

**PITKIN COUNTY, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2014**



**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, 2014

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INTRODUCTORY SECTION



FINANCE

LETTER OF TRANSMITTAL

June 19, 2015

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, 2014.

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 position 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 is reported as a discretely presented component unit. This component unit is reported in a separate column in the combined financial statements to emphasize it is legally separate from the primary government and to differentiate financial position and changes in financial position 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. McMahan & Associates LLC, 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, 2014 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.

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 17,376. 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, planning and zoning, 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. 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 \$4.42 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 (January through May plus December), accounts for 59.4% of the annual total while the months of June

through November account for 40.6% of the annual total. The County estimates that spending by area residents and second homeowners accounts for approximately 40% 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)
2009	\$ 95.3	-66.3%	\$ 13,313.3	-17.3%	\$ 665,665.0	-17.3%	\$ 1,071.8	-21.5%
2010	108.1	13.4%	14,148.7	6.3%	707,438.8	6.3%	1,263.0	17.8%
2011	103.3	-4.4%	15,215.2	7.5%	760,764.2	7.5%	1,268.6	0.4%
2012	128.2	24.1%	15,659.2	2.9%	782,964.0	2.9%	1,486.7	17.2%
2013	136.3	6.3%	16,737.9	6.9%	836,895.4	6.9%	1,311.4	-11.8%
2014	189.6	39.1%	18,153.4	8.5%	907,670.1	8.5%	1,602.0	19.2%

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. Thanks to increased building activity and improved collection procedures, building permit revenues increased by 72% in 2013. Actual building permit value increased by 6.3% in 2013 and increased substantially by 39.1% in 2014.

Sales tax revenue decreased in 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. Sales tax increased by 6.9% in 2013 and 8.5% in 2014.

Real Estate sales slowed down 2009 with a total decrease of 21.5% compared to 2008. Significant reductions in prices occurred in the latter half of 2009 through 2011. Real estate sales for 2012 increased by a substantial 17.1% followed by a decrease of 11.8% in 2013 and rebounded by an increase of 19.2% in 2014.

One of our most impactful financial initiatives in the last few 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 have positively affected our planning process for the 2014 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 2014 that support the plan's strategic statements (listed in bold italics):

❖ ***Vibrant and Supportive Community***

- **Healthy Community Fund** - The Citizen Grant Review Committee reviewed 72 applications and recommended 2014 grant funding for 72 programs (nonprofits, county senior services and contract management) in the amount of \$1,881,616, broken down as follows:
 - 38 Health & Human Service agency proposals in the amount of \$1,225,600,
 - 1 Senior Services proposal in the amount of \$396,016,
 - 33 Community Non-Profit proposals in the amount of \$260,000.
- **Wildfire Protection Plan** – This plan, approved valley-wide by local fire protection agencies, identifies areas where the hazard and potential community impact is greatest and to guide and coordinate community efforts to reduce the risk of wildfire through public education, reducing hazardous fuels and reducing structural ignitability.
- **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. One housing acquisition was made in in 2014. \$7,350,000 was allocated to the 2014 budget for the acquisition and development of housing for community and County employees. The County's Employee Housing Ownership Program was funded with \$300,000 four years ago and has provided fifteen County employees with interest-free loans from \$15,500 to \$20,000 for their primary residence. Over \$42,846 remains available for additional home loans. The County continues to explore land purchase and joint venture possibilities.
- **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 to \$40,000 in 2010 and continued through 2014.

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

- **Future Air Service Study Planning** – In an effort to identify current air service trends and challenges to the Airport, a study has been done to evaluate the impact of changing fleet design and technology. Much has been learned about current aircraft being phased out, next

generation aircraft anticipated to be put into service, the challenges of current wingspan restrictions, and anticipated future FAA airfield standards of safety.

- **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.
- **FM Radio and Television Translator** – The County completed an RFP process for broadband expansion and selected Advantage Engineers as the consultant to kick-off the project in 2015. The first phase of the project will focus on market research and a financial needs assessment, with network architecture and redundant backhaul design slated to begin mid-summer. In 2014, the County also completed infrastructure upgrades at the Elephant Mountain Translator site, replacing decades-old exposed, ground power lines. The County is establishing an aggressive replacement schedule to address existing, inadequate towers at the mountain top sites and looks to replace towers at Williams and Jack Rabbit in 2015.

❖ *Prosperous Economy*

- **Budget** - A balanced 2014 budget and 5-year plan were adopted despite rising labor and benefit costs and increased capital spending. A budget review team that included all Leadership team members and number of managers from a wide number of departments provided a thorough review of budgets. Staff provided the Board with quarterly budget status reports throughout the year.
- **Sustainable Economy** – The County has continued to spend aggressively on capital projects in 2014. The two most substantial projects were the AABC airport pedestrian project and the AABC drainage, pedestrian improvement, and roadway improvement project. The airport pedestrian project greatly improved safety by re-routing people off of congested State Highway 82 to an underground pedestrian-only underpass.
- **Affordable and Quality Healthcare** – The County continues to work with employers, non-profits, and healthcare providers to develop affordable medical and dental care and insurance options in the region through the newly formed Valley Health Alliance. 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

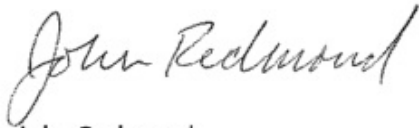
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pitkin County, Colorado, for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2013. The Certificate of 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.

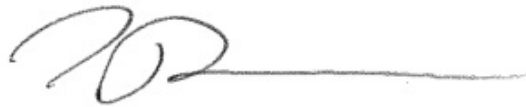
A Certificate of Achievement is valid for a period of one year only. Pitkin County, Colorado has received a Certificate of Achievement for the last thirty-two consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting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



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

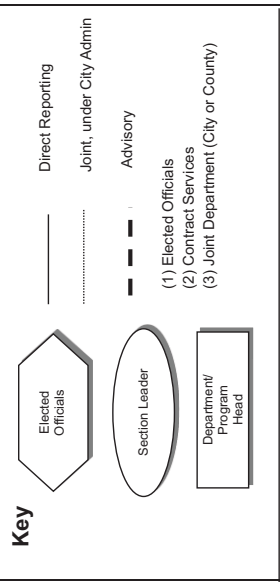
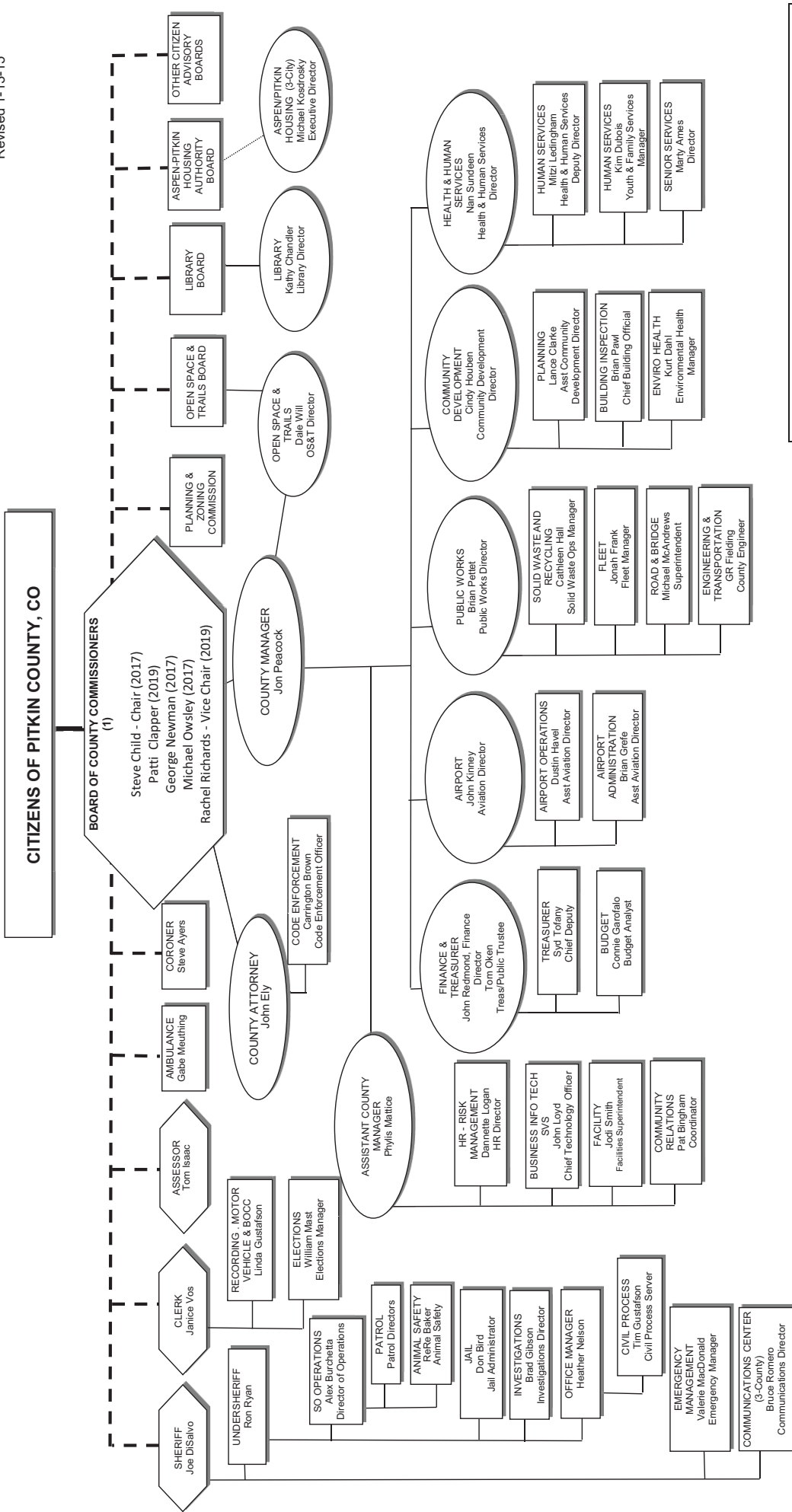
Presented to

**Pitkin County
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO



Pitkin County, Colorado

Principal County Officials

December 31, 2014

Elected Officials

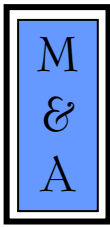
District 1	Rob Ittner (Chair)
District 2	Rachel Richards
District 3	Michael Owsley
District 4	Steve Child (Vice Chair)
District 5	George Newman
Assessor	Tom Isaac
Clerk & Recorder	Janice Vos Claudill
Sheriff	Joe DiSalvo

County Manager

Jon Peacock

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FINANCIAL SECTION



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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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 (the "County"), as of and for the year ended December 31, 2014, 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 includes 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 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 County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluation of the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

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

Member: American Institute of Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT
To the Board of County Commissioners
Pitkin County, Colorado

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pitkin County, Colorado as of December 31, 2014, 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.

Other Matters

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

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements taken as a whole. The introductory section, combining fund financial statements, individual fund budgetary information, combined schedule of cash and investments, combined schedule of governmental revenues by source, the *Local Highway Finance Report*, the Schedule of Passenger Facility Charges Collected and Expended, and the statistical section listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the Pitkin County's financial statements. The combining fund financial statements, the individual fund budgetary information, combined schedule of cash and investments, combined schedule of governmental revenues by source, and the *Local Highway Finance Report* are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT
To the Board of County Commissioners
Pitkin County, Colorado

Other Matters (continued)

Additionally, the Schedule of Passenger Facility Charges Collected and Expended, and the Schedule of Expenditures of Federal Awards included in the Single Audit section are presented for the purpose of additional analysis, as required by the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and are not a required part of the County's financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Passenger Facility Charges Collected and Expended and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2015 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and on compliance.

McMahan and Associates, L.L.C.
June 19, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 ending December 31, 2014. 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 v – xii of this report.

FINANCIAL HIGHLIGHTS

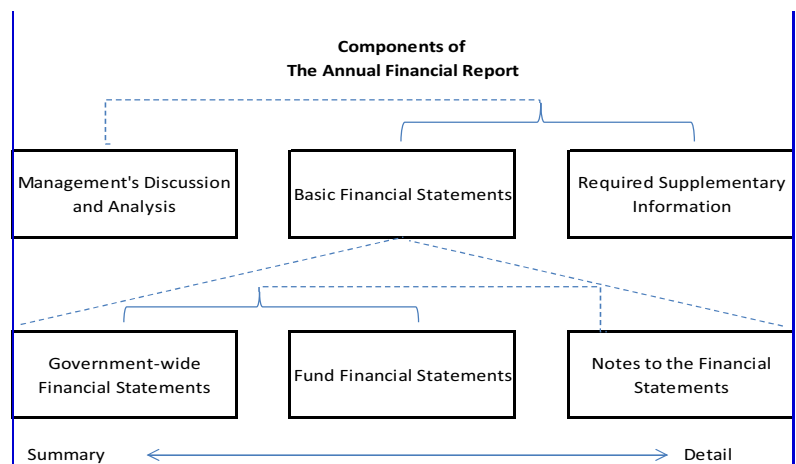
- The County's total net position exceeded its liabilities by \$328,048,500 (net position) at the end of 2014, reflecting an increase of \$12,039,784 (3.8%) in net position during 2014. Net position is defined as assets and deferred outflows minus liabilities and deferred inflows. Governmental activities increased \$11.4 million (5.3%) and business-type assets increased \$.6 million (0.6%). Of this amount, \$247 million represented the net investment in capital assets and the remaining \$81.1 million supports County programs.
- For more than thirty years the City of Aspen provided the county with information technology infrastructure, support services and access to a limited number of shared applications; but, the City did not support the business applications the county used. In 2014, the County began the process of separating network services and created a County department (Business Information and Technology Services – BITS) to provide additional services. The County outsourced network administration and the help desk, replaced MS Office with Google mail services, created a new web page, and hired a records manager in 2014. Additional staff was approved to assist with business process analysis and project implementation in 2015.
- Open Space and Trails Fund continues to acquire open space properties and construct improvements to its trails. During 2014 the program, funded primarily by a dedicated property tax, accomplished the following projects:
 - Pitkin and Eagle counties received a Great Outdoors Colorado grant of \$1 million for the \$5.9 million purchase of the Glassier Ranch. This and previous acquisitions total 282 acres in the Emma area. Planning for use of this property began in 2014, adopted in January 2015.
 - A 34 acre Moore River parcel adjacent to existing open space in the Roaring Fork Gorge was acquired and (\$1.150 million) and negotiation for a 105 acre parcel known as Wheatley parcel in Snowmass Canyon began.
- The County continues to invest in its road infrastructure. Two significant projects were completed in 2014:
 - The Highway 82 pedestrian underpass at the airport is a \$5.5 million project jointly funded by the Roaring Fork Transit Authority (RFTA), Colorado Department of Transportation (CDOT), and the County. The County contributed \$2.3 million from County sales tax and an additional \$1 million from .5% transit sales tax. The entire cost of the project is included in RFTA's financial report so this report only reflects the County's contribution to the project.
 - Improvements to the infrastructure at the Aspen Airport Business Center totaled \$3.3 million with \$1.1 million spend from the 2014 budget.
- The Ambulance District has never increased its mill levy over the 32 years since its creation. In November 2014, the voters approved an increase in property tax to support ambulance services. The district will be able to levy up to \$978,000 in the 2015. The increase will help meet operational needs, and provide funding to replace aging equipment, garage and office space.

- The County completed an RFP process for broadband expansion and selected Advantage Engineers as the consultant to kick-off the project in 2015. The first phase of the project will focus on market research and a financial needs assessment, with network architecture and redundant backhaul design slated to begin mid-summer. In 2014, the County also completed infrastructure upgrades at the Elephant Mountain Translator site, replacing decades-old exposed, ground power lines. The County is establishing an aggressive replacement schedule to address existing, inadequate towers at the mountain top sites and looks to replace towers at Williams and Jack Rabbit in 2015.

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** presents financial information on all funds of Pitkin County’s assets, liabilities, and deferred inflows/outflows of resources, 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** presents information showing how the County’s net position changed during the current calendar year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g. earned but unused vacation leave). 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, fees and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). 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 itself (known as the *primary government*), but also a legally separate library district for which the County is financially accountable. Financial information for the *component unit* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages C1 through C3 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. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary 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, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The governmental fund statements provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains four major governmental funds. Information is presented separately in the governmental fund balance sheet and 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. Data from the other non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in the report.

The County adopts a budget for all its general governmental and proprietary funds. A budgetary comparison statement has been provided for all funds to demonstrate compliance with the state budget statute.

The basic governmental fund financial statements are presented on pages C4 through C9 of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the County charges customers a fee. The two County proprietary funds are classified as enterprise funds and encompass the same functions reported as business-type activities in the government-wide statements: Airport and Solid Waste Center. Proprietary funds provide the same type of information as the government-wide financial statements but in more detail.

The basic enterprise fund financial statements are presented on pages C10 through C13 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside of the governments. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support Pitkin County's own programs.

The County maintains two different types of fiduciary funds. The Pension Trust Fund is used to report the assets held for the Pitkin County Public Employees Retirement Plan (PCPERP). Agency funds are used to report resources held by the County in a custodial capacity for individuals, private organizations and other governments.

The basic fiduciary fund financial statements can be found on pages C14 through C15 of the report.

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 can be found in Section D 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," and found in Section E, 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 in Section F.

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GOVERNMENT-WIDE FINANCIAL ANALYSIS

The County's assets and deferred outflows exceeded liabilities and deferred inflows by \$328,048,500 at the end of 2014. 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:

Pitkin County's Net Position (\$000)

	Governmental		Business-type		Total	
	Activities		Activities			
	2014	2013	2014	2013	2014	2013
Assets:						
Current and other assets	\$ 95,825	\$ 92,999	\$ 20,854	\$ 19,026	\$ 116,679	\$ 112,025
Capital assets	186,026	179,269	82,953	84,323	268,979	263,592
Total Assets	281,851	272,268	103,807	103,349	385,658	375,617
Deferred Outflows:	631	719	-	-	631	719
Liabilities:						
Long-term liabilities	25,204	25,800	3,255	3,552	28,459	29,352
Other liabilities	8,147	9,856	1,083	930	9,230	10,786
Total Liabilities	33,351	35,656	4,338	4,482	37,689	40,138
Deferred Inflows:	20,551	20,190	-	-	20,551	20,190
Net Position:						
Net investment in capital assets	163,996	163,065	82,953	83,919	246,949	246,984
Restricted	28,404	37,793	-	-	28,404	37,793
Unrestricted	36,179	16,284	16,515	14,947	52,694	31,231
Total Net Position	\$ 228,579	\$ 217,142	\$ 99,468	\$ 98,866	\$ 328,047	\$ 316,008

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 72% of the governmental activities' net position and 83% of the business-type activities' net position are invested in capital net of related debt. The Open Space and Trails Fund has invested over \$175 million (net value of \$126 million) for assets since 1991 with funds received from a dedicated property tax, Great Outdoors Colorado grants, and community partnerships. Depreciation on airport assets explains the decrease in the business type investment. 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 this liability.

Of the County's total equity of \$328 million, \$246.9 million represents the net investment in capital assets; \$28.4 million is restricted by parties external to the County; and \$52.6 million is unrestricted. Restricted net position represents resources that are subject to external restrictions on how they may be used. The largest restricted balances for the governmental funds come from sales and use taxes dedicated for transportation needs of the community (\$10 million), and a property tax dedicated for the open space and trails program (\$12.2 million).

The unrestricted net position of \$52.6 million represents the portion available to maintain the County's general obligations to citizens and creditors of which \$16.5 million is held by business-type activities and \$36.1 million is held in governmental activities.

Changes in Net Position

Governmental and business-type activities increased the County's net position by \$12.0 million in 2014. 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:

Pitkin County's Changes in Net Position (\$000)

	Governmental		Business-type		Total	
	Activities		Activities			
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 9,521	\$ 9,057	\$ 13,109	\$ 12,052	\$ 22,630	\$ 21,109
Operating grants/cont.	5,393	4,673	524	937	5,917	5,610
Capital grants/contributions	1,980	1,600	3,004	4,073	4,984	5,673
General revenues:						
Property Taxes	19,873	20,186	-	-	19,873	20,186
Sales taxes	23,318	21,194	-	-	23,318	21,194
Other taxes	678	659	-	-	678	659
Investment earnings	378	287	87	59	465	346
Other	52	-	187	8	239	8
Total Revenues	61,193	57,656	16,911	17,129	78,104	74,785
Expenses:						
Program expenses:						
General government	9,366	8,939	-	-	9,366	8,939
Public safety	8,956	8,240	-	-	8,956	8,240
Public works	19,842	16,818	-	-	19,842	16,818
Health and welfare	5,446	5,043	-	-	5,446	5,043
Culture and recreation	4,768	4,585	-	-	4,768	4,585
Conservation of natural resources	6	5	-	-	6	5
Housing	282	274	-	-	282	274
Interest on long-term debt	1,090	1,170	-	-	1,090	1,170
Airport	-	-	11,996	12,234	11,996	12,234
Solid Waste Center	-	-	4,313	3,813	4,313	3,813
Total Expenses	49,756	45,074	16,309	16,047	66,065	61,121
Change in Net Position	11,437	12,582	602	1,082	12,039	13,664
Net Position:						
Beginning	217,142	204,560	98,866	97,784	316,008	302,344
Ending	\$ 228,579	\$ 217,142	\$ 99,468	\$ 98,866	\$ 328,047	\$ 316,008

Governmental Activities: Governmental activities increased Pitkin County’s net position by \$11.4 million from the prior year for a year ending balance of \$228.6 million. Although budgets are adopted annually, the Board’s budget policy strives for adoption of a balanced five-year plan for all funds. The County’s capital plan is projected for a ten-year period and is supported by a portion of the general sales tax determined annually by the BOCC. The capital plan currently allocates 47% of the sales tax revenues to fund capital projects. The County has invested approximately \$14.9 million in road improvements over the past 3 years.

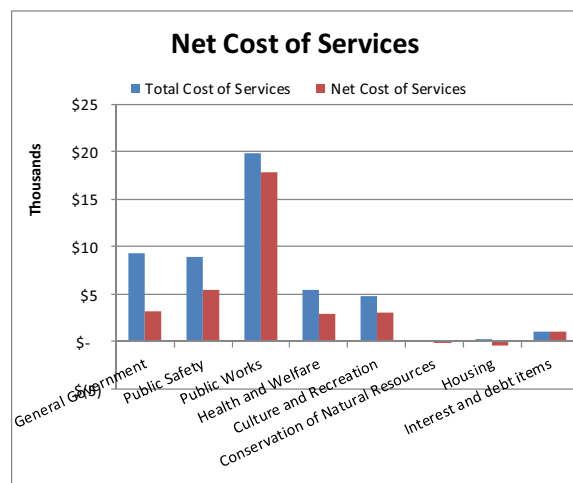
Governmental Functional Revenues

Program revenues provided 27.6% to support of governmental operations. This means that the County’s taxpayers and other general governmental revenues fund 72.4% of the governmental activities. Property, sales and use taxes provide general support for the County’s operations with property tax providing 32.5% and sales and use tax providing 38.1%. Sales tax revenues have steadily increased since the decline in 2009. Sales tax collections are 10.9% over 2013 collections, 16.8% over the previous high in 2009 and 41% over the low in 2009. Fifty-six percent (\$24.7 million) of general revenues are dedicated to support regional transportation and the Open Space and Trails program, and another 13% supports voter approved programs including TV translators, Rivers and Streams, Ambulance and community health and service agencies and non-profits. The balance of approximately \$15 million supports core services (including roads, buildings, law enforcement, public assistance, and community development) for its citizens. Investment income showed a slight increase and provided \$378,102 in 2014.

Governmental Functional Expenses

The public works, general government, and public safety functions make up approximately 76.7% of the total governmental activities expenses. Public works totals 39.9% of total governmental expenses of which 33.4% was spent by the County Road and Bridge Fund (including depreciation of approximately \$1.6 million), 63.4% going to transportation needs of the County and 3.2% to TV/FM translators. The general government function, including the County’s administrative and community development costs, as well as numerous service agencies, totaled 18.8% of the total governmental expenses. Public safety accounted for approximately 18.0% 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. Public safety is the next largest function that requires taxpayer support. This includes law enforcement, dispatch, jail and emergency management services. The third largest component of public expenditures is for health and human services. Support for public assistance, senior programs and cost associated with maintaining the Michael Schultz Health and Human Services building. A dedicated property tax provides funding to local health and human services and community non-profit programs. This tax provides approximately \$2.1 million annually to support local organizations that provide health care services that address



community problems and enhance the quality of life to the elderly, children or families, or agencies that are involved in promoting cultural, recreational, and educational opportunities.

Business-Type Activities

Net position increased by \$601,445 for business-type activities, which is significantly less than in previous years. The airport showed a net loss of \$480,443 and the Solid Waste Center increased \$1,081,888. The government-wide business-type activities statements share the same focus as the proprietary fund statements. Refer to the explanation below for the analysis of results of operations for these two funds.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, Pitkin County uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

Pitkin County uses fund accounting to ensure compliance with finance-related legal requirements. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose either by an external party, or by Pitkin County itself.

At December 31, 2014, the County's governmental funds reported combined fund balances of \$67,246,542, an increase of \$4,175,699 over the prior year. Approximately 6.7% of this amount (\$4.5 million) constitutes unassigned fund balance, which is available for spending at the County's discretion. The remainder of the fund balance is either restricted, committed, or assigned to indicate that it is 1) legally required to be maintained for a specific purpose by outside entities or persons (\$28.4 million), 2) committed by the Board of County Commissioners (\$13.3 million), or 3) assigned for planned or intended actions restricted for particular purposes (\$20.7 million). The fund balances of the four major funds total \$62.4 million; the General Fund represents \$28.1 million, the Employee Housing Impact Fund has \$11.3 million, Transportation Sales and Use Tax Fund has \$10.2 million and the Open Space and Trails Fund represents \$12.8 million.

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.

Taxes provide 53% of the total support for the General Fund. Property taxes garnered \$6.2 million and sales taxes \$7.0 million. Planning and building inspection fees increased nearly 23% over the collections for 2013 (\$593,000) due to continued improvement to the economic climate. The 2014 budget earmarked 47% of the sales tax collections to fund capital projects. Capital projects, especially in to roads, had been deferred since

2008. The County invested over \$9.7 million in road improvements in 2013 and 2014. Two major projects began in 2013, a \$3.3 million underpass at the airport and improvements for the roads, sidewalks and storm water drainage improvements at the Aspen Airport Business Center (\$3.4 million).

The General Fund has a fund balance of \$28.1 million of which \$1.2 million is restricted by state or federal regulations, \$1.3 million is committed by BOCC, and \$21.0 million is assigned for various purposes. The assigned portions include \$9.5 million for capital projects, \$3.6 million for contingencies over the amount required by the state constitution, and \$3.0 million for programs or contributions to offset future health insurance increases. The remaining assigned fund balance is designated for other uses as detailed in Note III.H.

Transportation Sales and Use Tax Fund

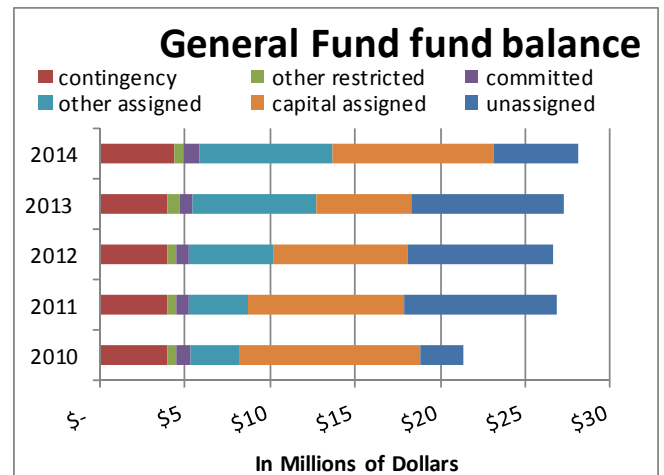
The Transportation Sales and Use Tax Fund collects taxes that support the Roaring Fork Transportation Authority (RFTA) and other transit needs of the valley. A 1% county-wide transportation sales tax is distributed to RFTA, the City of Aspen and the Town of Snowmass Village for mass transit services. A 0.5% transportation sales and use tax is also maintained in this fund. 81% of the 0.5% sales tax is distributed to RFTA. The remaining 0.5% revenues are used to underwrite free bus service between Aspen, Snowmass Village, and Woody Creek and are being saved for a future Entrance-to-Aspen project and a Snowmass Village transit center. Since all of the 1% tax proceeds are distributed, the ending fund balance of \$10.2 million is entirely from the proceeds of the .5% sales and use tax. The pedestrian underpass between the Airport and Aspen Business Center completed in 2014 significantly improves safety at this intersection. The Transportation Sales and Use Tax funded \$1.9 million of the \$4.76 million project with the Roaring Fork Transit Agency, the County’s General Fund, and State Transportation grants. Planning for the design of improvements to the Rubey Park transit center in Aspen began in 2014 and the project is anticipated to begin in 2015.

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 currently has \$12.8 million in fund balance, which fluctuates depending on the capital acquisitions made in any year. Property taxes declined approximately \$600,000 due to the decline in property values. Two significant property acquisitions were accomplished in 2014 and improvements to two sections on the Rio Grande Trail were made. These accomplishments are explained in the Financial Highlights section above.

Housing Impact Fee Fund

The Housing Impact Fee Fund has accumulated \$11.3 million of fund balance from collections of payments from the housing impact fees. A housing Impact fee is assessed on new residential structures exceeding 5,750 square feet, commercial development and development of tourist lodging accommodations. The proceeds of this fee are restricted to help provide affordable housing opportunities to the local workforce that may be unattainable



due to the high cost of housing in resort communities. To this end, the County acquired a unit in Aspen that will be made available to qualified employees under the Aspen/Pitkin County Authority's (APCHA) affordable housing guideline. The County continues to work on strategies and seek opportunities to assist Pitkin County residents find affordable housing close to the resort areas to provide families with a high quality of life. Pitkin County currently owns seven units that are managed by APCHA.

Proprietary Funds

The Airport is the County's primary enterprise fund. The Airport Fund showed a net operating loss of \$4.2 million and a loss in net position of \$480,000. The costs of airport infrastructure and buildings are largely supported by Federal Aviation Administration (FAA) grants. The FAA contributes 90% for the acquisition or construction of capital improvements, so it is not necessary for the operating revenues to cover the annual depreciation expense, which accounted for \$3.8 million of the net operating loss. Operating revenues increased and operating expenses decreased resulting in an increase in net operating income of approximately \$800,000 over 2013. Terminal rents paid by car rental agencies and airlines increased explaining the change in revenues. Building repairs and runway maintenance represent a significant portion of the purchased services category and in 2013 expenses were \$1.1 million more in those areas than 2014 spend. The Pitkin County airport is an important community asset providing access to the Aspen/Snowmass destination resort. Planning for the future needs of the airport continue to be assessed. During 2014, the airport completed and submitted to the BOCC a Future Air Service Study. The study analyzed the current and future commercial air service fleet at the Aspen/Pitkin County Airport and looked at ways to meet FAA design standards while accommodating the future demand at the airport. The total cost of the study was approximately \$1.1 million, paid with airport funds.

The Solid Waste Center Fund showed favorable operating results with net operating income of \$986,307, a favorable change in net position \$1,081,888. Construction and demolition debris increased due to improvement in the economy and growth in building activity. In addition, the BOCC changed the fee structure from volume to weight based structure. June revenues for this waste category increased three fold due to influx of activity from excavation contractors to complete job prior to the increase. Discussions began with the Colorado Department of Public Health and Environment (CDPHE) regarding the feasibility of expanding the landfill that would add an estimated 10 years of life to the site. The permitting process is anticipated to take 18 to 24 months to complete and will require the installation of a synthetic liner in the new permitted area, groundwater analysis and an environmental impact analysis. The management of the landfill continues to implement programmatic improvements to maximize the remaining life of the landfill. Recycling, composting, and education and outreach are an integral to the goals of the landfill. During 2014, the County privatized recycling collection providing single stream recycling for the public. Single stream recycling eliminates the need to separate commodities such as paper, cans, bottles and cardboard. Recycling at the Rio Grande site has increased approximately 20% as a result of this change.

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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 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	87%	65%	44%	28%	6%
Large Cap Stock Funds	6%	14%	22%	29%	37%
Mid Cap Stock Funds	1%	4%	6%	8%	10%
Small cap Stock Funds	1%	2%	3%	4%	5%
Foreign Sock Funds	4%	13%	21%	26%	33%
Commodity Fund	1%	2%	4%	5%	9%
2014 annual investment return	3.2%	3.3%	2.9%	4.1%	3.7%

GENERAL FUND BUDGETARY HIGHLIGHTS

In December 2014, the Board of County Commissioners appropriated \$24.7 million for 2014 General Fund expenditures. The General Fund budget was amended by \$6.7 million to \$32.3 million during the year. The final budget anticipated a decrease of \$6.1 million to the General fund balance.

2014 General Fund Budget

	Original Budget	Amendments	Final Budget	Actual	Variance to Final Budget
Revenue and other financing sources	\$ 22,966,916	\$ 949,371	\$ 23,916,287	\$ 25,795,703	\$ 1,879,416
Expenditures and other financing uses	24,677,065	7,698,138	32,375,203	24,975,100	7,400,103
	<u>\$ (1,710,149)</u>	<u>\$ (6,748,767)</u>	<u>\$ (8,458,916)</u>	<u>\$ 820,603</u>	<u>\$ 9,279,519</u>

Midyear budget amendments included:

- Budget appropriations lapse at year-end, so it is necessary to appropriate budgets for projects not completed in 2013. The net value of these projects totaled \$6.5 million in the General Fund explaining a major portion of the increase to the 2014 budget. Accumulated fund balance from prior periods provides financing for projects that were carried forward. Capital projects that could not be completed during 2013 make up the majority of the carry forward budgets. Road projects account for \$2.8 million with the Highway 82 pedestrian underpass and the AABC road and drainage improvements requiring \$3.4 million. Approximately \$900,000 of technology budget was used to offset some of the startup cost of the separation of information services from the City of Aspen. Building repair projects represented \$700,000, with the courthouse roof and Jail repairs and planning for a major redevelopment of the Courthouse Plaza space. The last major adjustment in the carry forward budget included budget of \$700,000 from the General Fund for the purchase of the Tybar Ranch.

-
- The Community Development department requested a planning officer, plans examiner and administrative assistant in the 2014 budget, however, the request was not included in the original budget. Building activity did increase so the staffing increase was approved and was funding from increased revenue.
 - Significant budget adjustments for the Open Space and Trails Fund included revenue from the Great Outdoors Colorado grant of \$1 million for the acquisition of the Glassier Ranch, and the creations of a dual surface trail on the Rio Grande trail from McLain Flats Road to the narrowing of the canyon at Shale Bluffs.

The final budget projected a General Fund decrease in fund balance of \$8.4 million. Actual revenues exceeded expenditures in the General Fund by \$820,603 reflecting a favorable budget to actual variance of \$9.3 million. Revenues exceeded budget by \$1.8 million and expenditure savings totaled \$7.4 million. Much of the expenditure variance resulted from unfinished projects in 2014. A total of \$921,000 of operating projects and \$4.2 million of capital projects has been added to the 2015 budget, leaving \$2.3 million variance for expenditures. Most of this difference can be explained by savings or deferred capital projects.

Actual revenues exceeded budget by \$1.8 million in total. Favorable budget to actual variance included sales tax (\$273,000), planning and building fees (\$918,472). All of these variances can be explained by an improving economy (more tourism, more building activity and reduced foreclosure activity). The payment-in-lieu-of-taxes is a federal program to offset local governments for the losses in property taxes and to compensate for costs associated with support of Federal lands. The program was funded by congress at 100% for 2014.

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 \$9.5 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.

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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, 2014, was \$186,025,890 and \$82,952,231 respectively. The net investment increased by 3.6% for governmental activities and decreased 1.6% for business-type activities. The overall increase was 2.0% for the County as a whole. See Note III.E for additional information about changes in capital assets during the calendar year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

Pitkin County's Capital Assets (\$000)

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Non-depreciable assets:						
Land and water rights	\$ 93,659	\$ 89,558	\$ 7,923	\$ 7,923	\$ 101,582	\$ 97,481
Intangible assets	45,917	45,917	2,956	2,956	48,873	48,873
Construction in progress	1,108	6,554	1,910	21,922	3,018	28,476
Total non-depreciable assets	140,684	142,029	12,789	32,801	153,473	174,830
Depreciable assets:						
Buildings	26,163	25,744	19,994	19,962	46,157	45,706
Other improvements	1,893	1,899	77,666	58,211	79,559	60,110
Equipment	13,357	13,672	11,355	10,746	24,712	24,418
Infrastructure	56,718	47,209	-	-	56,718	47,209
Total depreciable assets	98,131	88,524	109,015	88,919	207,146	177,443
Less accumulated depreciation	(52,789)	(51,284)	(38,851)	(37,397)	(91,640)	(88,681)
Book value - depreciable assets	45,342	37,240	70,164	51,522	115,506	88,762
Percent depreciated	46%	42%	64%	58%	56%	50%
Book value - all assets	\$ 186,026	\$ 179,269	\$ 82,953	\$ 84,323	\$ 268,979	\$ 263,592

At December 31, 2014 the depreciable capital assets for governmental activities were 46% depreciated compared to 42% at December 31, 2013. 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 has been used which indicates that the County needs to continue planning its replacement of its capital assets. Land and intangible assets represent 75.0% of the total assets showing the continued investment by the open space program.

Investment in governmental assets exceeded the depreciation expense in 2014 resulting in an increase in the net asset value. Three projects in the construction in progress category include the pedestrian underpass at the airport; road improvements at the Aspen Airport Business Center; improvements on the Rio Grande on the sections from Woody Creek to Shale Bluffs; and the acquisition of Glassier Ranch and Moore river parcel. The budgets for the road projects was approximately \$6.6 million with \$1.7 spent in 2014. An affordable housing unit was purchased in 2014 and vehicle acquisitions included replacement of seven sheriff's, three pooled, a civil process, animal control, an Ambulance, a loader, and two Open Space and Trails vehicles.

For the County's business type activities, the asset values were 64% depreciated at December 31, 2014 compared to 62% at December 31, 2013. A mower and runway broom were replaced at the airport and a tractor and recycle vehicles were replaced at the Solid Waste Center.

Long-term Debt

At the end of the calendar year, general obligation bonds and notes of \$15,435,000 and sales tax revenue bonds totaling \$7,135,000 were outstanding. The airport's low-interest loan from the State was repaid during 2014. The County has authorization to issue an additional \$23.17 million of general obligation debt for future open space acquisitions or trail construction projects. Citing the County's strong financial position, Moody's Investor Service continues to rate the County's general obligation bonds as Aa2.

Pitkin County's Outstanding Debt (\$000)

	Governmental		Business-type		Total	
	Activities		Activities			
	2014	2013	2014	2013	2014	2013
General obligation bonds	\$ 11,185	\$ 11,860	\$ -	\$ -	\$ 11,185	\$ 11,860
Sales tax revenue bonds	7,135	7,455	-	-	7,135	7,455
Premiums	90	94	-	-	90	94
Improvement bonds	17	24	-	-	17	24
Notes and loans	4,250	4,250	-	405	4,250	4,655
Landfill closure/postclosure	-	-	3,074	2,973	3,074	2,973
Compensated absences	1,415	1,346	181	175	1,596	1,521
Claims	1,113	771	-	-	1,113	771
Total	<u>\$ 25,204</u>	<u>\$ 25,800</u>	<u>\$ 3,255</u>	<u>\$ 3,553</u>	<u>\$ 28,459</u>	<u>\$ 29,353</u>

See Note III.G for additional information about the County's long-term debt and Note IV.C.2 for discussion of the landfill closure and postclosure care liability.

Economic Factors and Next Year's budgets and rates

Although the County appropriates an annual budget, a five-year budget plan is developed for the all funds. The Financial Advisory Board and an internal budget review team review the budget prior to presentation to the BOCC for approval. The proposed 2015 budget and five year plan continue the major structural changes implemented in 2014 and provide funding to : 1) maintain our roads, bridges and facilities; 2) shift resources to improve efficiency; and 3) focus on the recruitment, retention and development of a qualified and motivated

workforce. Our local recovery continues to show more strength than projected and is reflected in strong sales tax collections and increased building permit activity. The following factors will influence future budgets.

- Pitkin County's sales and property taxes provide significant funding for General Fund programs.
 - Increases to the sales tax revenues are projected to increase 5% in 2015 and 2016 and 3.5% for the following 3 years with 52% of these revenues allocated to the capital plan.
 - Property tax increases for the General Fund is limited to growth and the increase in the Denver/Boulder CPI-U. Property values are revalued every two years based on the sales activity for the twenty-four months prior. Assessed values have declined a total of 30% since the high in 2008. Fortunately, Pitkin County complied with the revenue restrictions of the Taxpayers Bill of Rights (TABOR) by giving a temporary mill levy reduction. The economy is improving and property values in most areas will increase for the 2016 budget year. Although property values will not reach the high seen in pre-recession, this is a good trend for the future.
- Community development fees were strong in 2014 and are projected to increase 15% in 2015 and 6.9% annually between 2016 and 2019 each based on an improved collection process and increased building activity.

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.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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Pitkin County, Colorado
STATEMENT OF NET POSITION

December 31, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets:				
Equity in pooled cash and investments	\$ 67,717,717	\$ 14,123,291	\$ 81,841,008	\$ 8,523,449
Other cash and investments	-	-	-	1,300,785
Cash and investments, restricted	55,534	3,074,158	3,129,692	-
Receivables:				
Accounts	443,764	1,497,045	1,940,809	821
Property taxes	20,550,645	-	20,550,645	3,641,537
Sales taxes	2,351,984	-	2,351,984	-
Intergovernmental	4,324,462	1,781,912	6,106,374	3,722
Inventories, prepaid items, and other assets	153,362	377,136	530,498	-
Noncurrent receivables, net of allowance for uncollectibles	227,153	-	227,153	-
Capital assets not being depreciated	140,684,620	12,788,746	153,473,366	1,589,086
Capital assets, net of accumulated depreciation	45,341,270	70,164,485	115,505,755	2,755,523
Total assets	<u>281,850,511</u>	<u>103,806,773</u>	<u>385,657,284</u>	<u>17,814,923</u>
Deferred outflows of resources:				
Deferred charge on refundings	630,612	-	630,612	-
Total deferred outflows of resources	<u>630,612</u>	<u>-</u>	<u>630,612</u>	<u>-</u>
Liabilities:				
Accounts payable and other current liabilities	5,331,691	809,048	6,140,739	394,444
Accrued liabilities	763,391	64,053	827,444	30,808
Accrued interest payable	119,043	-	119,043	-
Unearned revenue	1,121,248	185,783	1,307,031	-
Deposits	811,103	24,097	835,200	-
Long-term liabilities:				
Portion due or payable within one year:				
Claims payable	445,088	-	445,088	-
Accrued compensated absences	565,850	72,422	638,272	49,325
Bonds payable	1,028,072	-	1,028,072	-
Portion due or payable after one year:				
Closure and post closure costs payable	-	3,074,158	3,074,158	-
Claims payable	667,631	-	667,631	-
Accrued compensated absences	848,774	108,633	957,407	73,987
Bonds payable	17,398,666	-	17,398,666	-
Notes payable	4,250,000	-	4,250,000	-
Total liabilities	<u>33,350,557</u>	<u>4,338,194</u>	<u>37,688,751</u>	<u>548,564</u>
Deferred inflows of resources:				
Property taxes	20,550,645	-	20,550,645	3,641,537
Total deferred inflows of resources	<u>20,550,645</u>	<u>-</u>	<u>20,550,645</u>	<u>3,641,537</u>
Net position:				
Net investment in capital assets	163,996,393	82,953,231	246,949,624	4,344,609
Restricted for:				
Statutory reserve	1,748,747	-	1,748,747	111,828
Debt service	164,778	-	164,778	-
State and federal programs	604,351	-	604,351	-
Voter approved programs	25,886,393	-	25,886,393	9,168,385
Unrestricted	36,179,260	16,515,348	52,694,608	-
Net position	<u>\$ 228,579,921</u>	<u>\$ 99,468,579</u>	<u>\$ 328,048,500</u>	<u>\$ 13,624,822</u>

The accompanying notes are an integral part of this statement.

Pitkin County, Colorado
Statement of Activities
For the Year Ended December 31, 2014

Functions/ Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 9,364,000	\$ 4,744,961	\$ 1,492,961	\$ -
Public safety	8,956,235	2,957,068	517,695	73,299
Public works	19,842,233	504,687	1,159,896	355,000
Health and welfare	5,445,584	417,826	2,167,940	-
Culture and recreation	4,767,737	117,219	-	1,551,375
Conservation of natural resources	6,369	11,521	54,103	-
Housing and development	281,801	767,942	-	-
Interest on long-term debt	1,090,061	-	-	-
Total Governmental Activities	49,754,020	9,521,224	5,392,595	1,979,674
Business-Type Activities				
Airport	11,995,659	7,809,778	523,503	2,989,031
Solid Waste Center	4,312,474	5,298,781	-	14,750
Total Business-Type Activities	16,308,133	13,108,559	523,503	3,003,781
Total Primary Government	\$ 66,062,153	\$ 22,629,783	\$ 5,916,098	\$ 4,983,455
Component Units				
Pitkin County Library District	3,515,081	37,936	1,824,595	-
Total Component Units	\$ 3,515,081	\$ 37,936	\$ 1,824,595	\$ -
General Revenues				
Property taxes				
Sales taxes				
Other shared taxes				
Gain on disposal of assets				
Investment earnings				
			Total General Revenues	
			Change in Net Position	
			Net Position Beginning of the Year	
			Net Position End of the Year	

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (3,126,078)	\$ -	\$ (3,126,078)	\$ -
(5,408,173)	-	(5,408,173)	-
(17,822,650)	-	(17,822,650)	-
(2,859,818)	-	(2,859,818)	-
(3,099,143)	-	(3,099,143)	-
59,255	-	59,255	-
486,141	-	486,141	-
(1,090,061)	-	(1,090,061)	-
<u>(32,860,527)</u>	<u>-</u>	<u>(32,860,527)</u>	<u>-</u>
-	(673,347)	(673,347)	-
-	1,001,057	1,001,057	-
-	327,710	327,710	-
<u>(32,860,527)</u>	<u>327,710</u>	<u>(32,532,817)</u>	<u>-</u>
-	-	-	(1,652,550)
-	-	-	(1,652,550)
19,872,991	-	19,872,991	3,488,775
23,317,658	-	23,317,658	-
678,158	-	678,158	116,344
51,957	187,105	239,062	4,885
378,102	86,630	464,732	84,532
<u>44,298,866</u>	<u>273,735</u>	<u>44,572,601</u>	<u>3,694,536</u>
11,438,339	601,445	12,039,784	2,041,986
<u>217,141,582</u>	<u>98,867,134</u>	<u>316,008,716</u>	<u>11,582,836</u>
<u>\$ 228,579,921</u>	<u>\$ 99,468,579</u>	<u>\$ 328,048,500</u>	<u>\$ 13,624,822</u>

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FUND FINANCIAL STATEMENTS

Pitkin County, Colorado
Balance Sheet
Governmental Funds
For the Year Ended December 31, 2014

	<u>General Fund</u>	<u>Transportation Sales and Use Tax Fund</u>	<u>Open Space and Trails Fund</u>
Assets			
Equity in pooled cash and investments	\$ 27,980,315	\$ 10,921,898	\$ 12,893,742
Receivables:			
Accounts	379,522	117	5,260
Property taxes	6,461,936	-	9,786,858
Sales and use taxes	-	2,242,740	-
Intergovernmental	3,788,279	-	200,000
Due from other fund	33,064	-	-
Inventories, prepaid items, and other assets	153,362	-	-
Restricted cash and investments			
Equity in pooled cash and investments	-	-	-
Loans receivable	227,153	-	-
Total Assets	<u>\$ 39,023,631</u>	<u>\$ 13,164,755</u>	<u>\$ 22,885,860</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts payable	\$ 946,653	\$ 57,527	\$ 55,095
Accrued liabilities	725,729	-	13,599
Intergovernmental payable	1,768,048	2,086,613	250,517
Due to other funds	-	-	-
Funds held in trust	768,137	-	4,500
Unearned revenue	262,166	857,052	-
Total Liabilities	<u>4,470,733</u>	<u>3,001,192</u>	<u>323,711</u>
Deferred Inflows of Resources			
Unavailable property taxes	6,461,936	-	9,786,858
Total Deferred Inflows of Resources	<u>6,461,936</u>	<u>-</u>	<u>9,786,858</u>
Fund Balances			
Nonspendable	380,515	-	-
Restricted for:			
Statutory reserve	784,699	421,256	351,458
Debt service	-	-	-
State and Federal programs	456,839	-	-
Voter approved programs	-	9,619,507	11,870,545
Committed for:			
Programs established by BOCC resolution	934,787	-	-
Ongoing capital projects	327,490	122,800	553,288
Assigned for:			
Subsequent years expenditures	3,184,216	-	-
Various purposes	17,494,059	-	-
Unassigned	4,528,357	-	-
Total Fund Balances	<u>28,090,962</u>	<u>10,163,563</u>	<u>12,775,291</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 39,023,631</u>	<u>\$ 13,164,755</u>	<u>\$ 22,885,860</u>

The accompanying notes are an integral part of this statement.

Employee Housing Impact Fund	Total Non-major Governmental Funds	Total Governmental Funds
\$ 11,356,111	\$ 4,565,651	\$ 67,717,717
-	58,865	443,764
-	4,301,851	20,550,645
-	109,244	2,351,984
-	336,183	4,324,462
-	-	33,064
-	-	153,362
-	55,534	55,534
-	-	227,153
<u>\$ 11,356,111</u>	<u>\$ 9,427,328</u>	<u>\$ 95,857,685</u>
\$ 168	\$ 117,080	\$ 1,176,523
10,368	43,607	793,303
2,095	28,352	4,135,625
-	33,064	33,064
-	28,098	800,735
2,030	-	1,121,248
<u>14,661</u>	<u>250,201</u>	<u>8,060,498</u>
-	4,301,851	20,550,645
-	4,301,851	20,550,645
-	-	380,515
24,688	166,645	1,748,747
-	164,778	164,778
-	147,512	604,351
-	4,396,341	25,886,393
11,316,762	-	12,251,549
-	-	1,003,578
-	-	3,184,216
-	-	17,494,059
-	-	4,528,357
<u>11,341,450</u>	<u>4,875,276</u>	<u>67,246,542</u>
<u>\$ 11,356,111</u>	<u>\$ 9,427,328</u>	<u>\$ 95,857,685</u>

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Pitkin County, Colorado

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION

December 31, 2014

Amounts reported for governmental activities on the statement of net position are different because:

Total fund balance - governmental funds		\$ 67,246,542
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		186,025,891
Long-term liabilities and related deferred items are not due and payable in the current period and, therefore, are not reported in the funds. Long term liabilities and related items include:		
General obligation bonds and notes	\$ (15,435,000)	
Sales tax revenue bonds	(7,135,000)	
Improvement bonds	(16,629)	
Accrued interest payable	(119,043)	
Accrued compensated absences	(1,414,624)	
Claims payable	(1,112,719)	
Unamortized deferred debt refunding costs	630,612	
Unamortized debt issuance premium	<u>(90,109)</u>	
	Net adjustment	<u>(24,692,512)</u>
Total net position - governmental activities		<u>\$ 228,579,921</u>

The accompanying notes are an integral part of this statement.

Pitkin County, Colorado
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2014

	General Fund	Transportation Sales and Use Tax Fund	Open Space and Trails Fund
Revenues			
Taxes	\$ 13,446,029	\$ 13,991,586	\$ 10,122,801
Intergovernmental	3,032,095	-	1,489,348
Licenses and permits	1,608,444	-	8,863
Charges for services	5,990,106	15	8,478
Fines and forfeitures	27,860	-	3,061
Investment earnings	176,954	50,273	70,415
Impact fees	164,859	-	12,308
Contributions and donations	70,473	-	138,558
Miscellaneous	616,947	-	-
Total Revenues	25,133,767	14,041,874	11,853,832
Expenditures			
Current			
General government	9,371,896	-	-
Public safety	8,345,515	-	-
Public works	4,632,069	13,401,323	-
Health and welfare	2,247,894	-	-
Housing	196,500	-	-
Culture and recreation	12,226	-	9,163,398
Debt Service			
Principal	-	-	675,000
Interest and fiscal charges	-	-	663,848
Total Expenditures	24,806,100	13,401,323	10,502,246
Excess (Deficiency) of Revenues Over (Under) Expenditures	327,667	640,551	1,351,586
Other Financing Sources (Uses)			
Sale of capital assets	161,239	-	9,361
Transfers in	500,697	100,000	69,000
Transfers out	(169,000)	-	-
Total Other Financing Sources (Uses)	492,936	100,000	78,361
Net Change in Fund Balances	820,603	740,551	1,429,947
Fund Balances Beginning of Year	27,270,359	9,423,012	11,345,344
Fund Balances End of Year	\$ 28,090,962	\$ 10,163,563	\$ 12,775,291

The accompanying notes are an integral part of this statement.

Employee Housing Impact Fund	Non- major Funds	Total Governmental Funds
\$ -	\$ 6,308,391	\$ 43,868,807
-	2,878,599	7,400,042
-	14,675	1,631,982
63,649	8,706	6,070,954
-	-	30,921
55,148	25,312	378,102
704,110	-	881,277
-	-	209,031
32	52,306	669,285
<u>822,939</u>	<u>9,287,989</u>	<u>61,140,401</u>
-	-	9,371,896
-	502,401	8,847,916
-	3,198,707	21,232,099
-	3,099,193	5,347,087
467,117	-	663,617
-	490,281	9,665,905
-	327,615	1,002,615
-	340,319	1,004,167
<u>467,117</u>	<u>7,958,516</u>	<u>57,135,302</u>
355,822	1,329,473	4,005,099
-	-	170,600
-	58,500	728,197
-	(559,197)	(728,197)
-	(500,697)	170,600
355,822	828,776	4,175,699
<u>10,985,628</u>	<u>4,046,500</u>	<u>63,070,843</u>
<u>\$ 11,341,450</u>	<u>\$ 4,875,276</u>	<u>\$ 67,246,542</u>

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, 2014

Net change in fund balances - total governmental funds			\$ 4,175,699
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 and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:			
Capitalized expenditures		10,348,053	
Depreciation expense		<u>(3,472,452)</u>	
	Net adjustment		6,875,601
The net effect of miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is a decrease to net position:			
			(118,643)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal long-term debt consumes the current financial resources of governmental funds. However, neither transaction has any effect on net position. This is the effect of the difference in the treatment of the repayment of principal of long-term debt in the current year:			
Principal repayments		<u>1,002,615</u>	
	Net adjustment		1,002,615
Some expenses 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. Details of these items are as follows:			
Change in accrued compensated absences		(68,708)	
Change in accrued interest		(1,202)	
Change in claims payable		(342,181)	
Amortization of debt-related deferrals		<u>(84,842)</u>	
	Net adjustment		<u>(496,933)</u>
Change in net position of governmental activities			<u>\$ 11,438,339</u>

The accompanying notes are an integral part of this statement.

Proprietary Funds

Enterprise Funds

Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation and postclosure costs) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through use charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or change in net position 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 through site collections and the sale of recyclables.

Pitkin County, Colorado
STATEMENT OF NET POSITION - PROPRIETARY FUNDS

December 31, 2014

	Business-type Activities - Enterprise Funds		
	Airport	Solid Waste Center	Total
Assets:			
Current assets:			
Cash and investments	\$ 11,094,004	\$ 3,029,287	\$ 14,123,291
Receivables:			
Accounts	1,097,641	399,404	1,497,045
Intergovernmental	1,781,912	-	1,781,912
Inventory	-	377,136	377,136
Total current assets	<u>13,973,557</u>	<u>3,805,827</u>	<u>17,779,384</u>
Noncurrent assets:			
Cash and investments, restricted	-	3,074,158	3,074,158
Capital assets not being depreciated	12,544,066	244,680	12,788,746
Capital assets, net of depreciation	67,983,706	2,180,779	70,164,485
Total noncurrent assets	<u>80,527,772</u>	<u>5,499,617</u>	<u>86,027,389</u>
Total assets	<u>94,501,329</u>	<u>9,305,444</u>	<u>103,806,773</u>
Liabilities:			
Current liabilities:			
Accounts and claims payable	431,196	242,299	673,495
Contracts payable	100,993	-	100,993
Accrued liabilities	50,572	13,481	64,053
Due to other governments	19,163	15,397	34,560
Unearned revenues	185,783	-	185,783
Deposits	24,097	-	24,097
Current portion of compensated absences	56,398	16,024	72,422
Total current liabilities	<u>868,202</u>	<u>287,201</u>	<u>1,155,403</u>
Noncurrent liabilities:			
Accrued compensated absences	84,597	24,036	108,633
Closure and post-closure costs	-	3,074,158	3,074,158
Total noncurrent liabilities	<u>84,597</u>	<u>3,098,194</u>	<u>3,182,791</u>
Total liabilities	<u>952,799</u>	<u>3,385,395</u>	<u>4,338,194</u>
Net position:			
Net investment in capital assets	80,527,772	2,425,459	82,953,231
Restricted for program purposes	13,020,758	-	13,020,758
Restricted for inventory	-	377,136	377,136
Unrestricted	-	3,117,454	3,117,454
Total net position	<u>\$ 93,548,530</u>	<u>\$ 5,920,049</u>	<u>\$ 99,468,579</u>

The accompanying notes are an integral part of this statement.

Pitkin County, Colorado
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

For the Year Ended December 31, 2014

	Business-type Activities - Enterprise Funds		
	Airport	Solid Waste Center	Total
Operating revenues:			
Charges for services	\$ 3,359,001	\$ 5,298,781	\$ 8,657,782
Rents and franchises	4,450,475	-	4,450,475
Miscellaneous	302	-	302
Total operating revenues	<u>7,809,778</u>	<u>5,298,781</u>	<u>13,108,559</u>
Operating expenses:			
Salaries and benefits	2,527,094	808,084	3,335,178
Supplies	239,280	61,784	301,064
Purchased services	5,429,650	3,215,555	8,645,205
Landfill compliance costs	-	101,330	101,330
Depreciation	3,798,928	125,721	3,924,649
Total operating expenses	<u>11,994,952</u>	<u>4,312,474</u>	<u>16,307,426</u>
Operating income (loss)	<u>(4,185,174)</u>	<u>986,307</u>	<u>(3,198,867)</u>
Non-operating revenues (expenses):			
Investment income	60,437	26,193	86,630
Gain (loss) on disposition of assets	132,467	54,638	187,105
Federal and state grants received	523,503	-	523,503
Interest expense	(707)	-	(707)
Total non-operating revenues (expenses)	<u>715,700</u>	<u>80,831</u>	<u>796,531</u>
Income (loss) before contributions and transfers	<u>(3,469,474)</u>	<u>1,067,138</u>	<u>(2,402,336)</u>
Capital contributions	<u>2,989,031</u>	<u>14,750</u>	<u>3,003,781</u>
Change in net position	<u>(480,443)</u>	<u>1,081,888</u>	<u>601,445</u>
Net position - beginning	<u>94,028,973</u>	<u>4,838,161</u>	<u>98,867,134</u>
Net position - ending	<u>\$ 93,548,530</u>	<u>\$ 5,920,049</u>	<u>\$ 99,468,579</u>

The accompanying notes are an integral part of this statement.

Pitkin County, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2014

	Business-type Activities - Enterprise Funds		
	Airport	Solid Waste Center	Total
Cash flows from operating activities:			
Cash received from customers	\$ 7,451,116	\$ 5,364,073	\$ 12,815,189
Cash payments to employees	(2,525,352)	(799,026)	(3,324,378)
Cash payments to suppliers	(5,632,811)	(3,127,173)	(8,759,984)
Net cash provided (used) by operating activities	<u>(707,047)</u>	<u>1,437,874</u>	<u>730,827</u>
Cash flows from noncapital financing activities:			
Grant proceeds received	241,687	-	241,687
Net cash provided (used) by noncapital financing activities	<u>241,687</u>	<u>-</u>	<u>241,687</u>
Cash flows from capital and related financing activities:			
Proceeds from sale of assets	142,627	55,600	198,227
Proceeds from grant awards	2,998,290	-	2,998,290
Capital acquisitions	(2,276,782)	(273,890)	(2,550,672)
Payments of interest	(6,590)	-	(6,590)
Payments on long term debt	(404,617)	-	(404,617)
Net cash provided (used) by capital and related financing activities	<u>452,928</u>	<u>(218,290)</u>	<u>234,638</u>
Cash flows from investing activities:			
Interest received	60,437	26,193	86,630
Net cash provided (used) by investing activities	<u>60,437</u>	<u>26,193</u>	<u>86,630</u>
Net change in cash and cash equivalents	48,005	1,245,777	1,293,782
Cash and cash equivalents - beginning of year	<u>11,045,999</u>	<u>4,857,668</u>	<u>15,903,667</u>
Cash and cash equivalents - ending	<u>\$ 11,094,004</u>	<u>\$ 6,103,445</u>	<u>\$ 17,197,449</u>
Cash and cash equivalents are reported as:			
Cash and cash equivalents	\$ 11,094,004	\$ 3,029,287	\$ 14,123,291
Cash and cash equivalents - Restricted	<u>-</u>	<u>3,074,158</u>	<u>3,074,158</u>
Cash and cash equivalents - ending	<u>\$ 11,094,004</u>	<u>\$ 6,103,445</u>	<u>\$ 17,197,449</u>

The accompanying notes are an integral part of this statement.

Pitkin County, Colorado
Statement of Cash Flows (continued)
Proprietary Funds
For the Year Ended December 31, 2014

	Business-type Activities - Enterprise Funds		
	Airport	Solid Waste Center	Total
<u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u>			
Operating income (loss)	\$ (4,185,174)	\$ 986,307	\$ (3,198,867)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	3,798,928	125,721	3,924,649
(Increase) decrease in accounts receivable	(340,511)	65,292	(275,219)
(Increase) decrease in inventory	-	(2,782)	(2,782)
Increase (decrease) in allowance	-	17,372	17,372
Increase (decrease) in accounts payable	68,733	135,576	204,309
Increase (decrease) in retainage payable	(32,614)	-	(32,614)
Increase (decrease) in compliance costs	-	101,330	101,330
Increase (decrease) in deposits	5,195	-	5,195
Increase (decrease) in unearned revenues	(23,346)	-	(23,346)
Increase (decrease) in accrued expenses	1,742	9,058	10,800
Total adjustments	<u>3,478,127</u>	<u>451,567</u>	<u>3,929,694</u>
Net cash provided (used) by operating activities	<u>\$ (707,047)</u>	<u>\$ 1,437,874</u>	<u>\$ 730,827</u>
Noncash capital and related financing activities:			
Non cash capital contribution	-	14,750	14,750
PFCs in receivables	40,541	-	40,541

The accompanying notes are an integral part of this statement.

Fiduciary 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.

Other Agencies – The County finance department acts as trustee for the Aspen/Pitkin County Housing Authority Mortgage Revenue notes, and also is trustee for the Pitkin County Regional Emergency Telephone Authority.

Other Clearing Funds – This category includes accounts 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
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2014

	<u>Retirement Trust</u>	<u>Agency Funds</u>
Assets		
Equity in pooled cash and investments	\$ 153,292	\$ 2,539,397
Other cash and investments:		
Mutual funds	27,604,010	-
Receivables:		
Forfeitures	13,943	-
Employee retirement loans	757,317	-
Total Assets	<u>28,528,562</u>	<u>\$ 2,539,397</u>
Liabilities		
Accounts payable	166,043	-
Due to other governments	-	1,026,084
Funds held for others	-	1,513,313
Total Liabilities	<u>166,043</u>	<u>\$ 2,539,397</u>
Net Position		
Held in trust for pension benefits	<u>\$ 28,362,519</u>	

The accompanying notes are an integral part of this statement.

Pitkin County, Colorado
Statement of Changes in Fiduciary Net Position
Retirement Trust Fund
For the Year Ended December 31, 2014

	<u>2014</u>
Additions	
Employer contributions	\$ 1,963,426
Investment income:	
Dividends and interest	<u>861,524</u>
Total Additions	<u>2,824,950</u>
Deductions	
Benefits to plan members	1,269,990
Administrative expenses	<u>28,950</u>
Total Deductions	<u>1,298,940</u>
Change in Net Position	1,526,010
Net Position Beginning of Year	<u>26,836,509</u>
Net Position End of Year	<u><u>\$ 28,362,519</u></u>

The accompanying notes are an integral part of this statement.

Component Units

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

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

Pitkin County, Colorado
Statement of Net Position
Discretely Presented Component Unit
December 31, 2014

	<u>Pitkin County Library District</u>
Assets:	
Current Assets	
Equity in pooled cash and investments	\$ 8,523,449
Other cash and investments	1,300,785
Receivables:	
Accounts	821
Property taxes	3,641,537
Intergovernmental	<u>3,722</u>
Total Current Assets	<u>13,470,314</u>
Noncurrent Assets	
Capital assets:	
Nondepreciable capital assets	1,589,086
Depreciable capital assets, net	<u>2,755,523</u>
Total Noncurrent Assets	<u>4,344,609</u>
Total Assets	<u>17,814,923</u>
Liabilities	
Current Liabilities	
Accounts payable	382,726
Accrued liabilities	30,808
Intergovernmental payable	11,718
Compensated absences	<u>49,325</u>
Total Current Liabilities	<u>474,577</u>
Long-term Liabilities	
Compensated absences (net of current portion)	<u>73,987</u>
Total Liabilities	<u>548,564</u>
Deferred Inflows of Resources:	
Unavailable property taxes	<u>3,641,537</u>
Net position:	
Net investment in capital assets	4,344,609
Restricted for:	
Statutory reserve	111,828
Program purposes	2,318,906
Capital Projects	6,849,479
Total net position	<u><u>\$ 13,624,822</u></u>

The accompanying notes are an integral part of this statement.

Pitkin County, Colorado
Statement of Activities
Discretely Presented Component Unit
For the Year Ended December 31, 2014

	Pitkin County Library District
Expenses	
Culture and recreation	\$ 3,515,080
Total Expenses	3,515,080
Revenues	
Program revenues:	
Charges for services	37,936
Operating grants	1,824,595
Total Program Revenues	1,862,531
Net Program Revenues (Expenses)	(1,652,549)
General revenues:	
Taxes	3,605,119
Investment earnings	84,532
Gain asset disposition	4,885
Total General Revenues	3,694,536
Change in Net Position	2,041,987
Net Position Beginning of Year	11,582,835
Net Position End of Year	\$ 13,624,822

The accompanying notes are an integral part of this statement.

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NOTES TO THE FINANCIALS

I. Summary of Significant Account Policies

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 approximately 17,000. 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.

The County's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The most significant policies established by GAAP and used by the County are discussed below.

A. Financial Reporting Entity

The reporting entity is comprised of (a) the primary government, i.e., the County; and (b) organizations for which the County is financially accountable. The County is considered to be financially accountable for a legally separate organization if it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County. 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). Consideration is also given to other organizations that are fiscally dependent i.e., unable to adopt a budget, levy tax, or issue debt with approval by the County. Organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

The accompanying financial statements present the primary government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the County's operations. Separate financial statements are not prepared for the blended component units. The discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County. Each component unit has a fiscal year end of December 31.

I. Summary of Significant Account Policies (continued)

A. Financial Reporting Entity (continued)

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 and in governmental activities in the government-wide financial statements. The District’s capital assets are reported in the governmental activities column on the government-wide statement of net position.

The **Redstone Ranch Acres Improvement District** and the **Twining Flats Improvement District** 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, an election was held to approve an annual property tax levy on the properties in the respective 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 each district. They are reported as special revenue funds and included in the governmental activities column of the government-wide financial statements.

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 County Treasurer, two employees elected by the participants, and two citizens appointed by the Board of County Commissioners. PCPERP is reported as a pension trust fund.

Discretely Presented Component Units

The **Pitkin County Library District** (the “Library District”) is governed by a 7-member board that is appointed by the Board of County Commissioners. The Pitkin County Board of County Commissioners is responsible for the oversight of the day to day operations, approves the Library District’s budget, tax levy and any debt issuances. Management of the County has operational responsibility for the Library District. Although the Library District does not issue separate financial statements, the Library District is a single fund entity and all detailed financial data for the Library District is presented in the basic financial statements of the County.

I. Summary of Significant Account Policies (continued)

A. Financial Reporting Entity (continued)

Jointly Governed Organizations

The Aspen-Pitkin County Housing Authority (“Housing Authority”) was formed in 1982 to management and construct projects that are deed restricted as to the amount rent charged or amount of appreciation on privately owned units. The Housing Authority is governed by a seven member board of directors. The County and the City of Aspen each appoint three directors and one director is appointed jointly. The Housing Authority’s board reports to both the County Commissioners and the City of Aspen’s Council, the County and City of Aspen share net operating expenses equally, and the County and the City of Aspen significantly and equally influence the operations budget. For the year ended December 31, 2014, the County’s proportionate share of the 2014 net operating expenses totaled \$196,500; reported within the County’s General Fund.

The complete audited financial statements for the Aspen-Pitkin County Housing Authority may be obtained from the County’s finance department.

B. Government-wide and Fund Financial Statements

The County’s basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County’s major funds). Government-wide financial statements report information on all activities of the County and its component units. Both government-wide and fund financial statements categorize primary activities as either governmental or business-type. The County’s public safety, public works, health and welfare, culture and recreation, conservation of natural resources, housing and development, and general government functions are classified as governmental activities. The airport and solid waste center operations are classified as business-type activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the County’s governmental functions and business-type activities. The governmental functions are also supported by general government revenues (property taxes, specific ownership taxes, sales taxes, investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants.

Program revenues must be directly associated with the governmental function or business-type activity. Operating grants include operating -specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The government-wide focus is on the sustainability of the County as an entity and the change in the County’s net position resulting from the current year’s operations.

I. Summary of Significant Account Policies (continued)

C. Fund Financial Statements

The financial transactions of the County are reported in individual fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise assets, liabilities, fund equity, revenues and expenditures/expenses.

The fund focus is on current available resources and budgetary and legal compliance.

The County reports the following 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 the 1 cent sales tax that is passed through the County for 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 mills 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 **Employee Housing Impact 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.

The County reports the following proprietary or business-type 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.

I. Summary of Significant Account Policies (continued)

C. Fund Financial Statements (continued)

Additionally, the County reported the following fund types:

Agency Funds account for monies held on behalf of other governments and agencies that use the County as a depository; for property taxes collected on behalf of the other governments or agencies; and for other assets held by the County that are custodial in nature. The County's agency funds include Treasurer's and Clerk's clearing funds, Housing funds, and the Treasurer's tax distribution funds. Agency funds are excluded from reporting in the government-wide financial statements. Budgets are not adopted for the County's agency funds.

The County's **Trust Fund** is used to account for the accumulation of resources and for assets held for qualified County employees in accordance with the Pitkin County's Public Employees Retirement Plan. A budget is not adopted for the County's retirement trust fund.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source, and expenditures or expenses by function.

1. Long-term Economic Focus and Accrual Basis

Both the governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flow.

2. Current Financial Focus and Modified Accrual Basis

The government fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, only current assets and current liabilities generally are included on the balance sheet. Revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this rule is that principal and interest on long-term debt and compensated absences are recorded only when payment is due.

I. Summary of Significant Account Policies (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

2. Current Financial Focus and Modified Accrual Basis (continued)

Accounts receivable that will not be collected within the available period are reported as unearned 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 unearned revenue.

Property taxes, sales and use taxes, franchise taxes, charges for services, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period. Expenditure driven grants are recognized as revenue when qualified expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the County.

3. Financial Statement Presentation

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to the general rule are payments where the amounts are reasonably equivalent to the value of the interfund services provided and other charges between the County's airport and solid waste center functions and various other functions of the County. Elimination of these charges would distort direct costs and program revenues for the airport and solid waste center functions.

Amounts reported as program revenues include 1) fees, fines, and charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds are operation of the County's air terminal and solid waste center. Operating expenses for the enterprise funds include operating expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

I. Summary of Significant Account Policies (continued)

E. Financial Statement Accounts

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.
- 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.

I. Summary of Significant Account Policies (continued)

E. Financial Statement Accounts (continued)

1. Cash, Cash Equivalents, and Investments (continued)

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 Employees' Retirement Plan and the Library District generally follow the County investment policies with the exception of the following expanded investment options:

Retirement Plan - The objective of the PCPERP's 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, equity, real estate and commodity mutual funds with equity allocations ranging from 12% to 81% depending on the model.

Library District - The Library District manages a pool 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. 15-1.1-101 et.seq. The Library District uses mutual fund selections of the PCPERP.

I. Summary of Significant Account Policies (continued)

E. Financial Statement Accounts (continued)

2. 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.

3. Receivables

All property tax and other receivables are reported net of an allowance for uncollectible accounts, where applicable.

Noncurrent receivables in governmental funds consist primarily of housing loans that are generally not expected or scheduled to be collected in the subsequent year, although payment has started on several of the loans.

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.

5. Prepaid Items

Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

I. Summary of Significant Account Policies (continued)

E. Financial Statement Accounts (continued)

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.

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	--

I. Summary of Significant Account Policies (continued)

E. Financial Statement Accounts (continued)

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. Employees earn twenty-two (22) days of vacation leave annually up to five (5) years of service and twenty-eight (28) days thereafter. Vacation leave accrual includes paid holidays. At termination, employees are paid for any accumulated vacation leave.

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. 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."

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 these funds. However, compensated absences and claims that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year. Bonds and capital leases are recognized as a liability in the governmental fund financial statements when due.

I. Summary of Significant Account Policies (continued)

E. Financial Statement Accounts (continued)

9. Bond Premiums and Discounts

On the government-wide and proprietary fund type financial statements, bond premiums and discounts are deferred and amortized over the life of the underlying bonds, using the straight-line method, which approximates the effective interest method. The unamortized portion of the bond premiums and discounts is netted against bonds payable for presentation on the government-wide and proprietary fund statement of net position.

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 expenditures/expenses when incurred.

10. Deferred Outflows and Inflows of Resources

A deferred outflow of resources is a consumption of net assets by the government that is applicable to a future reporting period. The County has one type of deferred outflow: deferred charge on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

A deferred inflow of resources is an acquisition of net assets by the government that is applicable to a future reporting period and so will not be recognized as an inflow of resources (revenue) until that time. The County has only one item that qualifies for reporting in this category, unavailable revenues from property taxes, reported in the governmental balance sheet and on the Statement of Net Position. These amounts are deferred and recognized as an inflow from resources in the period that the amounts become available.

11. 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 spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance - amounts constrained to specific purposes by external providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, by enabling legislation or voter approval.

I. Summary of Significant Account Policies (continued)

E. Financial Statement Accounts (continued)

11. Fund Equity (continued)

- 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 amount is available for expenditure, the committed amount is spent first if allowable, before assigned or unassigned amounts are spent.

In the General Fund, the County strives to maintain an assigned fund balance to be used for unanticipated emergencies and working capital of approximately \$4 million, including the TABOR 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 deferred inflows of resources that relate to debt used to acquire, construct, or improve capital assets. 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.

I. Summary of Significant Account Policies (continued)

E. Financial Statement Accounts (continued)

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 re-appropriated to the subsequent year.

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.

14. Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as "due from other fund" or "due to other funds" on the balance sheet when they are expected to be liquidated within one year. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances". If the receivable or payable is not expected to be liquidated after one year, it is classified as "advances to other funds", or "advances from other fund".

F. Significant Account Policies

1. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the County's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

2. Credit Risk

Receivables in the County's funds are primarily due from other governments. Management believed that the credit risk related to these receivables is minimal.

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

Annual appropriated expenditure budgets are adopted for all governmental funds on a basis consistent with generally accepted accounting principles. Annual appropriation budgets are also adopted for all proprietary funds on a non-GAAP budget basis.

The County followed these procedures in preparing, approving, and enacting its budget for 2014:

- 1.) In October of each year, a proposed operating budget is submitted to the Board of County Commissioners for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. The Financial Advisory Board, budget team and section leaders all provide input to the proposed budget.
- 2.) Public hearings are conducted by the County to obtain taxpayer comments
- 3.) Prior to December 31, the budget is legally adopted at the fund level through passage of a resolution for all County funds, except the fiduciary fund types. Expenditures may not legally exceed appropriations at the fund level.
- 4.) Formal budgetary integration is employed as management control device during the year for the General Fund, special revenue funds, capital projects funds, and the proprietary funds. Management can revise budgets within each fund up to \$50,000 without County Commissioner approval. Revenue and expenditures are monitored by means of a quarterly budget report, comparing budget to actual or projected actual.
- 5.) Any revisions that increase the expenditure of any fund in total must be approved by the Board of County Commissioners by passage of a resolution
- 6.) Budgeted amounts are as originally adopted or as amended by the Board of County Commissioners. All appropriations lapse at year-end. Several supplemental appropriations were adopted in 2014 by the Board of County Commissioners.

The details of the budget calendar follow:

December 15 Statutory deadline for adoption of the budget

December 22 Statutory deadline for Board of County Commissioners to certify all mill levies

Property taxes are not due and payable until after the assessment year has ended, and are not included in the budget or statement of revenues, expenditures, and fund balance of the assessment year.

Property taxes are recorded as deferred inflows from resources in the year that they are levied and measurable. They are recorded as revenue in the year they are available or collected.

II. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

Supplemental appropriations for the primary government during 2014 resulted in budget amendments as follows:

<u>Fund</u>	<u>Original Amount</u>	<u>Final Amount</u>
<i><u>Governmental Activities:</u></i>		
General Fund	\$ 24,578,065	\$ 32,276,203
Special revenue funds:		
Open Space and Trails	5,393,875	16,383,296
Transportation Sales and Use Tax	12,600,254	13,463,891
Road and Bridge	2,597,335	2,617,300
Social Services	1,706,484	1,827,984
Translator Fund	657,686	1,223,986
Healthy Rivers and Streams	870,386	959,429
Ambulance District	558,198	641,339
Redstone Ranch Acres Improvement District	7,428	15,428
Twining Flats Improvement District	17,671	19,671
<i><u>Business-type Activities:</u></i>		
Airport	13,070,259	22,305,787
Solid Waste Center	4,564,622	5,727,872

B. Tabor Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer’s bill of Rights (“TABOR”). TABOR contained revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. The reserve is calculated at 3% of fiscal year spending for fiscal years ending after December 31, 1995. Fiscal year spending excludes bonded debt service and enterprise spending.

Pitkin County, Colorado
Notes to the Financial Statements
December 31, 2014

II. Stewardship, Compliance, and Accountability (continued)

B. Tabor Amendment (continued)

At December 31, 2014, the following fund balances have been restricted to meet the approximate required TABOR reserve:

General Fund	\$ 784,699
Open Space and Trails	351,458
Transportation Sales and Use Tax	421,256
Employee Housing Impact	24,688
Social Services	38,654
Translator Fund	23,883
Healthy Community Fund	62,516
Healthy Rivers and Streams	27,498
Ambulance District	13,313
Redstone Ranch Acres Improvement District	269
Twining Flats Improvement District	512
Total Primary Government	<u>1,748,747</u>
Library District	<u>111,828</u>
Total Reporting Entity	<u><u>\$ 1,860,575</u></u>

Pitkin County voters have approved ballot questions to exempt the County and Library District from the revenue limitations of the TABOR amendment.

III. Detailed Notes on All Funds

A. Cash and Investments

The County Treasurer pools cash and investments that are available for use by each of the County's Governmental, Proprietary and Agency funds as well as on behalf of other governmental entities and agencies. Additionally, several of the County's funds hold restricted and unrestricted cash balances. Cash and investments held by the County Treasurer at December 31, 2014, consisted of the following:

Cash on hand	\$ 8,500
Deposits	79,296,900
Investments	45,527,892
Pools	258,341
Total	<u><u>\$ 125,091,633</u></u>

Colorado Statutes require the County to make deposits in eligible public depositories as defined by the Colorado Public Deposit Protection Act of 1989 ("PDPA"). The PDPA specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance ("FDIC") on deposits held. Each eligible depository in excess of the insured levels must pledge a collateral pool of defined eligible assets maintained by another institution or held in trust for all of its local government depositors as a group with a market value equal to at least 102 percent of the uninsured deposits.

Pitkin County, Colorado
Notes to the Financial Statements
December 31, 2014

III. Detailed Notes on All Funds (continued)

A. Cash and Investments (continued)

The PDPA also allows financial institutions to purchase a fidelity bond to provide protection for public monies. The State Regulatory Commission for banks and savings and loan associations are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. The County had bank deposits of \$79,584,054 at December 31, 2014. Of this balance, \$26,706,876 is covered by depositor's insurance, and the remaining \$52,877,178 is collateralized with securities held by the pledging financial institution's trust department or agent in the County's name, or in a pledged collateral pool.

A difference of \$287,154 exists between bank deposit balances and book balances, due primarily to deposits in transit and/or outstanding checks at December 31, 2014.

At December 31, 2014, the County held the following investments:

	S&P/ Moody's Rating	Carrying Amounts	Investment Maturities (in years)	
			Less Than 1	1 - 5
U.S. Agencies and Instrumentalities	AA+/Aaa	\$ 16,613,537	\$ 16,613,537	\$ -
Local Government Investment Pools	AAAm	258,341	258,341	-
Mutual Funds	AAAm	28,914,355	28,914,355	-
Total		<u>\$ 45,786,233</u>	<u>\$ 45,786,233</u>	<u>\$ -</u>

Interest Rate Risk – 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 I.E.1.

Custodial Risk – 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 this risk, the County requires SIPC and supplemental insurance coverage of investments held in the County's accounts at brokerage dealers. Also, the County only maintains accounts with primary dealers, i.e., securities broker-dealers and banks that trade U.S. government securities with the Federal Reserve Bank of New York.

Concentration of Credit Risk – is the risk of loss attributable to the concentration of the County's investments in a single issuer. At December 31, 2014, five percent (5%) or more of the County's investments were in the following issuers:

<u>Issuer:</u>			
Federal Home Loan Mortgage Corporation	\$	8,607,727	18.80%
Federal Home Loan Bank		8,005,810	17.49%

III. Detailed Notes on All Funds (continued)

A. Cash and Investments (continued)

Local Government Investment Pools – At December 31, 2014, the County had invested \$258,341 in the Colorado Government Liquid Asset Trust (“COLOTRUST”), Colorado Statewide Investment Program (“CSIP”) and CSAFE. These are investment vehicles established by State statute for local government entities in Colorado to pool surplus funds for investment purposes, and are registered with the State Securities Commissioner. They operate similar to money market funds and each share is equal in value to \$1. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. The County has no regulatory oversight for the pools.

Restricted Cash and Investments

At December 31, 2014, the County held restricted funds of \$55,534 in the Transit Debt Service Fund to be used toward the payment of principal and interest payments associated with the County’s 2010 Sales Tax Revenue Bonds outstanding.

The Solid Waste Center Fund had restricted cash and cash equivalents in the amount of \$3,074,158 to fund estimated cost to close the landfill and provide 30 years of post-closure care.

Other Cash and Investments

At December 31, 2014, the County’s pension trust fund’s investments included \$27,604,010 of mutual funds held by its third-party trustee, Wells Fargo.

The Pitkin County Library District, a component unit of the County, had mutual funds totaling \$1,300,785 held in accounts with the various mutual fund companies at Charles Schwab and Co., Inc. At December 31, 2014, five percent (5%) or more of the Pitkin County Library District’s investments were in the following issuers:

<u>Issuer:</u>		
Fidelity Floating Rate	\$ 456,045	35.06%
Vanguard Intermediate Term Bond Index	109,455	8.41%
Loomis Sayles Investment Grade Bonds	108,360	8.33%
PIMCO RCM Total Return Institutional	106,830	8.21%
Vanguard Short-term Bond Index	80,681	6.20%
PIMCO Low Duration Bond	74,336	5.71%

Pitkin County, Colorado
Notes to the Financial Statements
December 31, 2014

III. Detailed Notes on All Funds (continued)

A. Cash and Investments (continued)

The County's total cash and investments are reported within these financial statements as follows:

<u>Fund Reporting Level:</u>	<u>Pooled Cash and Investments</u>	<u>Other Investments</u>
<i>Governmental Funds:</i>		
Equity in pooled cash and investments - unrestricted	\$ 67,717,717	\$ -
Cash and investments - restricted	55,534	-
<i>Business-type Activities:</i>		
Equity in pooled cash and investments - unrestricted	14,123,291	-
Cash and investments - restricted	3,074,158	-
<i>Discretely Presented Component Units:</i>		
Equity in pooled cash and investments - unrestricted	8,523,449	-
Other cash and investments	-	1,300,785
<i>Fiduciary Funds:</i>		
Equity in pooled cash and investments - unrestricted	2,692,689	-
Mutual funds	-	27,604,010
	<u>\$ 96,186,838</u>	<u>\$ 28,904,795</u>

B. Receivables

Receivables at December 31, 2014, consisted of taxes, interest, accounts (billings for user charges), and intergovernmental receivables arising from grants. Receivables and payables are recorded on the County's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability. All receivables are deemed to be fully collectible so no allowance is necessary.

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.

III. Detailed Notes on All Funds (continued)

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 Board of 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.

Pitkin County, Colorado
Notes to the Financial Statements
December 31, 2014

III. Detailed Notes on All Funds (continued)

E. Fixed Assets

Capital asset activity for the year ended December 31, 2014 was as follows:

Primary Government

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 89,557,557	\$ 4,101,862	\$ -	\$ 93,659,419
Intangible assets	45,917,152	-	-	45,917,152
Construction in progress	6,553,691	679,783	(6,125,425)	1,108,049
Total capital assets not being depreciated	<u>142,028,400</u>	<u>4,781,645</u>	<u>(6,125,425)</u>	<u>140,684,620</u>
Depreciable capital assets:				
Buildings	25,743,798	420,387	(1,323)	26,162,862
Improvements other than buildings	1,898,500	-	(5,997)	1,892,503
Machinery and equipment	13,672,302	1,763,062	(2,078,250)	13,357,114
Infrastructure	47,209,291	9,508,384	-	56,717,675
Total depreciable capital assets	<u>88,523,891</u>	<u>11,691,833</u>	<u>(2,085,570)</u>	<u>98,130,154</u>
Less accumulated depreciation for:				
Buildings	(15,372,764)	(510,983)	1,323	(15,882,424)
Improvements other than buildings	(910,279)	(71,504)	5,997	(975,786)
Machinery and equipment	(7,639,722)	(984,267)	1,959,607	(6,664,382)
Infrastructure	(27,360,594)	(1,905,698)	-	(29,266,292)
Total accumulated depreciation	<u>(51,283,359)</u>	<u>(3,472,452)</u>	<u>1,966,927</u>	<u>(52,788,884)</u>
Total depreciable capital assets, net	<u>37,240,532</u>	<u>8,219,381</u>	<u>(118,643)</u>	<u>45,341,270</u>
Governmental activities capital assets, net	<u>\$ 179,268,932</u>	<u>\$ 13,001,026</u>	<u>\$ (6,244,068)</u>	<u>\$ 186,025,890</u>

Pitkin County, Colorado
Notes to the Financial Statements
December 31, 2014

III. Detailed Notes on All Funds (continued)

E. Fixed Assets (continued)
Primary Government (continued)

	Beginning Balance	Increase	Decrease	Ending Balance
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	21,921,986	1,537,039	(21,549,514)	1,909,511
Total assets not being depreciated	<u>32,801,221</u>	<u>1,537,039</u>	<u>(21,549,514)</u>	<u>12,788,746</u>
Depreciable capital assets:				
Buildings	19,962,049	38,442	(6,405)	19,994,086
Improvements other than buildings	58,211,225	21,361,105	(1,906,350)	77,665,980
Machinery and equipment	10,746,420	1,178,330	(569,522)	11,355,228
Total depreciable capital assets	<u>88,919,694</u>	<u>22,577,877</u>	<u>(2,482,277)</u>	<u>109,015,294</u>
Less accumulated depreciation for:				
Buildings	(6,389,761)	(467,388)	5,442	(6,851,707)
Improvements other than buildings	(24,741,907)	(2,708,165)	1,896,211	(25,553,861)
Machinery and equipment	(6,265,668)	(749,096)	569,523	(6,445,241)
Total accumulated depreciation	<u>(37,397,336)</u>	<u>(3,924,649)</u>	<u>2,471,176</u>	<u>(38,850,809)</u>
Total depreciable capital assets, net	<u>51,522,358</u>	<u>18,653,228</u>	<u>(11,101)</u>	<u>70,164,485</u>
Business-type activities capital assets, net	<u>\$ 84,323,579</u>	<u>\$ 20,190,267</u>	<u>\$ (21,560,615)</u>	<u>\$ 82,953,231</u>

Discretely Presented Component Units:

	Beginning Balance	Increase	Decrease	Ending Balance
Library District:				
Capital assets not being depreciated:				
Land	144,263	-	-	144,263
Construction in progress	131,211	1,313,612	-	1,444,823
Total assets not being depreciated	<u>275,474</u>	<u>1,313,612</u>	<u>-</u>	<u>1,589,086</u>
Depreciable capital assets:				
Buildings	6,053,922	-	-	6,053,922
Improvements other than buildings	13,672	-	-	13,672
Library collections	814,280	149,867	(158,911)	805,236
Machinery and equipment	386,843	-	-	386,843
Total depreciable capital assets	<u>7,268,717</u>	<u>149,867</u>	<u>(158,911)</u>	<u>7,259,673</u>
Less accumulated depreciation for:				
Buildings	(3,302,516)	(186,887)	-	(3,489,403)
Improvements other than buildings	(12,454)	(418)	-	(12,872)
Library collections	(606,667)	(147,626)	96,671	(657,622)
Machinery and equipment	(333,417)	(10,836)	-	(344,253)
Total accumulated depreciation	<u>(4,255,054)</u>	<u>(345,767)</u>	<u>96,671</u>	<u>(4,504,150)</u>
Total depreciable capital assets, net	<u>3,013,663</u>	<u>(195,900)</u>	<u>(62,240)</u>	<u>2,755,523</u>
Total capital assets, net Library District	<u>\$ 3,289,137</u>	<u>\$ 1,117,712</u>	<u>\$ (62,240)</u>	<u>\$ 4,344,609</u>

Pitkin County, Colorado
Notes to the Financial Statements
December 31, 2014

III. Detailed Notes on All Funds (continued)

E. Fixed Assets (continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 286,290
Public safety	493,307
Public works	1,728,105
Health and welfare	130,841
Culture and recreation	788,969
Conservation of natural resources	6,369
Housing and development	38,571
Total governmental activities depreciation expense	<u>\$ 3,472,452</u>

Business-type activities:

Airport	\$ 3,798,928
Solid waste center	125,721
Total business-type activities depreciation expense	<u>\$ 3,924,649</u>

F. Interfund Transfers and Due to/Due from

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, 2) to move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and 3) provide additional resources for current operations or debt service.

All County transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

The following interfund transfers occurred during the year ended December 31, 2014:

Transferred to	Transferred from		
	General	Nonmajor Governmental Funds	Total
General Fund	\$ -	\$ 500,697	\$ 500,697
Open Space and Trails Fund	69,000	-	69,000
Transportation Sales and Use Tax Fund	100,000	-	100,000
Nonmajor Governmental Funds	-	58,500	58,500
Total	<u>\$ 169,000</u>	<u>\$ 559,197</u>	<u>\$ 728,197</u>

III. Detailed Notes on All Funds (continued)

G. Long-term Debt

Governmental Activities:

1. 2006 General Obligation Refunding Bonds

The County issued \$9,815,000 of Pitkin County General Obligation Refunding Bonds on December 21, 2006. The bonds bear interest rates from 4% to 4.5%, and mature in annual increments from December 1, 2001 through 2036. The proceeds were used to advance refund \$7,890,000 of the Series 2000 Bonds and provide approximately \$1,560,000 for future open space acquisitions. The refunded Series 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, 2014 was \$8,710,000.

2. 2010 Series A and B 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 bonds mature in annual increments from December 1, 2011 through 2040. The proceeds of the bonds were used 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 Emergency Telephone 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, 2014 was \$7,135,000. During 2014 the debt service for these bonds totaled \$658,683, and the pledged revenue was \$9,015,888. The annual payment of principal and interest on the bonds are secured by a reserve fund.

3. 2013 General Obligation Refunding Bonds

On December 20, 2013 the County issued \$2,845,000 of General Obligation Refunding Bonds, Series 2013. The Bonds have a stated interest rate of 2.18%, and mature in annual increments from December 1, 2014 through 2024. The bonds were issued to refund the County's Series 2003 General Obligation Refunding Bonds. The principal balance outstanding at December 31, 2014 was \$2,475,000.

III. Detailed Notes on All Funds (continued)

G. Long-term Debt (continued)

Governmental Activities (continued):

4. Pitkin County General Obligation Open Space Acquisition Note – Joy Smith Property

A note in the amount of \$4,250,000 was executed September 25, 2001 for the acquisition of property commonly known as the Joy Smith Property. The note bears interest at a rate of 5.3% with annual interest only payments through 2021. Principal payment is due in its entirety on September 25, 2021. This debt is voter approved and is supported by a pledge of the County's full faith and credit.

5. Twining Flats General Improvement Bonds

The Twining Flats General Improvement District issued bonds in 2006 to provide funds for improvements to the roads within 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 rate of 5.1% and mature in annual increment annually through 2016. The principal amount outstanding at December 31, 2014 was \$16,629.

Business-type Activities:

6. SIB Loans

In 2005, the County entered into a loan agreement with the State Infrastructure Bank via the Colorado Department of Transportation to fund infrastructure at the County's airport. The original principal balance was \$840,000 with annual payments of \$103,564. The loan has a stated interest rate of 4% and matures in 2015. This loan was fully repaid at December 31, 2014.

In 2006, the County entered into a loan agreement with the State Infrastructure Bank via the Colorado Department of Transportation to fund additional infrastructure at the County's airport. The original principal balance was \$900,000 with annual payments of \$110,962. The loan has a stated interest rate of 4% and matures in 2015. This loan was fully repaid at December 31, 2014.

Pitkin County, Colorado
Notes to the Financial Statements
December 31, 2014

III. Detailed Notes on All Funds (continued)

G. Long-term Debt (continued)

7. Annual Debt Service Requirements

Annual debt service requirements to maturity for governmental activities are as follows:

Years Ending December 31	Governmental Activities					
	2006 General Obligation		2010A & B Sales Tax Revenue		2013 General Obligation	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 320,000	\$ 367,500	\$ 325,000	\$ 330,463	\$ 375,000	\$ 53,955
2016	335,000	354,700	330,000	323,963	380,000	45,780
2017	350,000	341,300	340,000	315,225	200,000	37,496
2018	365,000	327,300	350,000	306,300	200,000	33,136
2019	380,000	312,700	360,000	295,800	210,000	28,776
2020 - 2024	2,150,000	1,322,300	1,990,000	1,288,715	1,110,000	73,793
2025 - 2029	2,655,000	846,625	1,330,000	895,615	-	-
2030 - 2034	1,595,000	311,175	835,000	616,100	-	-
2035 - 2039	560,000	38,025	1,040,000	303,691	-	-
2040	-	-	235,000	16,307	-	-
Total	\$ 8,710,000	\$ 4,221,625	\$ 7,135,000	\$ 4,692,179	\$ 2,475,000	\$ 272,936

Years Ending December 31	Governmental Activities					
	Open Space Acquisition Note		Twining Flats Improvement		TOTAL	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ -	\$ 225,250	\$ 8,072	\$ 848	\$ 1,028,072	\$ 978,016
2016	-	225,250	8,557	436	1,053,557	950,129
2017	-	225,250	-	-	890,000	919,271
2018	-	225,250	-	-	915,000	891,986
2019	-	225,250	-	-	950,000	862,526
2020 - 2024	4,250,000	450,500	-	-	9,500,000	3,135,308
2025 - 2029	-	-	-	-	3,985,000	1,742,240
2030 - 2034	-	-	-	-	2,430,000	927,275
2035 - 2039	-	-	-	-	1,600,000	341,716
2040	-	-	-	-	235,000	16,307
Total	\$ 4,250,000	\$ 1,576,750	\$ 16,629	\$ 1,284	\$ 22,586,629	\$ 10,764,774

Pitkin County, Colorado
Notes to the Financial Statements
December 31, 2014

III. Detailed Notes on All Funds (continued)

G. Long-term Debt (continued)

8. Changes in Long-term Debt

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due in One Year</u>
Governmental Activities:					
General obligation:					
Series 2006	\$ 9,015,000	\$ -	\$ 305,000	\$ 8,710,000	\$ 320,000
Series 2013	2,845,000	-	370,000	2,475,000	375,000
Sales tax revenue series 2010 A&B	7,455,000	-	320,000	7,135,000	325,000
Open space acquisition note	4,250,000	-	-	4,250,000	-
Twining Flats improvement bonds	24,244	-	7,615	16,629	8,072
Deferred amounts:					
Issuance premiums	94,189	-	4,080	90,109	-
Claims payable	770,538	4,174,422	3,832,240	1,112,719	445,088
Compensated absences	1,345,916	1,603,530	1,534,822	1,414,624	565,850
Total - Governmental Activities	<u>\$ 25,799,887</u>	<u>\$ 5,777,952</u>	<u>\$ 6,373,757</u>	<u>\$ 25,204,081</u>	<u>\$ 2,039,009</u>
Business-type Activities:					
SIB Loans:					
2005	\$ 195,332	\$ -	\$ 195,332	\$ -	\$ -
2006	209,285	-	209,285	-	-
Landfill closure and post-closure	2,972,828	101,330	-	3,074,158	-
Compensated absences	175,280	250,125	244,350	181,055	72,422
Total - Business-type Activities	<u>\$ 3,552,725</u>	<u>\$ 351,455</u>	<u>\$ 648,967</u>	<u>\$ 3,255,213</u>	<u>\$ 72,422</u>
Component Units:					
Pitkin County Library District:					
Compensated absences	\$ 132,006	\$ 194,690	\$ 203,384	\$ 123,312	\$ 49,325
	<u>\$ 132,006</u>	<u>\$ 194,690</u>	<u>\$ 203,384</u>	<u>\$ 123,312</u>	<u>\$ 49,325</u>

The Open Space acquisition notes are being repaid by the Open Space Fund and the General Obligation bonds are being repaid by the 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 55% of the salaries are incurred in the General Fund. The outstanding claims are being paid by the General Fund. Further details of claims are provided in Note IV.B.

III. Detailed Notes on All Funds (continued)

G. Long-term Debt (continued)

9. Conduit Debt

From time to time, the County has issued 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, nor the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2014, there were three series of Industrial Revenue bonds outstanding with an aggregate principal amount payable of \$49,750,000.

H. Fund Balance Disclosures

The County has reported the following restricted fund balances:

	Primary Government	
	General Fund	Other Funds
Restricted for statutory reserves	\$ 784,699	\$ 964,048
Restricted for debt service	-	164,778
Restricted for federal programs	456,839	147,512
Restricted for voter approved programs	-	25,886,393
	<u>\$ 1,241,538</u>	<u>\$ 27,162,730</u>

The County has reported the following committed fund balances:

	Primary Government			
	General Fund	Transportation Sales and Use Tax	Open Space and Trails	Other Funds
Committed for open space and parks	\$ 729,478	\$ -	\$ -	\$ -
Committed for clerk's programs	205,309	-	-	-
Committed for ongoing capital projects	327,490	122,800	553,288	-
Committed for affordable housing	-	-	-	11,316,762
	<u>\$ 1,262,277</u>	<u>\$ 122,800</u>	<u>\$ 553,288</u>	<u>\$ 11,316,762</u>

III. Detailed Notes on All Funds (continued)

H. Fund Balance Disclosures (continued)

The County has ongoing commitments to various projects. General Fund commitments for capital projects include contracts for a document management audit and acquisition of a new community development software system. Architectural services for the remodel of the Rubey Park bus station is being funded by the Transportation Sales and Use Tax Fund. The Open Space and Trails Fund has several ongoing projects including the design and landscaping for the Elk Park redesign, Smuggler forestry clearing, and environmental studies on various Open Space properties. A summary of these ongoing capital project commitments is as follows:

	Original Commitment	Spent to Date	Remaining Commitment
General Fund	\$ 880,753	\$ 553,263	\$ 327,490
Transportation Sales and Use Tax Fund	630,237	507,437	122,800
Open Space and Trails Fund	1,144,362	591,074	553,288
	<u>\$ 2,655,352</u>	<u>\$ 1,651,774</u>	<u>\$ 1,003,578</u>

The Board of County Commissioners has assigned fund balance for the following purposes:

	General Fund
Appropriated for expenditure in the 2015 budget for operations	\$ 3,184,216
Assigned to balance five-year budget	350,000
A minimum fund balance for working capital	3,636,304
Contributions assigned for the Topsy Taxi program	104,284
Contributions assigned for Vietnam Veteran Memorial maintenance	2,360
Assigned to fund future employee health claims	3,012,314
Assigned to fund claims payable	1,112,719
Assigned for future capital projects for animal shelter	90,000
Assigned for future capital projects	9,186,078
	<u>\$ 20,678,275</u>

IV. Other Information

A. Pension Plans

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.

IV. Other Information (continued)

A. Pension Plans (continued)

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, Title 24-54-107(1). All full-time employees of the County and the Library District participate in the plan after six months of employment. The County contributed 13.0% of participants' compensation to the plan during 2014 and purchased replacement insurance coverage for Social Security's life, disability and survivor benefits at a cost of 1% of participants' compensation. Employee contributions are not allowed under the plan. 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.

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.

The following table reflects information about the contributions to the retirement plan for the last three years:

	2014	2013	2012
Total salaries	\$ 16,990,746	\$ 15,727,467	\$ 15,591,754
Eligible salaries	15,103,277	13,241,523	13,741,558
Percent of contribution by County	13.00%	13.00%	12.45%
County contributions	1,963,426	1,721,398	1,710,824

B. Risk Management

1. County's Worker's 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. Risk retention of \$400,000 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 \$400,000.

IV. Other Information (continued)

B. Risk Management (continued)

1. County’s Worker’s Compensation Self Insurance Program (continued)

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 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 unpaid claims includes an amount for claims that have been incurred but not reported (“IBNR”). Changes in the liability during the past three years are as follows:

	2014	2013	2012
Unpaid claims, beginning	\$ 338,916	\$ 317,514	\$ 193,498
Incurred claims, including IBNRs	575,645	274,856	256,030
Claims paid	(352,362)	(253,454)	(132,014)
Unpaid claims, ending	<u>\$ 562,199</u>	<u>\$ 338,916</u>	<u>\$ 317,514</u>

2. County General Liability Insurance Program

The County is exposed to risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. 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.

IV. Other Information (continued)

B. Risk Management (continued)

2. County General Liability Insurance Program (continued)

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>2014</u>	<u>2013</u>	<u>2012</u>
Unpaid claims, beginning	\$ 110,089	\$ 169,854	\$ 44,735
Incurred claims, including IBNRs	113,149	10,938	219,389
Claims paid	<u>(9,294)</u>	<u>(70,703)</u>	<u>(94,270)</u>
Unpaid claims, ending	<u><u>\$ 213,944</u></u>	<u><u>\$ 110,089</u></u>	<u><u>\$ 169,854</u></u>

3. 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 \$100,000 per individual and \$2,773,000 for the year. 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.

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>2014</u>	<u>2013</u>	<u>2012</u>
Unpaid claims, beginning	\$ 321,533	\$ 676,794	\$ 539,982
Incurred claims, including IBNRs	3,281,479	2,612,453	3,623,066
Claims paid	<u>(3,266,436)</u>	<u>(2,967,714)</u>	<u>(3,486,254)</u>
Unpaid claims, ending	<u><u>\$ 336,576</u></u>	<u><u>\$ 321,533</u></u>	<u><u>\$ 676,794</u></u>

C. Claims and Contingencies

1. Pending Litigation

The County is involved in various lawsuits. Where the County Attorney is the attorney of record for Pitkin County, the County Attorney does not believe the potential loss to the County for any of these lawsuits would have a material impact of these financial statements.

IV. Other Information (continued)

C. Claims and Contingencies (continued)

2. Closure and Post-Closure Care Costs

State of Colorado "Regulations Pertaining to Solid Waste Disposal Sites and Facilities, 6 CCR 1007-2" require that owners or operators of any solid waste disposal site/facility shall maintain in written documented form current cost estimates for hiring a third party to close such site and facility and to conduct post-closure care of such site/facility. The owner or operator of any solid waste disposal site and facility shall establish financial assurance sufficient to ensure payment of such costs.

The County uses the "Local Government Financial Test" as its financial mechanism to financially assure full payment of all closure, post-closure, and if applicable, corrective action estimated costs.

As of December 31, 2014 estimated costs to close the landfill and provide 30 years of post-closure care were:

Closure cost estimate	\$ 1,084,317
Post-closure cost estimate	1,989,840
Total cost estimate	<u>\$ 3,074,158</u>

Closure costs fluctuate due to ongoing landfill development and would be expected to become somewhat lower as supplementary structures are constructed.

Although closure and post-closure care costs will be paid only in the unlikely event of premature closure near or after the date the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$3,074,158 reported as landfill closure and post-closure liability at December 31, 2014 represents the cumulative amount reported to date based on the use of 65.6% of the capacity of the landfill. The County will recognize the remaining estimated costs of closure and post-closure care as the remaining capacity is filled. The County expects to close the landfill in the year 2032. Actual closure/ post-closure costs may be higher or lower due to inflation, changes in technology, or changes in regulations.

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REQUIRED SUPPLEMENTARY INFORMATION

Pitkin County, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for December 31, 2013)

	2014			2013	
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Taxes	\$ 12,992,283	\$ 12,972,318	\$ 13,446,029	\$ 473,711	\$ 12,959,971
Intergovernmental	2,347,759	2,910,895	3,032,095	121,200	2,188,799
Licenses and permits	954,449	1,154,449	1,608,444	453,995	1,200,765
Charges for services	5,361,311	5,361,311	5,990,106	628,795	5,574,400
Fines and forfeitures	27,000	27,000	27,860	860	46,461
Investment earnings	154,870	154,870	176,954	22,084	150,397
Impact Fees	125,000	125,000	164,859	39,859	170,150
Miscellaneous	401,017	601,017	687,420	86,403	484,313
Total Revenues	22,363,689	23,306,860	25,133,767	1,826,907	22,775,256
Expenditures					
Current:					
General government	9,597,444	12,048,608	9,371,896	2,676,712	8,589,688
Public safety	9,286,061	9,949,289	8,345,515	1,603,774	7,644,058
Public works	2,882,750	6,454,201	4,632,069	1,822,132	6,026,021
Health and welfare	2,550,344	2,862,639	2,247,894	614,745	2,124,185
Culture and recreation	64,030	764,030	12,226	751,804	202,852
Housing and development	197,436	197,436	196,500	936	225,068
Total Expenditures	24,578,065	32,276,203	24,806,100	7,470,103	24,811,872
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,214,376)	(8,969,343)	327,667	9,297,010	(2,036,616)
Other Financing Sources (Uses)					
Sale of capital assets	118,711	124,911	161,239	36,328	128,064
Transfers in	484,516	484,516	500,697	16,181	2,559,752
Transfers out	(99,000)	(99,000)	(169,000)	(70,000)	(69,000)
Total Other Financing Sources (Uses)	504,227	510,427	492,936	(17,491)	2,618,816
Net Change in Fund Balances	\$ (1,710,149)	\$ (8,458,916)	820,603	\$ 9,279,519	582,200
Fund Balances Beginning of Year			27,270,359		26,688,159
Fund Balances End of Year			\$ 28,090,962		\$ 27,270,359

Pitkin County, Colorado
Transportation Sales and Use Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for December 31, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Taxes	\$ 12,800,862	\$ 13,695,077	\$ 13,991,586	\$ 296,509	\$ 12,527,558
Investment earnings	56,000	56,000	50,273	(5,727)	41,522
Miscellaneous	-	-	15	15	33
Total Revenues	<u>12,856,862</u>	<u>13,751,077</u>	<u>14,041,874</u>	<u>290,797</u>	<u>12,569,113</u>
Expenditures					
Current:					
Public works	12,600,254	13,463,891	13,401,323	62,568	11,886,860
Total Expenditures	<u>12,600,254</u>	<u>13,463,891</u>	<u>13,401,323</u>	<u>62,568</u>	<u>11,886,860</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>256,608</u>	<u>287,186</u>	<u>640,551</u>	<u>353,365</u>	<u>682,253</u>
Other Financing Sources (Uses)					
Transfers in	-	-	100,000	100,000	-
Transfers out	-	-	-	-	(2,025,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>(2,025,000)</u>
Net Change in Fund Balances	<u>\$ 256,608</u>	<u>\$ 287,186</u>	740,551	<u>\$ 453,365</u>	(1,342,747)
Fund Balances Beginning of Year			<u>9,423,012</u>		<u>10,765,759</u>
Fund Balances End of Year			<u>\$ 10,163,563</u>		<u>\$ 9,423,012</u>

Pitkin County, Colorado
Open Space and Trails Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for December 31, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Taxes	\$ 10,102,414	\$ 10,102,414	\$ 10,122,801	\$ 20,387	\$ 10,751,126
Intergovernmental	480,666	1,728,388	1,489,348	(239,040)	1,523,994
Licenses and permits	-	-	8,863	8,863	2,720
Charges for services	-	-	8,478	8,478	213,448
Fines and forfeitures	-	-	3,061	3,061	3,200
Investment earnings	77,990	77,990	70,415	(7,575)	43,636
Miscellaneous	46,000	72,500	150,866	78,366	78,772
Total Revenues	10,707,070	11,981,292	11,853,832	(127,460)	12,616,896
Expenditures					
Current:					
Culture and recreation	4,028,729	15,018,150	9,163,398	5,854,752	7,097,337
Debt Service:					
Principal	645,000	645,000	675,000	(30,000)	620,000
Interest and fiscal charges	720,146	720,146	663,848	56,298	778,559
Total Expenditures	5,393,875	16,383,296	10,502,246	5,881,050	8,495,896
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,313,195	(4,402,004)	1,351,586	5,753,590	4,121,000
Other Financing Sources (Uses):					
Sale of capital assets	5,945	5,945	9,361	3,416	-
Bonds issued	-	-	-	-	2,845,000
Transfers in	69,000	69,000	69,000	-	69,000
Payment to refunded bond escrow agent	-	-	-	-	(2,816,056)
Total Other Financing Sources (Uses):	74,945	74,945	78,361	3,416	97,944
Net Change in Fund Balances	\$ 5,388,140	\$ (4,327,059)	1,429,947	\$ 5,757,006	4,218,944
Fund Balances Beginning of Year			11,345,344		7,126,400
Fund Balances End of Year			\$ 12,775,291		\$ 11,345,344

Pitkin County, Colorado
Employee Housing Impact Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for December 31, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Investment earnings	\$ 61,010	\$ 61,010	\$ 55,148	\$ (5,862)	\$ 44,841
Impact fees	896,100	896,100	704,110	(191,990)	1,006,114
Miscellaneous	27,000	27,000	63,681	36,681	24,296
Total Revenues	<u>984,110</u>	<u>984,110</u>	<u>822,939</u>	<u>(161,171)</u>	<u>1,075,251</u>
Expenditures					
Current:					
Housing	7,397,518	7,397,518	467,117	6,930,401	789,204
Total Expenditures	<u>7,397,518</u>	<u>7,397,518</u>	<u>467,117</u>	<u>6,930,401</u>	<u>789,204</u>
Net Change in Fund Balances	<u>\$ (6,413,408)</u>	<u>\$ (6,413,408)</u>	355,822	<u>\$ 6,769,230</u>	286,047
Fund Balances Beginning of Year			<u>10,985,628</u>		<u>10,699,581</u>
Fund Balances End of Year			<u>\$ 11,341,450</u>		<u>\$ 10,985,628</u>

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SUPPLEMENTARY INFORMATION

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 road 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 was authorized for six years but was reauthorized at a higher rate in 2011 for the 2013 budget. This authorization will sunset in 2018.

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 of the fund: 1) Maintaining and improving water quality and quantity within the Roaring Fork watershed; 2) Purchasing, adjudicating changes of, lease, 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; promote 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 Ambulance District has contracted with Aspen Valley Hospital to provide these services. The Board of County Commissioners acts as the board of directors 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 and the board of directors for these Districts and sets the supporting property tax levy.

Debt Services 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 repayment.

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 \$8,360,000 in Sales Tax Revenue Bonds that consisted of \$5,830,000 Tax Exempt Refunding Bonds and \$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 Governmental Funds
For the Year Ended December 31, 2014

	Non-major Special Revenue Funds	Transit Service Debt Service Fund	Total Non-major Governmental Funds
Assets			
Equity in pooled cash and investments	\$ 4,565,651	\$ -	\$ 4,565,651
Receivables:			
Accounts	58,865	-	58,865
Property taxes	4,301,851	-	4,301,851
Sales taxes	-	109,244	109,244
Intergovernmental	336,183	-	336,183
Restricted cash and investments	-	55,534	55,534
Total Assets	\$ 9,262,550	\$ 164,778	\$ 9,427,328
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts payable	\$ 117,080	\$ -	\$ 117,080
Accrued liabilities	43,607	-	43,607
Intergovernmental payable	28,352	-	28,352
Due to other funds	33,064	-	33,064
Funds held in trust	28,098	-	28,098
Total Liabilities	250,201	-	250,201
Deferred Inflows of Resources			
Unavailable property taxes	4,301,851	-	4,301,851
Total Deferred Inflows of Resources	4,301,851	-	4,301,851
Fund Balances			
Restricted for:			
Statutory reserve	166,645	-	166,645
Debt service	-	164,778	164,778
State and Federal programs	147,512	-	147,512
Voter approved programs	4,396,341	-	4,396,341
Total Fund Balances	4,710,498	164,778	4,875,276
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 9,262,550	\$ 164,778	\$ 9,427,328

Pitkin County, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended December 31, 2014

	Non-major Special Revenue Funds	Transit Debt Service Fund	Total Non-major Governmental Funds
Revenues			
Taxes	\$ 5,707,561	\$ 600,830	\$ 6,308,391
Intergovernmental	2,822,429	56,170	2,878,599
Licenses and permits	14,675	-	14,675
Charges for services	8,706	-	8,706
Investment earnings	24,280	1,032	25,312
Miscellaneous	52,306	-	52,306
Total Revenues	8,629,957	658,032	9,287,989
Expenditures			
Current:			
Public safety	502,401	-	502,401
Public works	3,198,707	-	3,198,707
Health and welfare	3,099,193	-	3,099,193
Culture and recreation	490,281	-	490,281
Debt Service:			
Principal	7,615	320,000	327,615
Interest and fiscal charges	1,636	338,683	340,319
Total Expenditures	7,299,833	658,683	7,958,516
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,330,124	(651)	1,329,473
Other Financing Sources (Uses)			
Transfers in	58,500	-	58,500
Transfers out	(559,197)	-	(559,197)
Total Other Financing Sources (Uses)	(500,697)	-	(500,697)
Net Change in Fund Balances	829,427	(651)	828,776
Fund Balances Beginning of Year	3,881,071	165,429	4,046,500
Fund Balances End of Year	\$ 4,710,498	\$ 164,778	\$ 4,875,276

Pitkin County, Colorado
Combining Balance Sheet
Non-major Special Revenue Funds
For the Year Ended December 31, 2014

	<u>Road and Bridge Fund</u>	<u>Social Services Fund</u>	<u>Translator Fund</u>	<u>Healthy Community Fund</u>
Assets				
Equity in pooled cash and investments	\$ -	\$ 158,050	\$ 1,881,555	\$ 148,538
Receivables:				
Accounts	1,060	148	2,488	-
Property taxes	474,989	169,639	754,240	2,093,083
Intergovernmental	94,838	85,526	-	-
Total Assets	<u>\$ 570,887</u>	<u>\$ 413,363</u>	<u>\$ 2,638,283</u>	<u>\$ 2,241,621</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ 22,324	\$ 11,082	\$ 44,763	\$ 3,000
Accrued liabilities	25,461	14,510	2,156	-
Intergovernmental payable	1,549	17,368	2,911	-
Due to other funds	33,064	-	-	-
Funds held in trust	13,500	14,598	-	-
Total Liabilities	<u>95,898</u>	<u>57,558</u>	<u>49,830</u>	<u>3,000</u>
Deferred Inflows of Resources				
Unavailable property taxes	474,989	169,639	754,240	2,093,083
Total Deferred Inflows of Resources	<u>474,989</u>	<u>169,639</u>	<u>754,240</u>	<u>2,093,083</u>
Fund Balances				
Restricted for:				
Statutory reserve	-	38,654	23,883	62,516
State and Federal programs	-	147,512	-	-
Voter approved programs	-	-	1,810,330	83,022
Total Fund Balances	<u>-</u>	<u>186,166</u>	<u>1,834,213</u>	<u>145,538</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 570,887</u>	<u>\$ 413,363</u>	<u>\$ 2,638,283</u>	<u>\$ 2,241,621</u>

Conservation Trust Fund	Healthy Rivers and Streams Fund	Ambulance District	Redstone Ranch Acres Improvement District	Twining Flats Improvement District	Total Non-major Special Revenue Funds
\$ 215	\$ 2,030,791	\$ 305,387	\$ 17,951	\$ 23,164	\$ 4,565,651
-	-	55,169	-	-	58,865
-	-	784,512	8,693	16,695	4,301,851
-	155,819	-	-	-	336,183
<u>\$ 215</u>	<u>\$ 2,186,610</u>	<u>\$ 1,145,068</u>	<u>\$ 26,644</u>	<u>\$ 39,859</u>	<u>\$ 9,262,550</u>
\$ -	\$ 33,803	\$ 709	\$ 999	\$ 400	\$ 117,080
-	1,149	331	-	-	43,607
-	-	6,524	-	-	28,352
-	-	-	-	-	33,064
-	-	-	-	-	28,098
-	34,952	7,564	999	400	250,201
-	-	784,512	8,693	16,695	4,301,851
-	-	784,512	8,693	16,695	4,301,851
-	27,498	13,313	269	512	166,645
-	-	-	-	-	147,512
215	2,124,160	339,679	16,683	22,252	4,396,341
215	2,151,658	352,992	16,952	22,764	4,710,498
<u>\$ 215</u>	<u>\$ 2,186,610</u>	<u>\$ 1,145,068</u>	<u>\$ 26,644</u>	<u>\$ 39,859</u>	<u>\$ 9,262,550</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, 2014

	Road and Bridge Fund	Social Services Fund	Translator Fund	Healthy Community Fund
Revenues				
Taxes	\$ 1,327,970	\$ 173,909	\$ 749,185	\$ 2,081,567
Intergovernmental	1,195,267	1,573,059	-	-
Licenses and permits	14,675	-	-	-
Charges for services	7,118	-	1,185	-
Investment earnings	-	1,105	9,742	2,293
Miscellaneous	1,200	15,079	36,000	-
Total Revenues	2,546,230	1,763,152	796,112	2,083,860
Expenditures				
Current:				
Public safety	-	-	-	-
Public works	2,546,230	-	574,697	62,500
Health and welfare	-	1,814,988	-	1,284,205
Culture and recreation	-	-	-	159,000
Debt Service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	2,546,230	1,814,988	574,697	1,505,705
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(51,836)	221,415	578,155
Other Financing Sources (Uses)				
Transfers in	-	58,500	-	-
Transfers out	-	-	-	(504,997)
Total Other Financing Sources (Uses)	-	58,500	-	(504,997)
Net Change in Fund Balances	-	6,664	221,415	73,158
Fund Balances Beginning of Year	-	179,502	1,612,798	72,380
Fund Balances End of Year	\$ -	\$ 186,166	\$ 1,834,213	\$ 145,538

Conservation Trust Fund	Healthy Rivers and Streams Fund	Ambulance District	Redstone Ranch Acres Improvement District	Twining Flats Improvement District	Total Non-major Special Revenue Funds
\$ -	\$ 907,670	\$ 441,456	\$ 8,865	\$ 16,939	\$ 5,707,561
54,103	-	-	-	-	2,822,429
-	-	-	-	-	14,675
-	403	-	-	-	8,706
105	8,535	2,268	88	144	24,280
-	-	27	-	-	52,306
<u>54,208</u>	<u>916,608</u>	<u>443,751</u>	<u>8,953</u>	<u>17,083</u>	<u>8,629,957</u>
-	-	502,401	-	-	502,401
-	-	-	7,541	7,739	3,198,707
-	-	-	-	-	3,099,193
-	331,281	-	-	-	490,281
-	-	-	-	7,615	7,615
-	-	-	-	1,636	1,636
<u>-</u>	<u>331,281</u>	<u>502,401</u>	<u>7,541</u>	<u>16,990</u>	<u>7,299,833</u>
54,208	585,327	(58,650)	1,412	93	1,330,124
-	-	-	-	-	58,500
<u>(54,200)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(559,197)</u>
<u>(54,200)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(500,697)</u>
8	585,327	(58,650)	1,412	93	829,427
<u>207</u>	<u>1,566,331</u>	<u>411,642</u>	<u>15,540</u>	<u>22,671</u>	<u>3,881,071</u>
<u>\$ 215</u>	<u>\$ 2,151,658</u>	<u>\$ 352,992</u>	<u>\$ 16,952</u>	<u>\$ 22,764</u>	<u>\$ 4,710,498</u>

Pitkin County, Colorado
Road and Bridge Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for December 31, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Taxes	\$ 1,336,338	\$ 1,356,303	\$ 1,327,970	\$ (28,333)	\$ 979,565
Intergovernmental	1,246,997	1,246,997	1,195,267	(51,730)	1,277,560
Licenses and permits	10,000	10,000	14,675	4,675	21,075
Charges for services	3,500	3,500	7,118	3,618	12,315
Miscellaneous	500	500	1,200	700	1,200
Total Revenues	<u>2,597,335</u>	<u>2,617,300</u>	<u>2,546,230</u>	<u>(71,070)</u>	<u>2,291,715</u>
Expenditures					
Current:					
Public works	2,597,335	2,617,300	2,546,230	71,070	2,291,715
Total Expenditures	<u>2,597,335</u>	<u>2,617,300</u>	<u>2,546,230</u>	<u>71,070</u>	<u>2,291,715</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			<u>\$ -</u>		<u>\$ -</u>

Pitkin County, Colorado
Social Services Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for December 31, 2013)

	2014			2013	
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Taxes	\$ 173,581	\$ 173,581	\$ 173,909	\$ 328	\$ 183,990
Intergovernmental	1,442,627	1,545,173	1,573,059	27,886	1,320,952
Investment earnings	850	850	1,105	255	773
Miscellaneous	5,500	5,500	15,079	9,579	15,860
Total Revenues	<u>1,622,558</u>	<u>1,725,104</u>	<u>1,763,152</u>	<u>38,048</u>	<u>1,521,575</u>
Expenditures					
Current:					
Health and welfare	1,706,484	1,827,984	1,814,988	12,996	1,555,155
Total Expenditures	<u>1,706,484</u>	<u>1,827,984</u>	<u>1,814,988</u>	<u>12,996</u>	<u>1,555,155</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(83,926)</u>	<u>(102,880)</u>	<u>(51,836)</u>	<u>51,044</u>	<u>(33,580)</u>
Other Financing Sources (Uses)					
Transfers in	88,500	88,500	58,500	(30,000)	65,000
Total Other Financing Sources (Uses)	<u>88,500</u>	<u>88,500</u>	<u>58,500</u>	<u>(30,000)</u>	<u>65,000</u>
Net Change in Fund Balances	<u>\$ 4,574</u>	<u>\$ (14,380)</u>	6,664	<u>\$ 21,044</u>	31,420
Fund Balances Beginning of Year			<u>179,502</u>		<u>148,082</u>
Fund Balances End of Year			<u>\$ 186,166</u>		<u>\$ 179,502</u>

Pitkin County, Colorado
Translator Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for December 31, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Taxes	\$ 747,733	\$ 747,733	\$ 749,185	\$ 1,452	\$ 734,093
Charges for services	-	-	1,185	1,185	2,433
Investment earnings	7,610	7,610	9,742	2,132	6,693
Miscellaneous	31,790	31,790	36,000	4,210	35,060
Total Revenues	787,133	787,133	796,112	8,979	778,279
Expenditures					
Current:					
Public works	657,686	1,223,986	574,697	649,289	443,055
Total Expenditures	657,686	1,223,986	574,697	649,289	443,055
Net Change in Fund Balances	\$ 129,447	\$ (436,853)	221,415	\$ 658,268	335,224
Fund Balances Beginning of Year			1,612,798		1,277,574
Fund Balances End of Year			\$ 1,834,213		\$ 1,612,798

Pitkin County, Colorado
Healthy Community Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for December 31, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Taxes	\$ 2,077,631	\$ 2,077,631	\$ 2,081,567	\$ 3,936	\$ 2,004,072
Investment earnings	1,850	1,850	2,293	443	1,413
Total Revenues	<u>2,079,481</u>	<u>2,079,481</u>	<u>2,083,860</u>	<u>4,379</u>	<u>2,005,485</u>
Expenditures					
Current:					
Public works	62,500	62,500	62,500	-	60,000
Health and welfare	1,317,267	1,317,267	1,284,205	33,062	1,229,792
Culture and recreation	159,000	159,000	159,000	-	151,500
Total Expenditures	<u>1,538,767</u>	<u>1,538,767</u>	<u>1,505,705</u>	<u>33,062</u>	<u>1,441,292</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>540,714</u>	<u>540,714</u>	<u>578,155</u>	<u>37,441</u>	<u>564,193</u>
Other Financing Sources (Uses)					
Transfers out	<u>(484,516)</u>	<u>(484,516)</u>	<u>(504,997)</u>	<u>(20,481)</u>	<u>(539,752)</u>
Total Other Financing Sources (Uses)	<u>(484,516)</u>	<u>(484,516)</u>	<u>(504,997)</u>	<u>(20,481)</u>	<u>(539,752)</u>
Net Change in Fund Balances	<u>\$ 56,198</u>	<u>\$ 56,198</u>	73,158	<u>\$ 16,960</u>	24,441
Fund Balances Beginning of Year			<u>72,380</u>		<u>47,939</u>
Fund Balances End of Year			<u>\$ 145,538</u>		<u>\$ 72,380</u>

Pitkin County, Colorado
Conservation Trust Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for December 31, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Intergovernmental	\$ 58,500	\$ 58,500	\$ 54,103	\$ (4,397)	\$ 60,005
Investment earnings	130	130	105	(25)	93
Total Revenues	<u>58,630</u>	<u>58,630</u>	<u>54,208</u>	<u>(4,422)</u>	<u>60,098</u>
Expenditures					
Current:					
Culture and recreation	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>58,630</u>	<u>58,630</u>	<u>54,208</u>	<u>(4,422)</u>	<u>60,098</u>
Other Financing Sources (Uses)					
Transfers out	<u>(58,500)</u>	<u>(58,500)</u>	<u>(54,200)</u>	<u>4,300</u>	<u>(60,000)</u>
Total Other Financing Sources (Uses)	<u>(58,500)</u>	<u>(58,500)</u>	<u>(54,200)</u>	<u>4,300</u>	<u>(60,000)</u>
Net Change in Fund Balances	<u>\$ 130</u>	<u>\$ 130</u>	8	<u>\$ (122)</u>	98
Fund Balances Beginning of Year			<u>207</u>		<u>109</u>
Fund Balances End of Year			<u>\$ 215</u>		<u>\$ 207</u>

Pitkin County, Colorado
Healthy Rivers and Streams Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for December 31, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Taxes	\$ 854,847	\$ 854,847	\$ 907,670	\$ 52,823	\$ 836,895
Charges for services	-	-	403	403	458
Investment earnings	6,710	6,710	8,535	1,825	5,492
Total Revenues	<u>861,557</u>	<u>861,557</u>	<u>916,608</u>	<u>55,051</u>	<u>842,845</u>
Expenditures					
Current:					
Culture and recreation	870,386	959,429	331,281	628,148	673,674
Total Expenditures	<u>870,386</u>	<u>959,429</u>	<u>331,281</u>	<u>628,148</u>	<u>673,674</u>
Net Change in Fund Balances	<u>\$ (8,829)</u>	<u>\$ (97,872)</u>	585,327	<u>\$ 683,199</u>	169,171
Fund Balances Beginning of Year			<u>1,566,331</u>		<u>1,397,160</u>
Fund Balances End of Year			<u>\$ 2,151,658</u>		<u>\$ 1,566,331</u>

Pitkin County, Colorado
Ambulance District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for December 31, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Taxes	\$ 441,031	\$ 441,031	\$ 441,456	\$ 425	\$ 429,900
Investment earnings	3,960	3,960	2,268	(1,692)	2,298
Miscellaneous	15,000	15,000	27	(14,973)	76
Total Revenues	<u>459,991</u>	<u>459,991</u>	<u>443,751</u>	<u>(16,240)</u>	<u>432,274</u>
Expenditures					
Current:					
Public safety	558,198	641,339	502,401	138,938	539,605
Total Expenditures	<u>558,198</u>	<u>641,339</u>	<u>502,401</u>	<u>138,938</u>	<u>539,605</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(98,207)</u>	<u>(181,348)</u>	<u>(58,650)</u>	<u>122,698</u>	<u>(107,331)</u>
Other Financing Sources (Uses)					
Sale of capital assets	-	-	-	-	34,817
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,817</u>
Net Change in Fund Balances	<u>\$ (98,207)</u>	<u>\$ (181,348)</u>	<u>(58,650)</u>	<u>\$ 122,698</u>	<u>(72,514)</u>
Fund Balances Beginning of Year			411,642		484,156
Fund Balances End of Year			<u>\$ 352,992</u>		<u>\$ 411,642</u>

Pitkin County, Colorado
Redstone Ranch Acres Improvement District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for December 31, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Taxes	\$ 8,798	\$ 8,798	\$ 8,865	\$ 67	\$ 9,562
Investment earnings	36	36	88	52	91
Total Revenues	<u>8,834</u>	<u>8,834</u>	<u>8,953</u>	<u>119</u>	<u>9,653</u>
Expenditures					
Current:					
Public works	7,428	15,428	7,541	7,887	3,656
Total Expenditures	<u>7,428</u>	<u>15,428</u>	<u>7,541</u>	<u>7,887</u>	<u>3,656</u>
Net Change in Fund Balances	<u>\$ 1,406</u>	<u>\$ (6,594)</u>	1,412	<u>\$ 8,006</u>	5,997
Fund Balances Beginning of Year			<u>15,540</u>		<u>9,543</u>
Fund Balances End of Year			<u>\$ 16,952</u>		<u>\$ 15,540</u>

Pitkin County, Colorado
Twining Flats Improvement District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for December 31, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Taxes	\$ 16,833	\$ 16,833	\$ 16,939	\$ 106	\$ 18,241
Investment earnings	115	115	144	29	110
Total Revenues	<u>16,948</u>	<u>16,948</u>	<u>17,083</u>	<u>135</u>	<u>18,351</u>
Expenditures					
Current:					
Public works	8,319	10,319	7,739	2,580	4,679
Debt Service:					
Principal	7,615	7,615	7,615	-	7,184
Interest and fiscal charges	1,737	1,737	1,636	-	2,003
Total Expenditures	<u>17,671</u>	<u>19,671</u>	<u>16,990</u>	<u>2,580</u>	<u>13,866</u>
Net Change in Fund Balances	<u>\$ (723)</u>	<u>\$ (2,723)</u>	93	<u>\$ 2,715</u>	4,485
Fund Balances Beginning of Year			<u>22,671</u>		<u>18,186</u>
Fund Balances End of Year			<u>\$ 22,764</u>		<u>\$ 22,671</u>

Pitkin County, Colorado
Transit Sales Tax Revenue Bonds
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for December 31, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
Taxes	\$ 596,957	\$ 596,957	\$ 600,830	\$ 3,873	\$ 604,237
Intergovernmental	60,561	60,561	56,170	(4,391)	55,746
Investment earnings	1,045	1,045	1,032	(13)	893
Total Revenues	658,563	658,563	658,032	(531)	660,876
Expenditures					
Debt Service:					
Principal	320,000	320,000	320,000	-	315,000
Interest and fiscal charges	338,563	338,563	338,683	-	344,663
Total Expenditures	658,563	658,563	658,683	-	659,663
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(651)	(531)	1,213
Net Change in Fund Balances	\$ -	\$ -	(651)	\$ (531)	1,213
Fund Balances Beginning of Year			165,429		164,216
Fund Balances End of Year			\$ 164,778		\$ 165,429

Pitkin County, Colorado
Airport Fund
Schedule of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for December 31, 2013)

	<u>2014</u>	<u>2013</u>
Operating Revenues		
Charges for services	\$ 3,359,001	\$ 3,243,842
Rents and franchises	4,450,475	4,068,708
Miscellaneous	302	250
Total Operating Revenues	<u>7,809,778</u>	<u>7,312,800</u>
Operating Expenses		
Personnel services	2,527,094	2,274,309
Purchased services	5,429,650	5,871,719
Materials and supplies	239,280	248,534
Depreciation	3,798,928	3,818,640
Total Operating Expenses	<u>11,994,952</u>	<u>12,213,202</u>
Operating Income (Loss)	(4,185,174)	(4,900,402)
Non-operating Revenues (Expenses)		
Interest revenue	60,437	41,959
Intergovernmental revenue	523,503	936,702
Interest expense and fiscal charges	(707)	(21,040)
Net gain on disposition of capital assets	132,467	8,733
Total Non-operating Revenues (Expenses)	<u>715,700</u>	<u>966,354</u>
Income (Loss) Before Capital Contributions	(3,469,474)	(3,934,048)
Capital contributions	2,989,031	4,073,220
Change in Net Position	(480,443)	139,172
Net Position Beginning of Year	<u>94,028,973</u>	<u>93,889,801</u>
Net Position End of Year	<u>\$ 93,548,530</u>	<u>\$ 94,028,973</u>

Pitkin County, Colorado
 Airport Fund
 Schedule of Revenues and Expenditures - Budget (Non-GAAP Basis) and Actual (GAAP Basis)
 For the Year Ended December 31, 2014
 (With Comparative Actual Amounts for December 31, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
GAAP-based operating revenues	\$ 7,785,602	\$ 7,785,602	\$ 7,809,778	\$ 24,176	\$ 7,312,800
GAAP-based interest revenues	57,760	57,760	60,437	2,677	41,959
GAAP-based other non-operating revenue	550,959	550,959	523,503	(27,456)	936,702
GAAP-based contributions from federal government and others	4,934,124	10,989,405	2,989,031	(8,000,374)	4,073,220
Total Budgetary-Based Revenues	<u>\$ 13,328,445</u>	<u>\$ 19,383,726</u>	<u>\$ 11,382,749</u>	<u>\$ (8,000,977)</u>	<u>\$ 12,364,681</u>
Expenditures					
GAAP-based operating expenditures	\$ 7,452,180	\$ 14,257,087	\$ 11,994,952	\$ 2,262,135	\$ 12,213,202
GAAP-based interest expense and fiscal charges	16,185	16,185	7,297	8,888	18,267
Deduct depreciation	-	-	(3,798,928)	3,798,928	(3,818,640)
Add accrued interest payable	-	-	-	-	2,773
Add acquisition of property and equipment	5,403,552	7,627,898	2,276,782	5,351,116	702,511
Add debt principal retirement	198,342	404,617	404,617	-	190,713
Total Budgetary-Based Expenditures	<u>\$ 13,070,259</u>	<u>\$ 22,305,787</u>	<u>\$ 10,884,720</u>	<u>\$ 11,421,067</u>	<u>\$ 9,308,826</u>
Other Financing Sources (Uses)					
GAAP-based proceeds from sale of capital assets	\$ 120,000	\$ 120,000	\$ 142,627	\$ 22,627	\$ 12,500
Total Budgetary-Based Other Financing Sources	<u>\$ 120,000</u>	<u>\$ 120,000</u>	<u>\$ 142,627</u>	<u>\$ 22,627</u>	<u>\$ 12,500</u>

Pitkin County, Colorado
Solid Waste Center Fund
Schedule of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for December 31, 2013)

	<u>2014</u>	<u>2013</u>
Operating Revenues		
Charges for services	\$ 5,298,781	\$ 4,738,975
Total Operating Revenues	<u>5,298,781</u>	<u>4,738,975</u>
Operating Expenses		
Personnel services	808,084	704,717
Purchased services	3,215,555	3,128,447
Materials and supplies	61,784	70,142
Depreciation	125,721	155,415
Postclosure	101,330	-
Total Operating Expenses	<u>4,312,474</u>	<u>4,058,721</u>
Operating Income (Loss)	986,307	680,254
Non-operating Revenues (Expenses)		
Interest revenue	26,193	17,134
Miscellaneous revenue	-	251,547
Gain (loss) on disposition of capital assets	54,638	(5,882)
Total Non-operating Revenues (Expenses)	<u>80,831</u>	<u>262,799</u>
Income (Loss) Before Capital Contributions	1,067,138	943,053
Capital contributions	14,750	-
Change in Net Position	1,081,888	943,053
Net Position Beginning of Year	<u>4,838,161</u>	<u>3,895,108</u>
Net Position End of Year	<u>\$ 5,920,049</u>	<u>\$ 4,838,161</u>

Pitkin County, Colorado
Solid Waste Center Fund
Schedule of Revenues and Expenditures - Budget (Non-GAAP Basis) and Actual (GAAP Basis)
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for December 31, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenues					
GAAP-based operating revenues	\$ 4,443,500	\$ 4,707,720	\$ 5,298,781	\$ 591,061	\$ 4,738,975
GAAP-based interest revenues	22,930	22,930	26,193	3,263	17,134
GAAP-based other non-operating revenue	-	-	-	-	(251,547)
GAAP-based contributions from federal government and others	-	124,259	-	(124,259)	-
Total Budgetary-Based Revenues	<u>\$ 4,466,430</u>	<u>\$ 4,854,909</u>	<u>\$ 5,324,974</u>	<u>\$ 470,065</u>	<u>\$ 4,504,562</u>
Expenditures					
GAAP-based operating expenditures	\$ 3,655,246	\$ 4,689,101	\$ 4,312,474	\$ 376,627	\$ 4,058,720
Deduct depreciation	-	-	(125,721)	125,721	(155,416)
Deduct postclosure accrual	-	-	(101,330)	101,330	-
Increase (decrease) in inventory	-	-	2,782	(2,782)	(4,390)
Add acquisition of property and equipment	909,376	1,038,771	273,890	764,881	49,613
Total Budgetary-Based Expenditures	<u>\$ 4,564,622</u>	<u>\$ 5,727,872</u>	<u>\$ 4,362,095</u>	<u>\$ 1,365,777</u>	<u>\$ 3,948,527</u>
Other Financing Sources (Uses)					
GAAP-based proceeds from sale of capital assets	\$ 38,875	\$ 38,875	\$ 55,600	\$ 16,725	\$ 23,000
Total Budgetary-Based Other Financing Sources	<u>\$ 38,875</u>	<u>\$ 38,875</u>	<u>\$ 55,600</u>	<u>\$ 16,725</u>	<u>\$ 23,000</u>

Pitkin County, Colorado
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2014

	<u>Balance January 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2014</u>
<u>County Clearing Fund</u>				
Assets				
Equity in pooled cash and investments	\$ 892,442	\$ 198,440,195	\$ 198,198,919	\$ 1,133,718
Liabilities				
Due to other governments	\$ 451,277	\$ 5,036,503	\$ 4,842,722	\$ 645,058
Funds held for others	441,165	193,403,692	193,356,197	488,660
Total Liabilities	\$ 892,442	\$ 198,440,195	\$ 198,198,919	\$ 1,133,718
<u>Taxing Districts</u>				
Assets				
Equity in pooled cash and investments	\$ 36,490	\$ 80,952,298	\$ 80,926,810	\$ 61,978
Liabilities				
Due to other governments	\$ 36,490	\$ 80,952,298	\$ 80,926,810	\$ 61,978
<u>Other Agencies</u>				
Assets				
Equity in pooled cash and investments	\$ 74,438	\$ 1,550,060	\$ 599,845	\$ 1,024,653
Liabilities				
Funds held for others	\$ 74,438	\$ 1,550,060	\$ 599,845	\$ 1,024,653
<u>Other Clearing Fund</u>				
Assets				
Equity in pooled cash and investments	\$ 317,297	\$ 1,751	\$ -	\$ 319,048
Liabilities				
Due to other governments	\$ 317,297	\$ 1,751	\$ -	\$ 319,048
<u>Total - All Agency Funds</u>				
Assets				
Equity in pooled cash and investments	\$ 1,320,667	\$ 280,944,304	\$ 279,725,574	\$ 2,539,397
Liabilities				
Due to other governments	\$ 805,064	\$ 85,990,552	\$ 85,769,532	\$ 1,026,084
Funds held for others	515,603	194,953,752	193,956,042	1,513,313
Total Liabilities	\$ 1,320,667	\$ 280,944,304	\$ 279,725,574	\$ 2,539,397

Pitkin County, Colorado
Pitkin County Library District Discretely Presented Component Unit
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for December 31, 2013)

	2014				2013
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>Actual</u>
Revenues					
Taxes	\$ 3,597,886	\$ 3,597,886	\$ 3,605,119	\$ 7,233	\$ 3,535,215
Charges for services	29,000	29,000	37,936	8,936	35,422
Investment earnings	11,030	11,030	84,532	73,502	198,189
Miscellaneous	16,000	16,000	1,824,595	1,808,595	1,300,332
Total Revenues	<u>3,653,916</u>	<u>3,653,916</u>	<u>5,552,182</u>	<u>1,898,266</u>	<u>5,069,158</u>
Expenditures					
Current:					
Culture and recreation	5,482,961	6,281,391	4,579,246	1,702,145	3,331,943
Total Expenditures	<u>5,482,961</u>	<u>6,281,391</u>	<u>4,579,246</u>	<u>1,702,145</u>	<u>3,331,943</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,829,045)</u>	<u>(2,627,475)</u>	<u>972,936</u>	<u>3,600,411</u>	<u>1,737,215</u>
Other Financing Sources (Uses)					
Sale of capital assets	5,000	5,000	4,885	(115)	8,871
Total Other Financing Sources (Uses)	<u>5,000</u>	<u>5,000</u>	<u>4,885</u>	<u>(115)</u>	<u>8,871</u>
Net Change in Fund Balances	<u>\$ (1,824,045)</u>	<u>\$ (2,622,475)</u>	<u>977,821</u>	<u>\$ 3,600,296</u>	<u>1,746,086</u>
Fund Balances Beginning of Year			<u>8,425,704</u>		<u>6,679,618</u>
Fund Balances End of Year			<u>\$ 9,403,525</u>		<u>\$ 8,425,704</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 for the year:

Accumulated depreciation	(4,504,150)	
Cost of capital assets	8,848,759	4,344,609
Compensated absences		<u>(123,312)</u>
Total Net Position		<u>\$ 13,624,822</u>

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COMBINED SCHEDULE OF CASH AND INVESTMENTS

Pitkin County, Colorado

Combined Schedule of Cash and Investments

For the Year Ended December 31, 2014

	Interest Rate	Maturity Date	Fair Value
Pooled cash and investments			
U.S Agencies and Instrumentalities			
Federal Home Loan Mortgage Corporation			
Par Value \$ 1,000,000	1.750%	9/10/2015	1,010,325
Par Value \$ 3,000,000	4.375%	10/15/2015	3,096,417
Par Value \$ 1,000,000	1.100%	8/25/2017	1,000,000
Par Value \$ 1,000,000	0.800%	3/28/2017	1,000,000
Par Value \$ 1,000,000	1.200%	12/26/2017	1,000,000
Par Value \$ 1,000,000	1.300%	12/26/2017	1,000,000
Par Value \$ 500,000	1.000%	9/29/2017	500,985
Federal Home Loan Bank			
Par Value \$ 1,000,000	1.100%	12/22/2016	1,000,000
Par Value \$ 2,000,000	1.100%	9/19/2017	2,000,000
Par Value \$ 3,000,000	12.000%	9/26/2017	3,000,000
Par Value \$ 1,000,000	1.250%	11/28/2017	1,000,000
Par Value \$ 1,000,000	1.300%	7/17/2017	1,005,810
			\$ 16,613,537
Bank Certificates of Deposit			
City Wide Bank, Denver	1.100%	3/26/2015	1,000,000
City Wide Bank	1.100%	5/26/2015	1,000,000
Colorado National Bank, Palisade	0.410%	1/30/2015	350,000
Firstbank, Lakewood	0.600%	7/10/2015	500,000
Firstbank	0.600%	8/7/2015	250,000
Firstbank	0.600%	11/2/2015	2,500,000
Flatirons Bank, Longmont	0.850%	1/27/2016	248,000
Home Loan State Bank, Grand Junction	0.270%	1/16/2015	1,000,000
Home Loan State Bank	0.400%	4/3/2015	1,000,000
Home Loan State Bank	0.600%	4/3/2016	1,000,000
Home Loan State Bank	0.600%	5/16/2016	1,000,000
Solera National Bank, Lakewood	0.900%	7/12/2015	500,000
Solera National Bank	0.900%	4/16/2017	1,000,000
Summit Bank & Trust, Broomfield	0.700%	4/12/2016	1,000,000
FDIC-insured Negotiable CD's	varies	varies	24,201,399
			\$ 36,549,399
Bank Deposits - Money Market, Checking and Savings Accounts			
Alpine Bank	0.520%	-	436,129
Vectra Bank, Colorado	0.000%	-	2,500,000
Vectra Bank, Colorado	0.250%	-	30,249,949
Vectra Bank, Colorado	0.700%	-	248,285
Wells Fargo Bank	0.100%	-	3,385
Wells Fargo Bank	0.100%	-	2,092
Centennial Bank	0.350%	-	1,012,176
Solera National Bank, Lakewood	0.500%	-	1,517,363
Vetra Bank Colorado sweep account	0.250%	-	7,065,276
			\$ 43,034,655

Pitkin County, Colorado

Combined Schedule of Cash and Investments (Continued)

For the Year Ended December 31, 2014

	Interest Rate	Maturity Date	Fair Value
Pooled cash and investments			
Local Government Surplus Trust Funds			
COLOTRUST +			100,646
CSAFE			102,314
Colorado Statewide Investment Program			55,381
			<u>\$ 258,341</u>
Money Market Mutual Funds			
UMB Treasury			5,440
JP Morgan Prime Money Market			1,046
Vanguard Prime Money Market Institutional			3,074
			<u>\$ 9,560</u>
Petty cash			8,500
Deposits in transit less bank transfers in process			9,376
Less: outstanding warrants			<u>(296,530)</u>
TOTAL POOLED CASH AND INVESTMENTS			<u><u>\$ 96,186,838</u></u>
Other Cash and Investments			
Institutional Mutual Funds held for Pitkin County Library District			
Mutual Funds			
Absolute Strategies			14,906
AQR Managed Futures			8,588
Diamond Hill Small Cap			22,884
Dodge and Cox International Stock			23,521
Euro Pacific Growth			26,567
Fidelity Floating Rate			456,045
Gateway			10,755
Harbor High-Yield Bond			53,251
Hattera Hedged Strategies			18,367
Loomis Sayles Investment Grade Bond			108,360
Oakmark International Small Cap			9,772
PIMCO Commodity Real Return			12,102
PIMCO Low Duration Bond			74,336
PIMCO RCM Total Return Institutional			106,830
T.Rowe Price Mid-Cap			24,361
Vanguard Growth Index			32,525
Vanguard Intermediate Term Bond Index			109,456
Vanguard Value Index			30,108
Vanguard Short-Term Bond Index			80,681
Vanguard Total Stock			62,388
Wells Fargo Emerging Markets			14,982
Total Pitkin County Library District Other Cash and Investments			<u>\$ 1,300,785</u>
Retirement Trust Fund			
Mutual Funds held at Wells Fargo Bank, trustee			<u>\$ 27,604,010</u>
TOTAL OTHER CASH AND INVESTMENTS			<u><u>\$ 28,904,795</u></u>

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COMBINED SCHEDULE OF GOVERNMENTAL REVENUES BY SOURCE

Pitkin County, Colorado

Combined Schedule of Governmental Revenues by Source

For the Year Ended December 31, 2014

	MAJOR FUNDS			
	General Fund	Transportation Sales and Use Tax Fund	Open Space and Trails Fund	Housing Impact Fee Fund
Taxes and Special Assessments				
Property taxes	\$ 6,243,160	\$ -	\$ 9,774,815	\$ -
Specific ownership taxes	208,594	-	326,619	-
General sales tax	6,965,873	12,982,193	-	-
Selective sales and use taxes	-	1,009,393	-	-
Other taxes	15,540	-	-	-
Penalties and interest	12,862	-	21,367	-
Total taxes	13,446,029	13,991,586	10,122,801	-
Intergovernmental Revenue				
Federal	1,433,313	-	-	-
State	641,236	-	1,000,000	-
Other governmental	957,546	-	489,348	-
Total intergovernmental revenues	3,032,095	-	1,489,348	-
Licenses and Permits				
Business	60,811	-	-	-
Non-business	1,547,633	-	8,863	-
Total licenses and permits	1,608,444	-	8,863	-
Charges for Services				
General government	5,627,152	-	-	-
Public safety	247,718	-	-	-
Public works	3,092	-	-	-
Health and welfare	92,936	-	-	-
Culture and recreation	11,118	-	-	-
Conservation of natural resources	8,090	-	-	-
Refunds	-	-	8,478	-
Total charges for services	5,990,106	-	8,478	-
Fines and forfeits				
Courts	27,545	-	-	-
County fines	315	-	3,061	-
Library	-	-	-	-
Total fines and forfeits	27,860	-	3,061	-
Miscellaneous				
Investment earnings	176,954	50,273	70,415	55,148
Impact fees	164,859	-	-	704,110
Rents and royalties	-	-	12,308	63,649
Contributions	70,473	-	138,558	-
Other	616,947	15	-	32
Total Miscellaneous	1,029,233	50,288	221,281	822,939
TOTAL REVENUES	\$ 25,133,767	\$ 14,041,874	\$ 11,853,832	\$ 822,939

NON-MAJOR FUNDS

Road and Bridge Fund	Social Services Fund	Translator Fund	Healthy Community Fund	Conservation Trust Fund	Healthy Rivers and Streams Fund	Ambulance District
\$ 459,890	\$ 167,921	\$ 723,412	\$ 2,010,151	\$ -	\$ -	\$ 426,208
15,368	5,612	24,175	67,171	-	-	14,264
851,698	-	-	-	-	907,670	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,014	376	1,598	4,245	-	-	984
<u>1,327,970</u>	<u>173,909</u>	<u>749,185</u>	<u>2,081,567</u>	<u>-</u>	<u>907,670</u>	<u>441,456</u>
-	474,689	-	-	-	-	-
1,143,796	858,367	-	-	54,103	-	-
51,471	240,003	-	-	-	-	-
<u>1,195,267</u>	<u>1,573,059</u>	<u>-</u>	<u>-</u>	<u>54,103</u>	<u>-</u>	<u>-</u>
14,675	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>14,675</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
6,575	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
543	-	1,185	-	-	403	-
<u>7,118</u>	<u>-</u>	<u>1,185</u>	<u>-</u>	<u>-</u>	<u>403</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,105	9,742	2,293	105	8,535	2,268
-	-	-	-	-	-	-
1,200	-	36,000	-	-	-	-
-	1,650	-	-	-	-	-
-	13,429	-	-	-	-	27
<u>1,200</u>	<u>16,184</u>	<u>45,742</u>	<u>2,293</u>	<u>105</u>	<u>8,535</u>	<u>2,295</u>
<u>\$ 2,546,230</u>	<u>\$ 1,763,152</u>	<u>\$ 796,112</u>	<u>\$ 2,083,860</u>	<u>\$ 54,208</u>	<u>\$ 916,608</u>	<u>\$ 443,751</u>

Pitkin County, Colorado

Combined Schedule of Governmental Revenues by Source (Continued)

For the Year Ended December 31, 2014

	NON-MAJOR FUNDS		
	Restone Ranch Acres Improvement District	Twining Flats Improvement District	Transit Debt Service Fund
Taxes and Special Assessments			
Property taxes	\$ 8,563	\$ 16,382	\$ -
Specific ownership taxes	276	540	-
General sales tax	-	-	600,830
Selective sales and use tax	-	-	-
Other taxes	-	-	-
Penalties and interest	26	17	-
Total taxes	8,865	16,939	600,830
Intergovernmental Revenue			
Federal	-	-	56,170
State	-	-	-
Other governmental	-	-	-
Total intergovernmental revenues	-	-	56,170
Licenses and Permits			
Business	-	-	-
Non-business	-	-	-
Total licenses and permits	-	-	-
Charges for Services			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Conservation of natural resources	-	-	-
Refunds	-	-	-
Total charges for services	-	-	-
Fines and forfeits			
Courts	-	-	-
County fines	-	-	-
Library	-	-	-
Total fines and forfeits	-	-	-
Miscellaneous			
Investment earnings	88	144	1,032
Impact fees	-	-	-
Rents and royalties	-	-	-
Contributions	-	-	-
Other	-	-	-
Total Miscellaneous	88	144	1,032
TOTAL REVENUES	\$ 8,953	\$ 17,083	\$ 658,032

Primary Government Combined Total	<u>Component Unit</u> Pitkin County Library District	Reporting Entity Combined Total
\$ 19,830,502	\$ 3,481,170	\$ 23,311,672
662,619	116,344	778,963
22,308,264	-	22,308,264
1,009,393	-	1,009,393
15,540	-	15,540
42,489	7,605	50,094
<u>43,868,807</u>	<u>3,605,119</u>	<u>47,473,926</u>
1,964,172	-	1,964,172
3,697,502	-	3,697,502
1,738,368	-	1,738,368
<u>7,400,042</u>	<u>-</u>	<u>7,400,042</u>
75,486	-	75,486
1,556,496	-	1,556,496
<u>1,631,982</u>	<u>-</u>	<u>1,631,982</u>
5,627,152	-	5,627,152
247,718	-	247,718
9,667	-	9,667
92,936	-	92,936
11,118	-	11,118
8,090	-	8,090
10,609	7,672	18,281
<u>6,007,290</u>	<u>7,672</u>	<u>6,014,962</u>
27,545	-	27,545
3,376	-	3,376
-	30,264	30,264
<u>30,921</u>	<u>30,264</u>	<u>61,185</u>
378,102	84,532	462,634
868,969	-	868,969
113,157	-	113,157
210,681	1,824,595	2,035,276
630,450	-	630,450
<u>2,201,359</u>	<u>1,909,127</u>	<u>4,110,486</u>
<u>\$ 61,140,401</u>	<u>\$ 5,552,182</u>	<u>\$ 66,692,583</u>

SCHEDULE OF PASSENGER FACILITY CHARGES ("PFC") COLLECTED AND EXPENDED

Pitkin County, Colorado
SCHEDULE OF PASSENGER FACILITY CHARGES ("PFC") COLLECTED AND EXPENDED

For the Year Ended December 31, 2014

	Amounts for Current Year	Unliquidated Balance
Unliquidated PFC revenues - beginning		\$ -
Revenues:		
Revenues collected from air carriers	\$ 777,645	
Total PFC revenues	\$ 777,645	777,645
Expenditures:		
Approved projects	\$ 777,645	
Total PFC expenditures	\$ 777,645	777,645
Unliquidated PFC revenues - ending		\$ -

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 2014
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)	4,531,848
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,301,030
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	22,239
2. General fund appropriations	816,390	b. Snow and ice removal	528,519
3. Other local imposts (from page 2)	5,360,564	c. Other	193
4. Miscellaneous local receipts (from page 2)	86,819	d. Total (a. through c.)	550,951
5. Transfers from toll facilities		4. General administration & miscellaneous	775,949
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	809,999
a. Bonds - Original Issues	0	6. Total (1 through 5)	7,969,778
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	1,636
7. Total (1 through 6)	6,263,774	b. Redemption	7,615
B. Private Contributions	217,963	c. Total (a. + b.)	9,251
C. Receipts from State government (from page 2)	1,498,796	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	0
E. Total receipts (A.7 + B + C + D)	7,980,533	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	9,251
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	
			7,979,029

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	24,244	0	7,615	16,629
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	38,211	7,980,533	7,979,029	39,715	0

Notes and Comments:

Note 1 General Fund Appropriations:
 Transfer From General Fund 809,999
 Sheriff expenditures for traffic 193
 Amount available from Non-Highway 6,198
 Total 816,390

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2014	
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	484,663	a. Interest on investments	232
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	4,659,487	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	164,859	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	50,600
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	51,556	g. Other Misc. Receipts (Note 2)	35,987
6. Total (1. through 5.)	4,875,902	h. Other	
c. Total (a. + b.)	5,360,564	i. Total (a. through h.)	86,819
	(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	1,104,708	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	39,088	d. Federal Transit Admin	
d. Other (Specify)CMAQ Grant	0	e. U.S. Corps of Engineers	
e. Other (Specify) CDOT Reimburse	355,000	f. Other Federal-Reimburse Road Project)	0
f. Total (a. through e.)	394,088	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	1,498,796	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		5,993	5,993
b. Engineering Costs		334,490	334,490
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		336,180	336,180
(3). System Preservation		2,402,448	2,402,448
(4). System Enhancement & Operation		1,452,737	1,452,737
(5). Total Construction (1) + (2) + (3) + (4)	0	4,191,365	4,191,365
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	4,531,848	4,531,848
			(Carry forward to page 1)
Notes and Comments:			
Note 2 Other Receipts			
Access Permits	14,675		
Plowing Reimbursement	16,100		
Misc Reimbursement	5,213		
Total	35,987		

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STATISTICAL SECTION

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

Contents:	Pages
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	G1 - G9
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	G10 - G18
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	G19 - G24
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.	G25 - G29
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.	G30 - G37

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

Last Ten Years

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities				
Net investment in capital assets	\$ 71,576,959	\$ 74,991,785	\$ 102,497,894	\$ 118,334,844
Restricted				
Open space	6,751,388	8,278,566	124,702	357,824
Transportation and roads	14,917,328	16,955,481	16,316,370	11,621,432
Affordable housing	4,212,900	5,876,481	7,753,510	8,851,035
Highway 82 construction	965,876	923,449	663,633	547,179
Statutory reserve for emergencies	1,243,429	1,418,544	1,439,952	1,531,840
Debt service	527,780	487,318	482,170	185,560
Ambulance district	874,053	1,178,700	1,148,965	1,065,919
General Fund restrictions	667,871	551,889	1,109,157	1,199,502
Human services and public welfare services	268,269	234,576	257,316	379,060
TV and FM broadcast services	465,203	637,385	842,480	1,069,303
Public Improvement Districts	5,537	3,326	5,957	4,973
Healthy Rivers and Streams fund	-	-	-	-
Unrestricted	14,529,046	18,890,058	11,224,305	10,715,439
Total governmental activities net position	<u>\$ 117,005,639</u>	<u>\$ 130,427,558</u>	<u>\$ 143,866,411</u>	<u>\$ 155,863,910</u>
Business-type activities				
Net investment in capital assets	\$ 56,204,425	\$ 61,778,381	\$ 73,322,031	\$ 71,671,246
Restricted				
Inventory	-	-	-	-
Airport	5,531,446	6,067,769	6,349,656	10,542,488
Unrestricted	1,523,330	2,745,393	3,849,070	3,791,453
Total business-type activities net position	<u>\$ 63,259,201</u>	<u>\$ 70,591,543</u>	<u>\$ 83,520,757</u>	<u>\$ 86,005,187</u>
Primary government				
Net investment in capital assets	\$ 127,781,384	\$ 136,770,166	\$ 175,819,925	\$ 190,006,090
Restricted				
Open space	6,751,388	8,278,566	124,702	357,824
Transportation	14,917,328	16,955,481	16,316,370	11,621,432
Affordable housing	4,212,900	5,876,481	7,753,510	8,851,035
Highway 82 construction	965,876	923,449	663,633	547,179
Statutory reserve for emergencies	1,243,429	1,418,544	1,439,952	1,531,840
Debt service	527,780	487,318	482,170	185,560
Ambulance district	874,053	1,178,700	1,148,965	1,065,919
Airport	5,531,446	6,067,769	6,349,656	10,542,488
General Fund local restrictions	667,871	551,889	1,109,157	1,199,502
Human services and public welfare services	268,269	234,576	257,316	379,060
TV and FM broadcast services	465,203	637,385	842,480	1,069,303
Public Improvement Districts	5,537	3,326	5,957	4,973
Health Rivers and Streams fund	-	-	-	-
Inventory	-	-	-	-
Unrestricted	16,052,376	21,635,451	15,073,375	14,506,892
Total primary government net position	<u>\$ 180,264,840</u>	<u>\$ 201,019,101</u>	<u>\$ 227,387,168</u>	<u>\$ 241,869,097</u>

	2009	2010	2011	2012	2013	2014
\$	134,717,335	\$ 155,994,598	\$ 155,315,076	\$ 156,145,670	\$ 163,064,743	\$ 163,996,394
	-	(10,371,301)	1,271,200	7,845,021	11,700,476	12,424,047
	11,510,491	10,926,613	11,388,957	10,765,759	9,045,939	9,742,308
	9,359,852	9,627,638	10,156,826	10,699,581	10,953,370	11,316,763
	429,955	-	-	-	-	-
	1,479,061	1,549,059	1,579,598	657,180	1,638,544	1,748,746
	144,210	38,088	38,238	31,772	47,588	164,778
	864,120	749,494	626,354	484,156	398,674	339,678
	1,175,261	462,386	462,380	468,374	683,307	456,839
	327,952	251,858	182,556	196,020	157,007	230,533
	199,883	705,205	1,022,704	1,277,574	1,589,450	1,810,330
	12,380	16,167	20,532	27,729	37,370	38,934
	626,522	994,032	1,067,010	1,397,160	1,541,046	2,124,161
	9,475,854	9,312,588	14,930,468	14,657,523	16,284,068	24,186,409
\$	<u>170,322,876</u>	<u>\$ 180,256,425</u>	<u>\$ 198,061,899</u>	<u>\$ 204,653,519</u>	<u>\$ 217,141,582</u>	<u>\$ 228,579,920</u>
\$	72,977,503	\$ 71,535,132	\$ 81,664,910	\$ 86,982,831	\$ 83,918,960	\$ 89,953,231
	-	328,500	189,991	378,744	374,354	377,136
	10,438,724	11,271,356	9,738,075	9,305,157	12,373,515	13,020,758
	1,585,119	1,457,411	1,033,193	1,118,178	2,200,305	3,117,455
\$	<u>85,001,346</u>	<u>\$ 84,592,399</u>	<u>\$ 92,626,169</u>	<u>\$ 97,784,910</u>	<u>\$ 98,867,134</u>	<u>\$ 106,468,580</u>
\$	207,694,838	\$ 227,529,730	\$ 236,979,986	\$ 243,128,501	\$ 246,983,703	\$ 253,949,625
	-	(10,371,301)	1,271,200	7,845,021	11,700,476	12,424,047
	11,510,491	10,926,613	11,388,957	10,765,759	9,045,939	9,742,308
	9,359,852	9,627,638	10,156,826	10,699,581	10,953,370	11,316,763
	429,955	-	-	-	-	-
	1,479,061	1,549,059	1,579,598	657,180	1,638,544	1,748,746
	144,210	38,088	38,238	31,772	47,588	164,778
	864,120	749,494	626,354	484,156	398,674	339,678
	10,438,724	11,271,356	9,738,075	9,305,157	12,373,515	13,020,758
	1,175,261	462,386	462,380	468,374	683,307	456,839
	327,952	251,858	182,556	196,020	157,007	230,533
	199,883	705,205	1,022,704	1,277,574	1,589,450	1,810,330
	12,380	16,167	20,532	27,729	37,370	38,934
	626,522	994,032	1,067,010	1,397,160	1,541,046	2,124,161
	-	-	189,991	378,744	374,354	377,136
	11,060,973	10,769,999	15,963,661	15,775,701	18,484,373	27,303,864
\$	<u>255,324,222</u>	<u>\$ 264,520,324</u>	<u>\$ 290,688,068</u>	<u>\$ 302,438,429</u>	<u>\$ 316,008,716</u>	<u>\$ 335,048,500</u>

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

Last Ten Years

	2005	2006	2007	2008
Expenses:				
Governmental activities:				
General government	\$ 6,682,126	\$ 10,292,549	\$ 8,160,025	\$ 8,441,523
Public safety	5,795,503	6,135,841	7,215,619	7,781,623
Public works	17,210,842	14,467,249	16,778,835	24,468,535
Health and welfare	2,529,548	2,700,256	3,198,700	3,634,941
Culture and recreation	1,650,142	2,063,649	1,110,754	3,220,314
Conservation of natural resources	21,818	23,677	13,812	17,947
Housing and development	4,019,595	184,119	195,534	245,997
Interest	1,555,827	1,442,425	1,373,501	1,332,285
Total governmental activities expenses	39,465,401	37,309,765	38,046,780	49,143,165
Business-type activities:				
Airport	5,919,636	6,212,291	7,098,923	9,311,279
Solid Waste Center	3,952,374	4,076,353	4,355,822	4,960,238
Total business-type activities expenses	9,872,010	10,288,644	11,454,745	14,271,517
Program Revenues				
Governmental activities:				
Charges for services				
General government	5,155,163	3,815,431	4,080,854	4,899,997
Public safety	2,143,282	2,148,058	1,894,897	356,337
Public works	229,036	824,047	510,097	347,218
Health and welfare	277,373	441,055	456,344	347,874
Culture and recreation	44,114	223,592	657,433	68,899
Conservation of natural resources	24,630	31,029	-	63,855
Housing and development	741,363	1,430,031	1,522,276	848,244
Operating grants and contributions	2,862,181	2,650,434	2,683,108	2,999,026
Capital grants and contributions	357,294	2,947,277	1,470,619	8,179,497
Total governmental activities program revenues	11,834,436	14,510,954	13,275,628	18,110,947
Business-type activities:				
Airport	\$ 19,511,065	\$ 11,938,198	\$ 18,203,944	\$ 11,082,355
Solid Waste Center	3,609,410	5,475,069	5,839,011	5,551,754
Total business-type activities program revenues	23,120,475	17,413,267	24,042,955	16,634,109
Total primary government program revenues	\$ 34,954,911	\$ 31,924,221	\$ 37,318,583	\$ 34,745,056
Net (Expense)/Revenue				
Governmental activities	\$ (27,630,965)	\$ (22,798,811)	\$ (24,771,152)	\$ (31,032,218)
Business-type activities	13,248,465	7,124,623	12,588,210	2,362,592
Total primary government net expense	\$ (14,382,500)	\$ (15,674,188)	\$ (12,182,942)	\$ (28,669,626)
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Property taxes levied for:				
General government purposes	\$ 13,212,003	\$ 13,747,326	\$ 14,572,139	\$ 18,046,484
Debt service	453,595	438,545	430,048	306,838
Sales taxes	16,983,469	18,230,161	19,215,296	19,515,789
Other taxes	728,655	746,686	707,765	837,260
Investment earnings	1,743,594	2,788,012	3,014,757	2,100,021
Gain on sale of fixed assets	-	-	-	-
Transfers	270,000	270,000	270,000	270,000
Total governmental activities	\$ 33,391,316	\$ 36,220,730	\$ 38,210,005	\$ 41,076,392
Business-type activities:				
Investment earnings	\$ 275,928	\$ 474,719	\$ 611,004	\$ 575,780
Gain on sale of fixed assets	-	-	-	702,250
Transfers	(270,000)	(270,000)	(270,000)	(270,000)
Total business-type activities	5,928	204,719	341,004	1,008,030
Total primary government	\$ 33,397,244	\$ 36,425,449	\$ 38,551,009	\$ 42,084,422
Changes in Net Assets				
Governmental Activities	\$ 5,760,351	\$ 13,421,919	\$ 13,438,853	\$ 10,044,174
Business-type activities	13,254,393	7,329,342	12,929,214	3,370,622
Total primary government	\$ 19,014,744	\$ 20,751,261	\$ 26,368,067	\$ 13,414,796

	2009	2010	2011	2012	2013	2014
\$	9,112,735	\$ 9,023,399	\$ 8,051,591	\$ 8,236,495	\$ 8,939,590	\$ 9,364,000
	8,585,020	7,677,119	8,315,629	8,836,841	8,239,758	8,956,235
	16,126,086	17,821,483	15,695,207	19,091,229	16,818,253	19,842,233
	4,159,235	4,209,970	4,437,922	4,892,567	5,043,179	5,445,584
	7,872,276	6,358,219	4,408,254	4,082,376	4,584,893	4,767,737
	17,169	8,857	9,998	9,998	5,432	6,369
	231,392	407,926	190,523	862,954	274,165	281,801
	1,282,901	1,229,392	1,257,597	1,201,640	1,170,202	1,090,061
	<u>47,386,814</u>	<u>46,736,365</u>	<u>42,366,721</u>	<u>47,214,100</u>	<u>45,075,472</u>	<u>49,754,020</u>
	10,899,761	11,654,845	11,445,626	11,377,027	12,234,242	11,995,659
	5,577,238	4,231,364	4,340,284	3,777,305	3,813,001	4,312,474
	<u>16,476,999</u>	<u>15,886,209</u>	<u>15,785,910</u>	<u>15,154,332</u>	<u>16,047,243</u>	<u>16,308,133</u>
	4,114,865	4,782,871	4,672,729	4,279,086	4,563,948	4,744,961
	2,297,844	1,908,214	1,734,398	1,870,734	2,238,329	2,957,068
	263,286	1,005,603	715,231	322,849	446,625	504,687
	377,280	462,440	382,618	422,007	347,254	417,826
	240,531	350,487	120,316	68,598	428,771	117,219
	2,000	31,167	-	-	2,310	11,521
	368,007	312,051	482,542	1,110,411	1,030,410	767,942
	3,791,225	3,294,485	4,230,137	4,581,634	4,673,224	5,392,595
	12,402,832	4,306,982	4,098,393	465,500	1,599,777	1,979,674
	<u>23,857,870</u>	<u>16,454,300</u>	<u>16,436,364</u>	<u>13,120,819</u>	<u>15,330,648</u>	<u>16,893,493</u>
\$	13,222,489	\$ 11,034,595	\$ 19,680,805	\$ 15,659,494	\$ 12,322,722	\$ 11,322,312
	3,424,031	3,972,556	4,212,913	4,743,062	4,738,919	5,313,531
	<u>16,646,520</u>	<u>15,007,151</u>	<u>23,893,718</u>	<u>20,402,556</u>	<u>17,061,641</u>	<u>16,635,843</u>
\$	40,504,390	\$ 31,461,451	\$ 40,330,082	\$ 33,523,375	\$ 32,392,289	\$ 33,529,336
\$	(23,528,944)	\$ (30,282,065)	\$ (25,930,357)	\$ (34,093,281)	\$ (29,744,824)	\$ (32,860,527)
	169,521	(879,058)	8,107,808	5,248,224	1,014,398	327,710
\$	(23,359,423)	\$ (31,161,123)	\$ (17,822,549)	\$ (28,845,057)	\$ (28,730,426)	\$ (32,532,817)
\$	18,594,523	\$ 20,546,313	\$ 20,794,134	\$ 19,559,084	\$ 20,185,952	\$ 19,872,991
	478,644	457,332	461,524	149,675	-	-
	17,120,380	18,013,414	19,245,716	19,834,448	21,194,528	23,317,658
	660,496	602,280	570,500	554,564	658,731	678,158
	863,868	607,991	444,870	314,576	287,808	378,102
	-	-	790,367	52,553	-	51,957
	270,000	270,000	270,000	220,000	-	-
\$	37,987,911	\$ 40,497,330	\$ 42,577,111	\$ 40,684,900	\$ 42,327,019	\$ 44,298,866
\$	288,825	\$ 176,697	\$ 129,692	\$ 61,713	\$ 59,093	\$ 86,630
	-	-	66,270	68,804	8,733	187,105
	(270,000)	(270,000)	(270,000)	(220,000)	-	-
	<u>18,825</u>	<u>(93,303)</u>	<u>(74,038)</u>	<u>(89,483)</u>	<u>67,826</u>	<u>273,735</u>
\$	38,006,736	\$ 40,404,027	\$ 42,503,073	\$ 40,595,417	\$ 42,394,845	\$ 44,572,601
\$	14,458,967	\$ 10,215,265	\$ 16,646,754	\$ 6,591,619	\$ 12,582,195	\$ 11,438,339
	188,346	(972,361)	8,033,770	5,158,741	1,082,224	601,445
\$	14,647,313	\$ 9,242,904	\$ 24,680,524	\$ 11,750,360	\$ 13,664,419	\$ 12,039,784

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

Last Ten Years

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund				
Restricted for:				
Debt service	\$ 223,347	\$ 174,536	\$ 140,813	\$ 105,591
Statutory reserves	619,328	649,592	690,175	671,664
State of Colorado landfill fees retained to remediate State designated hazardous waste sites	265,511	298,003	362,243	405,959
Committed for:				
Open space and trails; Park dedication fees	402,360	253,886	772,248	768,877
Affordable housing	3,558,436	3,744,338	4,268,343	4,366,756
Clerk's programs	-	-	-	-
Ongoing capital projects	-	-	-	-
Assigned for:				
Appropriated for expenditures in next year's budget	2,552,851	3,190,715	4,108,540	3,099,179
To fund discretionary projects in following year	442,230	4,471,563	2,995,115	3,187,142
To fund contingencies over amount required by state constitution	3,428,652	3,350,408	3,309,825	3,328,336
To balance 5 year budget	3,673,074	3,100,000	664,623	800,000
Air Mitigation Program	-	-	24,666	24,666
Tippy Taxi program	198,995	202,602	203,665	200,218
changes in construction activity	-	-	-	-
Asset replacement for information services, dispatch, and various other programs	633,382	546,970	395,676	408,857
Workers' compensation insurance reserve	350,000	350,000	350,000	350,000
Funded employee health claims	340,858	660,017	779,629	861,260
To fund future workers' compensation liability and employee health claims	719,696	780,280	702,199	723,896
To fund future capital projects at the animal shelter	-	-	-	-
To fund capital projects	-	-	-	-
To fund future building needs	3,769,690	3,901,027	6,000,000	5,730,471
Unassigned	-	-	-	-
Total General Fund	<u>\$ 21,185,510</u>	<u>\$ 25,679,305</u>	<u>\$ 25,772,208</u>	<u>\$ 25,037,247</u>
All Other Governmental Funds				
Reserved for:				
Debt service	\$ 471,394	\$ 465,777	\$ 490,548	\$ 226,790
State and Federal Restrictions	-	-	-	-
Statutory reserves	624,101	768,952	749,777	860,176
Voter approved programs	21,278,996	25,374,612	16,613,958	13,912,231
Improvements to Highway 82	965,876	923,449	663,633	547,179
Committed for:				
Affordable housing	674,705	2,177,218	3,525,619	4,508,868
Ongoing capital project	-	-	-	-
Assigned for:				
Appropriated for expenditures in next year's budget	187,897	73,702	246,745	556,783
Capital projects	-	-	-	-
Total all other governmental funds	<u>\$ 24,202,969</u>	<u>\$ 29,783,710</u>	<u>\$ 22,290,280</u>	<u>\$ 20,612,027</u>
Total all governmental funds	<u>\$ 45,388,479</u>	<u>\$ 55,463,015</u>	<u>\$ 48,062,488</u>	<u>\$ 45,649,274</u>

	2009	2010	2011	2012	2013	2014
\$	70,866	\$ -	\$ -	\$ -	\$ -	\$ -
	627,570	661,442	642,049	657,180	703,449	784,699
	430,857	436,882	460,718	468,265	470,625	456,839
	719,738	908,850	799,096	718,621	723,373	729,478
	4,412,917	4,304,907	4,343,651	-	-	-
	-	-	-	-	212,682	205,309
	-	-	-	-	-	327,490
	3,482,370	4,578,094	1,128,359	1,378,786	3,545,787	3,184,216
	3,113,472	2,577,537	-	-	-	-
	3,372,430	3,338,558	3,357,951	3,342,820	3,296,551	3,636,304
	200,000	200,000	350,000	350,000	350,000	350,000
	24,666	24,666	24,666	24,666	-	-
	190,111	173,569	156,498	138,197	118,308	104,284
	-	-	-	-	-	-
	420,552	353,800	-	-	-	-
	350,000	350,000	350,000	-	-	-
	847,152	1,263,990	778,214	1,854,331	2,435,638	3,012,314
	840,915	825,109	1,789,040	1,164,161	770,538	1,112,719
	-	-	-	-	80,000	90,000
	-	-	8,091,100	7,891,131	5,567,121	9,186,078
	5,700,580	5,700,580	-	-	-	-
	-	-	8,926,723	8,572,744	8,993,230	4,908,872
<u>\$</u>	<u>24,808,461</u>	<u>\$ 25,702,104</u>	<u>\$ 31,201,928</u>	<u>\$ 26,564,526</u>	<u>\$ 27,270,359</u>	<u>\$ 28,090,962</u>
\$	212,886	\$ 168,665	\$ 168,614	\$ 164,216	\$ 165,429	\$ 164,778
	-	-	-	118,953	144,792	147,512
	851,491	887,617	937,549	861,387	935,095	964,047
	12,061,892	6,723,735	13,130,474	20,329,405	23,601,797	25,886,393
	429,955	-	-	-	-	-
	4,960,483	533,934	5,851,919	10,664,743	10,953,370	11,316,762
	-	-	-	-	-	676,088
	407,203	429,118	-	-	-	-
	-	-	1,540,821	-	-	-
<u>\$</u>	<u>18,923,910</u>	<u>\$ 8,743,069</u>	<u>\$ 21,629,377</u>	<u>\$ 32,138,704</u>	<u>\$ 35,800,483</u>	<u>\$ 39,155,580</u>
<u>\$</u>	<u>43,732,371</u>	<u>\$ 34,445,173</u>	<u>\$ 52,831,305</u>	<u>\$ 58,703,230</u>	<u>\$ 63,070,842</u>	<u>\$ 67,246,542</u>

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

Last Ten Years

	2005	2006	2007	2008
Revenues				
Taxes	\$ 31,377,722	\$ 33,162,718	\$ 34,925,248	\$ 38,706,371
Intergovernmental	2,932,127	5,671,479	4,320,010	4,688,484
Licenses and permits	989,741	976,895	1,006,987	1,057,109
Charges for services	5,645,974	7,325,511	6,326,624	5,285,346
Fines and forfeitures	15,286	7,578	9,254	7,859
Investment earnings	1,743,594	2,788,012	3,014,757	2,100,021
Impact fees	-	-	-	-
Miscellaneous	2,251,309	529,491	1,612,752	1,579,049
Total Revenues	\$ 44,955,753	\$ 50,461,684	\$ 51,215,632	\$ 53,424,239
Expenditures				
Current:				
General government	7,447,947	7,184,934	9,948,033	8,706,359
Public safety	5,491,587	5,996,928	7,181,237	8,362,918
Public works	16,355,249	14,280,465	18,834,184	23,415,143
Health and welfare	2,568,086	2,544,251	3,615,974	4,018,150
Culture and recreation	13,208,380	10,026,767	16,234,765	9,148,625
Conservation of natural resources	147	58,232	-	-
Housing and development	1,548,357	184,119	195,534	245,997
Debt Service:				
Principal retirement	1,690,000	1,580,000	1,668,308	1,445,369
Interest and fiscal charges	1,479,304	1,428,404	1,337,180	1,294,530
Bond Issuance costs	-	113,147	-	-
Total Expenditures	49,789,057	43,397,247	59,015,215	56,637,091
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,833,304)	7,064,437	(7,799,583)	(3,212,852)
Other Financing Sources (Uses)				
Sales of capital assets	3,998,703	1,001,089	129,056	529,638
Proceeds of general long term debt	-	9,880,000	-	-
Premium on debt issuance	-	119,785	-	-
Escrow to defease debt	-	(8,260,775)	-	-
Transfers in	844,150	818,949	1,029,578	1,079,758
Transfers out	(574,151)	(548,949)	(759,578)	(809,758)
Total Other Financing Sources (Uses)	4,268,702	3,010,099	399,056	799,638
Net Change in Fund Balance	\$ (564,602)	\$ 10,074,536	\$ (7,400,527)	\$ (2,413,214)
Debt service as a percentage of non-capital expenditures	9.29%	10.11%	9.19%	7.07%

	2009	2010	2011	2012	2013	2014
\$	36,854,043	\$ 39,619,339	\$ 41,071,874	\$ 40,097,771	\$ 42,039,211	\$ 43,868,807
	6,518,272	6,190,993	8,428,852	5,200,014	6,427,057	7,400,042
	712,890	708,836	722,872	767,160	1,224,559	1,631,982
	6,187,281	5,471,709	5,891,914	5,493,750	5,803,054	6,070,954
	15,920	18,843	33,589	39,319	49,661	30,921
	863,868	607,991	444,870	314,576	287,808	378,102
	-	639,381	579,405	1,110,411	1,176,581	881,277
	1,016,578	1,224,537	779,732	510,165	649,736	878,316
\$	52,168,852	\$ 54,481,629	\$ 57,953,108	\$ 53,533,166	\$ 57,657,667	\$ 61,140,401
	8,477,240	8,615,171	7,670,106	8,783,477	8,589,688	9,371,896
	8,594,671	8,602,055	8,529,207	8,662,354	8,183,663	8,847,916
	15,981,646	17,911,544	14,410,409	18,592,528	20,715,986	21,232,099
	4,081,533	3,988,632	4,202,136	4,743,347	4,909,132	5,347,087
	14,307,057	25,834,171	4,667,086	4,990,167	1,014,272	663,617
	-	-	-	-	-	-
	231,392	407,926	190,523	189,694	8,125,707	9,665,905
	1,485,691	1,871,032	1,166,394	916,778	942,184	1,002,615
	1,250,055	1,198,232	1,187,916	1,129,690	1,089,581	1,004,167
	-	102,030	-	-	35,300	-
	54,409,285	68,530,793	42,023,777	48,008,035	53,605,513	57,135,302
	(2,240,433)	(14,049,164)	15,929,331	5,525,131	4,052,154	4,005,099
	53,530	2,229,985	1,028,081	126,794	162,881	170,600
	-	8,360,000	-	-	2,845,000	-
	-	2,616	-	-	(2,816,056)	-
	-	(5,818,920)	-	-	-	-
	1,080,533	1,432,719	774,066	6,622,849	2,693,752	728,197
	(810,533)	(1,162,719)	(504,066)	(6,402,849)	(2,693,752)	(728,197)
	323,530	5,043,681	1,298,081	346,794	191,825	170,600
\$	(1,916,903)	\$ (9,005,483)	\$ 17,227,412	\$ 5,871,925	\$ 4,243,979	\$ 4,175,699
	7.29%	7.74%	5.87%	4.64%	4.76%	4.34%

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

Last Ten Years

Functions/Programs	2005	2006	2007	2008
Governmental Activities				
General government	\$ 5,291,096	\$ 4,564,438	\$ 4,705,166	\$ 5,957,833
Public safety	2,301,453	2,218,857	2,072,259	1,499,151
Public works	1,921,074	2,453,303	2,379,526	1,914,894
Health and welfare	744,115	942,159	880,407	1,173,596
Culture and recreation	293,824	2,806,542	1,658,533	8,482,342
Conservation of natural resources	24,630	92,529	57,461	129,834
Housing and development	1,258,244	1,433,126	1,522,276	848,244
Total governmental activities	11,834,436	14,510,954	13,275,628	20,005,894
Business-type activities				
Airport	19,511,065	11,938,198	18,203,944	11,082,355
Solid Waste Center	3,609,410	5,475,069	5,839,011	5,551,754
Total business-type activities	23,120,475	17,413,267	24,042,955	16,634,109
Total primary government	\$ 34,954,911	\$ 31,924,221	\$ 37,318,583	\$ 36,640,003

2009	2010	2011	2012	2013	2014
\$ 5,251,618	\$ 5,819,935	\$ 5,782,618	\$ 5,645,937	\$ 5,928,810	\$ 6,237,922
2,454,209	2,281,294	2,298,544	2,237,877	587,543	3,548,062
1,816,233	2,381,658	2,012,299	1,530,460	3,718,472	2,019,583
1,506,353	1,596,941	1,783,475	2,015,423	2,020,562	2,585,766
12,393,160	3,980,016	4,025,379	525,098	1,981,936	1,668,594
68,290	82,405	51,507	55,613	62,915	65,624
368,007	312,051	482,542	1,110,411	1,030,410	767,942
<u>23,857,870</u>	<u>16,454,300</u>	<u>16,436,364</u>	<u>13,120,819</u>	<u>15,330,648</u>	<u>16,893,493</u>
13,222,489	11,034,595	19,680,805	15,659,494	12,322,722	11,322,312
3,424,031	3,972,556	4,212,913	4,743,062	4,738,919	5,313,531
<u>16,646,520</u>	<u>15,007,151</u>	<u>23,893,718</u>	<u>20,402,556</u>	<u>17,061,641</u>	<u>16,635,843</u>
<u>\$ 40,504,390</u>	<u>\$ 31,461,451</u>	<u>\$ 40,330,082</u>	<u>\$ 33,523,375</u>	<u>\$ 32,392,289</u>	<u>\$ 33,529,336</u>

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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
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
2013	23,168,726	443,569	20,352,973	841,555	704,661	62,942	45,574,426
2014	22,860,519	451,153	22,308,264	1,009,393	778,963	65,634	47,473,926
Change							
2005-2014	32%	34%	26%	45%	-5%	54%	29%

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

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

Last Ten Years

Real Property						
(1) Year Ended December 31,	Vacant Land	Residential	Commercial	Industrial	Natural Resources	Agricultural
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
2013	232,178	1,740,000	430,850	670	2,872	10,516
2014	228,246	1,765,140	573,865	670	2,911	10,578

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
\$ 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%
29,109	52,635	2,599,004	86,167	9.159	24,613,719	10.56%
28,418	51,791	2,609,829	154,675	9.454	24,789,413	10.53%

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
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
2013	7.96%	2012 appraised value
2014	7.96%	2012 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

Source: Pitkin County Assessor's Office

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

Last Ten Years

	2005	2006	2007	2008
County direct rates				
General Fund	2.413	2.483	1.871	1.922
Road and Bridge	0.175	0.180	0.137	0.141
Social Services	0.026	0.025	0.037	0.036
Healthy Community Fund	0.484	0.648	0.489	0.501
Bond Redemption	0.233	0.223	0.113	0.173
Open Space	3.764	3.760	3.757	3.760
Radio and TV. Translator	0.276	0.283	0.216	0.223
Total direct rates	7.371	7.602	6.620	6.756
School Districts rates				
Aspen School District RE-1	10.458	10.294	8.622	9.355
Roaring Fork School District REJT1.12	37.265	37.009	34.246	33.942
City and Town rates				
City of Aspen	5.471	5.419	5.459	5.467
Town of Basalt	6.474	6.560	5.058	5.181
Town of Snowmass Village	10.705	11.015	9.546	9.509
County-wide Districts rates				
Colorado Mountain College	3.997	3.997	3.997	3.997
Colorado River Water Conservancy	0.230	0.221	0.191	0.198
Aspen Valley Hospital (1)	1.500	1.500	1.280	1.280
Pitkin County Library (1)	1.357	1.398	1.113	1.148
Ambulance District rate	0.221	0.228	0.170	0.176
Fire Protection Districts rates	18.674	20.321	19.193	19.198
Water and Sanitation Districts rates	29.647	31.721	28.110	28.288
Other Special Districts rates	391.604	440.089	387.632	432.590

(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

2009	2010	2011	2012	2013	2014
1.491	1.501	2.150	2.205	2.416	2.476
0.110	0.112	0.158	0.162	0.178	0.182
0.048	0.065	0.065	0.065	0.065	0.065
0.394	0.402	0.567	0.707	0.778	0.802
0.126	0.127	0.055	-	-	-
3.333	3.351	3.797	3.796	3.783	3.750
0.175	0.179	0.252	0.259	0.280	0.289
5.677	5.737	7.044	7.194	7.500	7.564
7.846	8.254	9.105	9.201	9.333	9.297
30.984	30.992	39.589	38.240	42.445	42.149
4.042	3.854	5.236	5.346	5.654	5.817
3.873	4.066	6.139	6.386	7.560	9.881
7.485	7.356	8.940	9.019	9.261	9.200
3.997	3.997	3.997	3.997	3.997	3.997
0.166	0.188	0.228	0.242	0.254	0.253
0.969	1.931	2.664	2.920	2.539	2.818
0.906	0.932	1.296	1.336	1.439	1.490
0.138	0.142	0.198	0.204	0.220	0.400
17.246	18.367	21.619	25.587	24.016	25.997
22.624	23.595	31.003	31.989	37.828	37.828
362.557	410.245	470.465	474.457	502.592	504.293

**Pitkin County, Colorado
Principal Property Taxpayers
(Unaudited)**

Current Year and Ten Years Ago

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Aspen Skiing Co	55,297,360	1	2.12%	\$ 16,915,600	1	0.90%
315 East Dean Assoc. Inc.	26,050,230	2	1.00%	-	-	-
Snowmass Acquisition Company, LLC	24,618,930	3	0.94%	6,652,980	10	0.35%
Silvertree Property Co	17,234,540	4	0.66%	13,264,420	5	0.70%
Starwood Hotels & Resorts Worldwide	-	-	-	16,249,830	2	0.86%
Little Nell Hotel	-	-	-	14,814,540	3	0.78%
Brush Creek Land Company, LLC	-	-	-	13,682,420	4	0.72%
Hyatt Grand Aspen	12,253,030	5	0.47%	-	-	-
Holy Cross Electric Assn.	12,253,030	6	0.47%	-	-	-
The Residences at the Little Nell Condo Assoc. Inc.	11,557,580	7	0.44%	-	-	-
Jerome Property LLC	10,876,180	8	0.42%	8,617,470	7	0.46%
Ritz Carlton	-	-	-	10,551,200	6	0.56%
Aspen Highlands Condo Assoc., Inc.	9,444,230	9	0.36%	-	-	-
James E Cox Living Trust	9,102,620	10	0.35%	-	-	-
Snowmass Club	-	-	-	7,642,020	8	0.40%
Maroon Creek, LLC	-	-	-	6,799,290	9	0.36%
Total	\$ 188,687,730		7.23%	\$ 115,189,770		6.09%
Total assessed valuation	\$ 2,609,828,700			\$ 1,887,535,000		

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)		Adjusted Tax Levy (3)	Year to Date Collections	Percent of Adjusted Levy Collected
			Amount	Percent of Levy			
2004	2005	\$ 15,670,264	\$ 15,645,259	99.84%	N/A	N/A	N/A
2005	2006	16,269,924	16,225,100	99.72%	N/A	N/A	N/A
2006	2007	17,193,155	17,146,326	99.73%	N/A	N/A	N/A
2007	2008	20,872,808	20,800,559	99.65%	N/A	N/A	N/A
2008	2009	21,728,453	21,641,250	99.60%	N/A	N/A	N/A
2009	2010	23,895,431	23,655,021	98.99%	23,633,801	23,626,095	99.97%
2010	2011	24,315,777	23,895,885	98.27%	24,113,493	24,108,163	99.98%
2011	2012	23,282,727	23,021,520	98.88%	22,674,158	22,665,910	99.96%
2012	2013	23,304,979	23,208,354	99.59%	23,274,711	23,208,354	99.71%
2013	2014	23,448,294	23,288,206	99.32%	23,347,020	23,288,206	99.75%

- (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.
- (3) Taxpayers have the right to protest the assessed valuation of their property that results in a changes in the amount

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	
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
2013	893	8,132,860	8,133,753	315,000	344,663	659,663	12.3
2014	1,032	9,015,888	9,016,920	320,000	338,683	658,683	13.7

- (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%
2013	893	8,132,860	8,133,753	597,789	1361%
2014	1,032	9,015,888	9,016,920	597,789	1508%

- (1) Excludes 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
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	17,156	3,683,830,340	18,175,000	-	18,175,000	0.49%	1,059.40
2011	17,111	2,768,117,000	17,300,000	5,048	17,294,952	0.62%	1,010.75
2012	17,213	2,761,028,490	16,695,000	-	16,695,000	0.60%	969.91
2013	17,376	2,599,004,220	16,110,000	-	16,110,000	0.62%	927.14
2014	17,376	2,609,828,700	15,435,000	-	15,435,000	0.59%	888.29

**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
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%
2013	620,000	742,915	1,362,915	53,605,513	2.5%
2014	675,000	663,848	1,338,848	57,135,302	2.3%

(4) Source: Demographics Statistics, G25.

(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	Special Assessment bonds	Airport Loans				
2005	\$ 20,235,000	\$ 7,905,000	\$ 1,715,000	\$ -	\$ 1,812,681	\$ 31,667,681	2.80%	\$ 70,007	
2006	21,445,000	7,295,000	1,460,000	65,000	2,436,918	32,701,918	2.54%	80,062	
2007	20,670,000	6,670,000	1,195,000	61,692	2,152,740	30,749,432	2.19%	86,609	
2008	19,860,000	6,320,000	915,000	56,323	1,859,865	29,011,188	1.88%	92,680	
2009	19,035,000	5,955,000	625,000	50,632	1,557,997	27,223,629	1.89%	84,264	
2010	18,175,000	8,360,000	-	44,600	1,246,831	27,826,431	2.18%	74,414	
2011	17,300,000	8,075,000	-	38,206	926,055	26,339,261	1.95%	79,086	
2012	16,695,000	7,770,000	-	31,428	595,333	25,091,761	1.81%	80,331	
2013	16,110,000	7,455,000	-	24,244	404,620	23,993,864	1.74%	80,331 (2)	
2014	15,435,000	7,135,000	-	16,629	-	22,586,629	1.63%	80,331 (2)	

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

(1) See page 154 for personal income and population data.

(2) 2012 information latest available

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

As of December 31, 2014

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	\$ 51,085,000	\$ -	\$ 51,085,000	100.00%	\$ 51,085,000
Roaring Fork School District R-1	82,859,984	-	82,859,984	22.00%	18,229,196
City and Towns					
City of Aspen (1)	10,368,413	10,368,413	-	100.00%	-
Town of Basalt	7,030,222	-	7,030,222	34.03%	2,392,385
Town of Snowmass Village	7,240,000	1,450,000	5,790,000	100.00%	5,790,000
Fire Districts					
Aspen Fire Protection District	10,485,000	-	10,485,000	100.00%	10,485,000
Basalt and Rural Fire Protection District	284,625	-	284,625	58.00%	165,083
Carbondale Fire Protection District	4,479,998	-	4,479,998	9.04%	404,992
Water and Sanitation Districts					
Basalt Sanitation District	1,675,000	-	1,675,000	55.48%	929,290
Redstone Water and Sanitation District	1,979,317	-	1,979,317	100.00%	1,979,317
Library Districts					
Basalt Regional Library	8,910,000	-	8,910,000	49.40%	4,401,540
Other Districts					
Aspen Highlands Residential Metro District	5,205,319	-	5,205,319	100.00%	5,205,319
Aspen Valley Hospital	42,140,000	-	42,140,000	100.00%	42,140,000
Base Village Metro District #2	19,700,000	-	19,700,000	100.00%	19,700,000
Brush Creek Metro District	745,000	-	745,000	100.00%	745,000
Buttermilk Metro District	2,296,881	-	2,296,881	100.00%	2,296,881
Crown Mountain Recreation District	3,070,000	-	3,070,000	44.04%	1,352,028
Holland Hills Metro District	771,342	-	771,342	100.00%	771,342
Meadowood Metro District	2,269,555	-	2,269,555	100.00%	2,269,555
Starwood Metro District	2,676,431	-	2,676,431	100.00%	2,676,431
Total Overlapping Debt					168,072,373
Direct Debt					
Pitkin County General Obligation Debt	15,435,000	-	15,435,000	100.00%	15,435,000
Sales Tax Revenue Bonds	713,500	713,500	-	100.00%	-
Twining Flats General Improvement Dist.	16,629	-	16,629	100.00%	16,629
Total Direct Debt					15,451,629
Total Overlapping and Direct Debt					\$ 183,524,002

(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 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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Valuation for Assessment of Property	\$ 1,781,447,430	\$ 1,887,535,000	\$ 1,934,052,050	\$ 2,726,650,670	\$ 2,777,168,530
Debt Limit, 3% of Valuation for Assessment (Per Colorado Revised Statutes, Section 30-35-201 (6b))	53,443,423	56,626,050	58,021,562	81,799,520	83,315,056
Amount of Debt Applicable to Limit General Obligation Bonds	<u>20,925,000</u>	<u>20,235,000</u>	<u>21,445,000</u>	<u>20,670,000</u>	<u>19,860,000</u>
Legal Debt Margin	<u>\$ 32,518,423</u>	<u>\$ 36,391,050</u>	<u>\$ 36,576,562</u>	<u>\$ 61,129,520</u>	<u>\$ 63,455,056</u>
Total debt applicable to the limit as a percentage of debt limit	39.15%	35.73%	36.96%	25.27%	23.84%

2009	2010	2011	2012	2013	2014
\$ 2,777,168,530	\$ 3,683,830,340	\$ 2,768,117,000	\$ 2,761,028,490	\$ 2,599,004,220	\$ 2,609,828,700
83,315,056	110,514,910	83,043,510	82,830,855	77,970,127	78,294,861
19,035,000	18,175,000	17,300,000	16,695,000	16,110,000	15,435,000
\$ 64,280,056	\$ 92,339,910	\$ 65,743,510	\$ 66,135,855	\$ 61,860,127	\$ 62,859,861
22.85%	16.45%	20.83%	20.16%	20.66%	19.71%

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
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	17,156	\$ 1,276,646,584	74,414	42.1	1,932	7.1%
2011	17,111	\$ 1,353,240,546	79,086	42.7	1,917	7.7%
2012	17,213	\$ 1,382,737,503	80,331	43.2	1,927	7.1%
2013	17,376	\$ 1,449,592,800	83,425	43.6	1,927	6.4%
2014	17,376	N/A	N/A	43.9	1,953	4.9%

(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, annual rate

**Pitkin County, Colorado
Principal Employers
(Unaudited)**

Current Year and Nine Years Ago

Employers	2014			2005		
	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%	3,512	1	N/A
Aspen Valley Hospital	330	2	2.65%	400	2	N/A
St. Regis Aspen Resort	325	3	1.80%	N/A	N/A	N/A
Roaring Fork Transit Agency	317	4	1.80%	243	6	N/A
City of Aspen	315	5	1.80%	360	4	N/A
Pitkin County	252	6	2.65%	233	7	N/A
Aspen School District	243	7	1.98%	214	9	N/A
Westin Snowmass Wildwood Resort Hotel	220	8	0.94%	N/A	N/A	N/A
Viceroy Snowmass Resort	223	9	1.82%	N/A	N/A	N/A
Ritz Carlton	115	10	1.82%	N/A	N/A	N/A
Silvertree Hotel of Snowmass	N/A	N/A		398	3	
Sheridan Luxury Trust, Asepn Dean Street, LLC	N/A	N/A		258	5	
Hotel Jerome	N/A	N/A		220	8	
Total	<u><u>6,140</u></u>		<u><u>48.30%</u></u>			
Total Pitkin County Labor Force (1)	<u><u>10,772</u></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**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
2-Percent sales tax (1)	\$ 14,178,348	\$ 15,203,474	\$ 15,938,167	\$ 16,088,635
Seasonal composition				
Winter	58.8%	58.8%	58.5%	60.0%
Summer	41.2%	41.2%	41.5%	40.0%
Percentage increase (decrease)	10.6%	7.2%	4.8%	0.9%
1-Percent Transit sales tax (2)	\$ 6,788,139	\$ 7,268,521	\$ 7,628,874	\$ 7,715,882
Percentage increase (decrease)	9.8%	7.1%	5.0%	1.1%
Less payments				
To City of Aspen	2,818,340	3,001,172	3,150,600	3,169,050
To Snowmass Village	702,668	769,010	806,497	833,178
Total Deductions	3,521,008	3,770,182	3,957,097	4,002,228
Net payments to RFTA	\$ 3,267,131	\$ 3,498,339	\$ 3,671,777	\$ 3,713,654
Percentage increase (decrease)	9.8%	7.1%	5.0%	1.1%
1/2 Percent Transit Sales and Use Tax (3)				
Sales tax	\$ 3,541,310	\$ 3,825,453	\$ 3,997,592	\$ 4,034,722
Use Tax	537,039	574,180	642,209	713,209
	\$ 4,078,349	\$ 4,399,633	\$ 4,639,801	\$ 4,747,931
Percentage increase	8.9%	7.9%	5.5%	2.3%
.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.

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>\$ 13,313,300</u>	<u>\$ 14,148,776</u>	<u>\$ 15,215,285</u>	<u>\$ 15,659,281</u>	<u>\$ 16,737,908</u>	<u>\$ 18,153,402</u>
60.6%	59.0%	59.5%	58.9%	59.3%	59.5%
39.4%	41.0%	40.5%	41.1%	40.7%	40.5%
-17.3%	6.3%	7.5%	2.9%	6.9%	8.5%
<u>\$ 6,393,062</u>	<u>\$ 6,825,847</u>	<u>\$ 7,366,067</u>	<u>\$ 7,586,027</u>	<u>\$ 8,132,860</u>	<u>\$ 9,015,888</u>
-17.1%	6.8%	7.9%	3.0%	7.2%	10.9%
2,636,622	2,830,663	3,048,981	3,132,143	3,327,320	3,708,007
679,459	709,904	771,798	802,730	891,195	968,534
<u>3,316,081</u>	<u>3,540,567</u>	<u>3,820,779</u>	<u>3,934,873</u>	<u>4,218,515</u>	<u>4,676,541</u>
<u>\$ 3,076,981</u>	<u>\$ 3,285,280</u>	<u>\$ 3,545,288</u>	<u>\$ 3,651,154</u>	<u>\$ 3,914,345</u>	<u>\$ 4,339,347</u>
-17.1%	6.8%	7.9%	3.0%	7.2%	10.9%
\$ 3,371,170	\$ 3,580,664	\$ 3,798,447	\$ 3,913,565	\$ 4,185,934	\$ 4,567,135
691,037	815,077	785,917	784,524	813,000	1,009,393
<u>\$ 4,062,207</u>	<u>\$ 4,395,741</u>	<u>\$ 4,584,364</u>	<u>\$ 4,698,089</u>	<u>\$ 4,998,934</u>	<u>\$ 5,576,528</u>
-14.4%	8.2%	4.3%	2.5%	6.4%	11.6%
\$ 649,456	\$ 691,832	\$ 752,712	\$ 781,400	\$ 836,895	\$ 907,670
N/A	6.5%	8.8%	3.8%	7.1%	8.5%

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

Pitkin County, Colorado

Annual Skier Days by Area (1)
(Unaudited)
Last ten years

Year	Aspen Mountain	Buttermilk	Snowmass	Aspen Highlands	Grand Total	Percent Increase (Decrease)
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%
2013/2014 (3)	N/A	N/A	N/A	N/A	1,348,003	-2.0%

- (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 mountain were not available.
- (3) Aspen Ski Company only releases percentage increase from previous year.

Source: Aspen Ski Company

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

Last Ten Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Administrative Services	0.60	0.60	0.60	-	-	-	-	-	-	-
Assessor	9.00	9.00	10.00	10.00	10.00	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	5.00
Clerk and Recorder	9.45	9.55	10.55	10.55	10.55	10.55	10.55	11.55	10.55	11.05
County Attorney	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	6.00	6.00
County Manager	3.80	4.80	4.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80
Facilities	9.75	10.75	10.75	9.75	9.75	9.75	8.75	9.75	9.75	11.35
Finance	10.40	8.80	8.80	8.80	8.80	8.80	7.80	7.80	7.00	8.00
Human Resources	3.40	3.40	3.80	3.80	3.80	4.00	4.00	4.00	4.00	4.00
Public Relations	1.30	1.30	1.25	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Technical Coordinator	-	-	-	1.00	1.00	-	-	0.00	3.00	8.00
Treasurer	3.00	3.00	3.00	3.60	3.60	3.60	3.60	3.60	3.60	3.60
Use Tax	-	-	-	-	-	1.00	1.00	1.00	1.00	1.00
Judicial and Public Safety										
Communications Center	15.00	15.00	15.00	16.00	16.00	16.00	17.00	17.00	14.00	14.00
Detention		11.80	11.80	11.80	12.80	13.80	14.00	14.00	14.00	14.00
Emergency Management	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.75	1.75	1.75
Sheriff	25.75	25.75	25.75	27.75	27.00	28.00	28.00	27.00	27.00	27.00
Radio/Phones	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00
Building Inspections	6.00	7.00	7.00	7.00	7.00	6.00	5.00	5.00	7.00	8.00
Planning and Zoning	9.33	10.00	10.50	10.50	10.50	10.00	10.00	8.60	8.00	9.00
Public Works										
Administrative Services	6.20	5.20	5.20	6.00	6.00	5.00	5.00	4.00	4.00	4.00
Fleet Services	5.00	5.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	7.00
Land Management	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-	-
Road and Bridge	10.00	10.00	10.00	10.00	10.00	10.00	9.00	9.00	9.00	9.00
Translator	0.80	0.80	0.80	1.00	1.00	1.00	1.00	0.00	1.00	1.00
Health and Welfare										
Animal Safety	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Environmental Health	5.00	5.00	5.00	6.00	5.00	2.00	2.00	2.00	2.00	2.00
Healthy Community Fund	-	-	-	-	-	0.00	0.00	0.00	0.00	0.50
Human Services	1.50	1.50	1.75	2.00	2.00	2.00	2.00	2.80	2.80	3.00
Senior Services	3.50	4.05	4.85	5.05	5.20	5.20	5.20	5.28	5.28	5.28
Social Services	3.00	3.00	3.00	2.00	3.00	3.00	3.00	5.00	6.00	6.00
Cultural and Recreation										
Library	17.75	21.20	20.98	20.98	22.00	22.00	22.00	22.00	22.00	22.00
Open Space and Trails	3.33	5.00	5.00	5.00	5.00	7.00	7.00	7.00	9.00	9.00
Business-type										
Airport Operations	23.00	23.00	25.40	24.40	24.00	24.00	25.00	25.00	25.00	25.00
Solid Waste and Recycling	16.15	12.00	12.00	12.00	12.00	11.00	10.00	10.00	10.00	10.00
	<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>235.70</u>	<u>236.93</u>	<u>240.53</u>	<u>252.33</u>

Note: The numbers presented above are the number of FTE's (full-time equivalents) rounded to the nearest whole number. These numbers are approved staffing complement for the year indicated, including seasonal employees.

Source: Pitkin County Human Resources

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

Last Ten Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Assessor										
Property transfers	2,257	2,138	1,505	1,453	1,288	1,474	1,690	1639	1803	2192
Public Trustee										
Number of foreclosures filed	12	22	12	35	105	144	113	113	57	28
Clerk and Recorder										
Number of vehicle registrations	17,435	18,132	18,419	18,990	18,447	17,687	18,099	18,131	18,613	19,469
Number of registered voters	12,509	12,980	12,142	13,307	13,537	13,617	13,751	14,619	15,135	15,595
Human Resources										
Number of job applications processed	900	650	852	1046	634	1,042	818	1,392	1,243	1,354
Judicial and Public Safety										
Coroner										
Number of deaths investigated	30	33	23	29	21	22	28	24	26	45
Detention										
Average daily population	14	16	15	16	16	17	16	17.1	16	17
District Attorney										
Number of Felony cases	120	84	65	96	100	94	114	80	89	51
Number of juvenile cases	10	34	24	9	23	49	22	17	34	28
Sheriff										
Incidents handled by patrol and investigations	910	856	926	812	813	832	776	859	956	761
Building Inspections										
Number of building permits issued	220	220	415	364	282	320	290	378	346	392
Planning and Zoning										
Number of land use applications processed	258	271	182	199	172	148	143	154	137	148
Public Works										
Road and Bridge										
County roads (center lane miles)	264	265	265	265	265	265	265	265	265	265
Bridges	26	26	26	26	26	24	24	24	24	24
Health and Welfare										
Animal Control										
Number of animals placed in shelter	139	169	127	152	162	147	159	135	147	125
Environmental Health										
Number of food service inspections	169	165	156	165	165	167	155	143	170	153
Number of septic system permit reviews	96	101	102	104	45	66	84	83	109	133
Grant Administration										
Number of county grant applications processed	39	44	57	55	71	76	77	75	72	74
Senior Services										
Number of senior lunches	9,928	10,891	10,570	10,047	10,735	11,438	10,935	10,143	10,523	9,731
Number of requests for transportation	7,395	7,592	6,985	6,498	7,399	7,906	8,206	7,242	8,475	7,582
Human Services Public Assistance										
Caseload	N/A	184	165	250	328	346	435	428	480	862
Cultural and Recreation										
Library										
Number of books	95,331	100,936	104,541	109,413	111,599	112,491	93,277	95,402	83,365	78,647
Open Space and Trails										
Acres of conserved open space land	12,840	14,923	16,000	16,431	17,753	18,500	18,630	18,799	19,314	19,680
Trails maintained (lane miles)	38.01	40.00	40.00	43.00	47.00	47.88	48.00	42.05	68.00	73.07
Business-type										
Airport Operations										
Number of enplaned passengers	198,422	204,678 #	183,632	222,881	219,678	227,784	223,078	220,376	211,749	224,311
Solid Waste and Recycling										
Cubic yards of solid waste processed	224,000	323,000	295,000	347,094	220,000	106,000	112,585	120,633	131,305	N/A
Tons of solid waste processed	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	49,127
Recycled tons processed	4.8	4.4	5.5	3.0	5.0	6.3	3.7	3.1	2.9	1930

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)		Total Operations	Percent Change	Enplaned Passengers	Percent Change
	Air Carrier	General Aviation	Total	General Aviation	Total				
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%	
2013	17,735	14,266	32,001	3,268	35,269	-4.2%	211,749	-3.9%	
2014	17,642	14,060	31,702	3,578	35,280	0.0%	224,311	5.9%	

(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

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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
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
2013	197	78,182,370	467	267,563,497
2014	186	183,671,423	505	350,334,774

New construction in Pitkin County including additions, alterations and conversions.
Source: Aspen/Pitkin County Building Department and Town of Snowmass Village Building Department.

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

Last Ten Years

Function/Program	2005	2006	2007	2008
General Government				
Land	\$ 10,800	\$ 10,800	\$ 2,263,452	\$ 2,263,452
Buildings	7,538,569	7,666,508	7,666,508	6,702,330
Improvements	204,512	204,512	204,511	169,292
Equipment	2,942,661	3,033,194	3,130,537	3,813,303
Infrastructure	32,768	32,768	32,768	32,768
Total General Government	10,729,310	10,947,782	13,297,776	12,981,145
Public Safety				
Land	392,693	392,693	392,693	392,693
Buildings	4,284,361	4,290,043	4,295,094	4,188,220
Improvements	23,696	23,696	23,696	23,696
Equipment	2,272,991	2,445,054	2,571,506	2,932,562
Total Public Safety	6,973,741	7,151,486	7,282,989	7,537,171
Public Works				
Land	2,636,598	2,636,598	2,636,598	2,134,603
Buildings	8,622,819	8,622,819	8,647,833	8,650,590
Improvements	519,598	519,598	519,598	658,646
Equipment	4,040,549	3,488,445	3,808,547	4,172,762
Infrastructure	26,035,967	27,058,668	27,222,384	30,175,659
Intangible Assets	-	-	-	501,996
Total Public Works	41,855,531	42,326,128	42,834,960	45,792,260
Health and Welfare				
Buildings	3,156,939	3,166,861	3,166,861	4,280,106
Improvements	95,242	95,242	95,243	95,243
Equipment	152,589	146,227	151,664	149,703
Infrastructure	56,374	56,373	56,373	56,373
Total Health and Welfare	3,461,144	3,464,703	3,470,141	4,581,425
Cultural and Recreation				
Land	58,142,877	58,444,248	74,832,801	61,205,398
Buildings	59,181	59,181	59,181	59,181
Improvements	436,771	498,870	498,870	488,870
Equipment	156,278	180,249	251,059	201,580
Infrastructure	6,494,844	6,494,844	10,054,340	10,054,340
Intangible Assets	-	-	-	27,432,967
Total Cultural and Recreation	65,289,951	65,677,392	85,696,251	72,009,369

	2009	2010	2011	2012	2013	2014
\$	2,263,452	\$ 2,263,452	\$ 2,263,452	\$ 2,263,452	\$ 2,263,452	\$ 2,263,452
	6,702,330	6,858,306	6,821,667	7,526,440	6,864,477	2,870,554
	157,340	157,340	157,339	157,340	140,145	55,430
	3,004,281	3,234,512	3,033,682	3,057,557	3,064,379	774,271
	32,768	32,768	32,768	32,768	32,768	15,874
	<u>12,160,171</u>	<u>12,546,378</u>	<u>12,308,908</u>	<u>13,037,557</u>	<u>12,365,221</u>	<u>5,979,581</u>
	392,693	392,693	392,693	392,693	392,693	392,693
	4,260,770	4,255,455	4,243,280	4,243,280	4,243,280	1,461,886
	23,696	23,696	23,696	23,696	23,696	6,866
	<u>3,317,375</u>	<u>3,932,875</u>	<u>3,887,338</u>	<u>4,541,652</u>	<u>4,130,563</u>	<u>2,106,819</u>
	<u>7,994,534</u>	<u>8,604,719</u>	<u>8,547,007</u>	<u>9,201,321</u>	<u>8,790,232</u>	<u>3,968,264</u>
	2,076,225	2,076,225	2,076,225	2,076,225	2,076,225	2,076,225
	8,631,737	8,631,737	8,652,750	8,730,166	8,730,166	1,579,667
	658,646	658,646	658,646	658,646	454,293	70,316
	4,389,229	5,853,702	5,880,409	5,854,744	5,841,383	3,508,127
	30,175,659	31,275,659	31,275,662	31,705,731	31,705,731	19,084,399
	501,996	501,995	501,992	501,995	501,995	501,992
	<u>45,931,496</u>	<u>48,495,969</u>	<u>48,543,692</u>	<u>49,025,512</u>	<u>49,309,793</u>	<u>26,820,726</u>
	4,290,099	4,389,292	4,379,922	4,391,525	4,381,357	1,935,470
	95,243	81,380	15,473	15,472	15,473	6,640
	148,807	148,807	146,518	146,520	146,518	69,657
	56,373	56,373	56,373	56,374	56,373	27,309
	<u>4,590,522</u>	<u>4,675,852</u>	<u>4,598,286</u>	<u>4,609,891</u>	<u>4,599,721</u>	<u>2,039,076</u>
	65,603,726	80,926,544	80,926,544	81,468,748	84,095,137	88,196,999
	59,181	59,181	651,132	782,763	782,763	660,639
	488,870	488,870	1,232,132	1,232,132	1,264,895	777,465
	336,252	356,682	356,682	367,977	395,643	206,680
	10,054,340	13,487,947	14,587,896	14,958,175	15,414,417	8,323,801
	<u>43,473,026</u>	<u>45,548,027</u>	<u>45,548,029</u>	<u>45,548,026</u>	<u>45,415,158</u>	<u>45,415,160</u>
	<u>76,542,369</u>	<u>95,319,224</u>	<u>97,754,386</u>	<u>98,809,795</u>	<u>147,368,013</u>	<u>143,580,744</u>

(Continued)

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

Last Ten Years

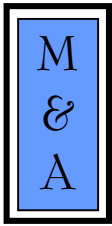
Function/Program	2005	2006	2007	2008
Conservation of Natural Resources				
Equipment	130,821	137,823	127,833	127,833
Total Conservation of Nat. Resources	<u>130,821</u>	<u>137,823</u>	<u>127,833</u>	<u>127,833</u>
Housing and Development				
Land	2,758,510	730,050	730,050	730,050
Buildings	-	-	-	-
Total Housing and Development	<u>2,758,510</u>	<u>730,050</u>	<u>730,050</u>	<u>730,050</u>
Construction in Progress	477,859	8,683,598	7,659,721	4,150,177
Total Governmental	<u>\$ 131,676,867</u>	<u>\$ 139,118,962</u>	<u>\$ 161,099,721</u>	<u>\$ 147,909,430</u>
Business-type				
Airport				
Land	\$ 10,480,840	\$ 10,480,840	\$ 10,480,840	\$ 7,873,279
Buildings	6,706,182	6,798,861	7,122,651	18,717,688
Improvements	29,961,930	30,401,479	30,964,267	30,841,247
Equipment	5,678,188	6,252,770	6,287,745	6,504,783
Construction in Progress	20,878,078	28,187,163	40,662,297	21,097,613
Intangible Assets	-	-	-	2,955,956
Total Airport	<u>52,827,140</u>	<u>53,933,950</u>	<u>54,855,503</u>	<u>63,936,997</u>
Solid Waste Center				
Land	50,000	50,000	50,000	50,000
Buildings	665,070	665,070	665,070	546,460
Improvements	1,387,152	1,639,451	2,055,845	3,337,549
Equipment	1,145,153	1,170,746	1,227,292	1,054,674
Construction in Progress	37,394	2,531	263,799	25,235
Total Solid Waste Center	<u>3,284,769</u>	<u>3,525,267</u>	<u>3,998,207</u>	<u>4,988,683</u>
Total business-type	<u>\$ 56,111,909</u>	<u>\$ 57,459,217</u>	<u>\$ 58,853,710</u>	<u>\$ 68,925,680</u>

Source: Pitkin County Fixed Asset Management System

2009	2010	2011	2012	2013	2014
127,833	135,036	112,131	112,131	93,815	27,178
<u>127,833</u>	<u>135,036</u>	<u>112,131</u>	<u>112,131</u>	<u>93,815</u>	<u>27,178</u>
730,050	730,050	730,050	730,050	730,050	730,050
-	-	-	-	741,755	1,772,222
<u>730,050</u>	<u>730,050</u>	<u>730,050</u>	<u>730,050</u>	<u>1,471,805</u>	<u>2,502,272</u>
3,875,926	1,649,975	627,942	742,029	6,553,691	1,108,049
<u>\$ 151,952,901</u>	<u>\$ 172,157,203</u>	<u>\$ 173,222,402</u>	<u>\$ 176,268,286</u>	<u>\$ 230,552,291</u>	<u>\$ 186,025,890</u>
\$ 7,873,279	\$ 7,873,279	\$ 7,873,279	\$ 7,873,279	\$ 7,873,279	\$ 7,873,279
18,749,257	18,749,257	18,749,257	18,970,151	18,963,831	12,391,941
51,970,342	52,118,955	52,143,270	56,555,696	56,555,696	51,224,968
7,369,076	8,651,643	8,153,276	9,214,724	9,304,840	4,366,797
4,318,461	5,302,255	18,885,024	21,435,097	21,921,987	1,714,831
2,955,956	2,955,956	2,955,956	2,955,956	2,955,956	2,955,956
<u>85,961,954</u>	<u>87,393,134</u>	<u>86,919,082</u>	<u>92,613,850</u>	<u>117,575,589</u>	<u>80,527,772</u>
50,000	50,000	50,000	50,000	50,000	50,000
530,811	382,581	382,581	998,218	998,218	750,438
1,629,664	1,629,664	1,629,664	1,655,528	1,655,528	887,151
1,094,024	1,094,024	1,426,600	1,446,981	1,441,580	543,190
-	31,990	29,762	-	-	194,680
<u>3,304,499</u>	<u>3,156,269</u>	<u>3,488,845</u>	<u>4,150,727</u>	<u>4,145,326</u>	<u>2,425,459</u>
<u>\$ 89,266,453</u>	<u>\$ 90,549,403</u>	<u>\$ 90,407,927</u>	<u>\$ 96,764,577</u>	<u>\$ 121,720,915</u>	<u>\$ 82,953,231</u>

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SINGLE AUDIT SECTION



MCMAHAN AND ASSOCIATES, L.L.C.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of County Commissioners Pitkin County, Colorado

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pitkin County, Colorado (the "County") as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 19, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Member: American Institute of Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT
To the Board of County Commissioners
Pitkin County, Colorado

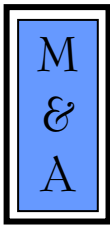
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McMahan and Associates, L.L.C.
June 19, 2015



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; ON COMPLIANCE WITH THE PASSENGER FACILITY CHARGE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND THE PASSENGER FACILITY CHARGE AUDIT GUIDE FOR PUBLIC AGENCIES

**To the Board of County Commissioners
Pitkin County, Colorado**

Report on Compliance for Each Major Program

We have audited the compliance of Pitkin County, Colorado (the "County") with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2014 and its compliance with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (the "Guide"), issued by the Federal Aviation Administration, for its Passenger Facility Charge program for the year ended December 31, 2014. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and to the Passenger Facility Charge program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and to the Passenger Facility Charge program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the Guide. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program and on the Passenger Facility Charge program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and on the Passenger Facility Charge program. However, our audit does not provide a legal determination on the County's compliance with those requirements.

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INDEPENDENT AUDITOR'S REPORT
To the Board of County Commissioners
Pitkin County, Colorado

Opinion on Each Major Federal Program and Passenger Facility Charge Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and on its Passenger Facility Charge program for the year ended December 31, 2014.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the County's internal control over compliance with types of requirements that could have a direct and material effect on each major federal program and on the Passenger Facility Charge program to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and Passenger Facility Charge program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or Passenger Facility Charge program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or Passenger Facility Charge program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or Passenger Facility Charge program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the Guide. Accordingly, this report is not suitable for any other purpose.

McMahan and Associates, L.L.C.
June 19, 2015

Pitkin County, Colorado
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2014

Part I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Noncompliance material to financial statements noted	None noted

Federal Awards:

Internal control over major programs:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Type of auditor’s report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133	No
Major programs:	
Airport Improvement Program	CFDA #20.106
Dollar threshold used to identify Type A from Type B programs:	\$300,000
Identified as low-risk auditee	Yes

Part II – Findings Related to Financial Statements

Findings related to financial statements as required by <i>Government Auditing Standards</i>	None noted
Auditor-assigned reference number	Not applicable

Part III – Findings Related to Federal Awards

Internal control findings	None noted
Compliance findings	None noted
Questioned costs	None noted
Auditor-assigned reference number	Not applicable

Pitkin County, Colorado
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2014
(Continued)

There were no findings for the year ended December 31, 2013.

Pitkin County, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2014

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Grant Identifying Number	Federal Expenditures	
Department of Agriculture				
Pass through Colorado Department of Human Services				
Federal Incentives for SNAP	10.551	N/A	1,173	
State Admin Matching Grants for SNAP	10.561	N/A	73,621	
Total Department of Agriculture			<u>74,794</u>	
Department of Justice				
Direct Funding				
Bureau of Justice Assistance				
State Criminal Alien Assistance Program	16.606	2012-H3633-CO-AP	6,480	
Total Department of Justice			<u>6,480</u>	
Department of Transportation				
Direct Funding				
Federal Aviation Administration				
Construct Taxiway 'A3', Taxiway 'A7' Deicing Pad (Phase I)	20.106	03-08-0003-46	66,112	
Construct Taxiway 'A3', Taxiway 'A7' Deicing Pad (Phase I)	20.106	03-08-0003-47	222,670	
Rehabilitate runway 15/33, Construct Taxiway "A", Rehabilitate Apron	20.106	03-08-0003-49	454,892	
Rehabilitate Apron (Phase II) and Rehabilitate Taxiway "A"	20.106	03-08-0003-49	524,697	
Total Department of Transportation			<u>1,268,371</u>	
Department of Health and Human Services				
Pass through Colorado Department of Human Services				
CO Works (TANF)	93.558	N/A	65,163	
Title IV-D Admin	93.563	N/A	32,416	
LEAP	93.568	N/A	26,984	
CCDF Discretionary	93.575	N/A	20,846	A
CCDF	93.596	N/A	34,689	A
Title IV-B Child Welfare	93.645	N/A	6,964	
Title IV-E Foster Care	93.658	N/A	76,750	B
Title IV-E Adoption Assistance	93.659	N/A	3,870	B
Title XX Block Grant	93.667	N/A	21,940	
Title XIX MEDICAID	93.778	N/A	103,257	
Subtotal Pass through Colorado Department of Human Services			<u>392,879</u>	
Pass through Colorado Department of Local Affairs				
Community Service Block Grant 13-14	93.569	L-13CSBG35	11,932	
Subtotal Pass through Colorado Department of Local Affairs			<u>11,932</u>	
Pass through Northwest Colorado Council of Governments				
Title III-C1 and C2 of the Older Americans Act 13-14	93.045	84 063-9906-2014	29,556	
Title III-C1 and C2 of the Older Americans Act 14-15	93.045	84 063-9906-2015	29,584	
Subtotal 93.045			<u>59,140</u>	
NSIP - Nutrition Services - Older Americans Act FFY13	93.053	84 063-9906-2013	6,864	
Subtotal Pass through Northwest Colorado Council of Governments			<u>66,004</u>	
Pass through Colorado Department of Public Health and Environment				
Preventive Health and Health Services Block Grant	93.991	PRV-HC3-HHS	5,000	
Maternal and Child Health Services Block Grant to States	93.994	MCH-MC4-HHS	2,369	
Maternal and Child Health Services Block Grant to States	93.994	MCH-MC5-HHS	2,369	
Subtotal Pass through Colorado Department of Public Health and Environment			<u>9,738</u>	
Total Department of Health and Human Services			<u>480,553</u>	

(continuing)

Pitkin County, Colorado
Schedule of Expenditures of Federal Awards (continued)
For the Year Ended December 31, 2014

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Grant Identifying Number	Grant Award Amount
Federal Emergency Management Agency			
Pass through Colorado Department of Public Safety Office of Emergency Management			
Emergency Management Performance Grant	97.042	N/A	48,750
Total Federal Emergency Management Agency			48,750
TOTAL EXPENDITURES OF FEDERAL AWARDS			1,878,948

Additional Information for Clusters:

A CCDF Cluster	\$	55,535
B CO Works / TANF Cluster	\$	80,620

Notes to the Schedule of Expenditures of Federal Awards for the Year ended December 31, 2014

General

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Pitkin County, Colorado (the "County"). The County's reporting entity is defined in Note 1.A to the County's basic financial statements. All federal financial assistance received by the reporting entity directly from federal agencies, as well as federal financial assistance passed through other government agencies, including the State of Colorado, is included in this schedule. In addition, federal financial assistance awarded directly to eligible County Social Services recipients via Electronic Benefits Transfer ("EBT") is also included in the schedule, with the exception of the Supplemental Nutritional Assistance Program EBT. The State of Colorado issues EBT to the eligible County recipients. Only the federal share of pass-through awards is included on the schedule.

Basis of Presentation

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting, which is described in Note 1.D to the basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Sub-recipients of Grant Awards

Federal financial assistance provided to subrecipients is treated as an expenditure when it is paid to the subrecipient. During 2014, the following awards were granted to sub-recipients :

Subrecipients of Grant Awards	Federal CFDA Number	Amount
Department of Health and Human Services Community Services Block Grant	93.569	\$ 11,932
Pass Through Department of Public Health and Environment Maternal & Child Health Block Grant (Pitkin CNS Contract)	93.994	\$ 4,738

CFDA and Contract Numbers

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

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