential wildfire impacts.
- **Airport Security** - At least annually, the Federal Aviation Administration (FAA) inspects commercial service airports for compliance with Federal standards. The FAA inspection process includes checking all aspects of airport operations on the airfield from lighting marking, signage as well as an assessment of record keeping. Recently the FAA conducted this inspection at the Aspen/Pitkin County Airport and found it to be 100% in compliance with these regulations.
- **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** – The County initiated a study of cellular carrier coverage to see if it is possible to promote expanded coverage. Pitkin County is one of seven counties participating in the Northwest Colorado Council of Governments project to create a broadband strategic plan for the region. We completed the Remote Monitoring System at mountaintop locations that reduces expenditures by reducing trips to the sites. Elephant Mountain issues were identified and upgrades were completed at the building site and at the transformer at the bottom of the mountain; future improvements will be made this summer pending approvals from USFS.

❖ *Prosperous Economy*

- **Budget** - A balanced 2012 budget and 5-year plan were adopted despite rising labor and benefit costs and increased capital spending. 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.
- **Sustainable Economy** – The County has accelerated major capital projects to take advantage of lower prices and to assist in job creation. Those projects include major road paving and changes to existing building mechanical systems.
- **Affordable and Quality Healthcare** – The County is working with employers, non-profits, and healthcare providers to develop affordable medical and dental care and insurance options in the region. The goal also includes developing incentives for medical providers in the region to serve Medicare and Medicaid populations and to support development of electronic infrastructure to share information.

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, 2011. 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 thirty 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, 2011

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.



Christopher P. Morille

President

Jeffrey R. Egan

Executive Director

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2012
Annual Financial Report

FINANCIAL SECTION

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Independent Auditor's Report

To the Board of County Commissioners
Pitkin County, Colorado

Report on the Financial Statements

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, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 the Pitkin County, Colorado, as of December 31, 2012, and the respective changes in financial position and, where, applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

Change in Accounting Principles

As described in Note 1 to the financial statements, the County adopted the provisions of GASB Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* and GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*. The opinion is not modified with the implementation of these GASB Statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 19 and the budgetary comparison information on pages 67 through 73 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 inquires of management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquires, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Pitkin County, Colorado's financial statements. The introductory section, combining and individual nonmajor fund financial statements, 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 financial statements.

The combining and individual nonmajor fund financial statements and budgetary schedules, combined schedule 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor 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 fairly stated, in all material respects, in relation to the basic 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2013 on our consideration of Pitkin County, Colorado'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 on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pitkin County, Colorado's internal control over financial reporting and compliance.

Eide Bailly LLP

Golden, Colorado
June 27, 2013

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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, 2012. 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 position exceeded its liabilities by \$302,438,429 (net position) at the end of 2012, reflecting an increase of \$11,750,360 (4.0%) in net position during 2012. Governmental activities increase was \$6.5 million (3.3%) and business-type assets increase was \$5.2 million (5.6%).
- The net capital assets in the proprietary funds increased \$5.0 million. Phase II of runway the extension, included improvements to the deicing pad and the general aviation parking area. In addition, a snowblower and snowplow were purchased by the airport. These acquisitions account for the majority of this increase.
- The structure and purpose of the housing mitigation fee was revisited in 2005 and the in-lieu fee was replaced with the impact fee. The payment-in-lieu of housing fees was reported in the general fund and the impact fee was classified as a special revenue fund. A transfer of the \$4.3 million payment-in-lieu of housing fund balance to the Employee Housing Impact Fee fund resulted in the fund meeting the requirements to of a major fund. Both fees support an affordable housing program to provide local employees with subsidized housing options in the community.
- During 2012, the governmental funds reported combined ending fund balances of \$58.7 million, an increase of \$5.9 million. The \$4.6 million use of the general fund balance was two-fold. The majority of the reduction was due to the transfer of the housing balance to the housing fund. In addition, there was a major capital investment to the road program. During 2012, the state had a contract for some major improvements to state highway 82 enabling the County to negotiate favorable rates for several county road improvement projects. The County spend \$4 million to improve Castle Creek Road and twelve other County roads. The balance in Open Space and Trails fund fluctuates from year to year depending on whether there are major trail improvements or land acquisitions during the year. Since there were no major acquisitions in 2012, the \$6.3 million was added to that fund's balance.
- The BOCC has informally agreed to pledge a portion of its general sales tax collections to the funding of significant maintenance or capital projects. As a result the road projects that were previously accounted for in the road and bridge fund are now recorded in the general fund. During 2012, 50% of the general sales tax collections (\$3.4 million) along with general fund and road and bridge balance provided \$12.5 assigned for capital maintenance and improvements. Approximately one-half of this balance was spent during the year.
- 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 Position** 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 position*. Over time, increases or decreases in net position 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 position 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 discretely presented *component units* are reported separately from the financial information presented for the primary government itself.

The government-wide financial statements are presented on pages 22 through 25 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, the Transportation Sales and Use Tax fund, and the Housing Impact Fee fund are considered major funds. Data from the other eleven 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.

The basic governmental fund financial statements are presented on pages 26 through 29 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 30 through 33 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 34-35 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 70, 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 \$302,438,429 at the end of 2012. The amount of total net position 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 position:

	Summary of Net Position					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Assets:						
Current and other assets	\$ 86,624,101	\$ 79,792,538	\$ 12,760,281	\$ 16,320,376	\$ 99,384,382	\$ 96,112,914
Net capital assets	172,434,067	171,875,937	90,802,536	82,590,965	263,236,603	254,466,902
Total assets	259,058,168	251,668,475	103,562,817	98,911,341	362,620,985	350,579,816
Liabilities						
Other Liabilities	29,719,108	25,256,542	2,030,667	3,818,193	31,749,775	29,074,735
Long-term liabilities outstanding	24,685,541	28,350,034	3,747,240	2,466,979	28,432,781	30,817,013
Total Liabilities	54,404,649	53,606,576	5,777,907	6,285,172	60,182,556	59,891,748
Net position:						
Net investment in capital assets	156,145,670	155,315,076	86,982,831	81,660,076	243,128,501	236,975,152
Nonspendable	-	-	378,744	189,991	378,744	189,991
Restricted	33,850,326	27,816,355	9,305,157	9,738,075	43,155,483	37,554,430
Unrestricted	14,657,523	14,930,468	1,118,178	1,038,027	15,775,701	15,968,495
Total net position	\$ 204,653,519	\$ 198,061,899	\$ 97,784,910	\$ 92,626,169	\$ 302,438,429	\$ 290,688,068

Governmental accounting principles require that the amount of net position represented by the County's equity in capital assets be presented separately as Net investment in Capital Assets, in order to show that they are not financial assets available for appropriation. Approximately 76% of the governmental activities' net position and 89% of the business-type activities net position 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 \$136 million. Airport runway improvements (a \$6 million project), general aviation connector resurface and two snow removal acquisitions explain the large increase to the business-type assets. Although the County's 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 \$302.4 million, \$243.1 million represents the net investment in capital assets; \$378,744 represents inventory at the landfill; \$43.2 million is restricted by parties external to the County; and \$15.7 million is unrestricted. The largest restricted balances for the governmental funds come from impact fees to support

affordable housing (\$10.7 million), sales and use taxes dedicated for transportation needs of the community (\$10.8 million), and a property tax dedicated for the open space and trails program (\$7.8 million). The airport fund has the \$9.3 million of restricted net assets based on assurances with accepting FAA funds for its capital projects.

Unrestricted net position of \$15.8 million represents the portion available to maintain the County's general obligations to citizens and creditors of which \$1.1 million is held by business-type activities and \$14.7 million is held in governmental activities.

Changes in Net Position

Governmental and business-type activities increased the County's net position by \$11.8 million in 2012. The following table derived from the current and prior years' *Statement of Activities* indicates the changes in net position for governmental and business-type activities:

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program:						
Charges for services	\$ 8,073,685	\$ 8,107,835	\$ 11,916,337	\$ 11,373,636	\$ 19,990,022	\$ 19,481,471
Operating grants	4,581,634	4,230,137	645,834	719,858	5,227,468	4,949,995
Capital grants	465,500	4,098,393	7,840,385	11,800,224	8,305,885	15,898,617
General:						
Taxes	40,097,771	41,071,874	-	-	40,097,771	41,071,874
Investment earnings	314,576	444,870	68,804	129,692	383,380	574,562
Gain on Sale of Fixed assets	52,553	790,367	61,713	66,270	114,266	856,637
Total revenues	<u>53,585,719</u>	<u>58,743,476</u>	<u>20,533,073</u>	<u>24,089,680</u>	<u>74,118,792</u>	<u>82,833,156</u>
Program Expenses:						
General government	8,236,495	8,051,591	-	-	8,236,495	8,051,591
Public safety	8,836,841	8,315,629	-	-	8,836,841	8,315,629
Public works	19,091,229	15,695,207	-	-	19,091,229	15,695,207
Health and welfare	4,892,567	4,437,922	-	-	4,892,567	4,437,922
Culture and recreation	4,082,376	4,408,254	-	-	4,082,376	4,408,254
Conservation	9,998	9,998	-	-	9,998	9,998
Housing and development	862,954	190,523	-	-	862,954	190,523
Interest and other debt items	1,201,640	1,257,597	-	-	1,201,640	1,257,597
Airport	-	-	11,377,027	11,445,626	11,377,027	11,445,626
Solid waste	-	-	3,777,305	4,340,284	3,777,305	4,340,284
Total expenses	<u>47,214,100</u>	<u>42,366,721</u>	<u>15,154,332</u>	<u>15,785,910</u>	<u>62,368,432</u>	<u>58,152,631</u>
Excess	6,371,619	16,376,755	5,378,741	8,303,770	11,750,360	24,680,525
Transfers	220,000	270,000	(220,000)	(270,000)	-	-
Change in net position	6,591,619	16,646,755	5,158,741	8,033,770	11,750,360	24,680,525
Beginning net position	198,061,900	181,415,145	92,626,169	84,592,399	290,688,069	266,007,544
Ending net position	<u>\$ 204,653,519</u>	<u>\$ 198,061,900</u>	<u>\$ 97,784,910</u>	<u>\$ 92,626,169</u>	<u>\$ 302,438,429</u>	<u>\$ 290,688,069</u>

Governmental Activities: Governmental activities increased Pitkin County's net position by \$6.6 million. Taxes, including property, sales and other taxes, totaled 74.8% of all governmental activities' revenues. Public works was 40.4% of the expenses followed by public safety (18.7%) and general government (17.4%).

Key changes between the 2011 and 2012 balances are as follows:

- Total revenues decreased \$5.2 million. Intergovernmental revenues were \$3.2 million less than in the prior year. The General Fund received a capital grant for restoration of the historic coke ovens in Redstone, and the Great Outdoors Colorado (GOCO) contributed toward the funding of the Sky Mountain Park acquisition in 2011. These were one-time capital projects and there were not large scale projects with funding partners occurring in 2012. Other intergovernmental revenues were similar in both years.
- Taxes provide the largest revenue supporting County operations. Total property taxes declined \$1.6 million (7.25%) between 2011 and 2012. Property taxes are calculated by multiplying the assessed value times the mill rate with property values that are adjusted every two years. The 2012 budget used market conditions as of June 2010 that reflected a 24.9% decline in property values from the prior year's assessment. Since the mill rate for the Open Space and Trails program is fixed, the tax support declined \$1.8 million in 2012. The property tax levies for other County programs could be increased by growth and inflation as allowed under the State Constitution. Sales taxes increased 3% or \$554,684 reflecting a slightly improved tourist economy.
- A number of taxing districts have fixed mill levies, so the decline in property values caused those levies to decrease so the treasurer's collection fee associated with tax collection. In addition, the number of foreclosures also declined. Overall, income generated from treasurer's fees declined \$428,000 from 2011 revenues.
- Interest income continues to decline due to significantly lower interest rates. Interest income only generated \$314,500 during 2012.
- The County sold an easement for \$950,000 to private landowners in 2011. This is another 2011 one-time revenue source.
- Expenditures totaled \$47.2 million, an increase of \$4.8 million from 2011. The County took a conservative approach to spending over the last several years by deferring capital expenditures. Employees received a one-time bonus of approximately \$1,200 in 2012 but other operating costs remains flat. Thus the use of fund balance resulted in investing in capital projects that had been deferred over the last several years due to the economic uncertainty. As mentioned earlier, the County invested \$4 million towards County road improvements taking advantage of favorable state pricing. The most significant project was resurfacing of Castle Creek Road. Other projects included Coal Creek, Woody Creek, Redstone Boulevard, Jack Gredig, Upper River, Sopris Creek and Brush Creek roads. Several building maintenance projects were also completed, most significantly the jail boiler replacement and various energy efficiency projects in the courthouse, courthouse plaza and the health and human services buildings.

Business-Type Activities

Net position increased by \$5,158,741 for business-type activities. The airport began a multi-year capital improvement plan to improve the runway. In 2012, \$6 million was invested for runways and deicing improvements. In addition two pieces of snow removal equipment were purchased totaling \$1.1 million.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Governmental Revenues

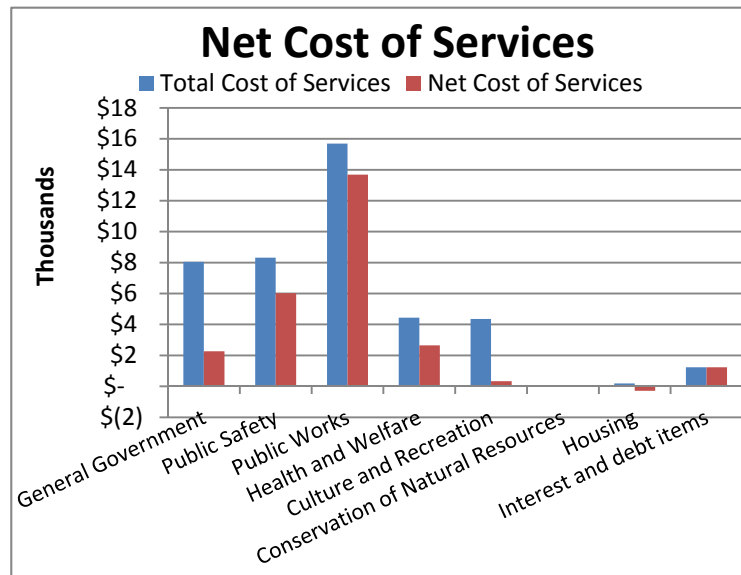
Program revenues provided 24.5% to support of governmental operations. This means that the County's taxpayers and other general governmental revenues fund 76.6% of the governmental activities. Property, sales and use taxes provide general support for the County's operations with property tax providing 39% and sales and use tax providing 37%. Sales tax revenues increased again in 2012 after the 2009 decline, showing a 7.9% over 2009 collections. Forty-four percent (\$23.9 million) of general revenues are dedicated to support regional transportation and the open space and trails program, leaving approximately 56% (\$15.6 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 continues to decline and only provided \$314,576 in 2012. Although sales tax collections have increased since the recession, revenues are \$123,000 lower for governmental activities and \$251,000 lower for transit programs than they were in 2008. Lower interest rates have affected interest income resulting in a decline of \$2.7 million from high revenues seen in 2007.

Governmental Functional Expenses

The public works, general government, and public safety functions make up approximately 76.6% of the total governmental activities expenses. Public works totals 40.4% of total governmental expenses of which 38.1% was spent the county road and bridge fund (including depreciation of approximately \$1.4 million), 61.6% going to transportation needs of the County and .3% to TV/FM translators. The general government function, including the County’s administrative and community development costs as well as numerous service agencies, totaled 17.5% of the total governmental expenses. Public safety accounted for approximately 18.7% 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 17.5% to 7.6% of total net expenses. Net costs of the public works function were \$17.6 million. The balance supports TV and FM translator services for the community. Overall 51.5% 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 (\$12.3 million of the total \$19.8 million) is collected and are passed through to other public entities to support public transportation services throughout the valley. Public safety is the next largest function that required taxpayer support. This includes law enforcement, dispatch and jail services. The general government function includes administrative department (finance, BOCC, manager, building, and IT) and community development (planning, zoning and building). Planning and building inspection fees offset the cost of this service and offsets a significant portion of the cost of this function. The fourth 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.

Business-Type Activities

The airport is the County's primary enterprise fund. Both operating revenues and expenses for this fund remained constant from 2011 to 2012 with 2012 showing an operating loss of approximately \$4.2 million annually. This loss results from the depreciation on capital items that are usually funded by the FAA at 95%, however the full cost of the depreciation is reflected in the operating statement. After adding capital contributions, the airport had a positive change in net position of \$4.4 million. The airport updated a 20-year master plan in 2012 that examined future uses of the entire airport property. Capital improvements totaled \$8.8 million and included improvements to a runway connector, relocation and improvements of the deicing pads, the acquisition of a snowplow and snow blower. Federal and State grants contributed \$6.6 million toward these projects.

The Solid Waste Center fund returned to favorable operating results with net operating income of \$965,757. The fund has had net operating losses since 2009 when construction activity declined due to the recession. Tipping fees increased \$537,000 over 2011 revenue. Several factors contributed to the increase: 1) a major construction project had large volumes of contaminated soil that required special handling; 2) there was an outreach to landowners to do fire mitigation due to warmer temperatures in March; 3) the landfill's food composting program increased; and 4) higher construction volumes overall. The value of the year-end inventory was \$379,000, almost double of the amount last year. The inventory is estimated to generate \$585,700 of revenue when sold. The cost of producing aggregate material is recognized when sold. Improvements to the Materials Recovery Facility accounted for the majority of the capital expenses for the year.

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. A fund balance dedicated to advance the affordable housing program for the County workforce was transferred from the general fund to the Housing Impact Fee fund. The large fund balance in this fund required it to become a major fund in 2012.

General Fund

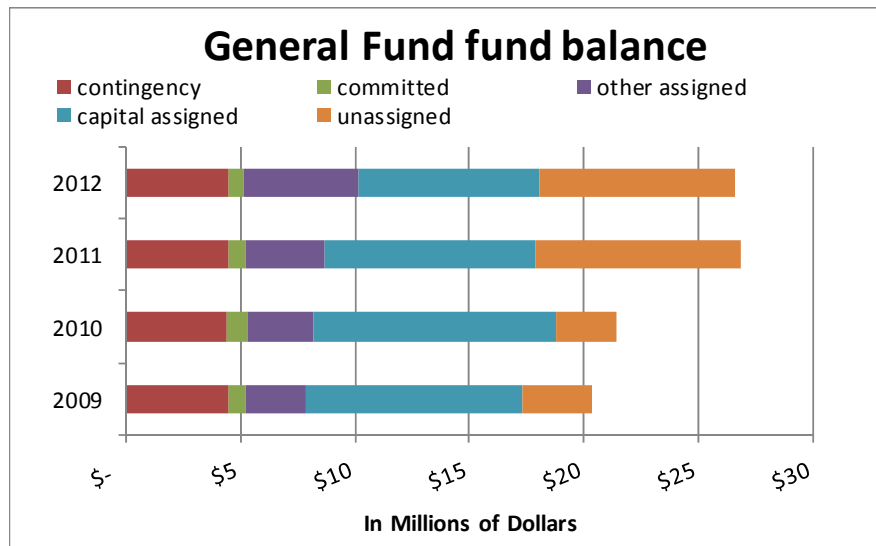
The general fund is the County's primary operating fund and accounts for all transactions not accounted for in other funds. It accounts for many of the County's core services, such as law enforcement, planning, clerk and recorder and elections, buildings and general administrative functions. As the County's 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 over the last several years, but the County is beginning to see revenues return to 2008 levels. The County's share of the 2% sales tax revenues have increased 2.9% over the 2011 collections and 17.6% over the 2009 collections, but they are still \$92,000 short of the 2008 level. Public Trustee fees decreased approximately \$126,000 since 2011 due to a

lower level of foreclosure activity. Tax collection fees are down as a result of declining property tax collections of all districts in the County as a result of lower assessed values on property. Planning and building fees are up approximately \$160,000 from last year but are still \$522,000 less than the 2008 revenues. Interest income produced \$314,000 of revenue in 2012 due to falling interest rates and is almost \$2.6 million less than 2008 levels.

An affordable housing impact fee implemented in 2005, replaced a payment-in-lieu of housing fee. The housing impact fee was accounted for in a special revenue fund since its inception, and the payment-in-lieu of housing fee remained in the general fund because the utilization restrictions were slightly different. The BOCC decided that all housing funds would be subject to the more restrictive guidelines of the impact fee, so \$4.3 million of the general fund balance was transferred to the housing impact fee fund.

The following chart eliminates the housing fund balance from the general fund committed category. The \$26.6 million general fund balance for 2012 decreased only \$215,000 overall. This balance includes \$1.1 million that is restricted by parties outside the County government, \$718,600 that is formally committed by the government itself, assigned fund balances of \$16.1 million and unassigned fund balance of \$8.6 million. The assigned fund balance of \$16.1 million includes \$7.9 million to fund capital future projects, \$1.4 million designated to complete projects begun in 2012, \$1.2 to fund anticipated claims payable, \$1.8 million for our self-insured health plan, \$3.5 to fund working capital needs and \$350,000 for budgeted savings in the 2013 budget. The remaining assigned fund balance is designated for other uses as detailed in Note 3-L.



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 \$10.7 million is entirely from the proceeds of the .5% sales and use tax. A total of \$2.125 million is pledged for the planning, design and construction of the pedestrian underpass at Highway 82 at the airport and \$200,000 has been pledged for the planning for the Rubey Park transit center in Aspen. The sales tax revenues supporting these programs have increased in 2010, 2011, and 2012, 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, 10% to trails improvements and 15% to property maintenance. The fund balance of this fund fluctuates depending on the capital acquisitions made in any year. Open space and trails staff organized an extensive public process to obtain community input for a 4-mile section of the Rio Grande Trail. This section is the only unpaved portion of a 42-mile bicycle and pedestrian trail linking Aspen and Glenwood Springs. In addition, approximately 7 acres of open space known as the Lindsay property was purchased adjacent existing Smuggler Mountain Open Space. At December 31, 2012 the fund had \$7.1 million restricted fund balance.

Housing Impact Fee Fund

As mentioned earlier, \$4.3 million of housing funds accounted for in the general fund were transferred to the Housing Impact Fee Fund resulting in a total of \$10.7 million available for future housing projects. This balance represents 12.3% of the total assets for the County, meeting the criteria for a major fund. Management purchased two units in 2012, and is looking at alternatives for future projects.

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). 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.

Model Portfolio Investment Options

Asset Allocation	Very Conservative Growth Target Fund	Conservative Growth Target Fund	Moderate Growth Target Fund	Growth Target Fund	Aggressive Growth Target Fund
Income Funds	88%	64%	42%	27%	9%
Large Cap Stock Funds	6%	15%	24%	30%	37%
Mid Cap Stock funds	2%	4%	6%	8%	11%
Small cap Stock Funds	1%	2%	4%	4%	4%
Foreign Sock Funds	3%	11%	16%	20%	24%
Real Estate Fund	0%	1%	3%	4%	5%
Commodity Fund	0%	3%	5%	7%	10%
2012 annual investment return	5.0%	7.8%	9.1%	9.8%	10.5%

GENERAL FUND BUDGETARY HIGHLIGHTS

In December 2011, the Board of County Commissioners appropriated \$26.5 million for 2012 general fund expenditures. The general fund budget was amended by \$6.8 million to \$33.3 million during the year. The final budget anticipated a decrease of \$10.3 million to the general fund balance.

2012 General Fund Budget

	<u>Original Budget</u>	<u>Amendments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance to Final Budget</u>
Revenue and other financing sources	\$ 22,222,080	\$ 813,620	\$ 23,035,700	\$ 23,318,185	\$ 282,485
Expenditures and other financing uses	<u>26,492,489</u>	<u>6,802,326</u>	<u>33,294,815</u>	<u>27,955,587</u>	<u>5,339,228</u>
	<u>\$ (4,270,409)</u>	<u>\$ (5,988,706)</u>	<u>\$ (10,259,115)</u>	<u>\$ (4,637,402)</u>	<u>\$ 5,621,713</u>

Midyear budget amendments included:

- Budget appropriations lapse at year-end, so it is necessary to appropriate budgets for projects not completed in 2011. The net value of these projects totaled \$2.6 million explaining a major portion of the increase to the 2012 budget. Fund balance in prior periods provided financing for these projects. A budget of \$530,000 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: Jail capital improvements (\$169,000); Courthouse boiler replacement (\$179,000); fleet vehicle purchases (\$500,000); various road improvements (\$164,000); senior service programs (\$170,000); elections and clerk equipment (\$265,000); funding for an employee housing assistance program (\$190,000); various law enforcement and emergency management programs (\$249,000); and various community development projects (\$85,000). The balance represents projects under \$50,000 for various projects in multiple departments of the general fund.
- The County continued to budget conservatively during 2012 for operations expenditures. An additional \$3 million was added for road capital project to take advantage of favorable pricing because the state was improving the state highway in the area. Other projects that were added to the budget included \$125,000 for wildfire mitigation (which was not needed);

The final budget projected a decrease in fund balance of \$10.3 million or \$5.7 million after deducting the transfer to the Housing Impact Fee fund. Actual expenditures exceeded revenues the general fund by \$4.6 million reflecting a favorable budget to actual variance of \$5.6 million. Most of this variance resulted from unfinished projects in 2012. A total of \$1.5 million of operating projects and \$2.3 million of capital projects has been added to the 2013 budget, leaving 1.8 million of actual budget to actual variance. The County maintains a 10-year capital projects plan and has dedicated a portion of the sales tax to that plan. This strategy has resulted in departments managing capital project working together to prioritize the overall capital needs of the County. Although there is a \$7.9 million fund balance assigned to capital projects, the 10-year plan utilizes most of that balance for road and building improvements over the next several years. A total of \$1.1 million of capital projects were returned to fund balance either due to savings for the project or reassessing the need for the project. Operating savings included a total of \$100,000 savings for health insurance coverage \$142,000 in salary saving from vacancies and attrition, and \$107,000 savings in the manager’s office due to savings in advancing strategic plan initiatives.

Actual revenues exceeded budget by \$282,000 in total. Favorable budget to actual variance included sales tax (\$510,000), planning fees (\$109,000) and building inspection fees (\$188,000). Treasurer's fees were under budget by \$284,000. All of these variances can be explained by an improving economy (more tourism, more building activity and reduced foreclosure activity).

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, 2012, was \$172,161,456 and \$87,578,161 respectively. The net investment increased by .2% for governmental activities and increased 6.0% for business-type activities. The overall increase was 2.1% 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

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2010
Non-depreciable assets:						
Land	\$ 86,503,051	\$ 86,388,964	\$ 7,923,279	\$ 7,923,279	\$ 94,426,330	\$ 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	1,170,146	627,942	21,435,097	18,914,786	22,605,243	19,542,728
Total non-depreciable	<u>133,723,218</u>	<u>133,066,927</u>	<u>32,314,332</u>	<u>29,794,021</u>	<u>166,037,550</u>	<u>162,860,948</u>
Depreciable assets:						
Buildings	25,674,174	24,748,751	19,968,369	19,131,838	45,642,543	43,880,589
Improvements other than buildings	2,087,286	2,087,286	58,211,224	53,772,934	60,298,510	55,860,220
Machinery and equipment	14,080,581	13,416,760	10,661,705	9,579,876	24,742,286	22,996,636
Infrastructure	46,753,048	45,952,699	-	-	46,753,048	45,952,699
Total depreciable assets	<u>88,595,089</u>	<u>86,205,496</u>	<u>88,841,298</u>	<u>82,484,648</u>	<u>177,436,387</u>	<u>168,690,144</u>
Less accumulated depreciation	<u>50,156,851</u>	<u>47,396,486</u>	<u>33,577,469</u>	<u>29,687,704</u>	<u>83,734,320</u>	<u>77,084,190</u>
Book value - depreciable assets	<u>38,438,238</u>	<u>38,809,010</u>	<u>55,263,829</u>	<u>52,796,944</u>	<u>93,702,067</u>	<u>91,605,954</u>
Percentage depreciated	<u>43%</u>	<u>45%</u>	<u>62%</u>	<u>64%</u>	<u>53%</u>	<u>54%</u>
Book value - all assets	<u>\$ 172,161,456</u>	<u>\$ 171,875,937</u>	<u>\$ 87,578,161</u>	<u>\$ 82,590,965</u>	<u>\$ 259,739,617</u>	<u>\$ 254,466,902</u>

At December 31, 2012 the depreciable capital assets for governmental activities were 43% depreciated compared to 45% at December 31, 2011. 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 77.7% 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 cultural and recreation section. Two properties were acquired (Lindsay (\$318,300) and Redstone Country store (\$223,900)); improvements were made to the Rubey Hunter creek, east of aspen trails and Redstone Park; and earnest money was paid for the acquisition of the Saltonstall Ranch. Open space and trails acquisitions totaled \$1.1 million. Public works also invested \$1.1 in capital assets with the acquisitions of two dump trucks, construction of a culvert at Coal Creek, a retaining wall, and various translator equipment. The previously mentioned road improvements were considered maintenance projects because the underlying structure of the road was not improved. Lastly tow unit were purchased with funds from the housing impact fee fund.

For the County's business type activities, the asset values were 68% depreciated at December 31, 2011 and 64% at December 31, 2012. By far the most significant project completed by the enterprise funds was the \$6 million runway and deicing improvements, the acquisition of a plow and broom for snow removal. There was a significant upgrade to the materials recovery facility at the landfill.

Long-term Debt

At the end of the calendar year, general obligation bonds and notes of \$16,695,000 and sales tax revenue bonds totaling \$7,770,000 were outstanding. The airport has a low-interest loan from the State with an outstanding balance of \$595,333. 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		
	2012	2011	2012	2011	2012	2011	
General obligation bonds	\$ 16,695,000	\$ 17,300,000	\$ -	\$ -	\$ 16,695,000	\$ 17,300,000	-3%
Revenue bonds and loans	7,770,000	8,075,000	595,333	926,055	8,365,333	9,001,055	-7%
Special assessment bonds	31,428	38,206	-	-	31,428	38,206	-18%
Landfill closure and postclosure care	-	-	3,224,375	3,105,516	3,224,375	3,105,516	4%
Claims	1,164,161	778,215	-	-	1,164,161	778,215	50%
Compensated absences	1,315,112	1,290,405	144,596	146,680	1,459,708	1,437,085	2%
Total	\$ 26,975,701	\$ 27,481,826	\$ 3,964,304	\$ 4,178,251	\$ 30,940,005	\$ 31,660,077	-2%

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 Position
December 31, 2012

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current Assets				
Equity in pooled cash and investments	\$ 59,491,143	\$ 9,148,172	\$ 68,639,315	\$ 2,395,505
Other cash and investments	-	-	-	5,349,817
Receivables:				
Accounts	285,086	1,255,329	1,540,415	67,847
Property taxes	20,308,861	-	20,308,861	3,442,139
Sales taxes	2,007,819	-	2,007,819	-
Intergovernmental	4,420,512	1,978,036	6,398,548	-
Notes	110,680	-	110,680	-
Inventory	-	378,744	378,744	-
Total Current Assets	86,624,101	12,760,281	99,384,382	11,255,308
Noncurrent Assets				
Restricted equity in pooled cash and investments	54,847	3,224,375	3,279,222	-
Nondepreciable capital assets	133,723,218	32,314,332	166,037,550	194,038
Depreciable capital assets, net	38,438,238	55,263,829	93,702,067	3,556,879
Unamortized bond issuance costs	217,764	-	217,764	-
Total Noncurrent Assets	172,434,067	90,802,536	263,236,603	3,750,917
Total Assets	259,058,168	103,562,817	362,620,985	15,006,225
Liabilities				
Current Liabilities				
Accounts payable	909,886	524,408	1,434,294	24,864
Contracts payable	259,222	974,479	1,233,701	-
Accrued liabilities	571,208	37,721	608,929	23,157
Intergovernmental payable	4,307,062	51,315	4,358,377	6,801
Accrued interest payable	132,444	8,656	141,100	-
Contractual payments paid in advance	-	182,898	182,898	-
Deposits	952,807	30,916	983,723	-
Advance on revenue	20,975,533	-	20,975,533	3,442,139
Claims payable	465,665	-	465,665	-
Compensated absences payable	263,022	29,561	292,583	99,954
General obligation bonds payable	567,259	-	567,259	-
Revenue bonds payable	315,000	190,713	505,713	-
Total Current Liabilities	29,719,108	2,030,667	31,749,775	3,596,915
Long-Term Liabilities:				
Closure and postclosure care obligations	-	3,224,375	3,224,375	-
Claims payable (net of current portion)	698,497	-	698,497	-
Compensated absences payable (net of current portion)	1,052,089	118,248	1,170,337	24,989
General obligation bonds payable (net of current portion)	15,479,955	-	15,479,955	-
Revenue bonds payable (net of current portion)	7,455,000	404,617	7,859,617	-
Total Long-Term Liabilities	24,685,541	3,747,240	28,432,781	24,989
Total Liabilities	54,404,649	5,777,907	60,182,556	3,621,904
Net Position				
Net investment in capital assets	156,145,670	86,982,831	243,128,501	3,750,917
Restricted for:				
Open space	7,845,021	-	7,845,021	-
Transportation and roads	10,765,759	-	10,765,759	-
Affordable housing	10,699,581	-	10,699,581	-
Statutory reserve for emergencies	657,180	-	657,180	133,997
Debt service	31,772	-	31,772	-
Ambulance District	484,156	-	484,156	-
Airport	-	9,305,157	9,305,157	-
General Fund local restrictions	468,374	-	468,374	-
Human services and public welfare services	196,020	-	196,020	-
TV and FM broadcast services	1,277,574	-	1,277,574	-
Public Improvement Districts	27,729	-	27,729	-
Healthy Rivers and Streams fund	1,397,160	-	1,397,160	-
Inventory	-	378,744	378,744	-
Library capital projects	-	-	-	5,936,375
Unrestricted	14,657,523	1,118,178	15,775,701	1,563,032
Total Net Position	\$ 204,653,519	\$ 97,784,910	\$ 302,438,429	\$ 11,384,321

See accompanying notes to the basic financial statements

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Pitkin County, Colorado
Statement of Activities
For the Year Ended December 31, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants, and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government					
Governmental Activities					
General government	\$ 8,236,495	\$ 4,279,086	\$ 1,366,851	\$ -	\$ (2,590,558)
Public safety	8,836,841	1,870,734	367,143	-	(6,598,964)
Public works	19,091,229	322,849	1,207,611	-	(17,560,769)
Health and welfare	4,892,567	422,007	1,584,416	9,000	(2,877,144)
Culture and recreation	4,082,376	68,598	-	456,500	(3,557,278)
Conservation of natural resources	9,998	-	55,613	-	45,615
Housing and development	862,954	1,110,411	-	-	247,457
Interest	1,201,640	-	-	-	(1,201,640)
Total Governmental Activities	47,214,100	8,073,685	4,581,634	465,500	(34,093,281)
Business-Type Activities:					
Airport	11,377,027	7,173,275	645,834	7,840,385	-
Solid Waste Center	3,777,305	4,743,062	-	-	-
Total Business-Type Activities	15,154,332	11,916,337	645,834	7,840,385	-
Total - Primary Government	\$ 62,368,432	\$ 19,990,022	\$ 5,227,468	\$ 8,305,885	(34,093,281)
Component Units					
Emergency Telephone Authority	380,894	550,221	-	-	-
Pitkin County Library District	4,045,930	-	160,818	-	-
Total - Component Units	\$ 4,426,824	\$ 550,221	\$ 160,818	\$ -	-
General Revenues					
Property taxes levied for:					
General government purposes					19,559,084
Debt service					149,675
Sales taxes					19,834,448
Other taxes					554,564
Gain on sale of capital assets					52,553
Investment earnings					314,576
Total General Revenues					40,464,900
Transfers					220,000
Total General Revenues and Transfers					40,684,900
Change in Net Position					6,591,619
Net Position Beginning of Year					198,061,900
Net Position End of Year					\$ 204,653,519

See accompanying notes to the basic financial statements

Revenue and Changes in Net Position		
Primary Government		
Business-Type		
Activities	Total	Component Units
\$ -	\$ (2,590,558)	\$ -
-	(6,598,964)	-
-	(17,560,769)	-
-	(2,877,144)	-
-	(3,557,278)	-
-	45,615	-
-	247,457	-
-	(1,201,640)	-
-	(34,093,281)	-
4,282,467	4,282,467	-
965,757	965,757	-
5,248,224	5,248,224	-
5,248,224	(28,845,057)	-
-	-	169,327
-	-	(3,885,112)
-	-	(3,715,785)
-	19,559,084	3,312,761
-	149,675	-
-	19,834,448	-
-	554,564	93,580
61,713	114,266	-
68,804	383,380	476,289
130,517	40,595,417	3,882,630
(220,000)	-	-
(89,483)	40,595,417	3,882,630
5,158,741	11,750,360	166,845
92,626,169	290,688,069	11,217,476
\$ 97,784,910	\$ 302,438,429	\$ 11,384,321

Pitkin County, Colorado
Balance Sheet
Governmental Funds
December 31, 2012

	<u>General</u>	<u>Transportation Sales and Use Tax</u>	<u>Open Space and Trails</u>	<u>Housing Impact Fee Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets						
Equity in pooled cash and investments	\$ 26,907,128	\$ 11,238,248	\$ 7,282,373	\$ 10,704,058	\$ 3,359,336	\$ 59,491,143
Receivables:						
Accounts	277,973	7,113	-	-	-	285,086
Property taxes	6,088,068	-	10,480,864	-	3,739,929	20,308,861
Sales and use taxes	-	1,898,450	-	-	109,369	2,007,819
Intergovernmental	3,585,593	-	402,039	-	432,880	4,420,512
Due from other funds	69,773	-	-	-	-	69,773
Other	110,680	-	-	-	-	110,680
Restricted cash and investments						
Equity in pooled cash and investments	-	-	-	-	54,847	54,847
Total Assets	<u>\$ 37,039,215</u>	<u>\$ 13,143,811</u>	<u>\$ 18,165,276</u>	<u>\$ 10,704,058</u>	<u>\$ 7,696,361</u>	<u>\$ 86,748,721</u>
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 563,667	\$ 140,925	\$ 36,892	\$ 4,477	\$ 163,925	\$ 909,886
Contracts payable	251,542	-	7,680	-	-	259,222
Accrued liabilities	525,240	-	11,532	-	34,436	571,208
Intergovernmental payable	1,913,887	1,769,433	497,408	-	126,334	4,307,062
Due to other funds	-	-	-	-	69,773	69,773
Funds held in trust	933,757	-	4,500	-	14,550	952,807
Advance on revenue	6,286,596	467,694	10,480,864	-	3,740,379	20,975,533
Total Liabilities	<u>10,474,689</u>	<u>2,378,052</u>	<u>11,038,876</u>	<u>4,477</u>	<u>4,149,397</u>	<u>28,045,491</u>
Fund Balances						
Restricted for:						
Statutory reserve	657,180	352,232	335,703	34,838	138,614	1,518,567
Debt service	-	-	-	-	164,216	164,216
Federal restrictions	468,265	-	-	-	118,953	587,218
Voter approved programs	-	10,413,527	6,790,697	-	3,125,181	20,329,405
Committed for:						
Programs established by BOCC resolution	718,621	-	-	10,664,743	-	11,383,364
Assigned for:						
For subsequent years expenditures	1,378,786	-	-	-	-	1,378,786
Various purposes	14,768,930	-	-	-	-	14,768,930
Unassigned	8,572,744	-	-	-	-	8,572,744
Total Fund Balances	<u>26,564,526</u>	<u>10,765,759</u>	<u>7,126,400</u>	<u>10,699,581</u>	<u>3,546,964</u>	<u>58,703,230</u>
Total Liabilities and Fund Balances	<u>\$ 37,039,215</u>	<u>\$ 13,143,811</u>	<u>\$ 18,165,276</u>	<u>\$ 10,704,058</u>	<u>\$ 7,696,361</u>	<u>\$ 86,748,721</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 Position
December 31, 2012

Total Governmental Fund Balances	\$	58,703,230
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**Amounts reported for governmental activities in the
statement of net position 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	\$ 222,318,307	
Less accumulated depreciation	<u>(50,156,851)</u>	172,161,456

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.

896,978

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

Accrued interest	\$ (132,444)	
Sales tax revenue bonds	(7,770,000)	
General obligation bonds	(16,695,000)	
Special assessment bonds payable	(31,428)	
Claims	(1,164,162)	
Compensated absences	<u>(1,315,111)</u>	<u>(27,108,145)</u>

Net Position of Governmental Activities	\$	<u><u>204,653,519</u></u>
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See accompanying notes to the basic financial statements

Pitkin County, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2012

	General	Transportation Sales and Use Tax	Open Space and Trails	Housing Impact Fee Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 12,207,193	\$ 11,689,875	\$ 10,683,502	\$ -	\$ 5,517,201	\$ 40,097,771
Intergovernmental	2,064,764	-	456,500	-	2,748,651	5,269,915
Licenses and permits	750,075	-	740	-	16,345	767,160
Charges for services	5,415,476	-	3,163	-	5,210	5,423,849
Fines and forfeitures	35,519	-	3,800	-	-	39,319
Investment earnings	162,372	51,181	30,510	50,840	19,673	314,576
Impact fees	-	-	-	1,110,411	-	1,110,411
Miscellaneous	455,794	-	11,894	-	42,477	510,165
Total Revenues	<u>21,091,193</u>	<u>11,741,056</u>	<u>11,190,109</u>	<u>1,161,251</u>	<u>8,349,557</u>	<u>53,533,166</u>
Expenditures						
Current:						
General government	8,783,477	-	-	-	-	8,783,477
Public safety	8,012,072	-	-	-	650,282	8,662,354
Public works	4,568,574	11,167,559	-	-	2,856,395	18,592,528
Health and welfare	1,899,321	-	-	-	2,844,026	4,743,347
Culture and recreation	39,798	-	3,797,409	-	479,700	4,316,907
Housing and development	189,694	-	-	673,260	-	862,954
Debt Service:						
Principal retirement	-	-	465,000	-	451,778	916,778
Interest and fiscal charges	-	-	760,284	-	369,406	1,129,690
Total Expenditures	<u>23,492,936</u>	<u>11,167,559</u>	<u>5,022,693</u>	<u>673,260</u>	<u>7,651,587</u>	<u>48,008,035</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,401,743)</u>	<u>573,497</u>	<u>6,167,416</u>	<u>487,991</u>	<u>697,970</u>	<u>5,525,131</u>
Other Financing Sources (Uses)						
Sale of capital assets	106,794	-	11,500	-	8,500	126,794
Transfers in	2,120,198	-	119,000	4,343,651	40,000	6,622,849
Transfers out	(4,462,651)	-	-	-	(1,940,198)	(6,402,849)
Total Other Financing Sources (Uses)	<u>(2,235,659)</u>	<u>-</u>	<u>130,500</u>	<u>4,343,651</u>	<u>(1,891,698)</u>	<u>346,794</u>
Net Change in Fund Balances	<u>(4,637,402)</u>	<u>573,497</u>	<u>6,297,916</u>	<u>4,831,642</u>	<u>(1,193,728)</u>	<u>5,871,925</u>
Fund Balances Beginning of Year	<u>31,201,928</u>	<u>10,192,262</u>	<u>828,484</u>	<u>5,867,939</u>	<u>4,740,692</u>	<u>52,831,305</u>
Fund Balances End of Year	<u>\$ 26,564,526</u>	<u>\$ 10,765,759</u>	<u>\$ 7,126,400</u>	<u>\$ 10,699,581</u>	<u>\$ 3,546,964</u>	<u>\$ 58,703,230</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, 2012

Net Change In Fund Balances - Total Governmental Funds \$ 5,871,925

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	\$ (3,573,880)	
Capital outlay (Net of transferred assets)	<u>3,933,640</u>	359,760

Elimination of transfers between governmental funds:

Transfers in	\$ (6,402,849)	
Transfers out	<u>6,402,849</u>	-

Book value of capital assets disposed of and reported on the statement of activities but not reported in the governmental funds. (74,241)

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. (2,068)

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. 916,778

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. (410,653)

Change In Net Position of Governmental Activities \$ 6,591,619

See accompanying notes to the basic financial statements

Pitkin County, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2012

	Business-type Activities -		
	Enterprise Funds		
	Airport	Solid Waste Center	Total
Assets			
Current Assets:			
Equity in pooled cash and investments	\$ 8,310,402	\$ 837,770	\$ 9,148,172
Receivables:			
Accounts	734,123	521,206	1,255,329
Intergovernmental	1,939,364	38,672	1,978,036
Inventories	-	378,744	378,744
Total Current Assets	10,983,889	1,776,392	12,760,281
Noncurrent Assets:			
Restricted equity in pooled cash and investments	-	3,224,375	3,224,375
Non-depreciable capital assets	32,264,332	50,000	32,314,332
Depreciable capital assets, net	52,915,642	2,348,187	55,263,829
Total Noncurrent Assets	85,179,974	5,622,562	90,802,536
Total Assets	96,163,863	7,398,954	103,562,817
Liabilities			
Current Liabilities:			
Accounts payable	305,014	219,394	524,408
Contracts payable	974,479	-	974,479
Accrued liabilities	31,530	6,191	37,721
Intergovernmental payable	17,482	33,833	51,315
Accrued interest payable	8,656	-	8,656
Contractual payments paid in advance	182,898	-	182,898
Deposits	30,916	-	30,916
Compensated absences payable	25,551	4,010	29,561
Loans payable	190,713	-	190,713
Total Current Liabilities	1,767,239	263,428	2,030,667
Long-Term Liabilities:			
Closure and postclosure care obligations	-	3,224,375	3,224,375
Loans payable (net of current portion)	404,617	-	404,617
Compensated absences payable (net of current portion)	102,206	16,042	118,248
Total Long-Term Liabilities	506,823	3,240,417	3,747,240
Total Liabilities	2,274,062	3,503,845	5,777,907
Net Position			
Net investment in capital assets	84,584,644	2,398,187	86,982,831
Restricted for inventory	-	378,744	378,744
Restricted for program purposes	9,305,157	-	9,305,157
Unrestricted	-	1,118,178	1,118,178
Total Net Position	\$ 93,889,801	\$ 3,895,109	\$ 97,784,910

See accompanying notes to the basic financial statements

Pitkin County, Colorado
Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2012

	Business-type Activities -		
	Enterprise Funds		
	Airport	Solid Waste Center	Total
Operating Revenues			
Charges for services	\$ 3,306,782	\$ 4,741,112	\$ 8,047,894
Rents and franchises	3,866,368	-	3,866,368
Miscellaneous	125	1,950	2,075
Total Operating Revenues	7,173,275	4,743,062	11,916,337
Operating Expenses			
Personnel services	2,178,116	703,930	2,882,046
Purchased services	4,914,176	2,771,786	7,685,962
Materials and supplies	221,408	37,482	258,890
Depreciation	4,032,635	145,248	4,177,883
Amortization	-	118,859	118,859
Total Operating Expenses	11,346,335	3,777,305	15,123,640
Operating Income (Loss)	(4,173,060)	965,757	(3,207,303)
Non-Operating Revenues (Expenses)			
Interest	48,129	20,675	68,804
Intergovernmental	645,834	-	645,834
Interest and fiscal charges	(30,692)	-	(30,692)
Gain on disposition of capital assets	51,713	10,000	61,713
Total Non-Operating Revenues	714,984	30,675	745,659
Income (Loss) Before Capital Contributions and Transfers	(3,458,076)	996,432	(2,461,644)
Capital grants and other receipts	7,840,385	-	7,840,385
Net transfers in (out)	-	(220,000)	(220,000)
Change in Net Position	4,382,309	776,432	5,158,741
Net Position Beginning of Year	89,507,492	3,118,677	92,626,169
Net Position End of Year	\$ 93,889,801	\$ 3,895,109	\$ 97,784,910

See accompanying notes to the basic financial statements

Pitkin County, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2012

	Business-type Activities -		
	Enterprise Funds		
	Airport	Solid Waste Center	Total
Cash Flows from Operating Activities			
Cash received from customers	\$ 7,479,813	\$ 4,528,364	\$ 12,008,177
Cash payments to employees for services	(2,169,672)	(716,001)	(2,885,673)
Cash payments for goods and services	(5,346,242)	(2,998,884)	(8,345,126)
Net Cash Provided (used) by Operating Activities	<u>(36,101)</u>	<u>813,479</u>	<u>777,378</u>
Cash Flows from Noncapital Financing Activities			
Operating grants received	645,834	-	645,834
Transfers out	-	(220,000)	(220,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>645,834</u>	<u>(220,000)</u>	<u>425,834</u>
Cash Flows from Capital and Related Financing Activities			
Principal paid on revenue bonds	(330,725)	-	(330,725)
Interest paid on revenue bonds	(34,095)	-	(34,095)
Capital grants and other receipts	6,595,513	-	6,595,513
Proceeds from the sale of capital assets	54,155	10,000	64,155
Payments for capital acquisitions	(8,779,325)	(647,942)	(9,427,267)
Net Cash (Used) by Capital and Related Financing Activities	<u>(2,494,477)</u>	<u>(637,942)</u>	<u>(3,132,419)</u>
Cash Flows from Investing Activities			
Investment earnings	48,129	20,675	68,804
Net (Decrease) in Cash and Cash Equivalents	<u>(1,836,615)</u>	<u>(23,788)</u>	<u>(1,860,403)</u>
Cash and Cash Equivalents Beginning of Year	<u>10,147,017</u>	<u>4,085,933</u>	<u>14,232,950</u>
Cash and Cash Equivalents End of Year	<u>\$ 8,310,402</u>	<u>\$ 4,062,145</u>	<u>\$ 12,372,547</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, 2012

	Business-type Activities - Enterprise Funds		
	Airport	Solid Waste Center	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities			
Operating Income (loss)	\$ (4,173,060)	\$ 965,757	\$ (3,207,303)
Non-Cash Adjustments:			
Depreciation	4,032,635	145,248	4,177,883
Amortization	-	118,859	118,859
(Increase) Decrease in Assets:			
Accounts receivable	161,004	(176,026)	(15,022)
Intergovernmental receivable	(37,364)	(38,672)	(76,036)
Inventory	-	(188,753)	(188,753)
Increase (Decrease) in Liabilities:			
Accounts payable	(101,773)	(19,282)	(121,055)
Contracts payable	(39,845)	-	(39,845)
Accrued liabilities	8,444	(12,071)	(3,627)
Intergovernmental payable	17,482	18,419	35,901
Contract payments paid in advance	182,898	-	182,898
Deposits	(86,522)	-	(86,522)
Net Cash Provided (Used) by Operating Activities	\$ (36,101)	\$ 813,479	\$ 777,378

See accompanying notes to the basic financial statements

Pitkin County, Colorado
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2012

	<u>Retirement Trust</u>	<u>Agency</u>
Assets		
Equity in pooled cash and investments	\$ 168,744	\$ 1,438,289
Other cash and investments:		
Mutual funds	23,402,145	-
Receivables:		
Forfeitures	6,819	-
Employee retirement loans	590,198	-
Total Assets	<u>\$ 24,167,906</u>	<u>\$ 1,438,289</u>
Liabilities		
Accounts payable	\$ 488,329	\$ -
Intergovernmental payable	-	763,990
Funds held for others	-	674,299
Total Liabilities	<u>\$ 488,329</u>	<u>\$ 1,438,289</u>
Net Position		
Held in trust for pension benefits	<u>\$ 23,679,577</u>	

See accompanying notes to the basic financial statements

Pitkin County, Colorado
Statement of Changes in Fiduciary Net Position
Retirement Trust Fund
For the Year Ended December 31, 2012

	2012
Additions	
Employer contributions	\$ 1,710,824
Investment income:	
Dividends and interest	2,423,604
Miscellaneous	4,877
Total Additions	4,139,305
Deductions	
Benefits to plan members	2,224,723
Administrative expenses	27,656
Total Deductions	2,252,379
Change in Net Position	1,886,926
Net Position Beginning of Year	21,792,651
Net Position End of Year	\$ 23,679,577

See accompanying notes to the basic financial statements

Pitkin County, Colorado
Combining Statement of Net Position
Component Units
December 31, 2012

	Pitkin County Library District	Emergency Telephone Authority	Total
Assets			
Current Assets			
Equity in pooled cash and investments	\$ 1,380,718	\$ 1,014,787	\$ 2,395,505
Other cash and investments	5,349,817	-	5,349,817
Receivables:			
Accounts	553	67,294	67,847
Property taxes	3,442,139	-	3,442,139
Total Current Assets	10,173,227	1,082,081	11,255,308
Noncurrent Assets:			
Capital assets:			
Nondepreciable capital assets	144,263	49,775	194,038
Depreciable capital assets, net	3,370,120	186,759	3,556,879
Total Noncurrent Assets	3,514,383	236,534	3,750,917
Total Assets	13,687,610	1,318,615	15,006,225
Liabilities			
Current Liabilities:			
Accounts payable	21,512	3,352	24,864
Accrued liabilities	23,157	-	23,157
Intergovernmental payable	6,801	-	6,801
Deferred revenue	3,442,139	-	3,442,139
Compensated absences	99,954	-	99,954
Total Current Liabilities	3,593,563	3,352	3,596,915
Long-term Liabilities			
Compensated absences (net of current portion)	24,989	-	24,989
Total Long-term Liabilities	24,989	-	24,989
Total Liabilities	3,618,552	3,352	3,621,904
Net Position			
Net Investment in capital assets	3,514,383	236,534	3,750,917
Restricted for :			
Statutory reserve	117,347	16,650	133,997
Program purposes	500,953	1,062,079	1,563,032
Capital projects	5,936,375	-	5,936,375
Total Net Position	\$ 10,069,058	\$ 1,315,263	\$ 11,384,321

See accompanying notes to the basic financial statements

Pitkin County, Colorado
Combining Statement of Activities
Component Units
For the Year Ended December 31, 2012

	Pitkin County Library District	Emergency Telephone Authority	Total
Expenses			
Public safety	\$ -	\$ 380,894	\$ 380,894
Culture and recreation	4,045,930	-	4,045,930
Total Expenses	4,045,930	380,894	4,426,824
Revenues			
Program revenues:			
Charges for services	-	550,221	550,221
Miscellaneous	160,818	-	160,818
Total Program Revenues	160,818	550,221	711,039
Net Program Revenue (Expense)	(4,206,748)	169,327	(3,715,785)
General revenues			
Taxes	3,406,341	-	3,406,341
Investment earnings	471,512	4,777	476,289
Total General Revenues	3,877,853	4,777	3,882,630
Change in Net Position	(328,895)	174,104	166,845
Net Position Beginning of Year	10,076,317	1,141,159	11,217,476
Net Position End of Year	\$ 9,747,422	\$ 1,315,263	\$ 11,384,321

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, 2012

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. Beginning in fiscal year 2012 the County implemented the following statements issued by the GASB:

GASB Statement 62 "*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*" – this statement improves financial reporting by continuing to codify sources of generally accepted accounting principles for state and local government so that they derive from a single source. As a result of implementing this statement, the County was not required to change the report of current or past transactions.

GASB statement 63 "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*" – providing guidance for the reporting of deferred outflows, deferred inflows and identifies net position as the residual of all other elements presented in the statement of financial position. As a result of implementing this statement, the computation of equity on the Statement of Net Position was changed and the equity was retitled as "Net Position."

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.

Pitkin County, Colorado
Notes to the Financial Statements
December 31, 2012

The following are the County's blended component units. Separate financial statements are not prepared for the blended component units.

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 position.

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 position.

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, 2012

The County's basic financial statements consist of government-wide statements, including a statement of net position 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 position 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 position 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, 2012

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 **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.

The **Housing Impact Fee Fund** accounts for impact fees collected on certain developments to mitigate impacts caused by development and land use. The impact fee was implemented in 2005 by the Board of County Commissioners and is used to benefit properties managed and controlled by the county or the Aspen/Pitkin County Housing Authority. The impact fee replaced a payment-in-lieu fee established in 1988.

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating income, changes in net position, 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.

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.

Pitkin County, Colorado
Notes to the Financial Statements
December 31, 2012

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 position. 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 position. The statements of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

1-D. Basis of Accounting

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

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

Revenues - Non-exchange Transactions - Non-exchange transactions in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Property taxes and special assessments are reported as a receivable and a deferred revenue when levied and as a revenue when

Pitkin County, Colorado
Notes to the Financial Statements
December 31, 2012

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.

Advance on Revenue – Advance on 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.

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 and other securities backed by the full faith and credit of the federal government.
- U.S. Agencies and Instrumentalities and securities as authorized by Colorado Revised Statutes (CRS) 24-75.601.1 (1) (a) and (b).
- 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.

Pitkin County, Colorado
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- 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 investment pool established under the provisions of CRS 24-75-701.
- 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 investment pool or money market mutual 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 mutual funds, local government investment pools, 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 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 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 mutual funds or selecting from five model portfolios based on the participants’ age and risk tolerance. The model portfolios are comprised of bond,

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equity, real estate and commodity mutual funds with equity allocations ranging from 12% to 81% depending on the model.

Library - The Library manages a fund of donations designated for future capital expansion of its facility. 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.

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 position, 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.

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 position 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 position and in the enterprise funds' statement of net position.

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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
Library collections	5 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.”

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,

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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 position and the proprietary fund type statement of net position, 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 position.”

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

The BOCC establishes (and modifies or rescinds) fund balance commitments by passage of a 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.

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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 Position - Net position represents the difference between assets and liabilities. Net investment in capital assets 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 position amount also is adjusted by any bond issuance deferral amounts. Net positions 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 positions are reported as unrestricted.

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

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).

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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.

Note 2 – Stewardship, Compliance and Accountability

2-A. Budgetary Information – Budgets are required by state law for all governmental and proprietary funds. The governmental fund-type budgets are adopted on a basis consistent with GAAP. The budgets for proprietary funds are adopted on a non-GAAP modified accrual budgetary basis.

Management can make transfers within a “section” within a fund without board approval. Therefore, the legal level of control is at the fund level, except for the general fund that is at the “section” level. Compliance within the general fund is demonstrated in the following table.

General Fund Section	Original budget	Final Budget	Actual	Variance with Final Budget
Administration Facilities	\$ 527,443	\$ 532,443	\$ 497,984	\$ 34,459
Administrative Services	5,101,519	6,265,927	4,810,835	1,455,092
Clerk and Elections	1,211,734	1,477,906	1,209,168	268,738
Environmental Quality	3,155,963	3,988,834	2,605,476	1,383,358
Human Services	1,999,242	2,232,016	1,794,169	437,847
Public Safety	7,530,618	8,210,338	7,972,330	238,008
Public Works	2,508,247	6,079,628	4,602,974	1,476,654
	<u>\$ 22,034,766</u>	<u>\$ 28,787,092</u>	<u>\$ 23,492,936</u>	<u>\$ 5,294,156</u>

Any change in total to a fund requires approval of the Board of County Commissioners. Expenditures exceeded revenues in several funds.

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

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governments to establish an emergency reserve equal to 3% of revenues. At December 31, 2012, the following fund balances have been reserved to meet the “emergency reserve” requirement.

Fund	Amount
General	\$ 657,180
Transportation Sales and Use Tax Fund	352,232
Open Space	335,703
Social Services	29,128
Translator Fund	22,372
Healthy Community Fund	47,939
Conservation Trust Fund	109
Healthy Rivers and Streams	23,610
Ambulance District	14,630
Housing Impact	34,838
Redstone Ranch Acres	281
Twining Flats Improvement District	545
Total Primary Government	1,518,567
Library District	117,347
Emergency Telephone Authority	16,650
Total Reporting Entity	\$ 1,652,564

Note 3 - Detailed Notes on All Funds

3-A. Deposits and Investments

Deposits – At December 31, 2012, the carrying amount of the County’s deposits was \$37,394,998 and the bank balance was \$37,988,837. Of the bank deposits \$11,605,556 was covered by Federal Depository insurance and \$26,383,281 was covered by single institution collateral pools. Additionally, the County had cash on hand of \$8,400 at December 31, 2012.

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, 2012, the County’s investments (excluding fiduciary funds and component units other cash and investments) totaled \$38,517,677. At December 31, 2012, the credit ratings and weighted average maturity of the County’s pooled investment portfolio was as follows:

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<u>Investments</u>	<u>Fair Value</u>	<u>S & P / Moody's Rating</u>	<u>Weighted Average Maturity (Years)</u>
U.S Agencies & Instrumentalities	\$ 10,935,116	AA+/Aaa	2.01
Local Government's Investment Pool	7,454,228	AAAm	N/A
Money Market Mutual Funds	1,004,327	AAAm	N/A
Repurchase Agreements	19,124,006	3.5	N/A
	<u>\$ 38,517,677</u>		

The County invests with local government investment pools including the Colorado Local Government Liquid Asset Trust Fund (COLOTRUST PLUS+, CSAFE) 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, 2012, five percent or more of the county's investments were in the following issuers:

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Issuer	Fair Value	Percentage of Portfolio
Colorado Statewide Investment Program	\$ 5,447,743	14%
Federal Hom Loan Bank	2,048,130	5%
Federal Home Loan Mortgage Corp.	5,419,440	14%
Federal National Mortgage Assoc.	3,467,546	9%
Repurchase Agreement - Vectra Bank, Colorado	19,124,006	50%

Investments – Fiduciary Funds and Component Units Other Cash and Investments

At December 31, 2012, the County’s pension trust fund’s investments included \$23,402,145 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 \$5,349,817 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, 2012, five percent of more of the library’s investments were in the following issuers:

Issuer	Fair Value	Percentage of Portfolio
Fidelity Floating Rate	\$ 658,278	12%
Loomis Sales Investment Grade Bond	430,520	8%
PIMCO low Duration Bond	1,021,248	19%
PIMCO RCM Total Return Inst.	439,761	8%
Vanguard Intermediate Term Bond Indes	421,673	8%
Vanguard Short-term Bond Indes	973,156	18%
Vanguard Total Stock	335,404	6%

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

	Pooled Cash and Investments	Investments
Fund Reporting Level:		
Governmental Funds - Balance Sheet	\$ 59,491,143	\$ -
Governmental Funds - Balance Sheet - Restricted Assets	54,847	-
Proprietary Fund Type Statement of Net Assets	9,148,172	-
Proprietary Fund Type Statement of Net Assets - Restricted As	3,224,375	-
Component Units - Balance Sheet	2,395,505	5,349,817
Statement of Fiduciary Assets and Liabilities	1,607,033	23,402,145
Total	\$ 75,921,075	\$ 28,751,962

3-B. Receivables

Receivables at December 31, 2012, consisted of taxes, interest, accounts (billings for user charges), and intergovernmental receivables arising from grants.

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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. All receivables are deemed to be fully collectible so no allowance is necessary.

3-C. Property Taxes

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

3-D. Sales Taxes

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

On July 1, 1985, the County levied an additional one-percent sales tax for the purpose of funding the Roaring Fork Transportation Authority (formerly a component unit known as Roaring Fork Transit Agency) and to secure the payment of principal and interest on bonds issued for transit purposes. Since at that time the total sales tax imposed by any county and city could not exceed four percent, Aspen and Snowmass Village reduced their sales tax levies to 1% from 2%, and the additional County tax was not imposed on the portion of Basalt in the County.

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

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

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3-E. Commitments

The general capital projects include the acquisition of a new community development software system, overlay of Castle Creek road and upgrade of courthouse sprinkler system. Planning of the AABC intersection to enhance access to the Airport and assist with RFTA's transit station is being funded by the Sales and Use Tax fund. 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 \$1,377,000 annually. A summary of these projects follows:

Projects	Original Commitments	Spent to Date	Remaining Commitments
General Capital Projects	\$ 4,295,456	\$ 3,209,566	\$ 1,085,890
Sales and Use Tax	382,966	354,246	28,720
Airport Projects	19,138,176	17,676,182	1,461,994
	\$ 23,816,598	\$ 21,239,994	\$ 2,576,604

3-F. Capital Assets

Capital asset activity for the primary government for the year ended December 31, 2012, was as follows:

	Balance 1/1/2012	Additions	Deductions	Balance 12/31/2012
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 86,388,964	\$ 542,204	\$ -	\$ 86,931,168
Intangibles	46,050,021	-	-	46,050,021
Construction in progress	627,942	468,023	353,936	742,029
Total capital assets not being depreciated	133,066,927	1,010,227	353,936	133,723,218
Depreciable capital assets:				
Buildings	24,748,751	925,423	-	25,674,174
Improvements other than buildings	2,087,286	-	-	2,087,286
Machinery and equipment	13,416,760	1,551,577	887,756	14,080,581
Infrastructure	45,952,699	800,349	-	46,753,048
Total depreciable capital assets	86,205,496	3,277,349	887,756	88,595,089
Total capital assets	219,272,423	4,287,576	1,241,692	222,318,307
Accumulated depreciation:				
Buildings	(15,369,209)	(480,234)	-	(15,849,443)
Improvements other than buildings	(800,535)	(91,797)	-	(892,332)
Machinery and equipment	(7,302,797)	(1,220,904)	(813,515)	(7,710,186)
Infrastructure	(23,923,945)	(1,780,945)	-	(25,704,890)
Total accumulated depreciation	(47,396,486)	(3,573,880)	(813,515)	(50,156,851)
Governmental activities capital assets, net	\$ 171,875,937	\$ 713,696	\$ 428,177	\$ 172,161,456
Governmental activities depreciation expense				
General government		\$ 424,994		
Public safety		588,979		
Public works		1,457,293		
Health and welfare		137,228		
Culture and recreation		955,388		
Conservation of natural resources		9,998		
Total governmental activities depreciation expense		\$ 3,573,880		

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Capital asset activity for the proprietary funds for the year ended December 31, 2012, was as follows:

	Balance 1/1/2012	Additions	Deductions	Balance 12/31/2012
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	18,914,786	7,109,849	4,589,538	21,435,097
Total capital assets not being depreciated	<u>29,794,021</u>	<u>7,109,849</u>	<u>4,589,538</u>	<u>32,314,332</u>
Depreciable capital assets:				
Buildings	19,131,838	845,503	8,972	19,968,369
Improvements other than buildings	53,772,934	4,456,356	18,066	58,211,224
Machinery and equipment	9,579,876	1,345,353	263,524	10,661,705
Total depreciable capital assets	<u>82,484,648</u>	<u>6,647,212</u>	<u>290,562</u>	<u>88,841,298</u>
Total capital assets	<u>112,278,669</u>	<u>13,757,061</u>	<u>4,880,100</u>	<u>121,155,630</u>
Accumulated depreciation:				
Buildings	(5,362,692)	(556,921)	(7,263)	(5,912,350)
Improvements other than buildings	(19,033,425)	(2,946,846)	(18,066)	(21,962,205)
Machinery and equipment	(5,291,587)	(674,118)	(262,791)	(5,702,914)
Total accumulated depreciation	<u>(29,687,704)</u>	<u>(4,177,885)</u>	<u>(288,120)</u>	<u>(33,577,469)</u>
Business-type activities capital assets, net	<u>\$ 82,590,965</u>	<u>\$ 9,579,176</u>	<u>\$ 4,591,980</u>	<u>\$ 87,578,161</u>

Capital asset activity for the Library component unit for the year ended December 31, 2012, was as follows:

	Balance 1/1/2012	Additions	Deductions	Balance 12/31/2012
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	2,755,563	160,118	1,406,322	1,509,359
Machinery and equipment	402,340	6,565	32,977	375,928
Total depreciable capital assets	<u>9,225,497</u>	<u>166,683</u>	<u>1,439,299</u>	<u>7,952,881</u>
Total capital assets	<u>9,369,760</u>	<u>166,683</u>	<u>1,439,299</u>	<u>8,097,144</u>
Accumulated depreciation:				
Buildings	(2,928,743)	(186,887)	-	(3,115,630)
Improvements other than buildings	(11,618)	(418)	-	(12,036)
Library collections	(2,053,683)	(489,134)	(1,406,322)	(1,136,495)
Machinery and equipment	(337,608)	(13,969)	(32,977)	(318,600)
Total accumulated depreciation	<u>(5,331,652)</u>	<u>(690,408)</u>	<u>(1,439,299)</u>	<u>(4,582,761)</u>
Governmental activities capital assets, net	<u>\$ 4,038,108</u>	<u>\$ (523,725)</u>	<u>\$ -</u>	<u>\$ 3,514,383</u>

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Capital asset activity for the Emergency Telephone Authority component unit for the year ended December 31, 2012, was as follows:

	Balance 1/1/2012	Additions	Deductions	Balance 12/31/2012
Governmental activities:				
Construction in progress	\$ 49,775	\$ -	\$ -	\$ 49,775
Machinery and equipment	456,352	27,309	99,419	384,242
Depreciation on machinery and equipment	<u>(253,197)</u>	<u>(43,705)</u>	<u>(99,419)</u>	<u>(197,483)</u>
Governmental activities capital assets, net	<u>\$ 252,930</u>	<u>\$ (16,396)</u>	<u>\$ -</u>	<u>\$ 236,534</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	Tranfers From:			Total
	General Fund	Nonmajor Governmental Funds	Solid Waste Center Fund	
General Fund	\$ -	\$ 1,900,198	\$ 220,000	\$ 2,120,198
Open Space and Trails Fund	119,000	-	-	119,000
Housing Impact Fee Fund	4,343,651	-	-	4,343,651
Nonmajor Governmental Funds	-	40,000	-	40,000
	<u>\$ 4,462,651</u>	<u>\$ 1,940,198</u>	<u>\$ 220,000</u>	<u>\$ 6,622,849</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, 2012:

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.

Pitkin County, Colorado
Notes to the Financial Statements
December 31, 2012

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. All bonds were paid off during 2012.

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, 2012 was \$9,305,000.

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, 2012 is \$3,140,000.

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, 2012 was \$31,428.

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.

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, 2012 was \$7,770,000 with future principal and interest payments on these bonds totaling \$13,796,468 through

Pitkin County, Colorado
Notes to the Financial Statements
December 31, 2012

December 2040. During 2012 the principal and interest paid on these bonds was \$654,262 and the pledged revenue was \$7,586,027 requiring approximately 1269% 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. This loan was paid off in 2012. 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, 2012 is \$287,404.

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, 2012 is \$307,929.

Debt Service Requirements to Maturity - Annual debt service requirements to amortize all obligations outstanding of the primary government, as of December 31, 2012 follow:

Year	Airport Loans		General Obligation Notes and Bonds		Sales Tax Revenue Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2013	190,713	23,813	620,000	743,259	315,000	343,163	7,184	1,603
2014	198,344	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	-	-	540,000	641,521	340,000	315,226	-	-
2018-2022	-	-	7,300,000	2,637,883	1,860,000	1,418,225	-	-
2023-2027	-	-	2,925,000	1,087,504	1,885,000	1,049,566	-	-
2028-2032	-	-	2,215,000	496,800	765,000	721,815	-	-
2033-2037	-	-	1,075,000	123,525	955,000	437,857	-	-
2038-2040	-	-	-	-	675,000	95,064	-	-
	<u>\$ 595,333</u>	<u>\$ 48,248</u>	<u>\$ 16,695,000</u>	<u>\$ 7,814,248</u>	<u>\$ 7,770,000</u>	<u>\$ 5,372,205</u>	<u>\$ 31,428</u>	<u>\$ 4,124</u>

Pitkin County, Colorado
Notes to the Financial Statements
December 31, 2012

Changes in Long-term Debt - Changes in the County's long-term obligations consisted of the following for the year ended December 31, 2012:

	Balance 1/1/12	Additions	Deletions	Balance 12/31/12	Current Portion
Primary Government					
Governmental activities					
General obligation bonds and notes	\$ 17,300,000	\$ -	\$ 605,000	\$ 16,695,000	\$ 620,000
Sales tax revenue bonds	8,075,000	-	305,000	7,770,000	315,000
Special assessment bonds with governmental commitment	38,206	-	6,778	31,428	7,184
Unamortized bond premium	118,512	-	5,373	113,139	5,373
Deferred refunding loss	(857,651)	-	65,298	(792,353)	(65,298)
Claims	778,215	4,098,484	3,712,537	1,164,162	465,665
Compensated absences	1,290,405	1,599,691	1,574,984	1,315,112	263,022
Total governmental activities	<u>26,742,687</u>	<u>5,698,175</u>	<u>6,274,970</u>	<u>26,296,488</u>	<u>1,610,946</u>
Business-type activities					
Airport loans	926,055	-	330,722	595,333	190,713
Landfill closure and postclosure care	3,105,516	118,859	-	3,224,375	-
Compensated absences	146,680	240,948	243,032	144,596	29,561
Total business-type activities	<u>4,178,251</u>	<u>359,807</u>	<u>573,754</u>	<u>3,964,304</u>	<u>220,274</u>
Component Units					
Compensated absences	122,393	203,923	201,373	124,943	24,989
Total for component units	<u>122,393</u>	<u>203,923</u>	<u>201,373</u>	<u>124,943</u>	<u>24,989</u>
Total Changes in long-term debt	<u>\$ 31,043,331</u>	<u>\$ 6,261,905</u>	<u>\$ 7,050,097</u>	<u>\$ 30,385,735</u>	<u>\$ 1,856,209</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, 2012, 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.

Pitkin County, Colorado
Notes to the Financial Statements
December 31, 2012

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 \$3,224,375 reported as landfill closure and postclosure care liability at December 31, 2012 represents the cumulative amount reported to date based on the use of 64.5% of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$1,772,332 as the remaining estimated capacity is filled. Postclosure care of \$1,739,386 is included in these estimated costs. These amounts are based on what it would cost to perform all closure and postclosure care in 2012. 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 2012 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.

Pitkin County, Colorado
Notes to the Financial Statements
December 31, 2012

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.

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Total salaries	\$ 15,591,754	\$ 15,444,959	\$ 15,516,263
Eligible salaries	13,741,558	14,037,968	14,471,036
Percent of contribution by County	12.45%	12.45%	12.45%
County contributions	1,710,824	1,747,727	1,801,644

3-L. Net Position/Fund Balances

Net Position - Net position on the government-wide statement of net position as of December 31, 2012 are as follows:

	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Net investment in capital assets		
Cost of capital assets	\$ 222,318,307	\$ 121,155,629
Less accumulated depreciation	50,156,851	33,577,468
Book value	172,161,456	87,578,161
Less capital related debt	16,695,000	595,330
Plus bond premiums and refunding loss	679,214	-
Net investments in capital assets	<u>\$ 156,145,670</u>	<u>\$ 86,982,831</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:

	<u>Primary Government</u>	
	<u>General Fund</u>	<u>Other funds</u>
Restricted fund balance for debt service	\$ -	\$ 164,216
Restricted fund balance for statutory reserves	657,180	861,387
Restricted for federal programs	468,265	118,953
Restricted for voter approved programs	-	20,329,405
	<u>\$ 1,125,445</u>	<u>\$ 21,473,961</u>

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

	<u>Primary Government</u>	
	<u>General Fund</u>	<u>Other funds</u>
Committed for open space and parks	\$ 718,621	\$ -
Committed for affordable housing	-	10,664,743
	<u>\$ 718,621</u>	<u>\$ 10,664,743</u>

Pitkin County, Colorado
Notes to the Financial Statements
December 31, 2012

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

	<u>General Fund</u>
Appropriated for expenditures in the 2013 budget for operations	\$ 1,378,786
Air quality mitigation	24,666
Assigned to balance 5 year budget	350,000
A minimum fund balance for working capital	3,342,820
The balance of contributions assigned for the Topsy Taxi program	138,197
Public contributions for a Vietnam Veteran Memorial are assigned for maintenance of the monument	3,624
A fund balance to fund future employee health claims	1,854,331
A fund balance assigned to fund claims payable	1,164,161
A fund balance assigned for future capital projects	7,891,131
Total Assigned Fund Balances	<u>\$ 16,147,716</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 \$350,000 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 \$350,000. 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 Director 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.

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'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:

Pitkin County, Colorado
Notes to the Financial Statements
December 31, 2012

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Unpaid claims, January 1	\$ 193,498	\$ 156,525	\$ 201,040
Incurred claims (including IBNR's)	256,030	86,387	132,672
Claims payments	<u>(132,014)</u>	<u>(49,414)</u>	<u>(177,187)</u>
Unpaid claims, December 31	<u>\$ 317,514</u>	<u>\$ 193,498</u>	<u>\$ 156,525</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 \$300,000 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>2012</u>	<u>2011</u>	<u>2010</u>
Unpaid claims, January 1	\$ 44,735	\$ 158,757	\$ 87,569
Incurred claims (including IBNR's)	219,389	4,427	150,601
Claims payments	<u>(94,270)</u>	<u>(118,449)</u>	<u>(79,413)</u>
Unpaid claims, December 31	<u>\$ 169,854</u>	<u>\$ 44,735</u>	<u>\$ 158,757</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 \$3,206,919 for the year. Changes in the liability during the past three years are as follows:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Unpaid claims, January 1	\$ 539,982	\$ 509,828	\$ 552,307
Incurred claims (including IBNR's)	3,623,066	3,656,688	3,181,428
Claims payments	<u>(3,486,254)</u>	<u>(3,626,534)</u>	<u>(3,223,907)</u>
Unpaid claims, December 31	<u>\$ 676,794</u>	<u>\$ 539,982</u>	<u>\$ 509,828</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.

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, 2012. 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.

Pitkin County, Colorado
Notes to the Financial Statements
December 31, 2012

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 2012 joint net operating expenditures (\$188,936) 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 2012 general ledger:

Assets	<u>\$ 1,670,383</u>	Revenues	\$ 1,109,719
Liabilities	100,362	Expenses	<u>1,175,245</u>
Equity	<u>1,570,021</u>	Net income	<u>\$ (65,526)</u>
	<u>\$ 1,670,383</u>		

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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.

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

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

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

Pitkin County, Colorado
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012			2011	
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Taxes	\$ 11,678,028	\$ 11,663,078	\$ 12,207,193	\$ 544,115	\$ 11,288,860
Intergovernmental	2,213,650	2,338,363	2,064,764	(273,599)	2,755,678
Licenses and permits	628,530	628,530	750,075	121,545	715,127
Charges for services	4,893,506	5,438,463	5,415,476	(22,987)	5,833,080
Fines and forfeitures	17,000	17,000	35,519	18,519	30,139
Investment earnings	188,000	188,000	162,372	(25,628)	250,846
Miscellaneous	345,239	446,539	455,794	9,255	391,206
Total Revenues	19,963,953	20,719,973	21,091,193	371,220	21,264,936
Expenditures					
Current:					
General government	9,655,297	11,706,528	8,783,477	2,923,051	7,670,106
Public safety	7,588,522	8,272,162	8,012,072	260,090	8,009,087
Public works	2,424,776	5,992,157	4,568,574	1,423,583	101,907
Health and welfare	2,090,210	2,382,984	1,899,321	483,663	1,756,577
Culture and recreation	85,470	242,770	39,798	202,972	810,484
Housing and development	190,491	190,491	189,694	797	190,523
Total Expenditures	22,034,766	28,787,092	23,492,936	5,294,156	18,538,684
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,070,813)	(8,067,119)	(2,401,743)	5,665,376	2,726,252
Other Financing Sources (Uses)					
Sale of capital assets	77,083	134,683	106,794	(27,889)	1,018,786
Transfers in	2,181,044	2,181,044	2,120,198	(60,846)	665,066
Transfers out	(4,457,723)	(4,507,723)	(4,462,651)	45,072	(69,000)
Total Other Financing Sources (Uses)	(2,199,596)	(2,191,996)	(2,235,659)	(43,663)	1,614,852
Net Change in Fund Balances	\$ (4,270,409)	\$ (10,259,115)	(4,637,402)	\$ 5,621,713	4,341,104
Fund Balances Beginning of Year			31,201,928		26,860,824
Fund Balances End of Year			\$ 26,564,526		\$ 31,201,928

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, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012			2011	
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Taxes	\$ 10,752,282	\$ 10,752,282	\$ 10,683,502	\$ (68,780)	\$ 12,507,166
Intergovernmental	450,000	1,832,657	456,500	(1,376,157)	3,004,791
Licenses and permits	-	-	740	740	-
Charges for services	-	-	3,163	3,163	10,396
Fines and forfeitures	-	-	3,800	3,800	3,450
Investment earnings	10,210	10,210	30,510	20,300	-
Miscellaneous	-	-	11,894	11,894	333,555
Total Revenues	<u>11,212,492</u>	<u>12,595,149</u>	<u>11,190,109</u>	<u>(1,405,040)</u>	<u>15,859,358</u>
Expenditures					
Current:					
Culture and recreation	3,012,367	9,592,448	3,797,409	5,795,039	2,983,008
Debt Service:					
Principal retirement	455,000	455,000	465,000	(10,000)	455,000
Interest and fiscal charges	776,546	776,546	760,284	16,262	799,875
Total Expenditures	<u>4,243,913</u>	<u>10,823,994</u>	<u>5,022,693</u>	<u>5,801,301</u>	<u>4,237,883</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,968,579</u>	<u>1,771,155</u>	<u>6,167,416</u>	<u>4,396,261</u>	<u>11,621,475</u>
Other Financing Sources (Uses)					
Sale of capital assets	2,050	7,640	11,500	3,860	230
Transfers in	69,000	119,000	119,000	-	69,000
Total Other Financing Sources (Uses)	<u>71,050</u>	<u>126,640</u>	<u>130,500</u>	<u>3,860</u>	<u>69,230</u>
Net Change in Fund Balances	<u>\$ 7,039,629</u>	<u>\$ 1,897,795</u>	6,297,916	<u>\$ 4,400,121</u>	11,690,705
Fund Balances Beginning of Year			<u>828,484</u>		<u>(10,862,221)</u>
Fund Balances End of Year			<u>\$ 7,126,400</u>		<u>\$ 828,484</u>

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, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012			2011	
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Taxes	\$ 11,285,076	\$ 12,057,076	\$ 11,689,875	\$ (367,201)	\$ 11,374,953
Investment earnings	75,660	75,660	51,181	(24,479)	91,888
Miscellaneous	-	-	-	-	4,009
Total Revenues	11,360,736	12,132,736	11,741,056	(391,680)	11,470,850
Expenditures					
Current:					
Public works	10,476,665	11,543,298	11,167,559	375,739	10,707,254
Total Expenditures	10,476,665	11,543,298	11,167,559	375,739	10,707,254
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 884,071	\$ 589,438	573,497	\$ (15,941)	763,596
Fund Balances Beginning of Year			10,192,262		9,428,666
Fund Balances End of Year			\$ 10,765,759		\$ 10,192,262

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, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012			2011	
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Investment earnings	\$ 41,120	\$ 41,120	\$ 50,840	\$ 9,720	\$ 51,462
Impact fees	350,000	350,000	1,110,411	760,411	482,542
Total Revenues	<u>391,120</u>	<u>391,120</u>	<u>1,161,251</u>	<u>770,131</u>	<u>534,004</u>
Expenditures					
Current:					
Housing	2,299,970	2,299,970	673,260	1,626,710	-
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,908,850)</u>	<u>(1,908,850)</u>	<u>487,991</u>	<u>2,396,841</u>	<u>534,004</u>
Other Financing Sources					
Transfers in	4,343,651	4,343,651	4,343,651	-	-
Net Change in Fund Balances	<u>\$ 2,434,801</u>	<u>\$ 2,434,801</u>	4,831,642	<u>\$ 2,396,841</u>	534,004
Fund Balances Beginning of Year			<u>5,867,939</u>		<u>5,333,935</u>
Fund Balances End of Year			<u>\$ 10,699,581</u>		<u>\$ 5,867,939</u>

Pitkin County, Colorado
Note to Required Supplemental Information
For the Year Ended December 31, 2012

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, 2012

	Non-major Special Revenue Funds	Non-major Debt Service Fund	Total Non-major Governmental Funds
Assets			
Equity in pooled cash and investments	\$ 3,359,336	\$ -	\$ 3,359,336
Receivables:			
Property taxes	3,739,929	-	3,739,929
Sales taxes	-	109,369	109,369
Intergovernmental	432,880	-	432,880
Restricted cash and investments	-	54,847	54,847
Total Assets	\$ 7,532,145	\$ 164,216	\$ 7,696,361
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 163,925	\$ -	\$ 163,925
Accrued liabilities	34,436	-	34,436
Intergovernmental payable	126,334	-	126,334
Due to other funds	69,773	-	69,773
Funds held in trust	14,550	-	14,550
Deferred revenue	3,740,379	-	3,740,379
Total Liabilities	4,149,397	-	4,149,397
Fund Balances			
Restricted for:			
Statutory reserve	138,614	-	138,614
Debt service	-	164,216	164,216
Federal programs	118,953	-	118,953
Voter approved programs	3,125,181	-	3,125,181
Total Fund Balances	3,382,748	164,216	3,546,964
Total Liabilities and Fund Balances	\$ 7,532,145	\$ 164,216	\$ 7,696,361

Pitkin County, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended December 31, 2012

	Non-major Special Revenue Funds	Non-major Debt Service Funds	Total Non-major Governmental Funds
Revenues			
Taxes	\$ 4,771,632	\$ 745,569	\$ 5,517,201
Intergovernmental	2,688,090	60,561	2,748,651
Licenses and permits	16,345		16,345
Charges for services	5,210	-	5,210
Investment earnings	17,743	1,930	19,673
Miscellaneous	42,477	-	42,477
Total Revenues	7,541,497	808,060	8,349,557
Expenditures			
Current:			
Public safety	650,282	-	650,282
Public works	2,856,395	-	2,856,395
Health and welfare	2,844,026	-	2,844,026
Culture and recreation	479,700	-	479,700
Debt Service:			
Principal retirement	6,778	445,000	451,778
Interest and fiscal charges	1,948	367,458	369,406
Total Expenditures	6,839,129	812,458	7,651,587
Excess (Deficiency) of Revenues Over (Under) Expenditures	702,368	(4,398)	697,970
Other Financing Sources (Uses)			
Sale of capital assets	8,500	-	8,500
Transfers in	40,000	-	40,000
Transfers out	(1,940,198)	-	(1,940,198)
Total Other Financing Sources (Uses)	(1,891,698)	-	(1,891,698)
Net Change in Fund Balances	(1,189,330)	(4,398)	(1,193,728)
Fund Balances Beginning of Year	4,572,078	168,614	4,740,692
Fund Balances End of Year	\$ 3,382,748	\$ 164,216	\$ 3,546,964

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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.

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.

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.

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, 2012

	<u>Road and Bridge</u>	<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	\$ -	\$ 102,650	\$ 1,289,726	\$ 47,939	\$ 109	\$ 1,327,490
Receivables:						
Property taxes	447,287	179,467	715,107	1,952,047	-	-
Intergovernmental	180,466	116,942	-	-	-	135,472
Total Assets	<u>\$ 627,753</u>	<u>\$ 399,059</u>	<u>\$ 2,004,833</u>	<u>\$ 1,999,986</u>	<u>\$ 109</u>	<u>\$ 1,462,962</u>
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 67,630	\$ 5,165	\$ 11,627	\$ -	\$ -	\$ 65,103
Accrued liabilities	26,247	7,375	75	-	-	699
Intergovernmental payable	2,266	58,971	-	-	-	-
Due to other funds	69,773	-	-	-	-	-
Funds held in trust	14,550	-	-	-	-	-
Deferred revenue	447,287	179,467	715,557	1,952,047	-	-
Total Liabilities	<u>627,753</u>	<u>250,978</u>	<u>727,259</u>	<u>1,952,047</u>	<u>-</u>	<u>65,802</u>
Fund Balances						
Restricted for:						
Statutory reserve	-	29,128	22,372	47,939	109	23,610
Federal programs	-	118,953	-	-	-	-
Voter approved programs	-	-	1,255,202	-	-	1,373,550
Total Fund Balances	<u>-</u>	<u>148,081</u>	<u>1,277,574</u>	<u>47,939</u>	<u>109</u>	<u>1,397,160</u>
Total Liabilities and Fund Balances	<u>\$ 627,753</u>	<u>\$ 399,059</u>	<u>\$ 2,004,833</u>	<u>\$ 1,999,986</u>	<u>\$ 109</u>	<u>\$ 1,462,962</u>

<u>Ambulance District</u>	<u>Redstone Ranch Acres Improvement District</u>	<u>Twining Flats Improvement District</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 563,293	\$ 9,543	\$ 18,586	\$ 3,359,336
419,015	9,293	17,713	3,739,929
-	-	-	432,880
<u>\$ 982,308</u>	<u>\$ 18,836</u>	<u>\$ 36,299</u>	<u>\$ 7,532,145</u>
\$ 14,000	\$ -	\$ 400	\$ 163,925
40	-	-	34,436
65,097	-	-	126,334
-	-	-	69,773
-	-	-	14,550
<u>419,015</u>	<u>9,293</u>	<u>17,713</u>	<u>3,740,379</u>
<u>498,152</u>	<u>9,293</u>	<u>18,113</u>	<u>4,149,397</u>
14,630	281	545	138,614
-	-	-	118,953
<u>469,526</u>	<u>9,262</u>	<u>17,641</u>	<u>3,125,181</u>
<u>484,156</u>	<u>9,543</u>	<u>18,186</u>	<u>3,382,748</u>
<u>\$ 982,308</u>	<u>\$ 18,836</u>	<u>\$ 36,299</u>	<u>\$ 7,532,145</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, 2012

	Road and Bridge	Social Services	Translator	Healthy Community	Conservation Trust
Revenues					
Taxes	\$ 1,059,560	\$ 182,873	\$ 709,523	\$ 1,596,428	\$ -
Intergovernmental	1,249,374	1,313,202	-	-	55,613
Licenses and permits	16,345	-	-	-	-
Charges for services	5,210	-	-	-	-
Investment earnings	-	709	6,342	1,544	113
Miscellaneous	1,200	11,405	29,872	-	-
Total Revenues	2,331,689	1,508,189	745,737	1,597,972	55,726
Expenditures					
Current:					
Public safety	-	-	-	-	-
Public works	2,331,689	-	512,301	-	-
Health and welfare	-	1,536,370	-	1,307,656	-
Culture and recreation	-	-	-	-	-
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	2,331,689	1,536,370	512,301	1,307,656	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(28,181)	233,436	290,316	55,726
Other Financing Sources (Uses)					
Sale of capital assets	-	-	-	-	-
Transfers in	-	40,000	-	-	-
Transfers out	(1,540,821)	-	-	(341,377)	(58,000)
Total Other Financing Sources (Uses)	(1,540,821)	40,000	-	(341,377)	(58,000)
Net Change in Fund Balances	(1,540,821)	11,819	233,436	(51,061)	(2,274)
Fund Balances Beginning of Year	1,540,821	136,262	1,044,138	99,000	2,383
Fund Balances End of Year	\$ -	\$ 148,081	\$ 1,277,574	\$ 47,939	\$ 109

Healthy Rivers and Streams Fund	Ambulance District	Redstone Ranch Acres Improvement District	Twining Flats Improvement District	Total Nonmajor Special Revenue Funds
\$ 781,400	\$ 414,470	\$ 9,334	\$ 18,044	\$ 4,771,632
-	69,901	-	-	2,688,090
-	-	-	-	16,345
-	-	-	-	5,210
5,587	3,297	36	115	17,743
-	-	-	-	42,477
<u>786,987</u>	<u>487,668</u>	<u>9,370</u>	<u>18,159</u>	<u>7,541,497</u>
-	650,282	-	-	650,282
-	-	3,655	8,750	2,856,395
-	-	-	-	2,844,026
479,700	-	-	-	479,700
-	-	-	6,778	6,778
-	-	-	1,948	1,948
<u>479,700</u>	<u>650,282</u>	<u>3,655</u>	<u>17,476</u>	<u>6,839,129</u>
<u>307,287</u>	<u>(162,614)</u>	<u>5,715</u>	<u>683</u>	<u>702,368</u>
-	8,500	-	-	8,500
-	-	-	-	40,000
-	-	-	-	(1,940,198)
-	8,500	-	-	(1,891,698)
307,287	(154,114)	5,715	683	(1,189,330)
<u>1,089,873</u>	<u>638,270</u>	<u>3,828</u>	<u>17,503</u>	<u>4,572,078</u>
<u>\$ 1,397,160</u>	<u>\$ 484,156</u>	<u>\$ 9,543</u>	<u>\$ 18,186</u>	<u>\$ 3,382,748</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, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	<u>2012</u>			<u>2011</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>Actual</u>
Revenues					
Taxes	\$ 1,321,608	\$ 1,336,558	\$ 1,059,560	\$ (276,998)	\$ 1,292,049
Intergovernmental	1,166,800	1,166,800	1,249,374	82,574	1,419,405
Licenses and permits	10,000	10,000	16,345	6,345	7,745
Charges for services	3,500	3,500	5,210	1,710	47,641
Investment earnings	-	-	-	-	14,790
Impact fees	-	-	-	-	96,863
Miscellaneous	500	500	1,200	700	1,200
Total Revenues	<u>2,502,408</u>	<u>2,517,358</u>	<u>2,331,689</u>	<u>(185,669)</u>	<u>2,879,693</u>
Expenditures					
Current:					
Public works	<u>2,502,408</u>	<u>2,517,358</u>	<u>2,331,689</u>	<u>185,669</u>	<u>3,165,401</u>
Total Expenditures	<u>2,502,408</u>	<u>2,517,358</u>	<u>2,331,689</u>	<u>185,669</u>	<u>3,165,401</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(285,708)</u>
Other Financing Sources					
Sale of capital assets	-	-	-	-	9,065
Transfers out	<u>(1,540,821)</u>	<u>(1,540,821)</u>	<u>(1,540,821)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources	<u>(1,540,821)</u>	<u>(1,540,821)</u>	<u>(1,540,821)</u>	<u>-</u>	<u>9,065</u>
Net Change in Fund Balances	<u>\$ (1,540,821)</u>	<u>\$ (1,540,821)</u>	<u>(1,540,821)</u>	<u>\$ -</u>	<u>(276,643)</u>
Fund Balances Beginning of Year			<u>1,540,821</u>		<u>1,817,464</u>
Fund Balances End of Year			<u>\$ -</u>		<u>\$ 1,540,821</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, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012			2011	
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Taxes	\$ 184,066	\$ 184,066	\$ 182,873	\$ (1,193)	\$ 243,266
Intergovernmental	922,464	1,311,464	1,313,202	1,738	1,140,442
Investment earnings	-	-	709	709	1,215
Miscellaneous	4,000	4,000	11,405	7,405	13,052
Total Revenues	1,110,530	1,499,530	1,508,189	8,659	1,397,975
Expenditures					
Current:					
Health and welfare	1,206,243	1,611,030	1,536,370	74,660	1,388,728
Total Expenditures	1,206,243	1,611,030	1,536,370	74,660	1,388,728
Excess (Deficiency) of Revenues Over (Under) Expenditures	(95,713)	(111,500)	(28,181)	83,319	9,247
Other Financing Sources (Uses)					
Transfers from other funds	85,072	85,072	40,000	(45,072)	40,000
Total Other Financing Sources	85,072	85,072	40,000	(45,072)	40,000
Net Change in Fund Balances	\$ (10,641)	\$ (26,428)	11,819	\$ 38,247	49,247
Fund Balances Beginning of Year			136,262		87,015
Fund Balances End of Year			\$ 148,081		\$ 136,262

Pitkin County, Colorado
Translator Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	<u>2012</u>			<u>2011</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>Actual</u>
Revenues					
Taxes	\$ 713,609	\$ 713,609	\$ 709,523	\$ (4,086)	\$ 667,918
Charges for services	-	-	-	-	797
Investment earnings	4,560	4,560	6,342	1,782	9,163
Miscellaneous	27,610	27,610	29,872	2,262	36,598
Total Revenues	<u>745,779</u>	<u>745,779</u>	<u>745,737</u>	<u>(42)</u>	<u>714,476</u>
Expenditures					
Current:					
Public works	<u>693,029</u>	<u>892,393</u>	<u>512,301</u>	<u>380,092</u>	<u>406,639</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 52,750</u>	<u>\$ (146,614)</u>	233,436	<u>\$ 380,050</u>	307,837
Fund Balances Beginning of Year			<u>1,044,138</u>		<u>736,301</u>
Fund Balances End of Year			<u>\$ 1,277,574</u>		<u>\$ 1,044,138</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, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	<u>2012</u>			<u>2011</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>Actual</u>
Revenues					
Taxes	\$ 1,605,622	\$ 1,605,622	\$ 1,596,428	\$ (9,194)	\$ 1,499,987
Investment earnings	4,200	4,200	1,544	(2,656)	3,850
Total Revenues	<u>1,609,822</u>	<u>1,609,822</u>	<u>1,597,972</u>	<u>(11,850)</u>	<u>1,503,837</u>
Expenditures					
Current:					
Public works	-	-	-	-	16,000
Health and welfare	1,310,411	1,310,411	1,307,656	2,755	1,056,831
Culture and recreation	-	-	-	-	186,300
Total Expenditures	<u>1,310,411</u>	<u>1,310,411</u>	<u>1,307,656</u>	<u>2,755</u>	<u>1,259,131</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>299,411</u>	<u>299,411</u>	<u>290,316</u>	<u>(9,095)</u>	<u>244,706</u>
Other Financing Sources					
Transfers out	(405,223)	(405,223)	(341,377)	63,846	(383,351)
Total Other Financing Sources	<u>(405,223)</u>	<u>(405,223)</u>	<u>(341,377)</u>	<u>63,846</u>	<u>(383,351)</u>
Net Change in Fund Balances	<u>\$ (105,812)</u>	<u>\$ (105,812)</u>	(51,061)	<u>\$ 54,751</u>	(138,645)
Fund Balances Beginning of Year			<u>99,000</u>		<u>237,645</u>
Fund Balances End of Year			<u>\$ 47,939</u>		<u>\$ 99,000</u>

Pitkin County, Colorado
Conservation Trust Fund
Schedule of Revenues and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012			2011	
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Intergovernmental	\$ 55,000	\$ 55,000	\$ 55,613	\$ 613	\$ 51,507
Investment earnings	170	170	113	(57)	208
Total Revenues	55,170	55,170	55,726	556	51,715
Other Financing Uses					
Transfers out	(55,000)	(55,000)	(58,000)	(3,000)	(51,715)
Total Other Financing Uses	(55,000)	(55,000)	(58,000)	(3,000)	(51,715)
Net Change in Fund Balances	\$ 170	\$ 170	(2,274)	\$ (2,444)	-
Fund Balances Beginning of Year			2,383		2,383
Fund Balances End of Year			\$ 109		\$ 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, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	<u>2012</u>			<u>2011</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>Actual</u>
Revenues					
Taxes	\$ 733,895	\$ 733,895	\$ 781,400	\$ 47,505	\$ 752,712
Investment earnings	6,250	6,250	5,587	(663)	9,388
Total Revenues	<u>740,145</u>	<u>740,145</u>	<u>786,987</u>	<u>46,842</u>	<u>762,100</u>
Expenditures					
Current:					
Culture and recreation	402,526	524,497	479,700	44,797	687,294
Total Expenditures	<u>402,526</u>	<u>524,497</u>	<u>479,700</u>	<u>44,797</u>	<u>687,294</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>337,619</u>	<u>215,648</u>	<u>307,287</u>	<u>91,639</u>	<u>74,806</u>
Net Change in Fund Balances	<u>\$ 337,619</u>	<u>\$ 215,648</u>	307,287	<u>\$ 91,639</u>	74,806
Fund Balances Beginning of Year			<u>1,089,873</u>		<u>1,015,067</u>
Fund Balances End of Year			<u>\$ 1,397,160</u>		<u>\$ 1,089,873</u>

Pitkin County, Colorado
Ambulance District Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012			2011	
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Taxes	\$ 417,071	\$ 417,071	\$ 414,470	\$ (2,601)	\$ 389,524
Intergovernmental	-	69,901	69,901	-	-
Investment earnings	7,220	7,220	3,297	(3,923)	7,565
Miscellaneous	-	-	-	-	112
Total Revenues	424,291	494,192	487,668	(6,524)	397,201
Expenditures					
Current:					
Public safety	392,049	651,286	650,282	1,004	520,120
Excess (Deficiency) of Revenues Over (Under) Expenditures	32,242	(157,094)	(162,614)	(5,520)	(122,919)
Other Financing Sources					
Sale of capital assets	-	-	8,500	8,500	-
Net Change in Fund Balances	\$ 32,242	\$ (157,094)	(154,114)	\$ 2,980	(122,919)
Fund Balances Beginning of Year			638,270		761,189
Fund Balances End of Year			\$ 484,156		\$ 638,270

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, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012			2011	
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Taxes	\$ 9,267	\$ 9,267	\$ 9,334	\$ 67	\$ 8,816
Investment earnings	60	60	36	(24)	63
Total Revenues	9,327	9,327	9,370	43	8,879
Expenditures					
Current:					
Public works	9,453	9,453	3,655	5,798	10,430
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (126)	\$ (126)	5,715	\$ 5,841	(1,551)
Fund Balances Beginning of Year			3,828		5,379
Fund Balances End of Year			\$ 9,543		\$ 3,828

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, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	<u>2012</u>			<u>2011</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>Actual</u>
Revenues					
Taxes	\$ 17,992	\$ 17,992	\$ 18,044	\$ 52	\$ 17,577
Investment earnings	110	110	115	5	192
Total Revenues	<u>18,102</u>	<u>18,102</u>	<u>18,159</u>	<u>57</u>	<u>17,769</u>
Expenditures					
Current:					
Public works	6,879	10,179	8,750	1,429	2,778
Debt Service:					
Principal retirement	6,778	6,778	6,778	-	6,394
Interest and fiscal charges	1,948	1,948	1,948	-	2,675
Total Expenditures	<u>15,605</u>	<u>18,905</u>	<u>17,476</u>	<u>1,429</u>	<u>11,847</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 2,497</u>	<u>\$ (803)</u>	683	<u>\$ 1,486</u>	5,922
Fund Balances Beginning of Year			<u>17,503</u>		<u>11,581</u>
Fund Balances End of Year			<u>\$ 18,186</u>		<u>\$ 17,503</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, 2012

	County GO Debt Service	Transit Debt Service	Total Non-major Debt Service Funds
Assets			
Receivables:			
Sales taxes	\$ -	\$ 109,369	\$ 109,369
Restricted cash and investments	-	54,847	54,847
Total Assets	\$ -	\$ 164,216	\$ 164,216
Liabilities and Fund Balances			
Fund Balances			
Restricted for debt service	-	164,216	164,216
Total Fund Balances	-	164,216	164,216
Total Liabilities and Fund Balances	\$ -	\$ 164,216	\$ 164,216

Pitkin County, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Debt Service Funds
For the Year Ended December 31, 2012

	County GO Debt Service	Transit Debt Service	Non-major Debt Service Funds
Revenues			
Taxes	\$ 151,327	\$ 594,242	\$ 745,569
Intergovernmental revenue	-	60,561	60,561
Investment earnings	-	1,930	1,930
Total Revenues	<u>151,327</u>	<u>656,733</u>	<u>808,060</u>
Expenditures			
Current			
Debt Service:			
Principal retirement	140,000	305,000	445,000
Interest and fiscal charges	16,375	351,083	367,458
Total Expenditures	<u>156,375</u>	<u>656,083</u>	<u>812,458</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,048)</u>	<u>650</u>	<u>(4,398)</u>
Net Change in Fund Balances	(5,048)	650	(4,398)
Fund Balances Beginning of Year	<u>5,048</u>	<u>163,566</u>	<u>168,614</u>
Fund Balances End of Year	<u>\$ -</u>	<u>\$ 164,216</u>	<u>\$ 164,216</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, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	<u>2012</u>			<u>2011</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>Actual</u>
Revenues					
Taxes	\$ 155,748	\$ 155,748	\$ 151,327	\$ (4,421)	\$ 473,915
Investment earnings	650	650	-	(650)	2,310
Total Revenues	<u>156,398</u>	<u>156,398</u>	<u>151,327</u>	<u>(5,071)</u>	<u>476,225</u>
Expenditures					
Debt Service:					
Principal retirement	140,000	140,000	140,000	-	420,000
Interest and fiscal charges	16,982	16,982	16,375	607	48,819
Total Expenditures	<u>156,982</u>	<u>156,982</u>	<u>156,375</u>	<u>607</u>	<u>468,819</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(584)</u>	<u>(584)</u>	<u>(5,048)</u>	<u>(4,464)</u>	<u>7,406</u>
Net Change in Fund Balances	<u>\$ (584)</u>	<u>\$ (584)</u>	<u>(5,048)</u>	<u>\$ (4,464)</u>	<u>7,406</u>
Fund Balances Beginning of Year			<u>5,048</u>		<u>(2,358)</u>
Fund Balances End of Year			<u>\$ -</u>		<u>\$ 5,048</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, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	<u>2012</u>			<u>2011</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>Actual</u>
Revenues					
Taxes	\$ 603,782	\$ 603,782	\$ 594,242	\$ (9,540)	\$ 555,131
Intergovernmental revenue	60,661	60,561	60,561	-	57,029
Investment earnings	2,240	2,240	1,930	(310)	1,930
Total Revenues	<u>666,683</u>	<u>666,583</u>	<u>656,733</u>	<u>(9,850)</u>	<u>614,090</u>
Expenditures					
Current					
Debt Service:					
Principal retirement	315,000	315,000	305,000	10,000	285,000
Interest and fiscal charges	351,583	351,583	351,083	500	336,547
Total Expenditures	<u>666,583</u>	<u>666,583</u>	<u>656,083</u>	<u>10,500</u>	<u>621,547</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>100</u>	<u>-</u>	<u>650</u>	<u>650</u>	<u>(7,457)</u>
Net Change in Fund Balances	<u>\$ 100</u>	<u>\$ -</u>	650	<u>\$ 650</u>	(7,457)
Fund Balances Beginning of Year			<u>163,566</u>		<u>171,023</u>
Fund Balances End of Year			<u>\$ 164,216</u>		<u>\$ 163,566</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 Position
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	<u>2012</u>	<u>2011</u>
Operating Revenues		
Charges for services	\$ 3,306,782	\$ 3,022,244
Rents and franchises	3,866,368	4,138,079
Miscellaneous	125	400
Total Operating Revenues	<u>7,173,275</u>	<u>7,160,723</u>
Operating Expenses		
Personnel services	2,178,116	2,089,634
Purchased services	4,914,176	4,883,761
Materials and supplies	221,408	294,594
Depreciation	4,032,635	4,136,884
Total Operating Expenses	<u>11,346,335</u>	<u>11,404,873</u>
Operating (Loss)	(4,173,060)	(4,244,150)
Non-operating Revenues (Expenses)		
Interest revenue	48,129	92,670
Intergovernmental revenue	645,834	719,858
Interest expense and fiscal charge	(30,692)	(40,753)
Net gain on disposition of capital assets	51,713	66,270
Total Non-operating Revenues	<u>714,984</u>	<u>838,045</u>
(Loss) Before Capital Contributions	(3,458,076)	(3,406,105)
Capital contributions	7,840,385	11,800,224
Change in Net Position	4,382,309	8,394,119
Net Position Beginning of Year	<u>89,507,492</u>	<u>81,113,373</u>
Net Position End of Year	<u>\$ 93,889,801</u>	<u>\$ 89,507,492</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, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012			2011	
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
GAAP-based operating revenues	\$ 7,480,446	\$ 7,496,446	\$ 7,173,275	\$ (323,171)	\$ 7,160,723
GAAP-based interest revenues	84,680	84,680	48,129	(36,551)	92,670
GAAP-based non-operating revenue	408,662	408,662	645,834	237,172	719,858
GAAP-based contributions from federal government and others	6,389,850	9,785,801	7,840,385	(1,945,416)	11,800,224
Total Budgetary-Based Revenues	\$ 14,363,638	\$ 17,775,589	\$ 15,707,623	\$ (2,067,966)	\$ 19,773,475
Expenditures					
GAAP-based operating expenditures	\$ 7,745,302	\$ 10,186,249	\$ 11,346,335	\$ (1,160,086)	\$ 11,404,873
GAAP-based interest expense and fiscal charges	34,095	34,095	30,692	3,403	40,753
Deduct depreciation	-	-	(4,032,635)	4,032,635	(4,136,884)
Add accrued interest payable	-	-	3,403	(3,403)	3,284
Add acquisition of property and equipment	4,000,108	9,597,183	8,519,579	1,077,604	13,770,215
Add debt principal retirement	330,722	330,722	330,722	-	320,780
Total Budgetary-Based Expenditures	\$ 12,110,227	\$ 20,148,249	\$ 16,198,096	\$ 3,950,153	\$ 21,403,021
Other Financing Sources					
GAAP-based proceeds from sale of capital assets	\$ 15,055	\$ 117,024	\$ 54,155	\$ (62,869)	\$ 92,976
Total Budgetary-Based Other Financing Sources	\$ 15,055	\$ 117,024	\$ 54,155	\$ (62,869)	\$ 92,976

Pitkin County, Colorado
Solid Waste Center Fund
Statement of Revenues,
Expenses and Changes in Fund Net Position
For the Year Ended December 31, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012	2011
Operating Revenues		
Charges for services	\$ 4,741,112	\$ 4,204,774
Miscellaneous	1,950	8,139
Total Operating Revenues	4,743,062	4,212,913
Operating Expenses		
Personnel services	703,930	792,698
Purchased services	2,771,786	3,251,253
Materials and supplies	37,482	52,088
Depreciation	145,248	127,969
Postclosure	118,859	116,276
Total Operating Expenses	3,777,305	4,340,284
Operating (Loss)	965,757	(127,371)
Non-Operating Revenues		
Interest	20,675	37,022
Gain on disposition of capital assets	10,000	-
Total Non-Operating Revenues	30,675	37,022
Income (Loss) Before Transfers Out	996,432	(90,349)
Transfers out	(220,000)	(270,000)
Change in Net Position	776,432	(360,349)
Net Position Beginning of Year	3,118,677	3,479,026
Net Position End of Year	\$ 3,895,109	\$ 3,118,677

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, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	2012			2011	
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
GAAP-based operating revenues	\$ 3,898,278	\$ 3,898,278	\$ 4,743,062	\$ 844,784	\$ 4,212,913
GAAP-based interest revenues	33,640	33,640	20,675	(12,965)	37,022
Total Budgetary-Based Revenues	\$ 3,931,918	\$ 3,931,918	\$ 4,763,737	\$ 831,819	\$ 4,249,935
Expenditures					
GAAP-based operating expenditures	\$ 3,728,944	\$ 4,944,839	\$ 3,777,305	\$ 1,167,534	\$ 4,340,284
Deduct depreciation	-	-	(145,248)	145,248	(127,969)
Deduct postclosure accrual	-	-	(118,859)	118,859	(116,276)
Increase (decrease) in inventory	-	-	188,753	(188,753)	(138,509)
Add acquisition of property and equipment	161,000	239,833	647,942	(408,109)	330,349
Total Budgetary-Based Expenditures	\$ 3,889,944	\$ 5,184,672	\$ 4,349,893	\$ 834,779	\$ 4,287,879
Other Financing Sources (Uses)					
GAAP-based proceeds from sale of capital assets	\$ 32,200	\$ 32,200	\$ 10,000	\$ (22,200)	\$ -
GAAP-based transfer to general fund	(220,000)	(220,000)	(220,000)	-	(270,000)
Total Budgetary-Based Other Financing (Uses)	\$ (187,800)	\$ (187,800)	\$ (210,000)	\$ (22,200)	\$ (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, 2012

County Clearing Funds	Restated Balance January 1, 2012	Additions	Deductions	Balance December 31, 2012
Assets				
Equity in pooled cash and investments	\$ 532,617	\$ 215,917,117	\$ 215,402,129	\$ 1,047,605
Liabilities				
Due to other governments	\$ 333,494	\$ 4,091,102	\$ 3,977,154	\$ 447,442
Funds held for others	199,123	211,826,015	211,424,975	600,163
Total Liabilities	\$ 532,617	\$ 215,917,117	\$ 215,402,129	\$ 1,047,605
Taxing Districts				
Assets				
Equity in pooled cash and investments	\$ 84,372	\$ 81,620,283	\$ 81,704,229	\$ 426
Liabilities				
Due to other governments	\$ 84,372	\$ 81,620,283	\$ 81,704,229	\$ 426
Housing Funds				
Assets				
Equity in pooled cash and investments	\$ 73,781	\$ 355	\$ -	\$ 74,136
Liabilities				
Funds held for others	\$ 73,781	\$ 355	\$ -	\$ 74,136
Other Clearing Funds				
Assets				
Equity in pooled cash and investments	\$ 314,475	\$ 1,647	\$ -	\$ 316,122
Liabilities				
Due to other governments	\$ 314,475	\$ 1,647	\$ -	\$ 316,122
Total - All Agency Funds				
Assets				
Equity in pooled cash and investments	\$ 1,005,245	\$ 297,539,402	\$ 297,106,358	\$ 1,438,289
Liabilities				
Due to other governments	\$ 732,341	\$ 85,713,032	\$ 85,681,383	\$ 763,990
Funds held for others	272,904	211,826,370	211,424,975	674,299
Total Liabilities	\$ 1,005,245	\$ 297,539,402	\$ 297,106,358	\$ 1,438,289

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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, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	<u>2012</u>			<u>2011</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual</u>
Revenues					
Taxes	\$ 3,426,816	\$ 3,426,816	\$ 3,406,341	\$ (20,475)	\$ 3,221,484
Intergovernmental	-	-	-	-	-
Charges for services	12,000	12,000	-	(12,000)	12,602
Fines and forfeits	19,500	19,500	33,720	14,220	22,065
Investment earnings	12,110	12,110	471,512	459,402	37,141
Miscellaneous	16,000	16,000	118,317	102,317	29,159
Total Revenues	<u>3,486,426</u>	<u>3,486,426</u>	<u>4,029,890</u>	<u>543,464</u>	<u>3,322,451</u>
Expenditures					
Current:					
Culture and recreation	3,418,668	3,930,991	3,519,655	411,336	3,241,751
Total Expenditures	<u>3,418,668</u>	<u>3,930,991</u>	<u>3,519,655</u>	<u>411,336</u>	<u>3,241,751</u>
Excess of Revenues over (under) Expenditures	<u>67,758</u>	<u>(444,565)</u>	<u>510,235</u>	<u>954,800</u>	<u>80,700</u>
Other Financing Sources					
Transfer from other funds	-	-	3,411	3,411	-
Proceeds from sale of capital assets	8,500	8,500	5,370	(3,130)	9,020
Total Other Financing Sources	<u>8,500</u>	<u>8,500</u>	<u>8,781</u>	<u>(3,130)</u>	<u>9,020</u>
Net Change in Fund Balances	<u>\$ 76,258</u>	<u>\$ (436,065)</u>	<u>519,016</u>	<u>\$ 951,670</u>	<u>89,720</u>
Fund Balances Beginning of Year			<u>6,160,602</u>		<u>6,070,882</u>
Fund Balances End of Year			<u>\$ 6,679,618</u>		<u>\$ 6,160,602</u>
Reconciliation to Statement of Net Position					
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		\$ (4,582,761)			
Cost of capital assets		<u>8,097,144</u>	\$ 3,514,383		
Compensated absences			<u>(124,943)</u>		
Total Net Position			<u>\$ 10,069,058</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, 2012
(With Comparative Actual Amounts for the Year Ended December 31, 2011)

	<u>2012</u>			<u>2011</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual</u>
Revenues					
Charges for services	\$ 560,730	\$ 560,730	\$ 550,221	\$ (10,509)	\$ 561,543
Investment earnings	5,370	5,370	4,777	(593)	8,574
Total Revenues	<u>566,100</u>	<u>566,100</u>	<u>554,998</u>	<u>(11,102)</u>	<u>570,117</u>
Expenditures					
Current:					
Public Safety	625,579	625,579	364,498	261,081	526,574
Total Expenditures	<u>625,579</u>	<u>625,579</u>	<u>364,498</u>	<u>261,081</u>	<u>526,574</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (59,479)</u>	<u>\$ (59,479)</u>	190,500	<u>\$ 249,979</u>	43,543
Fund Balances Beginning of Year			<u>888,229</u>		<u>844,686</u>
Fund Balances End of Year			<u>\$ 1,078,729</u>		<u>\$ 888,229</u>
Reconciliation to Statement of Net Position					
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		\$ (197,483)			
Cost of capital assets		<u>434,017</u>	\$ 236,534		
Total Net Position			<u>\$ 1,315,263</u>		

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COMBINED SCHEDULE OF CASH AND INVESTMENTS

Pitkin County, Colorado

COMBINED SCHEDULE OF CASH AND INVESTMENTS

December 31, 2012

	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	\$ 1,051,750
Par Value \$1,000,000	1.750%	9/10/2015	1,036,640
Par Value \$3,000,000	4.375%	10/15/2015	3,331,050
Federal Home Loan Bank			
Par Value \$1,000,000	1.000%	9/13/2013	1,005,710
Par Value \$1,000,000	4.875%	11/27/2013	1,042,420
Federal National Mortgage Assoc.			
Par Value \$1,000,000	3.875%	7/12/2013	1,019,860
Par Value \$2,440,000	0.500%	9/28/2015	<u>2,447,686</u>
Total U.S. Agencies and Instrumentalities			\$ 10,935,116
Bank Certificates of Deposit			
Centennial Bank, Centennial	0.500%	2/17/2014	500,000
Centennial Bank	0.600%	8/17/2014	500,000
City Wide Bank, Denver	1.300%	9/23/2014	1,000,000
City Wide Bank	0.550%	3/30/2013	1,000,000
City Wide Bank	0.620%	9/16/2013	1,000,000
City Wide Bank	0.620%	11/16/2013	1,000,000
City Wide Bank	0.200%	4/16/2014	1,000,000
City Wide Bank	1.100%	3/16/2015	1,000,000
City Wide Bank	1.100%	5/16/2015	1,000,000
Home Loan State Bank, Grand Junction	0.650%	3/16/2014	1,000,000
Home Loan State Bank	0.650%	5/16/2014	1,000,000
Home Loan State Bank	0.650%	6/22/2014	1,000,000
Solera National Bank, Lakewood	0.600%	9/16/2013	1,000,000
Solera National Bank	0.500%	11/16/2013	1,000,000
Solera National Bank	0.600%	4/16/2014	1,000,000
Solera National Bank	0.550%	7/12/2014	500,000
Solera National Bank	0.900%	7/12/2015	500,000
Bank of the San Juans, Durango	2.250%	1/15/2013	1,000,000
Bank of the San Juans	2.000%	3/19/2013	1,000,000
Bank of the San Juans	1.250%	3/17/2014	1,000,000
Yampa Valley Bank, Steamboat	0.650%	3/27/2014	1,000,000
FDIC-insured Negotiable CD's	varies	varies	<u>6,080,000</u>
Total Bank Certificates of Deposit			\$ 25,080,000
Bank Deposits - Money Market, Checking and Savings Accounts			
Alpine Bank	0.580%	-	241,028
Vectra Bank Colorado	-	-	2,760,588
Vectra Bank Colorado	0.250%	-	7,375,600
Wells Fargo Bank	-	-	21,314
Centennial Bank	1.410%	-	1,005,013
Solera National Bank, Lakewood	0.500%	-	1,505,293
Morgan Stanley Bank NA	-	-	1
Local Government Surplus Trust Funds			
COLOTRUST+	0.210%	-	1,005,297
CSAFE	0.160%	-	1,001,188

Pitkin County, Colorado

COMBINED SCHEDULE OF CASH AND INVESTMENTS (CONTINUED)

December 31, 2012

	Interest Rate	Maturity Date	Fair Value
Colorado Statewide Investment Program	0.220%	-	5,447,743
Money Market Mutual Funds			
Federated Prime Obligations Instl	-	-	1,001,257
Vanguard Prime Money Market Instl.	0.030%	-	3,070
Repurchase Agreement - Vectra Bank Colorado			19,124,006
Petty cash			8,400
Deposits in transit less bank transfers in process			15,091
Less outstanding warrants			<u>(608,930)</u>
TOTAL POOLED CASH AND INVESTMENTS			<u>\$ 75,921,075</u>

Other Cash and Investments

Institutional Mutual Funds held for Pitkin County Library District

Mutual Funds

Allianz Pimco RCM Large Cap Growth	\$ 81,311
Davis New York Venture	83,562
Diamond Hill Small Cap	77,066
Euro Pacific Growth	88,797
Fidelity Floating Rate	658,278
Harbor High-yield bond	154,032
ING Global Real Estate	84,758
Loomis Sales Investment Grade Bond	430,520
Oakmark Intl Small Cap	89,489
PIMCO Commodity Real Return	160,853
PIMCO Low Duration Bond	1,021,248
Pimco RCM Total Return Inst	439,761
T. Rowe Price Mid-cap	163,167
Thornburg International Value Instl.	86,742
Vanguard Intermediate Term Bond Index	421,673
Vanguard Short-term Bond Index	973,156
Vanguard Total Stock	<u>335,404</u>
Total library other cash and investments	\$ 5,349,817

Retirement Trust Fund

Mutual Funds held at Wells Fargo Bank, trustee	<u>\$ 23,402,145</u>
--	----------------------

TOTAL OTHER CASH AND INVESTMENTS **\$ 28,751,962**

	Pooled cash and investments	Other cash and Investments
Fund Reporting Level:		
Governmental Funds - Balance Sheet	\$ 59,491,143	\$ -
Governmental Funds - Balance Sheet - Restricted Assets	54,847	-
Proprietary Fund Type Statement of Net Assets	9,148,172	-
Proprietary Fund Type Statement of Net Assets - Restricted Asse	3,224,375	-
Component Units - Balance Sheet	2,395,505	5,349,817
Statement of Fiduciary Assets and Liabilities	<u>1,607,033</u>	<u>23,402,145</u>
Total	<u>\$ 75,921,075</u>	<u>\$ 28,751,962</u>

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COMBINED SCHEDULE OF GOVERNMENTAL REVENUE BY SOURCE

Pitkin County, Colorado

COMBINED SCHEDULE OF GOVERNMENTAL REVENUE BY SOURCE

For the Year Ended December 31, 2012

	MAJOR FUNDS			
	General Fund	Transportation Sales and Use Tax Fund	Open Space and Trails Fund	Housing Impact Fee Fund
Taxes and special assessments				
Property	\$ 5,887,146	\$ -	\$ 10,389,273	\$ -
Specific ownership	157,182	-	272,221	-
General sales tax	6,115,067	10,905,351	-	-
Selective sales and use tax	35,441	784,524	-	-
Penalties and interest	12,357	-	22,008	-
Total taxes	12,207,193	11,689,875	10,683,502	-
Intergovernmental revenue				
Federal	1,452,425	-	-	-
State	127,903	-	-	-
Other governmental	484,436	-	456,500	-
Total intergovernmental revenue	2,064,764	-	456,500	-
Licenses and Permits				
Business	748,536	-	-	-
Nonbusiness	1,539	-	740	-
Total licenses and permits	750,075	-	740	-
Charges for services				
General government	3,991,649	-	-	-
Public safety	925,596	-	-	-
Public works	345,252	-	-	-
Health and welfare	103,978	-	-	-
Culture and recreation	49,001	-	-	-
Refunds	-	-	3,163	-
Total charges for services	5,415,476	-	3,163	-
Fines and forfeits				
Courts	35,239	-	-	-
County fines	280	-	3,800	-
Library	-	-	-	-
Total fines and forfeits	35,519	-	3,800	-
Miscellaneous				
Earnings on deposits and investments	162,372	51,181	30,510	50,840
Impact fees	-	-	-	1,110,411
Rents and royalties	361,633	-	11,894	-
Contributions	59,469	-	-	-
Other	34,692	-	-	-
Total miscellaneous	618,166	51,181	42,404	1,161,251
TOTAL REVENUES	\$ 21,091,193	\$ 11,741,056	\$ 11,190,109	\$ 1,161,251

NON-MAJOR FUNDS

Road & Bridge Fund	Social Services Fund	Translator Fund	Healthy Community Fund	Conservation Trust Fund	Healthy River and Streams Fund	Ambulance District
\$ 432,624	\$ 177,841	\$ 690,008	\$ 1,552,519	\$ -	\$ -	\$ 403,070
7,605	4,660	18,067	40,650	-	-	10,559
618,423	-	-	-	-	781,400	-
-	-	-	-	-	-	-
908	372	1,448	3,259	-	-	841
<u>1,059,560</u>	<u>182,873</u>	<u>709,523</u>	<u>1,596,428</u>	<u>-</u>	<u>781,400</u>	<u>414,470</u>
114,395	532,020	-	-	-	-	-
1,095,456	757,908	-	-	55,613	-	69,901
39,523	23,274	-	-	-	-	-
<u>1,249,374</u>	<u>1,313,202</u>	<u>-</u>	<u>-</u>	<u>55,613</u>	<u>-</u>	<u>69,901</u>
16,345	-	-	-	-	-	-
<u>16,345</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,972	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
238	-	-	-	-	-	-
<u>5,210</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	709	6,342	1,544	113	5,587	3,297
-	-	-	-	-	-	-
1,200	-	29,872	-	-	-	-
-	5,250	-	-	-	-	-
-	6,155	-	-	-	-	-
<u>1,200</u>	<u>12,114</u>	<u>36,214</u>	<u>1,544</u>	<u>113</u>	<u>5,587</u>	<u>3,297</u>
<u>\$ 2,331,689</u>	<u>\$ 1,508,189</u>	<u>\$ 745,737</u>	<u>\$ 1,597,972</u>	<u>\$ 55,726</u>	<u>\$ 786,987</u>	<u>\$ 487,668</u>

Pitkin County, Colorado

COMBINED SCHEDULE OF GOVERNMENTAL REVENUE BY SOURCE (CONTINUED)

For the Year Ended December 31, 2012

	NON-MAJOR FUNDS				
	Redstone Ranch Acres Improvement District	Twining Flats Improvement District	GO Debt Service Fund	Transit Debt Service Fund	Primary Government Combined Total
Taxes and special assessments					
Property	\$ 9,016	\$ 17,587	\$ 149,675	\$ -	\$ 19,708,759
Specific ownership	234	455	1,299	-	512,932
General sales tax	-	-	-	594,242	19,014,483
Selective sales and use tax	-	-	-	-	819,965
Penalties and interest	84	2	353	-	41,632
Total taxes	9,334	18,044	151,327	594,242	40,097,771
Intergovernmental revenue					
Federal	-	-	-	60,561	2,159,401
State	-	-	-	-	2,106,781
Other governmental	-	-	-	-	1,003,733
Total intergovernmental revenue	-	-	-	60,561	5,269,915
Licenses and Permits					
Business	-	-	-	-	764,881
Nonbusiness	-	-	-	-	2,279
Total licenses and permits	-	-	-	-	767,160
Charges for services					
General government	-	-	-	-	3,991,649
Public safety	-	-	-	-	925,596
Public works	-	-	-	-	350,224
Health and welfare	-	-	-	-	103,978
Culture and recreation	-	-	-	-	49,001
Refunds	-	-	-	-	3,401
Total charges for services	-	-	-	-	5,423,849
Fines and forfeits					
Courts	-	-	-	-	35,239
Open space violations	-	-	-	-	4,080
Library	-	-	-	-	-
Total fines and forfeits	-	-	-	-	39,319
Miscellaneous					
Earnings on deposits and investments	36	115	-	1,930	314,576
Impact fees	-	-	-	-	1,110,411
Rents and royalties	-	-	-	-	404,599
Contributions	-	-	-	-	64,719
Other	-	-	-	-	40,847
Total miscellaneous	36	115	-	1,930	1,935,152
TOTAL REVENUES	\$ 9,370	\$ 18,159	\$ 151,327	\$ 656,733	\$ 53,533,166

COMPONENT UNITS

Pitkin County Library District	Emergency Telephone Authority	Reporting Entity Combined Total
\$ 3,312,761	\$ -	\$ 23,021,520
86,758	-	599,690
-	-	19,014,483
-	-	819,965
6,822	-	48,454
<u>3,406,341</u>	<u>-</u>	<u>43,504,112</u>
-	-	2,159,401
-	-	2,106,781
-	-	1,003,733
<u>-</u>	<u>-</u>	<u>5,269,915</u>
-	-	764,881
-	-	2,279
<u>-</u>	<u>-</u>	<u>767,160</u>
-	-	3,991,649
-	550,221	1,475,817
-	-	350,224
-	-	103,978
-	-	49,001
-	-	3,401
<u>-</u>	<u>550,221</u>	<u>5,974,070</u>
-	-	35,239
-	-	4,080
33,720	-	33,720
<u>33,720</u>	<u>-</u>	<u>73,039</u>
471,512	4,777	790,865
-	-	1,110,411
-	-	404,599
118,317	-	183,036
-	-	40,847
<u>589,829</u>	<u>4,777</u>	<u>2,529,758</u>
<u>\$ 4,029,890</u>	<u>\$ 554,998</u>	<u>\$ 58,118,054</u>

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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 2012			
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)	4,467,465		
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,090,094		
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:			
c. Total (a.+b.)		a. Traffic control operations	27,377		
2. General fund appropriations	3,518,743	b. Snow and ice removal	520,664		
3. Other local imposts (from page 2)	1,180,268	c. Other	267		
4. Miscellaneous local receipts (from page 2)	78,234	d. Total (a. through c.)	548,308		
5. Transfers from toll facilities		4. General administration & miscellaneous	678,248		
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	819,021		
a. Bonds - Original Issues	-	6. Total (1 through 5)	7,603,137		
b. Bonds - Refunding Issues		B. Debt service on local obligations:			
c. Notes		1. Bonds:			
d. Total (a. + b. + c.)	-	a. Interest	2,749		
7. Total (1 through 6)	4,777,246	b. Redemption	6,778		
B. Private Contributions	91,144	c. Total (a. + b.)	9,527		
C. Receipts from State government (from page 2)	1,095,456	2. Notes:			
D. Receipts from Federal Government (from page 2)	114,394	a. Interest	-		
E. Total receipts (A.7 + B + C + D)	6,078,239	b. Redemption	-		
		c. Total (a. + b.)	-		
		3. Total (1.c + 2.c)	9,527		
		C. Payments to State for highways	-		
		D. Payments to toll facilities	-		
		E. Total disbursements (A.6 + B.3 + C + D)	7,612,663		
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)					
		Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)		38,206	-	6,778	31,428
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
	1,562,152	6,078,239	7,612,663	27,728	-
Notes and Comments:					
Note 1 General Fund Appropriations:					
		3,512,304			
Transfer From General Fund		267			
Sheriff expenditures for traffic		6,172			
Amount available from Non-Highway		3,518,743			
Total					

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2012

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	458,887	a. Interest on investments	151
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	618,422	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	55,141	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	61,500
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	47,818	g. Other Misc. Receipts (Note 2)	16,583
6. Total (1. through 5.)	721,381	h. Other	
c. Total (a. + b.)	1,180,268	i. Total (a. through h.)	78,234
	(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	1,059,467	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	114,394
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	35,989	d. Federal Transit Admin	
d. Other (Specify)CMAQ Grant	-	e. U.S. Corps of Engineers	
e. Other (Specify) CDOT Reimburse	-	f. Other Federal-Reimburse Road Project)	-
f. Total (a. through e.)	35,989	g. Total (a. through f.)	114,394
4. Total (1. + 2. + 3.f)	1,095,456	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs		5,757	5,757
b. Engineering Costs		299,763	299,763
c. Construction:			
(1). New Facilities			-
(2). Capacity Improvements			-
(3). System Preservation		4,136,281	4,136,281
(4). System Enhancement & Operation		25,664	25,664
(5). Total Construction (1) + (2) + (3) + (4)	-	4,161,945	4,161,945
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	-	4,467,465	4,467,465
			(Carry forward to page 1)

Notes and Comments:

Note 2 Other Receipts	
Access Permits	16,345
Contribution	-
Misc Reimbursement	238
Total	<u>16,583</u>

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2012
Annual Financial Report

STATISTICAL SECTION

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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.	128-135
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	136-145
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	146-151
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.	152-156
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.	157-165

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 Position by Component
(Accrual basis of accounting)
(Unaudited)

Last Nine Years

	2003	2004	2005	2006
Governmental activities				
Net investment in capital assets	\$ 54,508,038	\$ 63,474,673	\$ 71,576,959	\$ 74,991,785
Restricted				
Open space	17,233,939	15,046,683	6,751,388	8,278,566
Transportation and roads	13,028,903	15,328,837	14,917,328	16,955,481
Affordable housing	3,608,338	595,506	4,212,900	5,876,481
Highway 82 construction	2,052,508	2,138,165	965,876	923,449
Statutory reserve for emergencies	1,030,048	1,058,645	1,243,429	1,418,544
Debt service	661,143	611,194	527,780	487,318
Ambulance district	646,015	682,057	874,053	1,178,700
General Fund local restrictions	499,500	580,848	667,871	551,889
Human services and public welfare services	162,659	171,639	268,269	234,576
TV and FM broadcast services	233,930	331,203	465,203	637,385
Public Improvement Districts	12,364	10,658	5,537	3,326
Health Rivers and Streams fund	-	-	-	-
Unrestricted	9,236,600	11,215,180	14,529,046	18,890,058
Total governmental activities net position	\$ 102,913,985	\$ 111,245,288	\$ 117,005,639	\$ 130,427,558
Business-type activities				
Net investment in capital assets	\$ 29,458,287	\$ 43,888,509	\$ 56,204,425	\$ 61,778,381
Restricted				
Debt service	445,500	-	-	-
Inventory	-	-	-	-
Airport	5,964,016	4,001,848	5,531,446	6,067,769
Unrestricted	1,978,566	2,114,451	1,523,330	2,745,393
Total business-type activities net position	\$ 37,846,369	\$ 50,004,808	\$ 63,259,201	\$ 70,591,543
Primary government				
Net investment in capital assets	\$ 83,966,325	\$ 107,363,182	\$ 127,781,384	\$ 136,770,166
Restricted				
Open space	17,233,939	15,046,683	6,751,388	8,278,566
Transportation	13,028,903	15,328,837	14,917,328	16,955,481
Affordable housing	3,608,338	595,506	4,212,900	5,876,481
Highway 82 construction	2,052,508	2,138,165	965,876	923,449
Statutory reserve for emergencies	1,030,048	1,058,645	1,243,429	1,418,544
Debt service	1,106,643	611,194	527,780	487,318
Ambulance district	646,015	682,057	874,053	1,178,700
Airport	5,964,016	4,001,848	5,531,446	6,067,769
General Fund local restrictions	499,500	580,848	667,871	551,889
Human services and public welfare services	162,659	171,639	268,269	234,576
TV and FM broadcast services	233,930	331,203	465,203	637,385
Public Improvement Districts	12,364	10,658	5,537	3,326
Health Rivers and Streams fund	-	-	-	-
Inventory	-	-	-	-
Unrestricted	11,215,166	13,329,631	16,052,376	21,635,451
Total primary government net position	\$ 140,760,354	\$ 161,250,096	\$ 180,264,840	\$ 201,019,101

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	2012
\$	102,497,894	\$ 118,334,844	\$ 134,717,335	\$ 155,994,598	\$ 155,315,076	\$ 156,145,670
	124,702	357,824	-	(10,371,301)	1,271,200	7,845,021
	16,316,370	11,621,432	11,510,491	10,926,613	11,388,957	10,765,759
	7,753,510	8,851,035	9,359,852	9,627,638	10,156,826	10,699,581
	663,633	547,179	429,955	-	-	-
	1,439,952	1,531,840	1,479,061	1,549,059	1,579,598	657,180
	482,170	185,560	144,210	38,088	38,238	31,772
	1,148,965	1,065,919	864,120	749,494	626,354	484,156
	1,109,157	1,199,502	1,175,261	462,386	462,380	468,374
	257,316	379,060	327,952	251,858	182,556	196,020
	842,480	1,069,303	199,883	705,205	1,022,704	1,277,574
	5,957	4,973	12,380	16,167	20,532	27,729
	-	-	626,522	994,032	1,067,010	1,397,160
	11,224,305	10,715,439	9,475,854	9,312,588	14,930,468	14,657,523
\$	143,866,411	\$ 155,863,910	\$ 170,322,876	\$ 180,256,425	\$ 198,061,899	\$ 204,653,519
\$	73,322,031	\$ 71,671,246	\$ 72,977,503	\$ 71,535,132	\$ 81,664,910	\$ 86,982,831
	-	-	-	-	-	-
	-	-	-	328,500	189,991	378,744
	6,349,656	10,542,488	10,438,724	11,271,356	9,738,075	9,305,157
	3,849,070	3,791,453	1,585,119	1,457,411	1,033,193	1,118,178
\$	83,520,757	\$ 86,005,187	\$ 85,001,346	\$ 84,592,399	\$ 92,626,169	\$ 97,784,910
\$	175,819,925	\$ 190,006,090	\$ 207,694,838	\$ 227,529,730	\$ 236,979,986	\$ 243,128,501
	124,702	357,824	-	(10,371,301)	1,271,200	7,845,021
	16,316,370	11,621,432	11,510,491	10,926,613	11,388,957	10,765,759
	7,753,510	8,851,035	9,359,852	9,627,638	10,156,826	10,699,581
	663,633	547,179	429,955	-	-	-
	1,439,952	1,531,840	1,479,061	1,549,059	1,579,598	657,180
	482,170	185,560	144,210	38,088	38,238	31,772
	1,148,965	1,065,919	864,120	749,494	626,354	484,156
	6,349,656	10,542,488	10,438,724	11,271,356	9,738,075	9,305,157
	1,109,157	1,199,502	1,175,261	462,386	462,380	468,374
	257,316	379,060	327,952	251,858	182,556	196,020
	842,480	1,069,303	199,883	705,205	1,022,704	1,277,574
	5,957	4,973	12,380	16,167	20,532	27,729
	-	-	626,522	994,032	1,067,010	1,397,160
	-	-	-	-	189,991	378,744
	15,073,375	14,506,892	11,060,973	10,769,999	15,963,661	15,775,701
\$	227,387,168	\$ 241,869,097	\$ 255,324,222	\$ 264,520,324	\$ 290,688,068	\$ 302,438,429

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

Last Nine Years

	2004	2005	2006	2007
Expenses:				
Governmental activities:				
General government	\$ 6,666,755	\$ 6,682,126	\$ 10,292,549	\$ 8,160,025
Public safety	5,921,598	5,795,503	6,135,841	7,215,619
Public works	11,398,546	17,210,842	14,467,249	16,778,835
Health and welfare	2,183,103	2,529,548	2,700,256	3,198,700
Culture and recreation	2,534,164	1,650,142	2,063,649	1,110,754
Conservation of natural resources	68,657	21,818	23,677	13,812
Housing and development	691,286	4,019,595	184,119	195,534
Interest	1,556,530	1,555,827	1,442,425	1,373,501
Total governmental activities expenses	31,020,639	39,465,401	37,309,765	38,046,780
Business-type activities:				
Airport	4,995,246	5,919,636	6,212,291	7,098,923
Solid Waste Center	3,334,496	3,952,374	4,076,353	4,355,822
Total business-type activities expenses	8,329,742	9,872,010	10,288,644	11,454,745
Program Revenues				
Governmental activities:				
Charges for services				
General government	3,011,132	5,155,163	3,815,431	4,080,854
Public safety	1,473,829	2,143,282	2,148,058	1,894,897
Public works	820,534	229,036	824,047	510,097
Health and welfare	304,930	277,373	441,055	456,344
Culture and recreation	105,878	44,114	223,592	657,433
Conservation of natural resources	13,433	24,630	31,029	-
Housing and development	54,751	741,363	1,430,031	1,522,276
Operating grants and contributions	2,857,641	2,862,181	2,650,434	2,683,108
Capital grants and contributions	26,765	357,294	2,947,277	1,470,619
Total governmental activities program revenues	8,668,893	11,834,436	14,510,954	13,275,628
Business-type activities:				
Airport	\$ 16,844,528	\$ 19,511,065	\$ 11,938,198	\$ 18,203,944
Solid Waste Center	3,757,166	3,609,410	5,475,069	5,839,011
Total business-type activities program revenues	20,601,694	23,120,475	17,413,267	24,042,955
Total primary government program revenues	\$ 29,270,587	\$ 34,954,911	\$ 31,924,221	\$ 37,318,583
Net (Expense)/Revenue				
Governmental activities	\$ (22,351,746)	\$ (27,630,965)	\$ (22,798,811)	\$ (24,771,152)
Business-type activities	12,271,952	13,248,465	7,124,623	12,588,210
Total primary government net expense	\$ (10,079,794)	\$ (14,382,500)	\$ (15,674,188)	\$ (12,182,942)
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Property taxes levied for:				
General government purposes	\$ 12,967,015	\$ 13,212,003	\$ 13,747,326	\$ 14,572,139
Debt service	459,499	453,595	438,545	430,048
Sales taxes	15,476,512	16,983,469	18,230,161	19,215,296
Other taxes	681,081	728,655	746,686	707,765
Investment earnings	828,942	1,743,594	2,788,012	3,014,757
Gain on sale of fixed assets	-	-	-	-
Transfers	270,000	270,000	270,000	270,000
Total governmental activities	\$ 30,683,049	\$ 33,391,316	\$ 36,220,730	\$ 38,210,005
Business-type activities:				
Investment earnings	\$ 156,487	\$ 275,928	\$ 474,719	\$ 611,004
Gain on sale of fixed assets	-	-	-	-
Transfers	(270,000)	(270,000)	(270,000)	(270,000)
Total business-type activities	(113,513)	5,928	204,719	341,004
Total primary government	\$ 30,569,536	\$ 33,397,244	\$ 36,425,449	\$ 38,551,009
Changes in Net Assets				
Governmental Activities	\$ 8,331,303	\$ 5,760,351	\$ 13,421,919	\$ 13,438,853
Business-type activities	12,158,439	13,254,393	7,329,342	12,929,214
Total primary government	\$ 20,489,742	\$ 19,014,744	\$ 20,751,261	\$ 26,368,067

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

	2008	2009	2010	2011	2012
\$	8,441,523	\$ 9,112,735	\$ 9,023,399	\$ 8,051,591	\$ 8,236,495
	7,781,623	8,585,020	7,677,119	8,315,629	8,836,841
	24,468,535	16,126,086	17,821,483	15,695,207	19,091,229
	3,634,941	4,159,235	4,209,970	4,437,922	4,892,567
	3,220,314	7,872,276	6,358,219	4,408,254	4,082,376
	17,947	17,169	8,857	9,998	9,998
	245,997	231,392	407,926	190,523	862,954
	1,332,285	1,282,901	1,229,392	1,257,597	1,201,640
	<u>49,143,165</u>	<u>47,386,814</u>	<u>46,736,365</u>	<u>42,366,721</u>	<u>47,214,100</u>
	9,311,279	10,899,761	11,654,845	11,445,626	11,377,027
	4,960,238	5,577,238	4,231,364	4,340,284	3,777,305
	<u>14,271,517</u>	<u>16,476,999</u>	<u>15,886,209</u>	<u>15,785,910</u>	<u>15,154,332</u>
	4,899,997	4,114,865	4,782,871	4,672,729	4,279,086
	356,337	2,297,844	1,908,214	1,734,398	1,870,734
	347,218	263,286	1,005,603	715,231	322,849
	347,874	377,280	462,440	382,618	422,007
	68,899	240,531	350,487	120,316	68,598
	63,855	2,000	31,167	-	-
	848,244	368,007	312,051	482,542	1,110,411
	2,999,026	3,791,225	3,294,485	4,230,137	4,581,634
	8,179,497	12,402,832	4,306,982	4,098,393	465,500
	<u>18,110,947</u>	<u>23,857,870</u>	<u>16,454,300</u>	<u>16,436,364</u>	<u>13,120,819</u>
\$	11,082,355	\$ 13,222,489	\$ 11,034,595	\$ 19,680,805	\$ 15,659,494
	5,551,754	3,424,031	3,972,556	4,212,913	4,743,062
	16,634,109	16,646,520	15,007,151	23,893,718	20,402,556
\$	<u>34,745,056</u>	<u>40,504,390</u>	<u>31,461,451</u>	<u>40,330,082</u>	<u>33,523,375</u>
\$	(31,032,218)	\$ (23,528,944)	\$ (30,282,065)	\$ (25,930,357)	\$ (34,093,281)
	2,362,592	169,521	(879,058)	8,107,808	5,248,224
\$	<u>(28,669,626)</u>	<u>(23,359,423)</u>	<u>(31,161,123)</u>	<u>(17,822,549)</u>	<u>(28,845,057)</u>
\$	18,046,484	\$ 18,594,523	\$ 20,546,313	\$ 20,794,134	\$ 19,559,084
	306,838	478,644	457,332	461,524	149,675
	19,515,789	17,120,380	18,013,414	19,245,716	19,834,448
	837,260	660,496	602,280	570,500	554,564
	2,100,021	863,868	607,991	444,870	314,576
	-	-	-	790,367	52,553
	270,000	270,000	270,000	270,000	220,000
\$	<u>41,076,392</u>	<u>37,987,911</u>	<u>40,497,330</u>	<u>42,577,111</u>	<u>40,684,900</u>
\$	575,780	\$ 288,825	\$ 176,697	\$ 129,692	\$ 61,713
	702,250	-	-	66,270	68,804
	(270,000)	(270,000)	(270,000)	(270,000)	(220,000)
	1,008,030	18,825	(93,303)	(74,038)	(89,483)
\$	<u>42,084,422</u>	<u>38,006,736</u>	<u>40,404,027</u>	<u>42,503,073</u>	<u>40,595,417</u>
\$	10,044,174	\$ 14,458,967	\$ 10,215,265	\$ 16,646,754	\$ 6,591,619
	3,370,622	188,346	(972,361)	8,033,770	5,158,741
\$	<u>13,414,796</u>	<u>14,647,313</u>	<u>9,242,904</u>	<u>24,680,524</u>	<u>11,750,360</u>

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

Last Ten Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund				
Restricted for:				
Debt service	\$ 325,308	\$ 262,635	\$ 223,347	\$ 174,536
Statutory reserves	483,608	498,891	619,328	649,592
State of Colorado landfill fees retained to remediate State designated hazardous waste sites	213,797	231,772	265,511	298,003
Committed for:				
Open space and trails; Park dedication fees	285,703	349,076	402,360	253,886
Affordable housing	3,608,338	595,506	3,558,436	3,744,338
Assigned for:				
Appropriated for expenditures in next year's budget	-	-	5,234	-
To complete projects begun but not completed in prior year	1,808,224	1,666,611	2,547,617	3,190,715
To fund discretionary projects in following year	2,397,062	813,422	442,230	4,471,563
To fund contingencies over amount required by state constitution	3,516,392	3,501,109	3,428,652	3,350,408
To balance 5 year budget	777,995	575,122	3,673,074	3,100,000
Air Mitigation Program	-	-	-	-
Topsy Taxi program	212,290	203,829	198,995	202,602
Veteran's Memorial maintenance	6,850	6,953	7,100	5,368
Translator capital project funds derived from unspent translator property tax mill levy	-	-	-	-
Asset replacement for information services, dispatch, and various other programs	681,831	735,468	633,382	546,970
Workers' compensation insurance reserve	700,000	350,000	350,000	350,000
Funded employee health claims	-	250,000	340,858	660,017
To fund future workers' compensation liability and employee health claims	471,662	615,040	719,696	780,280
To fund capital projects	-	-	-	-
To fund future building needs	-	4,000,000	3,769,690	3,901,027
Unassigned	-	-	-	-
Total General Fund	<u>\$ 15,489,060</u>	<u>\$ 14,655,434</u>	<u>\$ 21,185,510</u>	<u>\$ 25,679,305</u>
All Other Governmental Funds				
Reserved for:				
Debt service	\$ 461,916	\$ 466,984	\$ 471,394	\$ 465,777
Federal Restrictions	-	-	-	-
Statutory reserves	546,440	559,753	624,101	768,952
Voter approved programs	27,879,435	27,961,228	21,278,996	25,374,612
Improvements to Highway 82	1,852,508	2,138,166	965,876	923,449
Committed for:				
Affordable housing	-	-	674,705	2,177,218
Assigned for:				
Appropriated for expenditures in next year's budget	190,471	171,516	187,897	73,702
Capital projects	-	-	-	-
Total all other governmental funds	<u>\$ 30,930,770</u>	<u>\$ 31,297,647</u>	<u>\$ 24,202,969</u>	<u>\$ 29,783,710</u>
Total all governmental funds	<u>\$ 46,419,830</u>	<u>\$ 45,953,081</u>	<u>\$ 45,388,479</u>	<u>\$ 55,463,015</u>

	2007	2008	2009	2010	2011	2012
\$	140,813	\$ 105,591	\$ 70,866	\$ -	\$ -	\$ -
	690,175	671,664	627,570	661,442	642,049	657,180
	362,243	405,959	430,857	436,882	460,718	468,265
	772,248	768,877	719,738	908,850	799,096	718,621
	4,268,343	4,366,756	4,412,917	4,304,907	4,343,651	-
	648,099	-	179,400	-	-	-
	3,460,441	3,099,179	3,302,970	4,578,094	1,128,359	1,378,786
	2,995,115	3,187,142	3,113,472	2,577,537	-	-
	3,309,825	3,328,336	3,372,430	3,338,558	3,357,951	3,342,820
	664,623	800,000	200,000	200,000	350,000	350,000
	24,666	24,666	24,666	24,666	24,666	24,666
	203,665	200,218	190,111	173,569	156,498	138,197
	4,448	4,375	4,265	4,120	3,863	3,624
	-	-	-	-	-	-
	395,676	408,857	420,552	353,800	-	-
	350,000	350,000	350,000	350,000	350,000	-
	779,629	861,260	847,152	1,263,990	778,214	1,854,331
	702,199	723,896	840,915	825,109	1,789,040	1,164,161
	-	-	-	-	8,091,100	7,891,131
	6,000,000	5,730,471	5,700,580	5,700,580	-	-
	-	-	-	-	8,926,723	8,572,744
	<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>	<u>\$ 26,564,526</u>
\$	490,548	\$ 226,790	\$ 212,886	\$ 168,665	\$ 168,614	\$ 164,216
	-	-	-	-	-	118,953
	749,777	860,176	851,491	887,617	937,549	861,387
	16,613,958	13,912,231	12,061,892	6,723,735	13,130,474	20,329,405
	663,633	547,179	429,955	-	-	-
	3,525,619	4,508,868	4,960,483	533,934	5,851,919	10,664,743
	246,745	556,783	407,203	429,118	-	-
	-	-	-	-	1,540,821	-
	<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>\$ 32,138,704</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>	<u>\$ 58,703,230</u>

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

Last Ten Years

	2003	2004	2005	2006
Revenues				
Taxes	\$ 28,048,506	\$ 29,584,107	\$ 31,377,722	\$ 33,162,718
Intergovernmental	3,293,337	2,860,717	2,932,127	5,671,479
Licenses and permits	715,147	714,728	989,741	976,895
Charges for services	4,112,405	4,373,869	5,645,974	7,325,511
Fines and forfeitures	22,975	25,013	15,286	7,578
Investment earnings	766,222	828,942	1,743,594	2,788,012
Impact fees	-	-	-	-
Miscellaneous	374,505	694,566	2,251,309	529,491
Total Revenues	\$ 37,333,097	\$ 39,081,942	\$ 44,955,753	\$ 50,461,684
Expenditures				
Current:				
General government	5,957,918	6,783,761	7,447,947	7,184,934
Public safety		5,972,843	5,491,587	5,996,928
Public works		10,372,756	16,355,249	14,280,465
Health and welfare	2,022,959	2,077,305	2,568,086	2,544,251
Culture and recreation	4,928,677	8,599,553	13,208,380	10,026,767
Conservation of natural resources	136,538	58,535	147	58,232
Housing and development	211,498	3,161,299	1,548,357	184,119
Intergovernmental	-	-	-	-
Debt Service:				
Principal retirement	1,375,000	1,575,000	1,690,000	1,580,000
Interest and fiscal charges	1,678,577	1,536,199	1,479,304	1,428,404
Bond Issuance costs	57,657	-	-	113,147
Advance refunding escrow	484,569	-	-	-
Total Expenditures	16,853,393	40,137,251	49,789,057	43,397,247
Excess (Deficiency) of Revenues Over (Under) Expenditures	20,479,704	(1,055,309)	(4,833,304)	7,064,437
Other Financing Sources (Uses)				
Payoff of note receivable	-	-	-	-
Sales of capital assets	175,411	318,560	3,998,703	1,001,089
Proceeds of general long term debt	7,685,000	-	-	9,880,000
Premium on debt issuance	26,776	-	-	119,785
Escrow to defease debt	(7,654,113)	-	-	(8,260,775)
Transfers in	1,225,188	768,749	844,150	818,949
Transfers out	(955,188)	(498,749)	(574,151)	(548,949)
Total Other Financing Sources (Uses)	503,074	588,560	4,268,702	3,010,099
Special and Extraordinary Items:				
Sale of Land	1,156,313	-	-	-
Net Change in Fund Balance	\$ 22,139,091	\$ (466,749)	\$ (564,602)	\$ 10,074,536
Debt service as a percentage of non-capital expenditu	42.99%	11.62%	9.29%	10.11%

	2007	2008	2009	2010	2011	2012
\$	34,925,248	\$ 38,706,371	\$ 36,854,043	\$ 39,619,339	\$ 41,071,874	\$ 40,097,771
	4,320,010	4,688,484	6,518,272	6,190,993	8,428,852	5,200,014
	1,006,987	1,057,109	712,890	708,836	722,872	767,160
	6,326,624	5,285,346	6,187,281	5,471,709	5,891,914	5,493,750
	9,254	7,859	15,920	18,843	33,589	39,319
	3,014,757	2,100,021	863,868	607,991	444,870	314,576
	-	-	-	639,381	579,405	1,110,411
	1,612,752	1,579,049	1,016,578	1,224,537	779,732	510,165
\$	51,215,632	\$ 53,424,239	\$ 52,168,852	\$ 54,481,629	\$ 57,953,108	\$ 53,533,166
	9,948,033	8,706,359	8,477,240	8,615,171	7,670,106	8,783,477
	7,181,237	8,362,918	8,594,671	8,602,055	8,529,207	8,662,354
	18,834,184	23,415,143	15,981,646	17,911,544	14,410,409	18,592,528
	3,615,974	4,018,150	4,081,533	3,988,632	4,202,136	4,743,347
	16,234,765	9,148,625	14,307,057	25,834,171	4,667,086	4,990,167
	-	-	-	-	-	-
	195,534	245,997	231,392	407,926	190,523	189,694
	-	-	-	-	-	-
	1,668,308	1,445,369	1,485,691	1,871,032	1,166,394	916,778
	1,337,180	1,294,530	1,250,055	1,198,232	1,187,916	1,129,690
	-	-	-	102,030	-	-
	-	-	-	-	-	-
	59,015,215	56,637,091	54,409,285	68,530,793	42,023,777	48,008,035
	(7,799,583)	(3,212,852)	(2,240,433)	(14,049,164)	15,929,331	5,525,131
	-	-	-	-	-	-
	129,056	529,638	53,530	2,229,985	1,028,081	126,794
	-	-	-	8,360,000	-	-
	-	-	-	2,616	-	-
	-	-	-	(5,818,920)	-	-
	1,029,578	1,079,758	1,080,533	1,432,719	774,066	6,622,849
	(759,578)	(809,758)	(810,533)	(1,162,719)	(504,066)	(6,402,849)
	399,056	799,638	323,530	5,043,681	1,298,081	346,794
	-	-	-	-	-	-
\$	(7,400,527)	\$ (2,413,214)	\$ (1,916,903)	\$ (9,005,483)	\$ 17,227,412	\$ 5,871,925
	9.19%	7.07%	7.29%	7.74%	5.87%	4.64%

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

Last Ten Years

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

2007	2008	2009	2010	2011	2012
\$ 4,705,166	\$ 5,957,833	\$ 5,251,618	\$ 5,819,935	\$ 5,782,618	\$ 5,645,937
2,072,259	1,499,151	2,454,209	2,281,294	2,298,544	2,237,877
2,379,526	1,914,894	1,816,233	2,381,658	2,012,299	1,530,460
880,407	1,173,596	1,506,353	1,596,941	1,783,475	2,015,423
1,658,533	8,482,342	12,393,160	3,980,016	4,025,379	525,098
57,461	129,834	68,290	82,405	51,507	55,613
1,522,276	848,244	368,007	312,051	482,542	1,110,411
<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>	<u>13,120,819</u>
18,203,944	11,082,355	13,222,489	11,034,595	19,680,805	15,659,494
5,839,011	5,551,754	3,424,031	3,972,556	4,212,913	4,743,062
<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>20,402,556</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>	<u>\$ 33,523,375</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
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
2012	19,279,086	429,673	19,014,483	819,965	512,932	41,632	40,097,771

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
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
2012	261,169	1,917,493	540,208	745	3,847	11,491

State Assessed Property (2)	Personal Property (3)	Total Taxable Assessed Property	Tax Exempt Property (4)	Total Direct Tax Rate	Actual Taxable Value	Assessed Value as a Percentage of Actual Value
\$ 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	51,765	2,768,117	95,167	8.538	26,680,594	10.38%
26,076	52,165	2,761,029	95,539	8.734	26,730,270	10.33%

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
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
2012	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.
- (4) Total of only real property that is Charitable, Religious & Private Schools

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

Last Ten Years

	2003	2004	2005	2006
County direct rates				
General Fund	2.456	2.508	2.413	2.483
Road and Bridge	0.178	0.170	0.175	0.180
Social Services	-	0.027	0.026	0.025
Healthy Community Fund	0.488	0.501	0.484	0.648
Bond Redemption	0.260	0.255	0.233	0.223
Open Space	3.772	3.769	3.764	3.760
Radio and TV. Translator	0.278	0.285	0.276	0.283
Total direct rates	7.432	7.515	7.371	7.602
School Districts rates				
Aspen School District RE-1	8.955	8.969	10.458	10.294
Roaring Fork School District REJT1.12	33.709	41.246	37.265	37.009
City and Town rates				
City of Aspen	5.431	5.437	5.471	5.419
Town of Basalt	6.447	6.669	6.474	6.560
Town of Snowmass Village	10.328	11.030	10.705	11.015
County-wide Districts rates				
Colorado Mountain College	3.997	3.997	3.997	3.997
Colorado River Water Conservancy	0.255	0.252	0.230	0.221
Aspen Valley Hospital (1)	1.500	1.500	1.500	1.500
Pitkin County Library (1)	1.131	1.383	1.357	1.398
Ambulance District rate	0.221	0.226	0.221	0.228
Fire Protection Districts rates	15.767	19.044	18.674	20.321
Water and Sanitation Districts rates	46.406	33.421	29.647	31.721
Other Special Districts rates	206.535	318.780	391.604	440.089

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

Government
Aspen Valley Hospital District
Pitkin County Library District

Source: Pitkin County Assessor's Office

2007	2008	2009	2010	2011	2012
1.871	1.922	1.491	1.501	2.150	2.205
0.137	0.141	0.110	0.112	0.158	0.162
0.037	0.036	0.048	0.065	0.065	0.065
0.489	0.501	0.394	0.402	0.567	0.707
0.113	0.173	0.126	0.127	0.055	-
3.757	3.760	3.333	3.351	3.797	3.796
0.216	0.223	0.175	0.179	0.252	0.259
6.620	6.756	5.677	5.737	7.044	7.194
8.622	9.355	7.846	8.254	9.105	9.201
34.246	33.942	30.984	30.992	39.589	38.240
5.459	5.467	4.042	3.854	5.236	5.346
5.058	5.181	3.873	4.066	6.139	6.386
9.546	9.509	7.485	7.356	8.940	9.019
3.997	3.997	3.997	3.997	3.997	3.997
0.191	0.198	0.166	0.188	0.228	0.242
1.280	1.280	0.969	1.931	2.664	2.920
1.113	1.148	0.906	0.932	1.296	1.336
0.170	0.176	0.138	0.142	0.198	0.204
19.193	19.198	17.246	18.367	21.619	25.587
28.110	28.288	22.624	23.595	31.003	32.231
387.632	432.590	362.557	410.245	470.465	474.457

Pitkin County, Colorado
Principal Property Taxpayers
(Unaudited)

Current Year and Ten Years Ago

Taxpayer	2012			2003		
	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	-	-	-	\$ 21,750,010	1	1.22%
Aspen/Buttermilk/Snowmass Skiing Co./ Little Nell	\$ 58,847,880	1	2.13%	-	-	-
Little Nell Hotel	-	-	-	14,720,320	2	0.83%
Aspen Skiing Co	-	-	-	14,099,720	3	0.79%
Snowmass Acquisition Company, LLC	22,964,400	2	0.83%	-	-	-
315 East Dean Assoc. Inc.	21,992,760	3	0.80%	-	-	-
Silvertree Hotel of Snowmass	14,143,290	4	0.51%	9,860,000	4	0.56%
Hyatt Grand Aspen	13,051,420	5	0.47%	-	-	-
The Residences at the Little Nell Condo Assoc. Inc.	11,338,470	6	0.41%	-	-	-
Aspen Highlands Condo Assoc., Inc.	11,152,740	7	0.40%	6,966,100	8	0.39%
Holy Cross Electric Assn.	9,292,400	8	0.34%	7,582,100	6	0.43%
Jerome Property LLC	8,461,010	9	0.31%	-	-	-
Hotel Jerome Partners, Corina, North Star	-	-	-	8,413,980	5	0.47%
Starwood Mountain Ranch, LLC	8,041,020	10	0.29%	-	-	-
Brush Creek Land Company, LLC	-	-	-	6,256,540	9	0.35%
Maroon Creek, LLC	-	-	-	6,997,530	7	0.39%
Snowmass Club	-	-	-	6,221,680	10	0.35%
Total	<u>\$ 179,285,390</u>		<u>6.49%</u>	<u>\$ 102,867,980</u>		<u>5.78%</u>
Total assessed valuation	<u>\$ 2,761,028,490</u>			<u>\$ 1,775,806,980</u>		

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		
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
2011	2012	23,282,727	23,021,520	98.88%	48,454	23,069,974

- (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	
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
2012	1,930	7,586,027	7,587,957	305,000	351,083	656,083	11.6

- (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%
2012	1,930	7,586,027	7,587,957	597,789	1269%

- (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
2003	16,275	\$ 1,775,806,980	\$ 21,595,000	\$ 67,035	\$ 21,527,965	1.21%	\$ 1,323
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	17,094	2,768,117,000	17,300,000	5,048	17,294,952	0.62%	1,011.76
2012	17,094	2,761,028,490	16,695,000	-	16,695,000	0.60%	976.66

**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
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%
2012	605,000	776,659	1,381,659	48,008,035	2.9%

(4) Source: Demographics Statistics, page 150.

(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			
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%	74,404
2011	17,300,000	8,075,000	-	926,055	38,206	26,339,261	0.30%	79,086
2012	16,695,000	7,770,000	-	595,333	31,428	25,091,761	0.32%	79,086 (2)

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

(1) See page 150 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	\$ 60,515,000	\$ -	\$ 60,515,000	100.00%	\$ 60,515,000
Roaring Fork School District REJT1.12	92,314,984	-	92,314,984	21.20%	19,570,777
City and Towns					
City of Aspen (1)	12,305,000	12,305,000	-	100.00%	-
Town of Basalt	2,141,000	-	2,141,000	35.60%	762,196
Town of Snowmass Village	10,960,000	2,990,000	7,970,000	100.00%	7,970,000
Fire Districts					
Aspen Fire Protection District	11,850,000	-	-	100.00%	-
Basalt and Rural Fire Protection District	849,790	-	849,790	58.00%	492,878
Carbondale Fire Protection District	5,289,998	-	5,289,998	8.83%	467,107
Water and Sanitation Districts					
Basalt Sanitation District	2,075,000	-	2,075,000	54.90%	1,139,175
Redstone Water and Sanitation District	2,122,991	-	2,122,991	100.00%	2,122,991
Snowmass Water and Sanitation District	570,000	-	570,000	100.00%	570,000
Library Districts					
Basalt Regional Library	9,348,699	-	9,348,699	49.40%	4,618,257
Other Districts					
Aspen Highlands Residential Metro District	6,254,279	-	6,254,279	100.00%	6,254,279
Aspen Valley Hospital	46,125,000	-	46,125,000	100.00%	50,000,000
Base Village Metro District #2	10,825,000	-	10,825,000	100.00%	50,000,000
Brush Creek Metro District	950,000	-	950,000	100.00%	950,000
Buttermilk Metro District	2,896,703	-	2,896,703	100.00%	2,896,703
Crown Mountain Recreation District	3,755,000	-	3,755,000	58.00%	2,177,900
Holland Hills Metro District	926,012	-	926,012	100.00%	926,012
Meadowood Metro District	2,714,712	-	2,714,712	100.00%	2,714,712
Starwood Metro District	3,181,272	-	3,181,272	100.00%	3,181,272
Total Overlapping Debt					<u>211,433,275</u>
Direct Debt					
Pitkin County General Obligation Debt	16,695,000	-	16,695,000	100.00%	16,695,000
Sales tax Revenue Bonds	7,770,000	7,770,000	-	100.00%	-
Twining Flats General Improvement Dist.	31,428	-	31,428	100.00%	<u>31,428</u>
Total Direct Debt					<u>31,428</u>
Total Overlapping and Direct Debt					<u>\$ 211,464,703</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

	2003	2004	2005	2006
Valuation for Assessment of Property	\$ 1,781,447,430	\$ 1,781,447,430	\$ 1,887,535,000	\$ 1,934,052,050
Debt Limit, 3% of Valuation for Assessment (Per Colorado Revised Statutes, Section 30-35-201 (6b))	53,443,423	53,443,423	56,626,050	58,021,562
Amount of Debt Applicable to Limit General Obligation Bonds	<u>21,595,000</u>	<u>20,925,000</u>	<u>20,235,000</u>	<u>21,445,000</u>
Legal Debt Margin	<u>\$ 31,848,423</u>	<u>\$ 32,518,423</u>	<u>\$ 36,391,050</u>	<u>\$ 36,576,562</u>
Total debt applicable to the limit as a percentage of debt limit	40.41%	39.15%	35.73%	36.96%

2007	2008	2009	2010	2011	2012
\$ 2,726,650,670	\$ 2,777,168,530	\$ 2,777,168,530	\$ 3,683,830,340	\$ 2,768,117,000	\$ 2,761,028,490
81,799,520	83,315,056	83,315,056	110,514,910	83,043,510	82,830,855
20,670,000	19,860,000	19,035,000	18,175,000	17,300,000	16,695,000
\$ 61,129,520	\$ 63,455,056	\$ 64,280,056	\$ 92,339,910	\$ 65,743,510	\$ 66,135,855
25.27%	23.84%	22.85%	16.45%	20.83%	20.16%

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
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	\$ 1,277,167,482	74,414	42.1	1,932	7.1%
2011	17,094	\$ 1,351,896,084	79,086	42.8	1,917	6.5%
2012	N/A	N/A	N/A	N/A	1,927	N/A

(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 Twelve Years Ago

Employers	2012			2003		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Aspen Skiing Company/Little Nell Hotel	3,800	1	31.04%	N/A		N/A
St. Regis Aspen Resort	325	2	2.45%	N/A		N/A
City of Aspen	313	3	2.45%	N/A		N/A
Westin Snowmass Wildwood Resort Hotel	300	4	1.16%	N/A		N/A
Roaring Fork Transit Agency	295	5	2.08%	N/A		N/A
Aspen Valley Hospital	292	6	2.65%	N/A		N/A
Pitkin County	255	7	2.65%	N/A		N/A
Aspen School District	241	8	1.97%	N/A		N/A
Viceroy Snowmass Resort	223	9	1.82%	N/A		N/A
Ritz Carlton	142	10	1.82%	N/A		N/A
Total	<u>6,186</u>		<u>50.09%</u>			
Total Pitkin County Labor Force (1)	<u>10,772</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

	2003	2004	2005	2006
2-Percent sales tax (1)	\$ 11,831,990	\$ 12,822,448	\$ 14,178,348	\$ 15,203,474
Seasonal composition				
Winter	58.8%	58.8%	58.8%	58.8%
Summer	41.2%	41.2%	41.2%	41.2%
Percentage increase (decrease)	0.8%	8.4%	10.6%	7.2%
1-Percent Transit sales tax (2)	\$ 5,705,819	\$ 6,181,421	\$ 6,788,139	\$ 7,268,521
Percentage increase (decrease)	0.5%	8.3%	9.8%	7.1%
Less payments				
To City of Aspen	2,332,993	2,530,610	2,818,340	3,001,172
To Snowmass Village	626,558	675,631	702,668	769,010
Total Deductions	2,959,551	3,206,241	3,521,008	3,770,182
Net payments to RFTA	\$ 2,746,268	\$ 2,975,180	\$ 3,267,131	\$ 3,498,339
Percentage increase (decrease)	0.5%	8.3%	9.8%	7.1%
1/2 Percent Transit Sales and Use Tax (3)				
Sales tax	\$ 2,937,595	\$ 3,203,296	\$ 3,541,310	\$ 3,825,453
Use Tax	444,861	542,548	537,039	574,180
	\$ 3,382,456	\$ 3,745,844	\$ 4,078,349	\$ 4,399,633
Percentage increase	-1.0%	10.7%	8.9%	7.9%
.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.

2007	2008	2009	2010	2011	2012
<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>	<u>\$ 15,659,281</u>
58.5%	60.0%	60.6%	41.0%	50.3%	58.9%
41.5%	40.0%	39.4%	59.0%	49.7%	41.1%
4.8%	0.9%	-17.3%	6.3%	7.5%	2.9%
<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>	<u>\$ 7,586,027</u>
5.0%	1.1%	-17.1%	6.8%	7.9%	3.0%
3,150,600	3,169,050	2,636,622	2,830,663	3,048,981	3,132,143
<u>806,497</u>	<u>833,178</u>	<u>679,459</u>	<u>709,904</u>	<u>771,798</u>	<u>802,730</u>
<u>3,957,097</u>	<u>4,002,228</u>	<u>3,316,081</u>	<u>3,540,567</u>	<u>3,820,779</u>	<u>3,934,873</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>	<u>\$ 3,651,154</u>
5.0%	1.1%	-17.1%	6.8%	7.9%	3.0%
\$ 3,997,592	\$ 4,034,722	\$ 3,371,170	\$ 3,580,664	\$ 3,798,447	\$ 3,913,565
<u>642,209</u>	<u>713,209</u>	<u>691,037</u>	<u>815,077</u>	<u>785,917</u>	<u>819,965</u>
<u>\$ 4,639,801</u>	<u>\$ 4,747,931</u>	<u>\$ 4,062,207</u>	<u>\$ 4,395,741</u>	<u>\$ 4,584,364</u>	<u>\$ 4,733,530</u>
5.5%	2.3%	-14.4%	8.2%	4.3%	3.3%
\$ -	\$ -	\$ 649,456	\$ 691,832	\$ 752,712	\$ 781,400
N/A	N/A	N/A	6.5%	8.8%	3.8%

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>
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%
2012/2013 (2)	N/A	N/A	N/A	N/A	1,375,513	3.0%

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

(2) Skier days per muntain were not available.

Source: Aspen Ski Company

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

Last Ten Years

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government									
Administrative Services	0.60	0.60	0.60	0.60	0.60	-	-	-	-
Assessor	9.00	9.00	9.00	9.00	10.00	10.00	10.00	10.00	10.00
Board of County Commissioners	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Clerk and Recorder	9.70	9.70	9.45	9.55	10.55	10.55	10.55	10.55	10.55
County Attorney	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00
County Manager	3.80	3.80	3.80	4.80	4.80	3.80	3.80	3.80	3.80
Facilities	9.25	9.25	9.75	10.75	10.75	9.75	9.75	9.75	8.75
Finance	11.80	11.80	10.40	8.80	8.80	8.80	8.80	8.80	7.80
Human Resources	3.60	3.60	3.40	3.40	3.80	3.80	3.80	4.00	4.00
Public Relations	1.30	1.30	1.30	1.30	1.25	1.00	1.00	1.00	1.00
Technical Coordinator	-	-	-	-	-	1.00	1.00	-	-
Treasurer	3.00	3.00	3.00	3.00	3.00	3.60	3.60	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	1.00	1.00	1.00
Communications Center	15.00	15.00	15.00	15.00	15.00	16.00	16.00	16.00	17.00
Detention	11.80	11.80		11.80	11.80	11.80	12.80	13.80	13.80
Emergency Management	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Sheriff	24.00	24.00	24.00	24.00	24.00	26.00	26.00	27.00	27.00
Radio/Phones	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	7.00	7.00	7.00	7.00	6.00	5.00
Planning and Zoning	9.33	9.33	9.33	10.00	10.50	10.50	10.50	10.00	10.00
Public Works									
Administrative Services	5.00	5.00	6.20	5.20	5.20	6.00	6.00	5.00	5.00
Fleet Services	5.00	5.00	5.00	5.00	6.00	6.00	6.00	6.00	6.00
Land Management	0.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-
Road and Bridge	11.50	12.00	10.00	10.00	10.00	10.00	10.00	10.00	9.00
Translator	1.80	0.80	0.80	0.80	0.80	1.00	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
Environmental Health	3.00	3.00	5.00	5.00	5.00	6.00	5.00	2.00	2.00
Human Services	1.50	1.50	1.50	1.50	1.75	2.00	2.00	2.00	2.00
Senior Services	3.50	3.50	3.50	4.05	4.85	5.05	5.20	5.20	5.20
Social Services	3.00	3.00	3.00	3.00	3.00	2.00	3.00	3.00	3.00
Wildlife Management	0.34	0.34	-	-	-	-	-	-	-
Cultural and Recreation									
Library	17.70	18.10	17.75	21.20	20.98	20.98	22.00	22.00	22.00
Open Space and Trails	3.33	3.33	3.33	5.00	5.00	5.00	5.00	7.00	7.00
Business-type									
Airport Operations	25.00	24.00	23.00	23.00	25.40	24.40	24.00	24.00	25.00
Solid Waste and Recycling	16.90	16.90	16.15	12.00	12.00	12.00	12.00	11.00	10.00
	<u>231.00</u>	<u>230.40</u>	<u>216.01</u>	<u>231.50</u>	<u>238.58</u>	<u>240.78</u>	<u>241.80</u>	<u>239.50</u>	<u>235.50</u>

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

Source: Pitkin County Human Resources

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

Last Ten Years

Function/Program	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	112,585
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			
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	18,336	15,753	34,089	3,516	37,605	0.0%	223,078	-2.1%
2012	18,282	14,985	33,267	3,550	36,817	-2.1%	220,376	-1.2%

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

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

(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
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
2012	74	60,184,594	160	67,978,526

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	2003	2004	2005	2006
General Government				
Land	\$ 10,800	\$ 10,800	\$ 10,800	\$ 10,800
Buildings	7,243,222	7,307,461	7,538,569	7,666,508
Improvements	204,512	204,512	204,512	204,512
Equipment	2,243,150	2,549,173	2,942,661	3,033,194
Infrastructure	-	32,768	32,768	32,768
Total General Government	9,701,684	10,104,714	10,729,310	10,947,782
Public Safety				
Land	392,693	392,694	392,693	392,693
Buildings	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	6,865,632	7,048,578	6,973,741	7,151,486
Public Works				
Land	2,636,599	2,636,598	2,636,598	2,636,598
Intangible Assets	-	-	-	-
Buildings	8,604,792	8,604,791	8,622,819	8,622,819
Improvements	519,597	519,598	519,598	519,598
Equipment	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	41,475,769	41,502,069	41,855,531	42,326,128
Health and Welfare				
Buildings	2,950,917	2,956,939	3,156,939	3,166,861
Improvements	95,243	95,242	95,242	95,242
Equipment	119,549	130,292	152,589	146,227
Infrastructure	-	56,374	56,374	56,373
Total Health and Welfare	3,165,709	3,238,847	3,461,144	3,464,703
Cultural and Recreation				
Land	40,523,880	46,338,991	58,142,877	58,444,248
Intangible Assets	-	-	-	-
Buildings	54,854	59,181	59,181	59,181
Improvements	418,739	418,740	436,771	498,870
Equipment	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	47,023,398	52,851,639	65,289,951	65,677,392

	2007	2008	2009	2010	2011	2012
\$	2,263,452	\$ 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	7,526,440
	204,511	169,292	157,340	157,340	157,339	157,340
	3,130,537	3,813,303	3,004,281	3,234,512	3,033,682	3,057,557
	32,768	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>	<u>13,037,557</u>
	392,693	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	4,243,280
	23,696	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>4,541,652</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>	<u>9,201,321</u>
	2,636,598	2,134,603	2,076,225	2,076,225	2,076,225	2,076,225
	-	501,996	501,996	501,995	501,992	501,995
	8,647,833	8,650,590	8,631,737	8,631,737	8,652,750	8,730,166
	519,598	658,646	658,646	658,646	658,646	658,646
	3,808,547	4,172,762	4,389,229	5,853,702	5,880,409	5,854,744
	<u>27,222,384</u>	<u>30,175,659</u>	<u>30,175,659</u>	<u>31,275,659</u>	<u>31,275,662</u>	<u>31,705,731</u>
	<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>	<u>49,527,507</u>
	3,166,861	4,280,106	4,290,099	4,389,292	4,379,922	4,391,525
	95,243	95,243	95,243	81,380	15,473	15,472
	151,664	149,703	148,807	148,807	146,518	146,520
	56,373	56,373	56,373	56,373	56,373	56,374
	<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>	<u>4,609,891</u>
	74,832,801	61,205,398	65,603,726	80,926,544	80,926,544	81,468,748
	-	27,432,967	43,473,026	45,548,027	45,548,029	45,548,026
	59,181	59,181	59,181	59,181	651,132	782,763
	498,870	488,870	488,870	488,870	1,232,132	1,232,132
	251,059	201,580	336,252	356,682	356,682	367,977
	<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>14,958,175</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>	<u>144,357,821</u>

(Continued)

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

Last Ten Years

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

Source: Pitkin County Fixed Asset Management System

2007	2008	2009	2010	2011	2012
127,833	127,833	127,833	135,036	112,131	112,131
127,833	127,833	127,833	135,036	112,131	112,131
730,050	730,050	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	742,029
<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>	<u>\$ 222,318,307</u>
\$ 10,480,840	\$ 7,873,279	\$ 7,873,279	\$ 7,873,279	\$ 7,873,279	\$ 7,873,279
-	2,955,956	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	21,435,097
7,122,651	18,717,688	18,749,257	18,749,257	18,749,257	18,970,151
30,964,267	30,841,247	51,970,342	52,118,955	52,143,270	56,555,696
6,287,745	6,504,783	7,369,076	8,651,643	8,153,276	9,214,724
95,517,800	87,990,566	93,236,371	95,651,345	108,760,062	117,004,903
50,000	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	998,218
2,055,845	3,337,549	1,629,664	1,629,664	1,629,664	1,655,528
1,227,292	1,054,674	1,094,024	1,094,024	1,426,600	1,446,981
4,262,006	5,013,918	3,304,499	3,188,259	3,518,607	4,150,727
<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>	<u>\$ 121,155,630</u>