



THE CITY OF ASPEN

**City of Aspen, Colorado
Comprehensive Annual Financial Report
For the Year Ended December 31, 2008**

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**City of Aspen, Colorado
Comprehensive Annual Financial Report
December 31, 2008**

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THE CITY OF ASPEN

INTRODUCTORY SECTION



THE CITY OF ASPEN

FINANCE DEPARTMENT
130 SOUTH GALENA STREET
ASPEN, COLORADO 81611

June 20, 2009

To the Honorable Mayor, Members of the City Council, City Manager and Citizens of the City of Aspen:

It is with great pleasure that the Comprehensive Annual Financial Report (CAFR) for the City of Aspen (the "City") for the year ended December 31, 2008, is presented. State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of certified public accountants. This Comprehensive Annual Financial Report is hereby issued and submitted to you in accordance with these requirements.

This report consists of management's representations concerning the finances of the City of Aspen. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management has established an internal control framework that is designed to both protect the assets of the City from loss, theft, or misuse and to allow for the compiling of sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's internal control procedures have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. To the best of management's knowledge and belief, this financial report is complete and reliable in all material respects.

McMahan and Associates, L.L.C., a firm of certified public accountants, performed the annually required independent audit of the City's annual financial report. This independent audit provides reasonable assurance that the financial statements of the City of Aspen for the fiscal year ended December 31, 2008, are free of material misstatement. 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 the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Aspen's financial statements for the fiscal year ended December 31, 2008, are fairly presented in conformity with GAAP. The independent auditor's report is presented on page A1 in the financial section of this report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The City of Aspen's MD&A can be found immediately following the report of the independent auditors. This letter of transmittal and the MD&A are designed to complement each other and should be read in that context.

Profile of City of Aspen Government

The City of Aspen was incorporated in 1879 under provisions of the Constitution of Colorado. On January 1, 1972, the City became a Colorado home rule city. The City is located in central Colorado, situated within the Rocky Mountains, approximately 205 miles west of Denver, encompassing approximately four square miles and is the county seat of Pitkin County. The estimated current population of the City is 6,500. Aspen is an international destination resort community and the local population increases to as high as 30,000 during peak ski and summer vacation seasons with both seasonal residents and visitors.

Pursuant to the City Charter, the City has all the powers granted to municipal corporations and to cities by the constitution and general laws of the state of Colorado, including the power to acquire property within or outside its corporate limits for any City purpose; to sell, lease, mortgage, hold, manage, and control such property as its interests may require; and except as prohibited by the state constitution or the City Charter.

Policy-making and legislative authority are vested in a City Council consisting of five members one of which is a separately elected Mayor. The Council is responsible, among other things, for passing ordinances, adopting the budget, appointing boards and commissions, and hiring the City Manager, City Attorney, and Municipal Judge. The City Manager is responsible for carrying out the policies and ordinances of the Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments. The Council is elected on a non-partisan basis. Council members serve four-year staggered terms, with two council members elected every two years. The Mayor's term is two years. All Council positions are elected on a city-wide basis.

While the City Council exercises the legislative power of the City, other City officials oversee the daily operation of the City. Aspen is a Council-Manager form of City government, and provides full service municipal services. As noted above, the City Council appoints the City Manager and City Attorney, both of whom serve at the pleasure of the Council. The Council also ratifies the appointment of the Finance Director and City Clerk, as required by the City Charter.

The City has approximately 400 full time and part time/seasonal employees. General Government Services provided include police, parks and recreation, parking and transportation services, environmental health and protection, community development and planning, financial management, street maintenance, capital project management and engineering services. In addition to general governmental services, the City operates the Wheeler Opera House, a historic opera house originally constructed in the 1890's – purchased and refurbished by the City in the 1980's, the Wheeler today is host to musical and artistic presentations from local artists and internationally acclaimed actors and entertainers. The City provides deed restricted workforce housing for some of its employees as well as workers for other organizations within the Aspen area. The City also provides support, training, and funding to local childcare providers through its "Kids First" program, and operates a municipal golf course, and provides water and electric utility services, generating half of its electrical power from the City-owned Reudi Hydroelectric power facility. Fire protection, sanitary sewerage, public schools, and medical services are provided to City residents by a variety of public and private entities depending on property location.

Financial Management and Factors Affecting Financial Condition

The City of Aspen experienced a slight economic downturn in 2008. While 2008 revenues and expenses were budgeted lower than 2007, revenues came in just under budget at 99% and expenses were substantially below budgeted amounts. Actual operating expenses totaled 88% of budget and capital expenses totaled only 48% of budget. Fortunately as revenues have declined, so have expenses. 2008 government-wide net assets increased about 8.6% when compared to 2007.

Additional, and more complete information regarding the City's overall financial condition and changes in net assets, can be found in the Management's Discussion and Analysis, found on page B1 of this report.

From a financial management standpoint, the City has maintained strong controls, both in the areas of internal controls and budgetary controls. The City's reliance on consumption based tax revenues for ongoing operations requires a recognition that contraction of the local retail or real estate economy will

result in a decrease in revenues to support operations. These controls create an environment that permits the City to quickly adapt to changes in revenue forecasts, modifying spending plans accordingly.

The Finance Director oversees a set of City-wide internal controls that provide reasonable assurances that financial activity transacted by and among City departments is managed in a way that results in complete, accurate, and timely accounting for all financial transactions. All bank statements and accounts are closed and reconciled monthly, and the City's internal controls are demonstrated through the Finance Department's monthly presentation of its financial condition through its Month End Financial Report, which documents the condition of each and every fund of City government and reports the condition of the City's investment portfolio on a mark to market basis.

The objective of the City's budgetary controls is twofold: to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council, and to provide funding allocations to City departments sufficient to permit them to effectively and efficiently deliver services to their customers, the citizens, and Aspen visitors.

Activities of the general fund, special revenue funds, debt service fund, capital project funds, business-type funds, and internal service funds are included in the annual appropriated budget resolution. Appropriations for all funds lapse at year end. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level. Even though the budget enacted by the City Council is at the fund level, the City prepares a program based budget by department for control at the departmental level, typically referred to as each department's "bottom line" operating budget. Department heads have the authority to reallocate the distribution of budget amounts within and among programs within their department as necessary to accomplish priority goals and achieve their departmental mission. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts are not an actual use of appropriations. Therefore, open encumbrances at year-end for which the expenditure has not yet occurred are canceled.

The City utilizes a fund balance policy as another form of budgetary control. This policy ensures sufficient cash is on hand (typically 60 to 90 days of annual appropriations) to cover all current cash flow and budgetary requirements, and also sets targets for fund balances sufficient to permit the City to absorb an economic downturn without having to significantly reduce services or ask Aspen's citizens for emergency funding to cover the cost of necessary operating costs.

As noted above, budget-to-actual comparisons are provided in this report for each major individual governmental fund for which an appropriated annual budget has been adopted.

Future Outlook

During these times of economic uncertainty, the City will continue a proactive approach to adapt to the quickly changing economy. Management's ten year financial plans for each major City fund assume reasonable and reduced growth rates for revenues, based upon historic results and current economic conditions, and pragmatic expenditure estimates that take into account increasing cost pressures in the energy and transportation sectors of the economy, and the reality of increasing health care and wage costs for City employees.

Aspen is currently in an environment of declining revenues. Although the City has a healthy fund balance in the General Fund, it is not relying on this surplus to make up the entire revenue shortfall. Budget reductions have already been made and future reductions identified. Please see the Management Discussion and Analysis for more complete information regarding the City's multi-year financial planning process and the predicted financial condition of all budgeted funds at the end of 2009.

Compliance with the Taxpayer Bill of Rights

The Colorado Constitutional Amendment passed in November 1992 (known as the TABOR – Taxpayer Bill of Rights amendment), restricts growth in governmental revenues and property tax revenues to amounts adjusted for inflation and a local growth factor. The City received voter approval for permanent exemption from TABOR revenue limits for all non-property tax revenue sources in 1993. For the purposes

of property tax collections, the City of Aspen operates under a time limited voter approved property tax exemption from TABOR growth limits. In 2005, City of Aspen voters extended this exemption for five years, through property tax collections year 2010, for the specific purpose of raising revenues for four projects. These projects include:

- The purchase of alternative fuel (e.g. hybrid) bus or busses for use within the City's RFTA routes;
- Improving the quality of storm water runoff entering the Roaring Fork River through construction of the Jenny Adair wetlands project (a wetlands restoration project adjacent to the Roaring Fork river), and associated improvements to the City's storm water retention and sediment removal systems and;
- Construction of improvements to key elements of the City's sidewalk and trail system including Americans with Disabilities Act (ADA) improvements.

The voter approval permits the City to retain all property tax revenues in excess of the TABOR limitations established by the State Constitution at a pre-determined tax rate of 5.41 mils. 2006 represented year one of this five year TABOR property tax exemption. The City is in the process of completing each of the four noted projects.

Cash Management

Cash temporarily idle during the year is invested in various securities to maximize interest income. The City is also responsible for managing and investing cash assets belonging to the Aspen-Pitkin County Housing Authority (APCHA) through an intergovernmental agreement among the City, Pitkin County, and APCHA. The City Council has formally established an investment policy which includes steps to properly manage the risk, safety, and life of investments, primarily composed of U.S. Government and agency obligations.

The investment policy provides general guidelines for cash management of all funds. It identifies the scope, objectives, and priorities, investment officers, permitted investments, safekeeping, and reporting requirements. A working, adjustable investment strategy has also been established.

Risk Management

The City maintains a comprehensive loss control program, and a Worker's Compensation coverage program. Various risk control techniques, including safety and accident prevention training, and outside contract services for industrial hygiene, have been utilized to minimize accident related losses. Third party coverage is maintained for both Worker's Compensation and Property/Liability claims.

Pension Benefits Provided

The City maintains defined contribution pension plans that cover all regular full time employees (approximately 285). Both City and employee contributions are invested at the direction of benefiting employee. No unfunded liability can ever exist for these plans.

Major Initiatives and Accomplishments

In 2005 the City began construction of the Burlingame Ranch workforce housing project. Once the entire project is completed (Phase I of this project was completed in 2007), this new neighborhood of deed restricted homes will have as many as 236 total units. The City is subsidizing construction of these units through its affordable housing development fund (please see page C10 of this report). Completed units will be sold through the Aspen-Pitkin County Housing Authority in compliance with their rules for deed restricted affordable housing ownership, providing additional access to ownership housing for individuals and families employed in Pitkin County.

In September 2008 the City issued \$5,500,000 of General Obligation Electric Utility Bonds to finance the construction and equipping of the Castle Creek Hydroelectric Facility, which will play an important role in meeting renewable energy goals. The facility will produce approximately 5.5 million kilowatt hours annually, or about 8.5% of the annual energy requirements of Aspen's electric customers. It will reduce

carbon dioxide emissions by approximately 5,167 tons, representing a 0.6% community-wide reduction in carbon dioxide.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Aspen for its comprehensive annual report (CAFR) for the fiscal year ended December 31, 2007. 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 reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City believes the current report continues to conform to the Certificate of Achievement Program requirements, and will submit it to the GFOA to determine eligibility for another certificate.

The timely preparation of this report was accomplished through the efficient and dedicated services of the entire City of Aspen Finance Department staff. I would like to express my appreciation of all members of the Department who assisted and contributed to its preparation. It should be noted that staff from other departments provide great assistance in the preparation of the report and their work is also appreciated. On behalf of the administration, I would also like to thank the Mayor and City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

The City's external auditors, McMahan and Associates, L.L.C., are also commended for their comprehensive and efficient examination of the various funds of the City for the fiscal year ended December 31, 2008.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Don Taylor".

Don Taylor
Director of Finance and Administrative Services

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Aspen
Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "M. L. R. T.", positioned above the title "President".

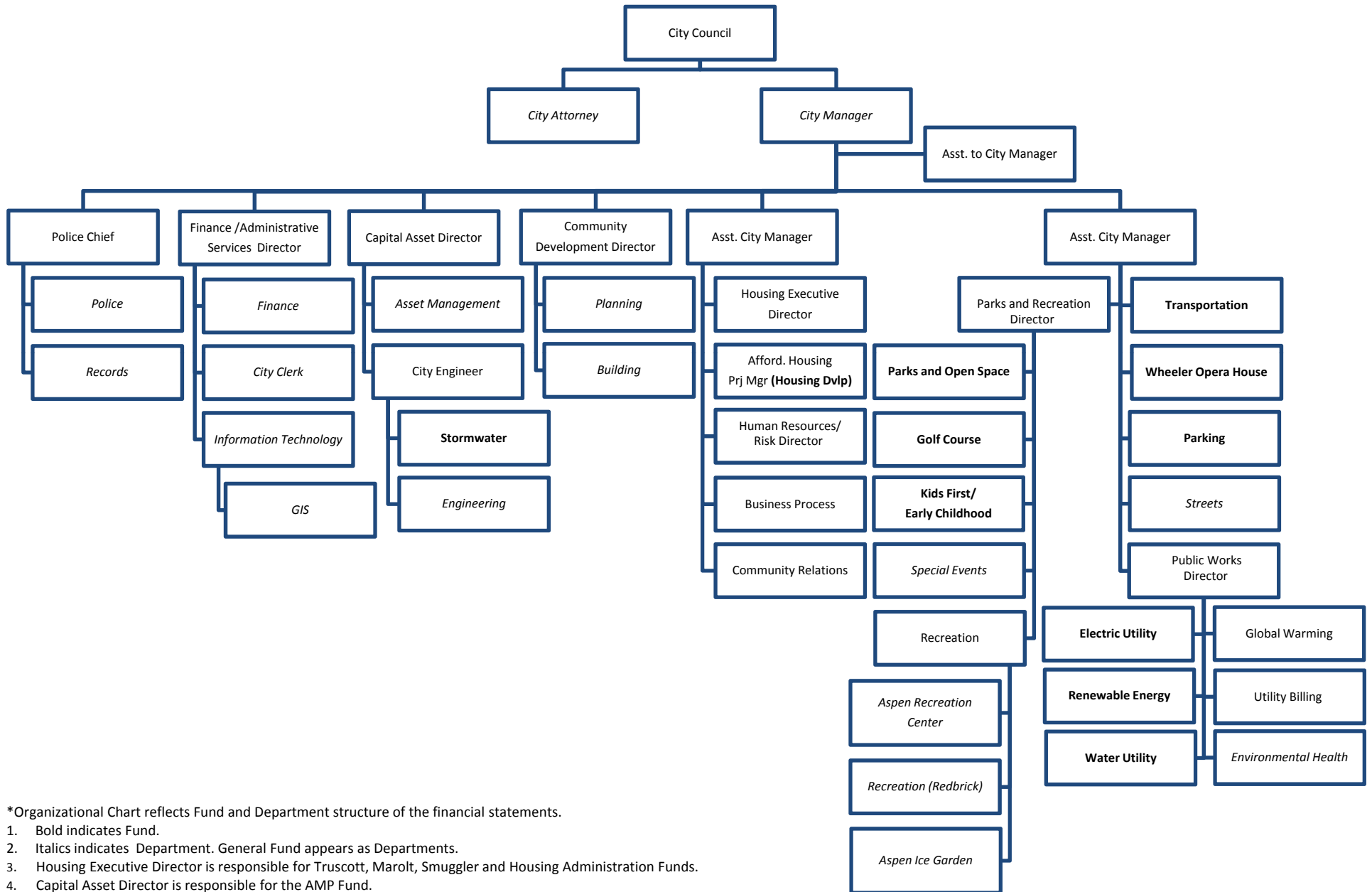
President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer", positioned above the title "Executive Director".

Executive Director

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CITY OF ASPEN ORGANIZATIONAL CHART*



*Organizational Chart reflects Fund and Department structure of the financial statements.

1. Bold indicates Fund.
2. Italics indicates Department. General Fund appears as Departments.
3. Housing Executive Director is responsible for Truscott, Marolt, Smuggler and Housing Administration Funds.
4. Capital Asset Director is responsible for the AMP Fund.
5. City Tourism Promotion, Debt Service, Employee Health Insurance and Employee Housing Funds have no full time employees.

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City of Aspen, Colorado

Members of the City Council

Mick Ireland, Mayor
Steve Skadron, Mayor Pro Tem
Jack Johnson
Jackie Kasabach
Dwayne Romero

City Officials

Stephen Barwick, City Manager
Barry Crook, Assistant City Manager
Randy Ready, Assistant City Manager
Scott Miller, Capital Asset Director
John Worcester, City Attorney
Kathryn Koch, City Clerk
Chris Bendon, Community Development Director
Don Taylor, Director of Finance and Administrative Services
Alissa Farrell, Human Resources Director
Richard Pryor, Police Chief
Jeff Woods, Parks and Recreation Manager
Phil Overeynder, Public Works Director

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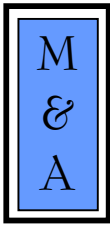


THE CITY OF ASPEN

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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100 WEST BEAVER CREEK BLVD.
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E-MAIL: MCMAHAN@MCMAHANCPA.COM

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council City of Aspen, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Aspen, Colorado, (the "City"), as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the City. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Aspen, Colorado at December 31, 2008 and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, the Asset Management Plan Fund, the Wheeler Transfer Tax Fund, the Affordable Housing Fund and the Parks and Open Space Fund for the year then ended in conformity with U.S. generally accepted accounting principles.

Performing services for local governments throughout Colorado

*D. Jerry McMahan, C.P.A.
Paul J. Backes, C.P.A.*

*Daniel R. Cudahy, C.P.A.
Michael N. Jenkins, C.A., C.P.A.*

Members: American Institute of Certified Public Accountants/Colorado Society of Certified Public Accountants
National and Colorado Government Finance Officers Association/Colorado Municipal League

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining fund financial statements, individual non-major fund budgetary comparisons, the Annual Schedule of Revenues and Expenditures for Roads, Bridges and Streets and the statistical tables listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The combining fund financial statements, individual non-major fund budgetary comparisons, and the Annual Schedule of Revenues and Expenditures for Roads, Bridges and Streets has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
June 12, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

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City of Aspen, Colorado

Management's Discussion and Analysis

December 31, 2008

As management of the City of Aspen (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2008.

Overview of the Financial Statements: This discussion and analysis is intended to serve as an introduction to the City's Comprehensive Annual Financial Report (CAFR). The discussion and analysis is comprised of six components:

- 1) Government-wide Financial Statements,
- 2) Fund Financial Statements,
- 3) Notes to the Financial Statements,
- 4) Statistical Section,
- 5) Government-wide Financial Analysis,
- 6) Fund Financial Analysis

This report also provides an analysis of the City's financial condition, how that condition has changed over the past 12 months, and how that condition is forecasted to change in coming years.

1. Government-wide Financial Statements: Found on pages C1 and C2 of this report, the government-wide financial statements are designed to provide readers with an executive summary level overview of the City's finances. These statements divide the City's financial activity into two broad categories; *governmental* and *business-type* or "enterprise" activities.

Governmental Activities: These are functions of the City that are principally supported by taxes and intergovernmental revenues. These activities are divided into five broad categories of service provision. The following chart provides a listing of City departments that comprise each of these broad categories of service delivery:

<u>Category</u>	<u>Departments</u>
<u>General government:</u>	City Council, City Manager, Human Resources (including Risk Management), City Clerk, City Attorney, Finance, Community Development & Building Inspection, Information Services and Geographic Information Services
<u>Public health and welfare:</u>	Affordable Housing Departments, Kids First and Childcare, Environmental Health
<u>Public safety:</u>	Police Department, Public Safety Records Department, Public Safety Communications Department
<u>Public works:</u>	Engineering Department, Streets Department
<u>Culture and Recreation services:</u>	Parks Department, Special Events and Marketing, Recreation Department, Aspen Recreation Center, Ice Garden Operations, Wheeler Opera House Operations

Business-type Activities: The business-type activities of the City include water and electric utility operations (including hydroelectric power generation), transportation and parking operations and services, municipal golf operations, and certain affordable housing operations and services. Business type activities are reported on page C2 by these service categories.

The City's expenditure budget is organized using this same structure.

The **Government-wide Statement of Net Assets** (page C1) presents information on all of the City's assets and liabilities, with the difference reported as net assets. The first and second columns of this statement provide separate reporting of governmental and business type assets and liabilities and

calculate an ending net asset balance by activity type. The third column provides a combined total of both governmental and business type categories. Over time, increases or decreases in net assets may serve as a useful indicator of the City's changing financial condition.

The **Government-wide Statement of Activities** (page C2) presents information showing how the City of Aspen's governmental and business type net assets changed, both by category of service and in total, during 2008. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes).

2. Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds: The City's governmental funds account on a fund by fund basis for the same functions reported collectively as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, which evaluate the overall net asset condition of the City's governmental activities, the governmental fund financial statements disclose annual changes in the net asset value of individual funds. This disclosure may be useful in evaluating the fiscal condition of individual funds, and the government's near-term financing requirements based upon this disclosure of individual fund financial condition.

These funds are divided into two categories, "major" and "nonmajor", based upon total asset size, among other factors.

The City's major governmental funds and the location of their individual Statement of Revenues, Expenditures and Changes in Fund Balances are as follows:

Fund Name:	Page Location in CAFR
General Fund.....	Page C7
Asset Management Plan Fund.....	Page C8
Wheeler Transfer Tax Fund.....	Page C9
Affordable Housing Fund.....	Page C10
Parks and Open Space Fund.....	Page C11
Debt Service Fund.....	Page E9

The City also reports the following nonmajor governmental funds, found on the following pages:

Tourism/Regional Transportation Fund.....	Page E3
Parking Improvement Fund.....	Page E4
Early Childhood Education Initiative Fund.....	Page E5
Kids First/Daycare Fund.....	Page E6
Stormwater Fund.....	Page E7
Bridges and Trails Capital Projects Fund.....	Page E8

Combining statements of revenues, expenditures, and changes in fund balance, which summarize individual fund activity and provide an annual total for each of these funds types, can be found on pages C5 for all governmental funds and E2 for nonmajor governmental funds.

A Combining Balance Sheet for all major and nonmajor governmental funds is provided on page C3. Page E1 provides a Combining Balance Sheet for nonmajor governmental funds only. The Balance sheet provides additional information regarding the financial condition of each individual fund and of the City's government-wide financial condition by providing a summary accounting of assets and liabilities by fund, and by providing a detail of reserved and unreserved fund balances. The balance sheet and the statement of revenues, expenditures and changes in fund balances are reconciled to each other to facilitate the readers' comparison of the fiscal condition individual governmental funds and the City's overall fiscal condition.

Compliance with Budget adoption requirements: The City adopts an annual budget for all governmental funds, and amends that budget from time to time throughout the fiscal year. Each individual fund Statement of Revenues, Expenditures and Changes in Fund Balance includes an “original” and “final” budgetary comparison column. These columns reconcile to the City Council’s adopted budget resolutions for the fiscal year, and demonstrate compliance with City Charter budgeting requirements and Colorado state budget statutes.

The basic major governmental fund financial statements which provide a summary accounting of all of the City’s governmental funds can be found on pages C3 to C6.

“Business-type” Funds: The City maintains business-type funds commonly known as enterprise funds or proprietary funds. The Proprietary Fund statements are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses proprietary funds to account for its water, electric, hydroelectric power generation, transportation and parking enforcement, golf, and affordable workforce housing operations.

Business-type fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. While the government wide financial statements provide summary information for all governmental services combined, the proprietary fund financial statements provide separate information for each of the business-type services provided by the City. The City’s proprietary funds include:

Water Enterprise Fund
Electric Enterprise Fund
Ruedi Hydroelectric Enterprise Fund
Transportation Enterprise Fund
Truscott Place Housing Enterprise Fund
Marolt Ranch Housing Enterprise Fund
Golf Course Enterprise Fund
Health Insurance Internal Service Fund
Employee Housing Internal Service Fund

The Internal Service funds are eliminated at the government-wide level. The proprietary fund Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balance, and Statement of Cash Flows are found on pages C12 through C14 of this report.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City’s own programs. As such, these funds have no operations and no adopted budget. The accounting used for Fiduciary funds is much like that used for proprietary funds. The fiduciary funds used by the City are the police seizure fund and the deposits agency fund.

The basic fiduciary fund financial statements can be found on page C15 of this report.

3. Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages D1 through D31 of this report.

4. Statistical Section: This section of the report provides a historical analysis of key financial and demographic statistics regarding the City of Aspen’s operations as well as the community in general. This information helps to place the annual financial disclosure and reporting into context with the community’s population and economic makeup by providing information regarding overlapping taxing jurisdictions, major employers, and broad economic and financial trends.

5. Government-wide Financial Analysis: This section provides an analysis of the City’s current financial condition, how that condition changed over the 2008 fiscal year, and how it is projected to change in coming years.

The following chart provides a comparison of government and business-type assets, liabilities, and net assets for December 31, 2008 and 2007.

City of Aspen's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Assets:						
Current and other assets	\$ 67,638,700	\$ 61,837,946	\$ 29,975,826	\$ 22,202,963	\$ 97,614,526	\$ 84,040,909
Capital assets, net	191,555,548	184,971,982	48,017,127	46,038,617	239,572,675	231,010,599
Total Assets	259,194,248	246,809,928	77,992,953	68,241,580	337,187,201	315,051,508
Liabilities:						
Other liabilities	14,917,326	15,112,015	6,565,743	4,461,271	21,483,069	19,573,286
Long-term liabilities	39,364,411	40,597,281	16,097,525	15,204,925	55,461,936	55,802,206
Total Liabilities	54,281,737	55,709,296	22,663,268	19,666,196	76,945,005	75,375,492
Net Assets:						
Invested in capital assets, net of related debt	151,470,473	142,916,432	35,605,394	29,744,606	187,075,867	172,661,038
Restricted	2,026,833	3,396,902	-	-	2,026,833	3,396,902
Unrestricted	51,415,205	44,787,298	19,724,291	18,830,778	71,139,496	63,618,076
Total Net Assets	\$ 204,912,511	\$ 191,100,632	\$ 55,329,685	\$ 48,575,384	\$ 260,242,196	\$ 239,676,016

At the end of the 2008 fiscal year, the City is able to report strong growth in both governmental and business-type net assets. Overall, change in net assets can be summarized by the following chart:

City of Aspen - Change in Net Assets				
Asset Type	2008	2007	Change	% Change
Governmental	204,912,511	191,100,632	13,811,879	7.2%
Business-type	\$ 55,329,685	\$ 48,575,384	\$ 6,754,301	13.9%
Total	\$ 260,242,196	\$ 239,676,016	\$ 20,566,180	8.6%

The City's government-wide net assets increased \$20.57 million, or 8.6% between January 1, 2008 and December 31, 2008.

Within that annual total, governmental net assets increased by \$13,811,879 or 7.2 % primarily due to actual expenditures ending significantly lower than expected and capital assets acquired through cash purchases.

Business-type net assets increased \$6,754,301 or 13.9% due primarily to an increase in unrestricted cash and investments from service fees and excess contributions paid back from the health insurance fund.

Traditionally, the largest portion of any municipality's investments is in its capital assets. Land, buildings, equipment, machinery, and specialized tools are necessary in order to deliver and/or provide services to the City's residents and visitors. The City's capital assets account for 92% or \$239,572,675, of its total net assets of \$260,242,196 as of December 31, 2008; these assets are not an available source for payment of future spending.

Governmental and Business-type current assets totaling \$97,614,526, primarily made up of cash, investments and receivables, are offset by current liabilities of \$21,483,069, giving the City of Aspen a Government-wide current net asset position as of December 31, 2008 of \$76,131,457. When long term liabilities, primarily comprised of long term debt, are deducted from this current asset total, remaining net assets (in addition to capital assets noted above) total \$20,669,521. Of this amount, \$2,026,833 is restricted for the following purposes:

City of Aspen Restricted Reserves, December 31, 2008	Governmental Activities
Debt service	\$ 186,077
Constitutionally Required Emergency Res.	1,840,756
Total Restricted	\$ 2,026,833

The following chart provides an analysis of changes in net assets from the end of fiscal year 2007 to the end of fiscal year 2008. Revenues and expenditures across all governmental and business type activities are disclosed in summary format, providing a general evaluation of revenue and expense activity resulting in an 8.6% increase in net asset value over the 12 months comprising fiscal year 2008. These activities are analyzed here by activity type:

**CITY OF ASPEN, COLORADO
SUMMARY OF NET ASSETS BY TYPE - DECEMBER 31, 2008 and 2007**

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues						
Program revenues:						
Charges for services	\$ 14,051,089	\$ 27,165,940	\$ 16,893,631	\$ 16,504,054	\$ 30,944,720	\$ 43,669,994
Operating grants and contributions:	1,601,369	1,272,132	285,041	413,374	1,886,410	1,685,506
Capital grants and contributions	106,656	1,033,333	1,522,254	1,501,254	1,628,910	2,534,587
General revenues:						
Sales and use taxes	18,938,129	18,087,080	42,187	-	18,980,316	18,087,080
Property taxes	6,972,085	4,560,450	-	-	6,972,085	4,560,450
Other taxes	11,096,062	17,328,502	-	-	11,096,062	17,328,502
Interest and other revenue	6,349,023	6,807,205	1,722,216	1,220,166	8,071,239	8,027,371
Total Revenues	59,114,413	76,254,642	20,465,329	19,638,848	79,579,742	95,893,490
Expenses						
General government	12,799,795	11,367,873	-	-	12,799,795	11,367,873
Public safety	3,965,895	3,992,721	-	-	3,965,895	3,992,721
Public works	5,524,416	5,211,492	-	-	5,524,416	5,211,492
Public health and welfare	4,642,857	45,741,334	-	-	4,642,857	45,741,334
Culture and recreation	13,485,076	12,800,971	-	-	13,485,076	12,800,971
Interest on long-term debt	2,067,637	1,746,898	-	-	2,067,637	1,746,898
Water system	-	-	4,622,089	4,633,996	4,622,089	4,633,996
Electric system	-	-	5,135,035	5,050,868	5,135,035	5,050,868
Transportation and parking	-	-	3,472,291	2,780,761	3,472,291	2,780,761
Golf	-	-	1,207,128	1,284,877	1,207,128	1,284,877
Affordable housing	-	-	2,091,343	2,246,114	2,091,343	2,246,114
Total Expenses	42,485,676	80,861,289	16,527,886	15,996,616	59,013,562	96,857,905
Change in Net Assets						
Before Transfers	16,628,737	(4,606,647)	3,937,443	3,642,232	20,566,180	(964,415)
Transfers	(2,816,858)	(861,317)	2,816,858	861,317	-	-
Change in Net Assets	13,811,879	(5,467,964)	6,754,301	4,503,549	20,566,180	(964,415)
Net Assets - Beginning	191,100,632	196,568,596	48,575,384	44,071,835	239,676,016	240,640,431
Net Assets - Ending	\$204,912,511	\$191,100,632	\$ 55,329,685	\$ 48,575,384	\$260,242,196	\$239,676,016

Governmental Activities Revenues and Expenses: Revenues from governmental activities decreased from \$76,254,642 to \$59,114,413, a decrease of \$17,140,229. The decrease can be attributed to the sale of new Burlingame Ranch affordable housing units to City and non-City employees during 2007, resulting in \$16 million in revenue.

Expenses from governmental activities decreased from \$80,861,289 to \$42,485,676, a decrease of \$38,375,613. The decrease in 2008 from 2007 governmental activity expenses is largely due to costs to complete construction on Burlingame Phase I project incurred in 2007.

Business Activities Revenues and Expenses: Revenues from business activities increased from \$19,638,848 to \$20,465,329, an increase of 4.2%. Increases in charges for services for electric utility services and increases in parking fees are the primary causes of increase in overall business type activity revenues.

Expenses from business activities increased from \$15,996,616 to \$16,527,886, an increase of 3.3%. This increase is primarily due to a \$585 thousand increase in subsidy provided to the Regional Transportation Authority for bus purchases during the year.

The City's business-type activity funds are charged their share of overall general governmental costs. The reimbursement of these costs from business type activities to the General Fund provides for appropriate allocation of the cost of administrative and other support services among all City of Aspen operating units, and has assisted the governmental activities in maintaining an overall positive net asset position. A detailed listing of 2008 interfund transfers can be found on page D19 of this report (Note IV, E).

The City's combined utility services funds, Water, Electric, and Reudi Hydroelectric funds accrued a combined increase in net assets of \$1,615,175 between January 1 and December 31, 2008. This increase was largely due to \$1.13 million in capitalized expenses in the Reudi fund. The City began design of the Castle Creek Hydroelectric Facility in 2008, with expected completion in 2010.

Fund	Change in Net Assets
Water	\$ (277,406)
Electric	442,513
Reudi	1,450,068
Total	<u>\$ 1,615,175</u>

6. Financial Analysis of the City's Funds

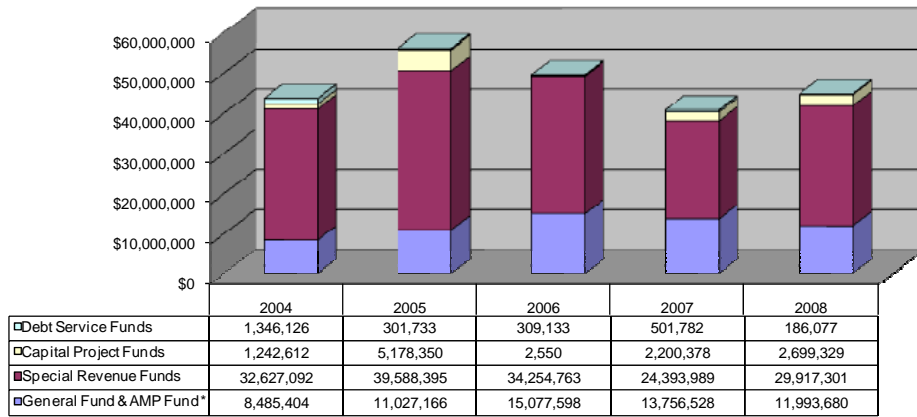
As mentioned earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the City's governmental fund statements is to provide information on near term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of 2008, the City's governmental funds reported combined ending fund balances of \$44,796,387, a 9.7% increase from 2007 year end combined fund balances of \$40,852,677. This increase is the result of excess revenues over expenditures in the majority of the governmental funds, with notable increases in fund balance of approximately \$2.1 million in the Wheeler Transfer Tax Fund and \$1.2 million in the Stormwater Fund.

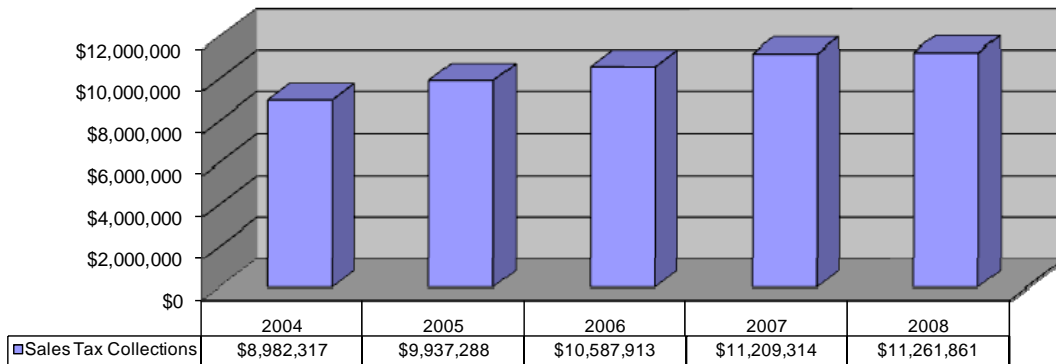
The first graph on the next page provides a view of the City's ending governmental fund balances by fund type.

Schedule of Ending Fund Balances - Governmental Funds 2004-2008



The City's primary funding source for non-General Fund governmental activities is its 2.2% local sales tax. The next chart represents changes in City sales tax collections over the last five years.

**City of Aspen
2.2% Sales Tax Revenues 2004-2008**



Since 2004 the City's sales tax collections increased on average of 5.88% per year.

The City's local sales tax rate of 2.2% provides for the following services and activities:

Parks and Open Space Acquisition and Development (1970):	1.00%
Parks and Open Space Acquisition and Development (2001):	0.50%
Affordable Housing Development & Daycare (1990):	0.45%
Parking Garage Certificates of Participation (1989):	<u>0.25%</u>
Total Local Sales Tax Rate:	<u>2.20%</u>

Annual Revenue from the City's local sales tax only increased 0.47% in 2008 in comparison to 2007, denoting a slowing local retail economy. Additionally, the City receives a portion of a County-wide sales tax. This tax is collected by Pitkin County and is distributed to entities within the County on the basis of an intergovernmental agreement. Funds from this tax source are used to support General Fund operations of the City. In 2008, this revenue source generated \$7,035,890, a decrease of 0.57% over 2007 collections of \$7,075,917 (see page C7).

Proprietary (Enterprise) Funds: The City's proprietary fund statements provide the same type of information found in the government-wide financial statements.

The City's proprietary funds ended 2008 with net assets of \$55,329,685. This total represented an increase of 13.9%, or approximately \$6.8 million in proprietary net assets from the January 1, 2008 total of \$48,575,384. Please see the Combining Statement of Revenues, Expenses and Changes in Net Assets on page C13 of the Annual Report.

The City's largest proprietary operation, the Water Fund, ended 2008 with \$26,700,556 in net assets, representing a decrease in net assets of 1%, or approximately a \$277 thousand decrease in proprietary net assets from the January 1, 2008 total of \$26,977,962.

The Electric Fund, and the Reudi-Hydroelectric Fund which provides hydroelectric power exclusively to the City's Electric Utility, saw an increase in net assets of 18.8%, from approximately \$10.03 million to \$11.92 million between January 1 and December 31, 2008 (See page C12 for details on these two funds).

Both water and electric utilities underwent rate studies in 2006. These studies resulted in utility rate increases for both the Water and Electric operations, to ensure sufficient sales revenues to support ongoing operations and capital expansion and replacement needs well into the future. An electric rate study was completed in 2008 for 2009 implementation. The water utility conservation rates are set to encourage lower consumption. As such, the Water Fund has experienced notable decreases in variable service revenues; approximately a 20% reduction in 2008 from prior year.

The Transportation Fund experienced a 3.16% decrease in net assets during 2008. While parking sales and fines were up about \$433 thousand, contributions to the Roaring Fork Transportation Authority for bus purchases of approximately \$585 thousand created a decrease in net assets.

The Golf Course Fund experienced a 0.7% increase in net assets from \$3,743,342 to \$3,770,331. Construction of the new Maroon Creek Bridge completed in 2008, improving accessibility to the golf course and increasing play.

The City's two affordable housing funds, Truscott Place and Marolt Ranch, which provide for the financial activity related to the provision of City-owned affordable rental housing, both saw significant improvement in their overall financial condition in 2008.

The Truscott Place Fund, which carried a net asset value of \$1,144,943 into 2008, experienced net income of \$4,767,219 during the year, ending with net assets of \$46,093,887. This increase in net assets was due primarily to retirement of the 2001B Housing GO Bonds.

The Marolt Ranch Fund, which carried a net asset value of \$1,680,778 into 2008, similarly saw net income of \$497,483, ending 2008 with total net assets of \$2,178,261. Principal payment on outstanding debt was the major factor contributing to the increase.

Internal Service Funds: The City of Aspen operates two internal service funds, including the Health Insurance Fund and Employee Housing Fund.

The Health Insurance Fund accounts for self-funding health insurance benefits for employees. This fund ended 2008 with net assets of \$1,001,643, a decrease of \$838,237 from January 1, 2008. During 2008, excess contributions remaining in the fund from prior years were transferred back to the funds that originally made the contributions.

The Employee Housing Fund was created in 2008 to account for sales transactions of City-owned housing units to City employees. The fund ended 2008 with net assets of \$2,532,859, mostly attributed to transfers received from other City funds.

General Government Budgetary Highlights: At the end of 2008, differences between the original budgeted expenditures and the final amended budgeted expenditures were \$3,706,960 or 15% of the original budget. This difference was primarily the result of encumbered purchase orders in 2007 that were not fulfilled in that year, and were carried forward into the fiscal year 2008.

General Fund expenditures of \$23,775,448 were less than the amended budget of \$26,390,020 by \$2,614,572. 2008 General Fund revenues totaled \$22,674,586, or \$1,243,924 lower than projected.

Overall, this activity contributed to a decrease in fund balance for the General Fund of \$1,527,898 from \$9,986,602 to \$8,458,704 (See page C7).

The following significant variances from budget were noted in the General Fund:

Account	\$ Variance Positive (Negative)	Reason
Revenues:		
Sales tax	(459,620)	City's share of County sales tax lower than expected due to adverse economic conditions
Licenses and permits	(406,888)	Local economy slowed more than expected compared to the trend over the past five years
Charges for services: General government	(1,122,513)	Zoning plan fees came in 37% lower than expected, which was the major cause of variance
Earnings on investments	262,902	Higher than expected rate of return on the City's portfolio
Rents and royalties	434,751	Increased lease fees to meet demand
Payments in lieu of taxes	(110,416)	Revenue is variable based on development activity
Expenditures:		
General government operating	1,368,472	Below budget expenses due to staff savings and unused carryforward departmental reserves.
Public safety	677,072	Below budget expenses due to staff savings and unused carryforward departmental reserves.
Public works	411,778	Below budget expenses due to staff savings and unused carryforward departmental reserves.
Culture and recreation	183,162	Below budget expenses due to staff savings and unused carryforward departmental reserves.

Capital Assets: Significant capital projects included in fixed asset additions include the acquisition of 517 Park Circle for affordable housing development and building improvements at 517 E Hopkins for City satellite offices. The City's capitalization policy pertains to assets with a purchase value of \$5,000 or greater. Assets of lesser value or a life expectancy of less than twelve months are treated as operational expenditures.

Additional information as well as a detailed classification of the City's net capital assets can be found in the Notes to the Financial Statement on pages D20 and D21 of this report (Note IV, F).

Long-term Debt: As of December 31, 2008, the City's long-term liabilities totaled \$55,461,936. 2008 saw decrease in long term liabilities of \$340,270 through a combination of issuance of \$5,500,000 in new debt, regular payments of principal on outstanding long term debt issues, and the retirement of \$3.9 million of 2001B Housing Bonds. Additional information as well as a detailed classification of the City's total long-term liabilities can be found in the Notes to the Financial Statements on pages D21 through D27 of this report (Note IV, G - L).

Budgetary Fund Balance Condition and Forecast:

The City uses a combination of internal and external financial and economic variables to forecast the future financial condition of all of its budgeted funds. These forecasts are tailored to the specific activities and financial and economic drivers of each fund, and are based upon their major revenue sources, composition of expenditure types, and exposure to economic and financial trends. These trends are updated annually and evaluated as an important component of the City's annual budget development process. These long range financial plans are used to assist the City Council in making current year budgetary decisions in light of the long term financial impact of those decisions on each fund's ability to sustain the required level of financial support for governmental and business-type services of the City of Aspen. Updated long range financial plans for all budgeted funds are published annually as part of the City's Adopted Operating and Capital Budget document.

At the current time, with one exception, all of the City's budgeted funds are projected to remain stable over the coming ten year budget planning horizon.

The only exception to this forecast is the City's Affordable Housing Fund, which ended 2008 with a negative fund balance of \$6,781,182. The City has preliminary plans for construction of several other housing projects, the financing of which has not been completely worked out. No commitments or contracts have been made for these projects at this time. Financing options include combinations of pay as you go, debt financing, and public/private partnerships, all of which are currently being discussed.

Additionally, three funds that are projected to maintain a stable financial condition, but that are particularly susceptible to economic downturns are the Marolt Ranch affordable housing fund, the Truscott Place affordable housing fund and the municipal golf course fund. These funds all rely primarily upon discretionary funding sources to cover annual operating costs. While the local economy has suffered some setbacks in the last year, the City has not experienced a decline in demand for workforce housing and the current demand for golf appears stable. Should these local demands change, those funds may be required to use fund balances to cover annual operating costs and debt service payments.

More complete information on the projected future financial health of all budgeted funds can be found within the City of Aspen 2009 Adopted Operating and Capital budget document.

Requests for Information: This financial report is designed to provide a general overview of the City's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Aspen, City Finance Director, 130 South Galena Street, Aspen, CO 81611.

BASIC FINANCIAL STATEMENTS

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City of Aspen, Colorado
Statement of Net Assets
December 31, 2008

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
Unrestricted cash and investments	\$ 47,626,774	\$ 27,497,760	\$ 75,124,534
Receivables (net of allowance for doubtful accounts)	19,528,764	2,194,941	21,723,705
Prepaid expenses	71,654	-	71,654
Inventories	262,861	-	262,861
Deferred charges	148,647	283,125	431,772
Capital assets not being depreciated	88,423,428	5,039,533	93,462,961
Capital assets net of accumulated depreciation	<u>103,132,120</u>	<u>42,977,594</u>	<u>146,109,714</u>
Total Assets	<u>259,194,248</u>	<u>77,992,953</u>	<u>337,187,201</u>
Liabilities:			
Deficit in pooled cash and investments	159,901	-	159,901
Accounts payable	2,661,433	2,288,118	4,949,551
Accrued liabilities	1,950,814	697,915	2,648,729
Accrued interest	415,689	-	415,689
Deferred revenue	6,925,507	409,906	7,335,413
Unearned revenue	71,757	2,232,404	2,304,161
Non-current liabilities:			
Due within one year	2,732,225	937,400	3,669,625
Due in more than one year	<u>39,364,411</u>	<u>16,097,525</u>	<u>55,461,936</u>
Total Liabilities	<u>54,281,737</u>	<u>22,663,268</u>	<u>76,945,005</u>
Net Assets:			
Invested in capital assets, net of related debt	151,470,473	35,605,394	187,075,867
Restricted for:			
Debt service	186,077	-	186,077
Constitutionally required emergency reserve	1,840,756	-	1,840,756
Unrestricted	<u>51,415,205</u>	<u>19,724,291</u>	<u>71,139,496</u>
Total Net Assets	<u>\$ 204,912,511</u>	<u>\$ 55,329,685</u>	<u>\$ 260,242,196</u>

The accompanying notes are an integral part of these financial statements.

City of Aspen, Colorado
Statement of Activities
For the Year Ended December 31, 2008

Functions/Programs:	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:								
General government	\$ 12,799,795	\$ (1,328,371)	\$ 4,258,264	\$ 1,999	\$ 23,100	\$ (7,188,061)	\$ -	\$ (7,188,061)
Public safety	3,965,895	-	159,278	978	-	(3,805,639)	-	(3,805,639)
Public works	5,524,416	-	1,122,397	348,263	19,119	(4,034,637)	-	(4,034,637)
Public health and welfare	4,642,857	589,400	5,516,600	463,731	-	748,074	-	748,074
Culture and recreation	13,485,076	738,971	2,994,550	786,398	64,437	(10,378,662)	-	(10,378,662)
Interest on long-term debt	2,067,637	-	-	-	-	(2,067,637)	-	(2,067,637)
Total Governmental Activities	42,485,676	-	14,051,089	1,601,369	106,656	(26,726,562)	-	(26,726,562)
Business-type activities:								
Water	4,622,089	-	4,168,578	167,978	1,323,273	-	1,037,740	1,037,740
Electric	5,135,035	-	6,383,359	25,792	51,250	-	1,325,366	1,325,366
Transportation	3,472,291	-	2,990,211	81,527	146,527	-	(254,026)	(254,026)
Golf	1,207,128	-	1,140,323	9,744	1,204	-	(55,857)	(55,857)
Affordable housing	2,091,343	-	2,211,160	-	-	-	119,817	119,817
Total Business-type Activities	16,527,886	-	16,893,631	285,041	1,522,254	-	2,173,040	2,173,040
Total	\$ 59,013,562	-	\$ 30,944,720	\$ 1,886,410	\$ 1,628,910	(26,726,562)	2,173,040	(24,553,522)
General Revenues:								
Taxes:								
Property taxes						6,682,473	-	6,682,473
Specific ownership taxes						289,612	-	289,612
Sales and use taxes						18,938,129	42,187	18,980,316
Franchise and business taxes						1,051,158	-	1,051,158
Real estate transfer tax						8,806,211	-	8,806,211
Lodging tax						1,238,693	-	1,238,693
Unrestricted investment earnings						3,462,232	1,719,540	5,181,772
Grants and contributions not restricted to specific programs						2,770,812	-	2,770,812
Gain on disposition of assets						115,979	2,676	118,655
Transfers						(2,816,858)	2,816,858	-
Total General Revenues and Transfers						40,538,441	4,581,261	45,119,702
Change in Net Assets						13,811,879	6,754,301	20,566,180
Net Assets - Beginning						191,100,632	48,575,384	239,676,016
Net Assets - Ending						\$ 204,912,511	\$ 55,329,685	\$ 260,242,196

The accompanying notes are an integral part of these financial statements.

City of Aspen, Colorado
Balance Sheet
Governmental Funds
December 31, 2008

	General Fund	Asset Management Plan Fund	Wheeler Transfer Tax Fund	Affordable Housing Fund	Parks and Open Space Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets:								
Cash and investments	\$ 7,526,692	\$ 4,591,621	\$ 17,750,315	\$ 3,100,689	\$ 1,369,194	\$ 186,077	\$ 10,127,106	\$ 44,651,694
Property tax receivable	2,737,122	3,271,775	-	-	-	-	813,874	6,822,771
Notes and accounts receivable, net of allowance for doubtful accounts	615,965	100	3,690	125,039	1,141,434	-	473,953	2,360,181
Due from other governments	1,802,016	91,757	-	-	197,898	-	21,441	2,113,112
Advances due from other funds	-	-	8,776,708	-	-	-	177,534	8,954,242
Prepaid items	2,145	-	69,509	-	-	-	-	71,654
Inventories	20,071	-	-	-	28,650	-	-	48,721
Total Assets	12,704,011	7,955,253	26,600,222	3,225,728	2,737,176	186,077	11,613,908	65,022,375
Liabilities and Fund Balance:								
Liabilities:								
Deficit pooled cash and investments	-	-	-	-	-	-	159,901	159,901
Accounts payable	1,358,943	193,940	205,598	120,769	27,817	-	256,700	2,163,767
Accrued liabilities	40,664	320	15,152	1,886,141	2,392	-	6,145	1,950,814
Deferred revenue	2,845,700	3,271,775	57,901	-	-	-	813,874	6,989,250
Deposits	-	-	3,190	-	-	-	4,824	8,014
Advances due to other funds	-	954,242	-	8,000,000	-	-	-	8,954,242
Total Liabilities	4,245,307	4,420,277	281,841	10,006,910	30,209	-	1,241,444	20,225,988
Fund Balance:								
Reserved for:								
Debt service	-	-	-	-	-	186,077	-	186,077
Advances due from other funds	-	-	8,776,708	-	-	-	177,534	8,954,242
Prepaid items	2,145	-	69,509	-	-	-	-	71,654
Inventory	20,071	-	-	-	28,650	-	-	48,721
Emergencies	1,840,756	-	-	-	-	-	-	1,840,756
Unreserved, reported in:								
General fund	6,595,732	-	-	-	-	-	-	6,595,732
Special revenue funds	-	3,534,976	17,472,164	(6,781,182)	2,678,317	-	7,495,601	24,399,876
Capital projects funds	-	-	-	-	-	-	2,699,329	2,699,329
Total Fund Balance	8,458,704	3,534,976	26,318,381	(6,781,182)	2,706,967	186,077	10,372,464	44,796,387
Total Liabilities and Fund Balance	\$ 12,704,011	\$ 7,955,253	\$ 26,600,222	\$ 3,225,728	\$ 2,737,176	\$ 186,077	\$ 11,613,908	\$ 65,022,375

The accompanying notes are an integral part of these financial statements.

City of Aspen, Colorado
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Assets
December 31, 2008

Governmental Funds Total Fund Balance	\$	44,796,387
<i>Add:</i>		
Capital assets, net of depreciation, are used in governmental activities and are not considered current financial resources and, therefore, not reported in the governmental funds.		190,996,808
Internal service funds are used by the City to charge the costs of the employees' health insurance to the individual funds and to account for City owned housing sales and costs for sale or rent to City employees. The assets and liabilities of the internal service funds are included with governmental activities.		3,534,502
Long-term receivables are not available for current year expenditures and therefore are not reported in the funds. These are amounts that the City is owed but will not collect soon enough to pay for current year expenditures.		7,948,492
Bond issuance costs, losses on refundings, and bond premiums or discounts are reflected as current charges in the governmental fund financial statements. On the Statement of Activities and the Statement of Net Assets, these costs are capitalized and amortized over the life of the bond issues. These amounts consist of net deferred bond issuance costs of \$1,334,544 less unamortized bond premiums and costs of \$1,185,897.		148,647
<i>Less:</i>		
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. This is the amount of bonded debt payable.		(40,085,075)
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds. This is the amount of compensated absences not currently payable.		(2,011,561)
Interest payable on debt is not recorded on the fund statements but rather recognized as an expenditure when due. This is the accrued interest on bonded debt that has been incurred but not yet due.		(415,689)
Governmental Activities Net Assets	\$	<u>204,912,511</u>

The accompanying notes are an integral part of these financial statements.

City of Aspen, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2008

	<u>General Fund</u>	<u>Asset Management Plan Fund</u>	<u>Wheeler Transfer Tax Fund</u>	<u>Affordable Housing Fund</u>	<u>Parks and Open Space Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:								
Taxes	\$ 10,805,052	\$ 3,554,912	\$ 3,074,909	\$ 6,790,800	\$ 7,851,264	\$ -	\$ 4,639,885	\$ 36,716,822
Licenses and permits	1,451,112	-	-	-	19,650	-	700,831	2,171,593
Intergovernmental	425,568	-	-	-	-	-	64,437	490,005
Charges for services	3,817,108	-	472,230	264,415	786,993	-	402,764	5,743,510
Fines	118,177	-	-	-	-	-	-	118,177
Development Fees	-	-	-	4,600,966	-	-	-	4,600,966
Refund of expenditures	4,585,153	371,498	67,948	405,401	289,816	-	79,258	5,799,074
Earnings on investments	604,142	349,365	1,190,213	108,512	94,372	-	643,141	2,989,745
Miscellaneous	868,274	244,230	235,533	638,008	44,142	593,864	698,466	3,322,517
Total Revenues	<u>22,674,586</u>	<u>4,520,005</u>	<u>5,040,833</u>	<u>12,808,102</u>	<u>9,086,237</u>	<u>593,864</u>	<u>7,228,782</u>	<u>61,952,409</u>
Expenditures:								
General government	10,718,908	118,089	-	-	-	6,286	1,838,708	12,681,991
Public safety	4,274,038	-	-	-	-	-	-	4,274,038
Public works	2,889,372	-	-	-	44,072	-	294,247	3,227,691
Public health and welfare	424,674	-	-	522,725	127,850	-	1,873,882	2,949,131
Culture and recreation	4,648,288	-	2,907,171	-	3,744,626	-	-	11,300,085
Debt service:								
Principal retirement	-	-	-	-	-	1,970,475	-	1,970,475
Interest	-	-	-	-	-	2,065,958	-	2,065,958
Capital Outlay:								
General government	647,529	3,067,087	-	-	-	-	14,276	3,728,892
Public works	27,464	1,951,143	-	-	-	-	40,451	2,019,058
Public health and welfare	-	15,020	-	6,971,004	-	-	-	6,986,024
Culture and recreation	145,175	471,225	143,652	-	-	-	2,279,733	3,039,785
Total Expenditures	<u>23,775,448</u>	<u>5,622,564</u>	<u>3,050,823</u>	<u>7,493,729</u>	<u>3,916,548</u>	<u>4,042,719</u>	<u>6,341,297</u>	<u>54,243,128</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,100,862)	(1,102,559)	1,990,010	5,314,373	5,169,689	(3,448,855)	887,485	7,709,281
Other Financing Sources (Uses):								
Proceeds from sale of assets	444	62,000	14,000	-	35,220	-	-	111,664
Transfers in	2,187,240	1,067,840	457,992	720,950	963,360	3,447,040	2,653,005	11,497,427
Transfers out	(2,614,720)	(262,231)	(380,332)	(5,352,444)	(5,562,580)	(313,890)	(888,465)	(15,374,662)
Total Other Financing Sources (Uses)	<u>(427,036)</u>	<u>867,609</u>	<u>91,660</u>	<u>(4,631,494)</u>	<u>(4,564,000)</u>	<u>3,133,150</u>	<u>1,764,540</u>	<u>(3,765,571)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	(1,527,898)	(234,950)	2,081,670	682,879	605,689	(315,705)	2,652,025	3,943,710
Fund Balances - Beginning	<u>9,986,602</u>	<u>3,769,926</u>	<u>24,236,711</u>	<u>(7,464,061)</u>	<u>2,101,278</u>	<u>501,782</u>	<u>7,720,439</u>	<u>40,852,677</u>
Fund Balances - Ending	<u>\$ 8,458,704</u>	<u>\$ 3,534,976</u>	<u>\$ 26,318,381</u>	<u>\$ (6,781,182)</u>	<u>\$ 2,706,967</u>	<u>\$ 186,077</u>	<u>\$ 10,372,464</u>	<u>\$ 44,796,387</u>

The accompany notes are an integral part of these financial statements.

City of Aspen, Colorado
Reconciliation of the Statement of Revenues, Expenditures, and Change in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2008

Net Change in Fund Balances - Governmental Funds	\$	3,943,710
<i>Add:</i>		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period.		7,149,632
The repayment of debt is a use of current available resources but has no effect on net assets because although the City has less current available resources it also has less debt. This is the amount of principal payments on bonded debt during the year.		1,970,475
Internal service funds are used by the City to charge the costs of the employees' health insurance to the individual funds and to account for City owned housing sales and costs for sale or rent to City employees. This is the increase in the Internal Service Funds' net assets which is charged back to governmental activities on the Statement of Activities.		1,694,622
Long-term assets, including accrued interest, are not receivable in the current period and therefore are not reported in the funds. This is the change in the amount of long-term interest receivable not currently due.		233,018
Interest payable on debt is not recorded in the fund statements but rather recognized as an expenditure when due. This is the change in accrued interest on bonded debt that has been incurred but not yet due.		53,004
<i>Less:</i>		
The issuance of long-term debt creates long-term premiums and discounts on issuance that benefit the governmental funds. These transactions created amortization expense of \$54,685 during the year.		(54,685)
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds. This is the change in the amount of compensated absences not currently payable.		(53,092)
Long-term assets owned or constructed by the City were transferred from governmental to business-type activities during the year.		(472,983)
Long-term capital assets which are not fully depreciated are routinely retired. Because no sale transaction has occurred, no current resources are recorded which offset the book value of the assets retired. This is the total book value of capital assets retired during the year that were not fully depreciated.		(651,822)
Change in Net Assets of Governmental Activities	\$	<u>13,811,879</u>

The accompanying notes are an integral part of these financial statements.

City of Aspen, Colorado
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2008
(With Comparative Actual Amounts for 2007)

	2008			Final Budget Variance Positive (Negative)	2007
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
Sales tax	\$ 7,495,510	\$ 7,495,510	\$ 7,035,890	\$ (459,620)	\$ 7,075,917
General property tax	2,340,670	2,340,670	2,330,026	(10,644)	1,179,927
Specific ownership tax	237,320	237,320	289,612	52,292	208,670
Franchise and business tax	1,113,250	1,113,250	1,149,524	36,274	1,044,566
Licenses and permits	1,843,000	1,858,000	1,451,112	(406,888)	1,423,741
Intergovernmental:					
State shared revenues	299,000	324,810	301,606	(23,204)	305,214
Other governmental units	85,500	85,500	123,962	38,462	119,461
Charges for services:					
General government	2,659,080	2,659,080	1,536,567	(1,122,513)	2,350,362
Public safety	12,000	12,000	18,741	6,741	17,738
Culture and recreation	2,359,090	2,359,090	2,261,800	(97,290)	2,242,400
Fines:					
Court fines	47,300	47,300	102,479	55,179	64,018
Other fines	16,000	16,000	15,698	(302)	15,749
Refund of expenditures	4,428,390	4,536,490	4,585,153	48,663	4,187,808
Earnings on investments	341,240	341,240	604,142	262,902	677,863
Miscellaneous:					
Rents and royalties	37,430	37,430	472,181	434,751	329,010
Contributions	14,560	14,560	16,090	1,530	9,352
Payments in lieu of taxes	400,000	400,000	289,584	(110,416)	478,618
Other	55,260	40,260	90,419	50,159	68,207
Total Revenues	<u>23,784,600</u>	<u>23,918,510</u>	<u>22,674,586</u>	<u>(1,243,924)</u>	<u>21,798,621</u>
Expenditures:					
Current:					
General government	10,130,210	12,087,380	10,718,908	1,368,472	9,483,244
Public safety	4,540,730	4,951,110	4,274,038	677,072	4,312,794
Public works	2,912,910	3,301,150	2,889,372	411,778	2,251,512
Public health and welfare	439,760	466,790	424,674	42,116	404,146
Culture and recreation	4,598,600	4,831,450	4,648,288	183,162	4,455,005
Capital Outlay:					
General government	502,750	606,830	647,529	(40,699)	889,040
Public health and welfare	26,310	26,310	27,464	(1,154)	-
Culture and recreation	109,000	119,000	145,175	(26,175)	-
Total Expenditures	<u>23,260,270</u>	<u>26,390,020</u>	<u>23,775,448</u>	<u>2,614,572</u>	<u>21,795,741</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>524,330</u>	<u>(2,471,510)</u>	<u>(1,100,862)</u>	<u>1,370,648</u>	<u>2,880</u>
Other Financing Sources (Uses):					
Proceeds from sale of assets	-	-	444	444	379,934
Transfers in	1,401,270	2,187,240	2,187,240	-	1,417,640
Transfers out	(2,037,510)	(2,614,720)	(2,614,720)	-	(6,871,530)
Total Other Financing Sources (Uses)	<u>(636,240)</u>	<u>(427,480)</u>	<u>(427,036)</u>	<u>444</u>	<u>(5,073,956)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	<u>\$ (111,910)</u>	<u>\$ (2,898,990)</u>	<u>(1,527,898)</u>	<u>\$ 1,371,092</u>	<u>(5,071,076)</u>
Fund Balances - Beginning			<u>9,986,602</u>		<u>15,057,678</u>
Fund Balances - Ending			<u>\$ 8,458,704</u>		<u>\$ 9,986,602</u>

The accompany notes are an integral part of these financial statements.

City of Aspen, Colorado
Asset Management Plan Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
For the Year Ended December 31, 2008
(With Comparative Actual Amounts for 2007)

	<u>2008</u>			Final Budget Variance Positive (Negative)	<u>2007</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
General property tax	\$ 3,565,610	\$ 3,565,610	\$ 3,554,912	\$ (10,698)	\$ 3,380,522
Refund of expenditures	679,970	792,240	371,498	(420,742)	149,015
Earnings on investments	-	375,000	349,365	(25,635)	413,791
Miscellaneous:					
Rents and royalties	99,790	99,790	85,500	(14,290)	98,650
Contributions	-	-	-	-	950,000
Other	-	-	158,730	158,730	1,754
Total Revenues	<u>4,345,370</u>	<u>4,832,640</u>	<u>4,520,005</u>	<u>(312,635)</u>	<u>4,993,732</u>
Expenditures:					
Current:					
General government	133,160	133,160	118,089	15,071	77,072
Capital outlay:					
General government	1,887,300	3,624,811	3,067,087	557,724	10,369,243
Public works	1,966,200	3,553,090	1,951,143	1,601,947	2,323,013
Public health and welfare	-	16,700	15,020	1,680	-
Culture and recreation	721,570	1,128,400	471,225	657,175	1,739,425
Total Expenditures	<u>4,708,230</u>	<u>8,456,161</u>	<u>5,622,564</u>	<u>2,833,597</u>	<u>14,508,753</u>
(Deficiency) of Revenues Over Expenditures	<u>(362,860)</u>	<u>(3,623,521)</u>	<u>(1,102,559)</u>	<u>2,520,962</u>	<u>(9,515,021)</u>
Other Financing Sources (Uses):					
Proceeds from sale of assets	383,000	383,000	62,000	(321,000)	168,000
Debt issuance	-	-	-	-	8,405,000
Transfers in	-	1,225,920	1,067,840	(158,080)	5,180,870
Transfers out	(546,400)	(657,449)	(657,449)	-	(862,751)
Total Other Financing Sources (Uses)	<u>(163,400)</u>	<u>951,471</u>	<u>472,391</u>	<u>(479,080)</u>	<u>12,891,119</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses) - Budget Basis	<u>\$ (526,260)</u>	<u>\$ (2,672,050)</u>	<u>(630,168)</u>	<u>\$ 2,041,882</u>	<u>3,376,098</u>
Reconciliation to GAAP Basis:					
Interfund advance principal payment			<u>395,218</u>		<u>373,908</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses) - GAAP Basis			<u>(234,950)</u>		<u>3,750,006</u>
Fund Balances - Beginning			<u>3,769,926</u>		<u>19,920</u>
Fund Balances - Ending			<u>\$ 3,534,976</u>		<u>\$ 3,769,926</u>

The accompany notes are an integral part of these financial statements.

City of Aspen, Colorado
Wheeler Transfer Tax Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
For the Year Ended December 31, 2008
(With Comparative Actual Amounts for 2007)

	<u>2008</u>			Final Budget Variance Positive (Negative)	<u>2007</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
Real estate transfer tax	\$ 4,284,500	\$ 4,284,500	\$ 3,074,909	\$ (1,209,591)	\$ 5,272,106
Charges for service:					
Box office revenues	627,900	627,900	472,230	(155,670)	533,728
Refund of expenditures	55,750	55,750	67,948	12,198	55,558
Earnings on investments	62,820	62,820	1,190,213	1,127,393	1,419,851
Miscellaneous:					
Rents and royalties	229,600	219,400	219,028	(372)	212,182
Other	6,440	6,440	16,505	10,065	16,952
Total Revenues	<u>5,267,010</u>	<u>5,256,810</u>	<u>5,040,833</u>	<u>(215,977)</u>	<u>7,510,377</u>
Expenditures:					
Current:					
Culture and recreation	3,217,050	4,310,690	2,907,171	1,403,519	2,573,492
Capital outlay:					
Culture and recreation	96,600	276,389	143,652	132,737	675,600
Total Expenditures	<u>3,313,650</u>	<u>4,587,079</u>	<u>3,050,823</u>	<u>1,536,256</u>	<u>3,249,092</u>
Excess of Revenues Over Expenditures	<u>1,953,360</u>	<u>669,731</u>	<u>1,990,010</u>	<u>1,320,279</u>	<u>4,261,285</u>
Other Financing Sources (Uses):					
Proceeds from sales of assets	-	-	14,000	14,000	12,000
Transfers in	271,470	317,400	685,404	368,004	274,961
Transfers out	(74,910)	(380,332)	(380,332)	-	(8,000,000)
Total Other Financing Sources (Uses)	<u>196,560</u>	<u>(62,932)</u>	<u>319,072</u>	<u>382,004</u>	<u>(7,713,039)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses) - Budget Basis	<u>\$ 2,149,920</u>	<u>\$ 606,799</u>	2,309,082	<u>\$ 1,702,283</u>	(3,451,754)
Reconciliation to GAAP Basis:					
Interfund advance principal payments			(227,412)		7,784,699
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses) - GAAP Basis			2,081,670		4,332,945
Fund Balances - Beginning			<u>24,236,711</u>		<u>19,903,766</u>
Fund Balances - Ending			<u>\$ 26,318,381</u>		<u>\$ 24,236,711</u>

The accompanying notes are an integral part of these financial statements.

City of Aspen, Colorado
Affordable Housing Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
For the Year Ended December 31, 2008
(With Comparative Actual Amounts for 2007)

	<u>2008</u>			Final Budget Variance Positive (Negative)	<u>2007</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
Sales tax	\$ 1,313,630	\$ 1,313,630	\$ 1,059,498	\$ (254,132)	\$ 1,013,503
Real estate transfer tax	9,202,000	9,202,000	5,731,302	(3,470,698)	9,755,656
Charges for services:					
General Government	45,460	45,460	49,828	4,368	10,687
Public health and welfare	-	-	214,587	214,587	15,973,249
Development fees	492,990	492,990	4,600,966	4,107,976	2,910,533
Refund of expenditures	-	-	405,401	405,401	1,026
Earnings on investments	23,670	23,670	108,512	84,842	381,745
Miscellaneous:					
Rents and royalties	-	-	638,000	638,000	-
Contributions	40,000	40,000	-	(40,000)	-
Other	-	-	8	8	95,194
Total Revenues	<u>11,117,750</u>	<u>11,117,750</u>	<u>12,808,102</u>	<u>1,690,352</u>	<u>30,141,593</u>
Expenditures:					
Current:					
Public health and welfare	522,730	522,730	522,725	5	497,360
Capital outlay:					
Public health and welfare	9,085,460	12,164,520	6,971,004	5,193,516	42,921,755
Total Expenditures	<u>9,608,190</u>	<u>12,687,250</u>	<u>7,493,729</u>	<u>5,193,521</u>	<u>43,419,115</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,509,560</u>	<u>(1,569,500)</u>	<u>5,314,373</u>	<u>6,883,873</u>	<u>(13,277,522)</u>
Other Financing Sources (Uses):					
Transfers in	1,126,850	595,950	720,950	125,000	9,126,850
Transfers out	(799,620)	(4,984,440)	(5,352,444)	(368,004)	(2,381,106)
Total Other Financing (Uses)	<u>327,230</u>	<u>(4,388,490)</u>	<u>(4,631,494)</u>	<u>(243,004)</u>	<u>6,745,744</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing (Uses) - Budget Basis	<u>\$ 1,836,790</u>	<u>\$ (5,957,990)</u>	682,879	<u>\$ 6,640,869</u>	(6,531,778)
Reconciliation to GAAP Basis:					
Interfund advance principal payments			-		(8,000,000)
Excess (Deficiency) of Revenues Over Expenditures and Other Financing (Uses) - Budget Basis			682,879		(14,531,778)
Fund Balances - Beginning			(7,464,061)		7,067,717
Fund Balances - Ending			<u>\$ (6,781,182)</u>		<u>\$ (7,464,061)</u>

The accompanying notes are an integral part of these financial statements.

City of Aspen, Colorado
Parks and Open Space Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2008
(With Comparative Actual Amounts for 2007)

	<u>2008</u>			Final Budget Variance Positive (Negative)	<u>2007</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Taxes:					
Sales tax	\$ 7,961,430	\$ 7,961,430	\$ 7,851,264	\$ (110,166)	\$ 7,507,735
Licenses and permits	24,000	24,000	19,650	(4,350)	24,375
Charges for services:					
Culture and recreation	273,540	273,540	786,993	513,453	655,696
Refund of expenditures	215,460	215,460	289,816	74,356	162,233
Earnings on investments	76,530	76,530	94,372	17,842	105,211
Miscellaneous:					
Rents and royalties	56,700	56,700	25,705	(30,995)	107,598
Contributions	157,000	157,000	-	(157,000)	83,333
Other revenue	-	-	18,437	18,437	763
Total Revenues	<u>8,764,660</u>	<u>8,764,660</u>	<u>9,086,237</u>	<u>321,577</u>	<u>8,646,944</u>
Expenditures:					
Current:					
Public works	75,380	75,380	44,072	31,308	42,742
Public health and welfare	164,170	164,170	127,850	36,320	135,900
Culture and recreation	3,722,070	3,825,270	3,744,626	80,644	3,433,941
Total Expenditures	<u>3,961,620</u>	<u>4,064,820</u>	<u>3,916,548</u>	<u>148,272</u>	<u>3,612,583</u>
Excess of Revenues Over Expenditures	<u>4,803,040</u>	<u>4,699,840</u>	<u>5,169,689</u>	<u>469,849</u>	<u>5,034,361</u>
Other Financing Sources (Uses):					
Proceeds from sales of assets	-	-	35,220	35,220	-
Transfers in	589,570	963,360	963,360	-	569,100
Transfers out	(5,562,580)	(5,562,580)	(5,562,580)	-	(7,035,400)
Total Other Financing (Uses)	<u>(4,973,010)</u>	<u>(4,599,220)</u>	<u>(4,564,000)</u>	<u>35,220</u>	<u>(6,466,300)</u>
Excess of Revenues Over Expenditures and Other Financing (Uses)	<u>\$ (169,970)</u>	<u>\$ 100,620</u>	605,689	<u>\$ 505,069</u>	(1,431,939)
Fund Balances - Beginning			<u>2,101,278</u>		<u>3,533,217</u>
Fund Balances - Ending			<u>\$ 2,706,967</u>		<u>\$ 2,101,278</u>

The accompanying notes are an integral part of these financial statements.

City of Aspen, Colorado
Statement of Net Assets
Proprietary Funds
December 31, 2008

	<u>Water Fund</u>	<u>Electric Fund</u>	<u>Ruedi Hydroelectric Fund</u>	<u>Transportation Fund</u>	<u>Other Proprietary Funds</u>	<u>Total</u>	<u>Governmental Activities Internal Service Funds</u>
Assets:							
Current Assets:							
Cash and investments	\$ 9,319,853	\$ 2,365,202	\$ 6,737,220	\$ 6,202,125	\$ 2,873,360	\$ 27,497,760	\$ 2,975,080
Accounts receivable, net of allowance for uncollectibles	793,475	985,007	200,000	189,787	26,672	2,194,941	284,208
Inventory	-	-	-	-	-	-	214,140
Total Current Assets	<u>10,113,328</u>	<u>3,350,209</u>	<u>6,937,220</u>	<u>6,391,912</u>	<u>2,900,032</u>	<u>29,692,701</u>	<u>3,473,428</u>
Non-Current Assets:							
Deferred debt issuance costs	-	-	81,839	-	201,286	283,125	-
Capital Assets:							
Land and improvements	1,167,326	117,115	-	285,000	2,176,814	3,746,255	-
Construction in progress	49,008	76,598	1,128,174	39,498	-	1,293,278	13,989
Buildings	3,116,744	587,257	198,015	-	23,706,263	27,608,279	893,542
Infrastructure and improvements other than buildings	25,021,597	7,281,900	4,004,689	273,328	1,208,409	37,789,923	119,821
Machinery and equipment	3,236,557	897,797	91,627	1,429,532	1,518,995	7,174,508	-
Less: accumulated depreciation	(15,394,642)	(3,960,479)	(2,350,657)	(473,543)	(7,415,795)	(29,595,116)	(468,612)
Net Property, Plant and Equipment	<u>17,196,590</u>	<u>5,000,188</u>	<u>3,071,848</u>	<u>1,553,815</u>	<u>21,194,686</u>	<u>48,017,127</u>	<u>558,740</u>
Total Non-Current Assets	<u>17,196,590</u>	<u>5,000,188</u>	<u>3,153,687</u>	<u>1,553,815</u>	<u>21,395,972</u>	<u>48,300,252</u>	<u>558,740</u>
Total Assets	<u>27,309,918</u>	<u>8,350,397</u>	<u>10,090,907</u>	<u>7,945,727</u>	<u>24,296,004</u>	<u>77,992,953</u>	<u>4,032,168</u>
Liabilities:							
Current liabilities:							
Accounts payable	329,086	687,783	108,275	897,580	265,394	2,288,118	497,664
Accrued liabilities	195,708	226,990	91	147,258	127,868	697,915	2
Customer deposits	84,568	-	-	2,232,404	325,338	2,642,310	-
Current portion of long-term debt	-	-	125,000	-	812,400	937,400	-
Total Current Liabilities	<u>609,362</u>	<u>914,773</u>	<u>233,366</u>	<u>3,277,242</u>	<u>1,531,000</u>	<u>6,565,743</u>	<u>497,666</u>
Long-term Liabilities:							
Revenue bonds (net of current portion)	-	-	-	-	1,027,525	1,027,525	-
General obligation bonds (net of current portion)	-	-	5,375,000	-	9,695,000	15,070,000	-
Total Long-term Liabilities	<u>-</u>	<u>-</u>	<u>5,375,000</u>	<u>-</u>	<u>10,722,525</u>	<u>16,097,525</u>	<u>-</u>
Total Liabilities	<u>609,362</u>	<u>914,773</u>	<u>5,608,366</u>	<u>3,277,242</u>	<u>12,253,525</u>	<u>22,663,268</u>	<u>497,666</u>
Net Assets:							
Invested in capital assets, net of related debt	17,196,590	5,000,188	1,993,754	1,553,815	9,861,047	35,605,394	558,740
Unrestricted	9,503,966	2,435,436	2,488,787	3,114,670	2,181,432	19,724,291	2,975,762
Total Net Assets	<u>\$ 26,700,556</u>	<u>\$ 7,435,624</u>	<u>\$ 4,482,541</u>	<u>\$ 4,668,485</u>	<u>\$ 12,042,479</u>	<u>\$ 55,329,685</u>	<u>\$ 3,534,502</u>

The accompanying notes are an integral part of these financial statements.

City of Aspen, Colorado
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2008

	Water Fund	Electric Fund	Ruedi Hydroelectric Fund	Transportation Fund	Other Proprietary Funds	Total	Governmental Activities Internal Service Funds
Operating Revenues:							
Charges for services:							
Water sales	\$ 4,142,226	\$ -	\$ -	\$ -	\$ -	\$ 4,142,226	\$ -
Electric sales	-	5,686,755	696,604	-	-	6,383,359	-
Parking sales	-	-	-	2,365,634	-	2,365,634	-
Fines	-	-	-	624,577	-	624,577	-
Culture and recreation fees	-	-	-	-	997,168	997,168	-
Premium contributions	-	-	-	-	-	-	3,225,644
Total charges for services	<u>4,142,226</u>	<u>5,686,755</u>	<u>696,604</u>	<u>2,990,211</u>	<u>997,168</u>	<u>14,512,964</u>	<u>3,225,644</u>
Miscellaneous:							
Use tax	-	-	-	42,187	-	42,187	-
Intergovernmental	-	51,250	-	30,504	-	81,754	-
Rents and royalties	26,352	-	-	-	2,261,637	2,287,989	91,927
Capital projects reimbursement	51,056	-	-	146,527	1,204	198,787	-
Claims reimbursement	-	-	-	-	-	-	349,109
Other	116,922	25,792	-	51,023	102,422	296,159	-
Total miscellaneous	<u>194,330</u>	<u>77,042</u>	<u>-</u>	<u>270,241</u>	<u>2,365,263</u>	<u>2,906,876</u>	<u>441,036</u>
Total Operating Revenues	<u>4,336,556</u>	<u>5,763,797</u>	<u>696,604</u>	<u>3,260,452</u>	<u>3,362,431</u>	<u>17,419,840</u>	<u>3,666,680</u>
Operating Expenses:							
Personnel services	2,728,650	864,735	78,128	1,567,609	1,085,366	6,324,488	43,061
General operations	1,036,862	3,356,533	279,190	1,832,256	885,720	7,390,561	3,652,076
Depreciation and amortization	835,933	261,625	114,983	72,426	734,673	2,019,640	40,544
Total Operating Expenses	<u>4,601,445</u>	<u>4,482,893</u>	<u>472,301</u>	<u>3,472,291</u>	<u>2,705,759</u>	<u>15,734,689</u>	<u>3,735,681</u>
Operating Income (Loss)	<u>(264,889)</u>	<u>1,280,904</u>	<u>224,303</u>	<u>(211,839)</u>	<u>656,672</u>	<u>1,685,151</u>	<u>(69,001)</u>
Non-Operating Revenues (Expenses):							
Earnings on investments	694,521	174,550	283,240	390,228	177,001	1,719,540	225,948
Gain or (Loss) on disposal of assets	(20,644)	(4,566)	(110,523)	2,676	(1,905)	(134,962)	4,315
Interest expense	-	-	(64,752)	-	(590,807)	(655,559)	-
Total Non-Operating Revenues (Expenses)	<u>673,877</u>	<u>169,984</u>	<u>107,965</u>	<u>392,904</u>	<u>(415,711)</u>	<u>929,019</u>	<u>230,263</u>
Net Income Before Contributions and Transfers	<u>408,988</u>	<u>1,450,888</u>	<u>332,268</u>	<u>181,065</u>	<u>240,961</u>	<u>2,614,170</u>	<u>161,262</u>
Capital contributions (tap fees)	1,323,273	-	-	-	-	1,323,273	-
Contributions	-	-	-	-	-	-	472,984
Transfers in	528,335	24,580	1,117,800	211,420	5,122,390	7,004,525	2,066,628
Transfers out	(2,538,002)	(1,032,955)	-	(545,050)	(71,660)	(4,187,667)	(1,006,251)
Net Income (Loss) Added to Net Assets	<u>(277,406)</u>	<u>442,513</u>	<u>1,450,068</u>	<u>(152,565)</u>	<u>5,291,691</u>	<u>6,754,301</u>	<u>1,694,623</u>
Net Assets - Beginning	<u>26,977,962</u>	<u>6,993,111</u>	<u>3,032,473</u>	<u>4,821,050</u>	<u>6,750,788</u>	<u>48,575,384</u>	<u>1,839,879</u>
Net Assets - Ending	<u>\$ 26,700,556</u>	<u>\$ 7,435,624</u>	<u>\$ 4,482,541</u>	<u>\$ 4,668,485</u>	<u>\$ 12,042,479</u>	<u>\$ 55,329,685</u>	<u>\$ 3,534,502</u>

The accompanying notes are an integral part of these financial statements.

City of Aspen, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2008

Business-type Activities - Enterprise Funds

	Water Fund	Electric Fund	Ruedi Hydroelectric Fund	Transportation Fund	Other Proprietary Funds	Totals	Governmental Activities Internal Service Funds
Cash Flows from Operating Activities:							
Cash received from customers and others	\$ 4,301,243	\$ 5,634,554	\$ 305,861	\$ 2,887,180	\$ 3,122,141	\$ 16,250,979	\$ 3,507,362
Other operating cash receipts	194,330	77,042	-	2,482,645	246,781	3,000,798	-
Cash payments to vendors for goods and services	(1,211,641)	(3,297,951)	(279,137)	(1,412,875)	(695,037)	(6,896,641)	(3,811,648)
Cash payments to employees for services	(2,745,267)	(743,522)	(78,128)	(1,570,504)	(1,103,215)	(6,240,636)	(43,059)
Net Cash Provided (Used) by Operating Activities:	<u>538,665</u>	<u>1,670,123</u>	<u>(51,404)</u>	<u>2,386,446</u>	<u>1,570,670</u>	<u>6,114,500</u>	<u>(347,345)</u>
Cash Flows from Non-Capital Financing Activities:							
Transfers from (to) other funds, net	(2,009,667)	(1,008,375)	1,117,800	(333,630)	1,128,540	(1,105,332)	1,060,377
Net Cash Provided (Used) by Non-Capital and Related Financing Activities	<u>(2,009,667)</u>	<u>(1,008,375)</u>	<u>1,117,800</u>	<u>(333,630)</u>	<u>1,128,540</u>	<u>(1,105,332)</u>	<u>1,060,377</u>
Cash Flows from Capital and Related Financing Activities:							
Sale of assets	-	-	-	2,676	-	2,676	4,315
Capital contributed by customers (tap fees)	1,323,273	-	-	-	-	1,323,273	-
Acquisition of capital assets	(1,058,308)	(467,265)	(1,128,174)	(780,506)	(693,952)	(4,128,205)	(126,301)
Debt Proceeds	-	-	5,500,000	-	-	5,500,000	-
Principal payments	-	-	-	-	(1,072,335)	(1,072,335)	-
Debt issuance costs	-	-	(85,710)	-	32,346	(53,364)	-
Interest paid on debt	-	-	(64,752)	-	(590,807)	(655,559)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>264,965</u>	<u>(467,265)</u>	<u>4,221,364</u>	<u>(777,830)</u>	<u>(2,324,748)</u>	<u>916,486</u>	<u>(121,986)</u>
Cash Flows from Investing Activities:							
Interest received - Unrestricted	694,521	174,550	283,240	390,228	177,001	1,719,540	225,948
Net Cash Provided by Investing Activities	<u>694,521</u>	<u>174,550</u>	<u>283,240</u>	<u>390,228</u>	<u>177,001</u>	<u>1,719,540</u>	<u>225,948</u>
Net Increase (Decrease) in Cash	(511,516)	369,033	5,571,000	1,665,214	549,558	7,643,289	816,994
Cash - Beginning of Year	9,831,369	1,996,169	1,166,220	4,536,911	2,323,802	19,854,471	2,158,086
Cash - End of Year	<u>9,319,853</u>	<u>2,365,202</u>	<u>6,737,220</u>	<u>6,202,125</u>	<u>2,873,360</u>	<u>27,497,760</u>	<u>2,975,080</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:							
Operating income (loss)	(264,889)	1,280,904	224,303	(211,839)	656,672	1,685,151	(69,001)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:							
Depreciation and amortization	835,933	261,625	114,983	72,426	734,673	2,019,640	40,544
Changes in assets and Liabilities:							
(Increase) decrease in accounts receivable	160,359	60,599	(200,000)	(103,031)	185	(81,888)	(159,318)
Increase (decrease) in accounts payable	(174,779)	58,582	(190,743)	419,381	190,683	303,124	(214,140)
Increase (decrease) in accrued liabilities	(16,617)	121,213	53	(2,895)	6,306	108,060	54,568
Increase (decrease) in customer deposits	(1,342)	(112,800)	-	2,212,404	(17,849)	2,080,413	2
Net Cash Provided (Used) by Operating Activities:	<u>\$ 538,665</u>	<u>\$ 1,670,123</u>	<u>\$ (51,404)</u>	<u>\$ 2,386,446</u>	<u>\$ 1,570,670</u>	<u>\$ 6,114,500</u>	<u>\$ (347,345)</u>

The accompanying notes are an integral part of these financial statements.

City of Aspen, Colorado
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2008

	<u>Agency Funds</u>
Assets	
Cash and investments	\$ 5,331,601
Total Assets	<u>5,331,601</u>
Liabilities	
Due to others	<u>5,331,601</u>
Total Liabilities	<u>\$ 5,331,601</u>

The accompanying notes are an integral part of these financial statements.

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City of Aspen, Colorado
Notes to the Financial Statements
December 31, 2008

I. Summary of Significant Accounting Policies

The City of Aspen is a municipal corporation that was incorporated in 1879 under provisions of the Constitution of Colorado. On January 1, 1972, the City became a Colorado home rule city. The City operates under a council-manager form of government and is governed by an elected mayor and four-member council. The City provides the following services as authorized by its charter: public safety (police and animal control), public works, public health and welfare, culture and recreation, water and electric utilities, parking, golf, affordable housing and general administrative services.

The City'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). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989, when applicable, that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established by GAAP used by the City are discussed below.

A. Reporting Entity

The reporting entity consists of: (a) the primary government (i.e., the City), and (b) organizations for which the City is financially accountable. The City is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the City. Consideration is also given to other organizations which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the City. Organizations for which the nature and significance of their relationship with the City 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).

1. Jointly Governed Organizations - City of Aspen-Pitkin County Housing Authority

The Aspen-Pitkin County Housing Authority (the Housing Authority) was formed in 1982 to manage 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 Aspen City Council and the Pitkin County Board of Commissioners each appoint three directors and one director is appointed jointly. The Housing Authority's board reports to the City and County boards, the City and County share operating costs equally, and the City and County significantly and equally influence the operations budget.

The City's proportionate share of net operating expenses (50%) is recorded in the City's financial statements in the Housing Department Fund and the County's share is reported in their financial statements.

The complete audited financial statements for the Aspen-Pitkin County Housing Authority may be obtained from the City's Finance Department.

City of Aspen, Colorado
Notes to the Financial Statements
December 31, 2008
(Continued)

I. Summary of Significant Accounting Policies (continued)

A. Reporting Entity (continued)

2. City of Aspen and Pitkin County Joint Operations

For efficiency, the City and Pitkin County jointly provide services for information services and dispatch communications. The City and County significantly and equally influence these operations and budgets. The City's proportionate share of revenues and expenditures is reported in the General Fund of the City's financial statements and the County's share is reported in their financial statements.

Because the City and County consider these operations to be joint operations that are subject to annual appropriation, they are not considered joint ventures pursuant to GAAP.

B. Government-Wide and Fund Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Government-wide financial statements report on information of all of the nonfiduciary activities of the City and its component units. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's general government, public safety, public works, public health and welfare, culture and recreation are classified as governmental activities. Water, electric, parking, golf, and affordable housing are classified as a business-type activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's governmental functions and business-type activities. The governmental functions are also supported by general government revenues (e.g., sales taxes, property and specific ownership 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 a 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 City as an entity and the change in the City's net assets resulting from the current year's activities.

C. Fund Financial Statements

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

The fund focus is on current available resources and budget compliance.

City of Aspen, Colorado
Notes to the Financial Statements
December 31, 2008
(Continued)

I. Summary of Significant Accounting Policies (continued)

C. Fund Financial Statements (continued)

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

The *Asset Management Plan Fund* accounts for capital improvements made to City physical assets.

The *Wheeler Transfer Tax Fund* is used to account for the collection of a one-half percent (1/2%) tax on the value of all transfers of real property in the City. This tax was extended until 2019 in an election held in May 1997. Expenditures are restricted by ordinance to renovation, reconstruction, and maintenance of the Wheeler Opera House and for the support of the visual and performing arts.

The *Parks and Open Space Fund* provides funding for the acquisition, development and maintenance operations of the City's parks and open space trails. It accounts for two of the City's specifically authorized sales taxes.

The *Affordable Housing Daycare Fund* is used to account for revenues and expenditures related to the collection of a one percent (1%) tax on the value of all transfers of real property in the City, an affordable housing dedication fee, and a sales tax of .45%. In November 2008, the electorate approved an extension of both the 1% real estate transfer tax and the .45% sales tax through 2040. Expenditures are restricted to affordable housing and daycare purposes.

The *Debt Service Fund* was established to account for the accumulation of resources from other governmental funds for the payment of principal and interest on long-term debt of governmental funds.

The City reports the following major proprietary or business-type funds:

The *Water Fund* accounts for the activities of the water utility owned by the City for the delivery of water service to the residents of Aspen. The major sources of revenue are from water user fees, which are used for operations, and from tap fees, which are used for capital improvements and are charged to new water hookups in the City.

The *Electric Fund* accounts for the activities of the electric utility operated by the City for the delivery of electric service to a portion of the citizens of Aspen. The major source of revenue is electric service revenue while purchased power is the major expense.

The *Ruedi Hydroelectric Fund* accounts for the operations of the Ruedi Hydroelectric Facility. The City receives power through supply contracts with a number of power suppliers to ensure delivery of a reliable energy supply to its customers at competitive rates. Its sole customer and sole source of revenue is the City's Electric Fund.

City of Aspen, Colorado
Notes to the Financial Statements
December 31, 2008
(Continued)

I. Summary of Significant Accounting Policies (continued)

C. Fund Financial Statements (continued)

The *Transportation Fund* was established in 1993 to account for all net parking revenues to offset the costs of transit and transportation improvements in the City. The parking component of the fund enforces all aspects of on-street parking. The transportation component develops and promotes transportation alternatives, works to improve transit services in the City and implements new City transit routes.

Additionally, the City reports the following fund types:

Internal service funds account for health insurance and employee housing. The Health Insurance Fund accounts for health insurance contributions and claims paid to beneficiaries provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The Employee Housing Fund accounts for all sales transactions of City owned housing units and the future construction and maintenance of all rental and sale units for City Employees.

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The Police Seizure Fund accounts for proceeds from police seizure activities. The Deposits Agency Fund accounts for deposits that will be remitted to other parties upon meeting payment criteria.

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 expenses by function.

1. Long-Term Economic Focus and Accrual Basis

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

City of Aspen, Colorado
Notes to the Financial Statements
December 31, 2008
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

2. Current Financial Focus and Modified Accrual Basis

The governmental 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, 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. Property taxes, sales taxes, intergovernmental revenues, other taxes, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt are recorded only when payment is due.

Non-current portions of long-term receivables due to governmental funds are reported on their balance sheets, in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered "available spendable resources," since they do not represent net current assets. Recognition of governmental fund type revenues represented by non-current receivables is deferred until they become current receivables.

3. Financial Statement Presentation

Amounts reported as program revenues include: 1) charges to customers and applicants for goods, services or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. 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 City's enterprise funds and the internal service fund are charges to customers for sales and services. Operating expenses for the enterprise funds and the internal service fund include the cost of sales and services, operating expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

City of Aspen, Colorado
Notes to the Financial Statements
December 31, 2008
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts

1. Cash and Investments

Whenever possible, cash is pooled from the various City funds to enhance investment capabilities and maximize investment income. Investments are made taking into consideration cash flow needs, market conditions, and contingency plans. The City's investment policies prescribe eligible investments, investment diversification, and maturity and liquidity guidance. Investments are stated at market value.

For purposes of the statement of cash flows, the enterprise funds and the internal service fund consider all liquid investments with original maturities of three months or less to be cash equivalents.

2. Property Taxes

Property taxes are assessed in one year as a lien on the property, but are not collected by the governmental unit until the subsequent year. In accordance with GAAP, the assessed but uncollected property taxes have been recorded as a receivable and as deferred revenue.

3. Accounts Receivable

The City uses the allowance method for recognizing the potential uncollectibility of delinquent accounts receivable. At December 31, 2008, no allowance was deemed necessary.

4. Interfund Receivables and Payables

Balances at year-end between funds are reported as "advances from other funds/advances to other funds" in the fund financial statements. Any residual balances not eliminated between the governmental and business-type activities are reported as "internal balances" in the government-wide financial statements.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

5. Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond December 31, 2008 are recorded as prepaid expenses.

6. Inventory

Inventories are valued at cost using the first-in, first-out method. Inventory in the General Fund consists of expendable supplies held for consumption. Inventory in the Parks and Open Space Fund consists of mall bricks held for consumption. The cost of these inventories is recorded as expenditures at the time the individual inventory items are used.

City of Aspen, Colorado
Notes to the Financial Statements
December 31, 2008
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

7. Deferred Charges

Issuance costs for long term liabilities are deferred and amortized over the term of the loan using the straight-line method.

8. Capital Assets

Capital assets, which include land, buildings, improvements, equipment, machinery and infrastructure assets, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Infrastructure assets consist of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems purchased or constructed since 1980. Capital assets are defined by the City as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at cost where historical records are available and at an estimated historical cost where no historical record exists. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the assets.

Capital assets (excluding land) are depreciated using the straight-line method over the following estimated useful lives:

Buildings	25 - 50 years
Infrastructure and improvements other than buildings	10 - 65 years
Machinery and equipment	3 - 40 years

9. Bond Premiums and Discounts

Bonds payable are reported net of the applicable bond premium or discount. No amortization was taken on these premiums and discounts in the first year. These premiums and discounts are amortized over the life of the applicable bonds using the bonds outstanding method.

10. Deferred Revenue

For governmental funds, deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. For proprietary funds, deferred revenues arise when collected revenue is unearned.

In subsequent periods, when revenue recognition criteria are met, or when the City has legal claim to the resources, the liability for deferred revenue is removed and revenue is recognized.

City of Aspen, Colorado
Notes to the Financial Statements
December 31, 2008
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

11. Compensated Absences

Vested or accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations. Amounts of vested or accumulated vacation and sick leave that have been incurred are reported in the governmental activities column in the government-wide financial statements. Vested or accumulated vacation and sick leave of the proprietary fund type is recorded as an expense and liability of that fund as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits, as these amounts are not paid out upon termination of service.

12. Reserved Fund Balance

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted for use for a specific purpose. Fund balance is reserved for debt service for bonds requiring a debt service reserve. For prepaid items and inventory, where assets are not yet spendable, fund balance is also reserved. Colorado State law requires that an amount equal to three percent of all governmental fund expenditures be reserved for emergencies.

13. 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 expenditures or expenses in the reimbursing fund and as reimbursement revenue in the fund that is reimbursed. All other interfund transactions, except for reimbursements and interfund services provided and used, are reported as transfers. Repayments of long-term interfund advances are also accounted for as transfers for budgeting purposes with a corresponding decrease/increase in the receivable/payable for GAAP purposes.

City of Aspen, Colorado
Notes to the Financial Statements
December 31, 2008
(Continued)

I. Summary of Significant Accounting Policies (continued)

F. Significant Accounting Policies

1. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the City'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 the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

2. Proprietary Funds

Private sector standards of accounting and financial reporting issued prior to November 30, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that they do not conflict with guidance specifically applicable to governments. Governments also have the *option* to follow subsequent private sector guidance for these business-type activities and enterprise funds, subject to the same limitations. The City has elected not to follow subsequent private sector guidance.

3. Restricted and Unrestricted Resources

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

4. Indirect Expense Allocations

The City chooses to allocate general government expenses consisting of central service departments such as Finance, Information Systems, Human Resources, City Manager, and City Attorney to the appropriate function based on a study estimating the time spent providing services. This allocation is shown as "Indirect Expenses Allocation" on the statement of activities.

City of Aspen, Colorado
Notes to the Financial Statements
December 31, 2008
(Continued)

II. Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between the fund balance of total governmental funds and net assets of governmental activities as reported in the government-wide Statement of Net Assets. One element of that reconciliation explains "Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds." This \$190,996,808 difference is related to property, plant and equipment of \$233,105,591 less accumulated depreciation of \$42,108,783.

Another element of that reconciliation explains "Other long-term assets are not available for current period expenditures and therefore are not reported in the funds." This \$7,948,492 difference is long-term receivables of \$5,985,230 and interest receivable of \$1,963,262.

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes reconciliation between net change in fund balances of governmental funds and changes in net assets of governmental activities as reported in the government-wide Statement of Activities. One element of that reconciliation explains "Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense." The details of this \$7,149,632 difference are comprised of capital outlay of \$12,931,678 less depreciation expense of \$5,782,046.

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

An annual budget and appropriation resolution is adopted by City Council in accordance with the City's Home Rule Charter. Separate budget/actual comparisons are presented in these financial statements for all non-agency funds as required by Colorado State Statutes.

City of Aspen, Colorado
Notes to the Financial Statements
December 31, 2008
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

Budgets are prepared on a GAAP basis for all funds except the Asset Management Plan Fund, Wheeler Transfer Tax Fund, Kids First/Daycare Fund, and the enterprise funds. The budgets for these funds have been adopted on a non-GAAP budget and are reconciled to GAAP below:

	Asset Management Plan Fund	Wheeler Transfer Tax Fund	Kids First / Daycare Fund
Net Change in Fund Balances - Budget Basis	\$ (630,168)	\$ 2,309,082	\$ 416,864
Add/(less):			
Interfund advance principal payments	395,218	(227,412)	(167,805)
Net Change in Fund Balances - GAAP Basis	<u>\$ (234,950)</u>	<u>\$ 2,081,670</u>	<u>\$ 249,059</u>

	Water Fund	Electric Fund	Ruedi Hydroelectric Fund	Trans- portation Fund
Change in Net Assets - Budget Basis	\$ (481,016)	\$ 242,210	\$ 5,956,796	\$ (864,138)
Add/(less):				
Debt issuance	-	-	(5,500,000)	-
Debt issuance costs	-	-	108,399	-
Debt accrued interest	-	-	(17,795)	-
Capitalized expenses	1,058,309	467,265	1,128,174	781,828
Change in compensated absences	1,878	(771)	-	3,495
Loss on disposition of fixed assets	(20,644)	(4,566)	(110,523)	(1,324)
Depreciation and amortization	(835,933)	(261,625)	(114,983)	(72,426)
Change in Net Assets - GAAP Basis	<u>\$ (277,406)</u>	<u>\$ 442,513</u>	<u>\$ 1,450,068</u>	<u>\$ (152,565)</u>

	Truscott Place Housing Fund	Marolt Ranch Housing Fund	Golf Course Fund
Change in Net Assets - Budget Basis	\$ 187,979	\$ 167,259	\$ (6,064)
Add/(less):			
Debt principal payments	4,600,000	310,000	84,525
Debt accrued interest	(12,289)	(15,211)	(3,072)
Capitalized expenses	355,759	215,360	127,238
Change in compensated absences	2,757	2,757	13,771
Loss on disposition of fixed assets	-	-	(4,405)
Depreciation and amortization	(366,987)	(182,682)	(185,004)
Change in Net Assets - GAAP Basis	<u>\$ 4,767,219</u>	<u>\$ 497,483</u>	<u>\$ 26,989</u>

City of Aspen, Colorado
Notes to the Financial Statements
December 31, 2008
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

The City followed these procedures in preparing, approving, and enacting its budget for 2008:

1. Prior to October 15, the City Manager submits to the City Council a proposed operating and capital budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at special City Council meetings to obtain taxpayer comments.
3. The City's mill levy is formally certified to the Pitkin County Treasurer prior to December 15, based on the budget.
4. Prior to December 31, the budget is legally enacted through passage of a resolution.
5. Formal budgetary integration is employed in all funds except agency funds.
6. Budgets in all funds are not adopted on a basis consistent with GAAP. Budgets treat bond and note proceeds as other financing sources, bond principal payments and capital expenditures are treated as expenditures, depreciation and amortization are not treated as expenditures, and interfund advance payments are treated as transfers. Budgets are not adopted for the agency funds.
7. At a management level, the City Manager may legally approve budget transfers between departments (within a fund). Department Directors may transfer budgeted amounts between various programs within the department. Department heads must approve transfers of budget between the major expenditure categories (personnel, supplies and services, fixed assets, and debt service) within a department.
8. Budgeted amounts in this report represent the original adopted amounts plus or minus any amendments by City Council throughout the year. In order to amend the budget, the City Manager must certify that there are current year revenues in excess of those anticipated in the budget that are available for appropriation or the City Manager must certify that there is a prior year fund balance / retained earnings balance available for appropriation. Budgets are amended by ordinance.
9. Individual departments are allowed to carry forward to the next year fifty percent of any unexpended or encumbered budget amounts.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2007 were collected in 2008 and taxes certified in 2008 will be collected in 2009. Taxes are due on January 1 in the year of collection; however, they may be paid in either one installment (no later than April 30) or two equal installments (not later than February 28 and June 15) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16.

City of Aspen, Colorado
Notes to the Financial Statements
December 31, 2008
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

During the year, supplemental appropriations were necessary. The budgetary comparison statements reflect the original budget and the final budget after legally authorized revisions were made.

B. Excess of Expenditures Over Appropriations

No funds had expenditures in excess of appropriations for the year ended December 31, 2008.

C. 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 contains 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 the 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. The City has reserved a portion of the December 31, 2008 year-end fund balance in the General Fund for this purpose in the amount of \$1,840,756, which is the approximate required reserve.

The initial base for local government spending and revenue limits is December 31, 1992 fiscal year spending. Future spending and revenue limits are determined based on the prior year's fiscal year spending adjusted for inflation in the prior calendar year plus annual local growth. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions. Revenue, if any, in excess of the fiscal year spending limit, must be refunded in the next fiscal year unless voters approve retention of such revenue.

The City's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation.

In November 1994, the electorate approved ballot question 2B which allows the City to collect, retain, and spend the full proceeds of the City's existing sales and real estate transfer taxes, grants and revenues from all other sources, with the exception of revenues generated from the mill levy.

City of Aspen, Colorado
Notes to the Financial Statements
December 31, 2008
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

C. TABOR Amendment (continued)

In November 2005, the electorate approved ballot question 2D which allows the City to collect, retain, and spend property taxes in excess of the limits of Article X, Section 20 of the State Constitution for tax years 2006 – 2010 for the purpose of purchasing a hybrid bus or busses for the use within the City's RFTA routes; improving the quality of the stormwater runoff entering the Roaring Fork River through the construction of the Jenny Adair Wetlands Project, and associated improvements to the City's stormwater runoff retention and sediment removal systems; design and construction of a new outdoor swimming pool at the Aspen Recreation Center; and construction of improvements to key elements of the City's sidewalk and trail system including the Americans with Disabilities Act (ADA) improvements. In 2009, the City Council decided not to proceed with the outdoor pool construction.

IV. Detailed Notes on All Funds

A. Cash and Investments

In order to facilitate the recording of cash transactions and maximize earnings on investments, the City has combined the cash and investments and maintains accountability for each fund's equity in the pooled cash and investments. Investment earnings are prorated among the contributing funds monthly, based on each fund's respective percentage of equity to the total amount of pooled cash and investments. All funds of the City are eligible for investment and may be combined in an investment instrument to maximize earnings.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories; eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The collateral pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must equal or exceed 102% of the uninsured deposits.

City of Aspen, Colorado
Notes to the Financial Statements
December 31, 2008
(Continued)

IV. Detailed Notes on All Funds (continued)

A. Cash and Investments (continued)

At December 31, 2008, the carrying value of the City's deposits was \$922,510. The bank balance of these accounts was \$951,139 of which \$250,000 was covered by Federal Deposit Insurance Corporation and \$701,139 was collateralized in institution pools as described above. The difference between carrying and bank balances represents items that had not cleared the bank at year-end. The City also had cash on hand of \$20,910.

At year end, the City had the following investments and maturities:

Investment Type	Standard & Poor			Investment Maturities (in Years)			
	Fair Value	Rating	Percentage	Less Than 1	1 - 5	6 - 10	Longer than 10
Agency Securities Total	2,040,105	AAA	3%	2,040,105	-	-	-
Agency/Mortgage Backs							
Agency Remics-Fixed Total	20,589,302	Not Rated	29%	107,280	-	6,664,516	13,817,506
Other Mortgage Backs Total	210	Not Rated	0%	-	-	-	10,347
Mortgage Pools Total	35,327,549	AAA	45%	155,962	-	-	35,161,048
Colotrust	21,395,648	AAAm	27%	21,395,648	-	-	-
	<u>\$ 79,352,814</u>		<u>103%</u>	<u>\$ 23,698,995</u>	<u>\$ -</u>	<u>\$ 6,664,516</u>	<u>\$ 48,988,901</u>

The City has funds invested in one local government investment pool, Colorado Government Liquid Asset Trust (COLOTRUST), which is AAAm rated by S&P. The fair value of the pool is determined by the pool's share price. The City has no regulatory oversight for the pool.

B. Summary of Cash and Investments

A summary of deposits and investments held by the City follows:

Type	Amount
Cash and cash equivalents	\$ 922,510
Cash on hand	20,910
Investments	79,352,814
Total Cash and Investments	<u>\$ 80,296,234</u>

Financial Statement Captions	Amount
Governmental Activities	\$ 47,626,774
Business-type Activities	27,497,760
Deficit in pooled cash and investments	(159,901)
Fiduciary Funds	5,331,601
Total Cash and Investments	<u>\$ 80,296,234</u>

City of Aspen, Colorado
Notes to the Financial Statements
December 31, 2008
(Continued)

IV. Detailed Notes on All Funds (continued)

B. Summary of Cash and Investments (continued)

The City has an investment policy that includes the following guidelines.

Credit Risk. The City limits credit risk by limiting the types of investments to the following:

- Legal investments for municipalities under state statutes
- Commercial paper
- Repurchase agreements
- Obligations of the United States or obligations unconditionally guaranteed by the United States, or its agencies
- Obligations of the State of Colorado and most general obligations of units of local governments
- Federally insured mortgages and student loans
- Participation with other local governments in pooled investment funds (trusts). These trusts are supervised by participating governments and must comply with the same restrictions on cash deposits and investments.

Investments are to be made with judgment and care – under circumstances then prevailing – which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment.

Interest Rate Risk. The City invests in various mortgage-backed securities. Mortgage-backed securities receive cash flow in the form of principal and interest payments on underlying mortgages and are sensitive to prepayments by borrowers, which may result from a decline in interest rates. The rate of return realized from an investment in mortgage-backed securities is dependent upon the speed at which principal is repaid.

The City limits its exposure to interest rate risk by limiting the effective duration for investments held. The City monitors the effective duration of individual securities and of the portfolio as a whole. The City limits its purchases of new securities to those whose effective duration does not exceed five years following a simultaneous upward shift of the yield curve of 300 basis points. Furthermore, the City restricts the effective maturity of any security to less than ten years from the date of purchase. In the past the City has held securities maturing longer than ten years. At December 31, 2008, the City held agency and mortgage backed securities maturing longer than ten years. The maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds.

City of Aspen, Colorado
Notes to the Financial Statements
December 31, 2008
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Receivables

The City has several types of receivables. Receivables not meeting the requirements for revenue recognition in the City's funds are shown on the government-wide financial statements. The City had the following receivables, net of applicable uncollectible accounts:

	General Fund	Asset Management Plan Fund	Wheeler Transfer Tax Fund	Affordable Housing Fund	Parks and Open Space Fund	Nonmajor Governmental Funds	Total Governmental Funds
Current Receivables:							
Taxes	\$2,737,122	\$3,271,775	\$ -	\$ -	\$ -	\$ 813,874	\$ 6,822,771
Other governments	1,802,016	91,757	-	-	197,898	21,441	2,113,112
Trade accounts	615,965	100	3,690	125,039	1,141,434	473,953	2,360,181
Gross Receivables	<u>5,155,103</u>	<u>3,363,632</u>	<u>3,690</u>	<u>125,039</u>	<u>1,339,332</u>	<u>1,309,268</u>	<u>11,296,064</u>
Less: Allowance for uncollectibles	-	-	-	-	-	-	-
Net Current Receivables	<u><u>\$5,155,103</u></u>	<u><u>\$3,363,632</u></u>	<u><u>\$ 3,690</u></u>	<u><u>\$ 125,039</u></u>	<u><u>\$ 1,339,332</u></u>	<u><u>\$ 1,309,268</u></u>	<u><u>11,296,064</u></u>
Long-term Receivables:							
Burlingame Housing Corporation							2,319,100
Truscott Housing Corporation							2,973,105
Aspen Country Inn							2,656,287
Internal Service Fund Receivables							<u>284,208</u>
Total per Government-wide Financial Statements							<u><u>\$19,528,764</u></u>

The Burlingame Housing Corporation receivables are due in 2030. The Truscott Housing Corporation receivables are due in 2047. Amounts due from Aspen Country Inn are dependent upon the terms of the project's limited partnership agreement.

City of Aspen, Colorado
Notes to the Financial Statements
December 31, 2008
(Continued)

IV. Detailed Notes on All Funds (continued)

D. Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Deferred revenue of \$6,997,264 is comprised of the following:

	<u>General Fund</u>	<u>Asset Management Fund</u>	<u>Wheeler Transfer Tax Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Property taxes assessed but not collectible until 2009	\$ 2,737,122	\$ 3,271,775	\$ -	\$ 813,874	\$ 6,822,771
Deferred ticket sales	-	-	57,901	-	57,901
Business licenses	102,736	-	-	-	102,736
Other unearned revenue	5,842	-	3,190	4,824	13,856
Total	<u>\$ 2,845,700</u>	<u>\$ 3,271,775</u>	<u>\$ 61,091</u>	<u>\$ 818,698</u>	<u>\$ 6,997,264</u>

E. Interfund Receivables, Payables, and Transfers

The following interfund balances existed at December 31, 2008:

	<u>Advance to Other Funds</u>	<u>Advances Due to Other Funds</u>	<u>Total</u>
Asset Management Plan Fund	\$ -	\$ (954,242)	\$ (954,242)
Wheeler Transfer Tax Fund	8,776,708	-	8,776,708
Affordable Housing Fund	-	(8,000,000)	(8,000,000)
Kids First/Daycare Fund	177,534	-	177,534
	<u>\$ 8,954,242</u>	<u>\$ (8,954,242)</u>	<u>\$ -</u>

Details regarding the long-term advances are as follows:

1. In 1999, the Wheeler Transfer Tax Fund provided \$1.4 million for street paving work. The loan bears interest at 5.80% per annum, with annual principal and interest payments due through May 31, 2010.
2. In 1999, the Kids First/Daycare Fund loaned the Asset Management Plan Fund \$1.35 million. The loan bears interest at 5.80% per annum, with annual principal and interest payments due through May 31, 2009. Proceeds from the loan were used for street paving work.
3. In 2006, the Wheeler Fund loaned the Asset Management Plan Fund \$680,000. The loan bears interest at 5.10% per annum, with annual principal and interest payments due through December 1, 2016. Proceeds from the loan were used for the Red Brick West End Expansion.
4. In 2007, the Wheeler Transfer Tax Fund loaned the Affordable Housing Fund \$8 million. The loan bears interest at a rate, changing monthly, equal to the monthly rate of return on the City's investment portfolio, with annual principal and interest payments due through December 31, 2010. Proceeds from the loan were used for capital expenditures related to the acquisition of real property for affordable housing purposes.

City of Aspen, Colorado
Notes to the Financial Statements
December 31, 2008
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Interfund, Receivables, Payables, and Transfers (continued)

The City makes transfers between funds to 1) move revenue from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, 2) to repay interfund advances, and 3) to allocate resources based upon City Council adopted budgetary policies. The following are transfers made during 2008:

		Transfer In:												
		General Fund	Asset Management Plan Fund	Wheeler Transfer Tax Fund	Affordable Housing Fund	Parks and Open Space Fund	Debt Service Fund	Water Fund	Electric Fund	Ruedi Hydroelectric Fund	Transportation Fund	Nonmajor Funds	Internal Service Funds	Total Transfers Out
Transfer Out:	General Fund		\$ 1,067,840		\$ 705,000	\$ 85,240		\$ 72,640	\$ 7,500		\$ 147,240		\$ 529,260	\$ 2,614,720
	Asset Management Plan Fund			44,057			93,240					13,885	111,049	262,231
	Wheeler Transfer Tax Fund												380,332	380,332
	Affordable Housing Fund			368,004								4,984,440		5,352,444
	Parks and Open Space Fund						2,655,050					2,692,570	214,960	5,562,580
	Debt Service	18,590				269,460							25,840	313,890
	Water Fund	1,000,000				150,000				877,800			510,203	2,538,003
	Electric Fund	408,990						365,235		240,000			18,730	1,032,955
	Transportation Fund	150,000				354,330							40,720	545,050
	Nonmajor Funds						698,750						261,375	960,125
	Internal Service Funds	609,660		45,930	15,950	104,330		90,460	17,080		64,180	58,660		1,006,250
	Total Transfers In	\$ 2,187,240	\$ 1,067,840	\$ 457,991	\$ 720,950	\$ 963,360	\$ 3,447,040	\$ 528,335	\$ 24,580	\$ 1,117,800	\$ 211,420	\$ 7,775,395	\$ 2,066,629	\$ 20,568,580

City of Aspen, Colorado
Notes to the Financial Statements
December 31, 2008
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Capital Assets

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land and land rights	\$ 74,814,408	\$ 4,154,212	\$ -	78,968,620
Construction in progress	9,122,320	1,724,437	(1,391,949)	9,454,808
Total Capital Assets, Not Being Depreciated	<u>83,936,728</u>	<u>5,878,649</u>	<u>(1,391,949)</u>	<u>88,423,428</u>
Capital Assets, Being Depreciated:				
Buildings	78,606,094	1,651,396	(893,542)	79,363,948
Infrastructure and improvements other than buildings	47,909,086	5,719,150	(7,509)	53,620,727
Vehicles	2,758,247	782,137	(208,812)	3,331,572
Machinery and equipment	8,825,967	904,558	(337,257)	9,393,268
Total Capital Assets Being Depreciated	<u>138,099,394</u>	<u>9,057,241</u>	<u>(1,447,120)</u>	<u>145,709,515</u>
Less Accumulated Depreciation For:				
Buildings	(24,126,332)	(3,091,134)	-	(27,217,466)
Infrastructure and improvements other than buildings	(7,694,948)	(1,812,330)	-	(9,507,278)
Vehicles	(1,244,984)	(303,455)	169,365	(1,379,074)
Machinery and equipment	(3,997,876)	(615,671)	139,970	(4,473,577)
Total Accumulated Depreciation	<u>(37,064,140)</u>	<u>(5,822,590)</u>	<u>309,335</u>	<u>(42,577,395)</u>
Total Capital Assets, Being Depreciated, Net	<u>101,035,254</u>	<u>3,234,651</u>	<u>(1,137,785)</u>	<u>103,132,120</u>
Governmental Activities Capital Assets, Net	<u>\$ 184,971,982</u>	<u>\$ 9,113,300</u>	<u>\$ (2,529,734)</u>	<u>\$ 191,555,548</u>
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land and land rights	\$ 3,746,255	\$ -	\$ -	\$ 3,746,255
Construction in progress	516,289	1,128,175	(351,186)	1,293,278
Total Capital Assets, Not Being Depreciated	<u>4,262,544</u>	<u>1,128,175</u>	<u>(351,186)</u>	<u>5,039,533</u>
Capital Assets, Being Depreciated:				
Buildings	27,664,366	38,308	(94,395)	27,608,279
Infrastructure and improvements other than buildings	36,521,883	1,589,265	(321,225)	37,789,923
Machinery and equipment	6,251,686	1,729,371	(806,549)	7,174,508
Total Capital Assets Being Depreciated	<u>70,437,935</u>	<u>3,356,944</u>	<u>(1,222,169)</u>	<u>72,572,710</u>
Less Accumulated Depreciation For:				
Buildings	(7,246,803)	(732,919)	94,396	(7,885,326)
Infrastructure and improvements other than buildings	(17,785,130)	(988,488)	186,820	(18,586,798)
Machinery and equipment	(3,629,929)	(292,555)	799,492	(3,122,992)
Total Accumulated Depreciation	<u>(28,661,862)</u>	<u>(2,013,962)</u>	<u>1,080,708</u>	<u>(29,595,116)</u>
Total Capital Assets, Being Depreciated, Net	<u>41,776,073</u>	<u>1,342,982</u>	<u>(141,461)</u>	<u>42,977,594</u>
Business-Type Activities Capital Assets, Net	<u>\$ 46,038,617</u>	<u>\$ 2,471,157</u>	<u>\$ (492,647)</u>	<u>\$ 48,017,127</u>

City of Aspen, Colorado
Notes to the Financial Statements
December 31, 2008
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Capital Assets (continued)

Depreciation expense was charged to functions of the City as follows:

Governmental Activities:	
General government	\$ 960,856
Public safety	111,320
Public works	1,618,652
Public health and welfare	525,350
Culture and recreation	2,606,412
Total Depreciation Expense - Governmental Activities	<u><u>\$ 5,822,590</u></u>
Business-type Activities:	
Water	\$ 835,933
Electric	261,625
Ruedi Hydroelectric	111,112
Transportation	72,426
Golf	183,197
Affordable housing	549,669
Total Depreciation - Business-Type Activities	<u><u>\$ 2,013,962</u></u>

At December 31, 2008, the City had \$3,164,618 of fully depreciated assets for governmental activities. Fully depreciated capital assets for business-type activities totaled \$1,979,329.

G. Long-term Liabilities – Governmental Activities

1. Taxable Certificates of Participation, Series 2007A

The City issued \$8,405,000 of Taxable Certificates of Participation dated February 1, 2007. Proceeds were used for the purpose of acquiring, renovating and upgrading certain condominium units within the Isis Theater building. The interest rate on the Series 2007A Taxable Certificates ranges from 5.27% to 5.96% and is payable on March 1 and September 1 through 2037.

The Series 2007A Taxable Certificates are payable solely from 1) annually appropriated Base Rentals; 2) moneys held by the Trustee in the Certificate Fund, the Reserve Fund, the Capital reserve Fund and the Acquisitions and Construction Fund created under the Indenture; and 3) following an Event of Nonappropriation or an Event of Default under the Lease, any moneys received by the Trustee from the sale or sublease of the Leased Property or the exercise of other remedies under the Lease and the Indenture.

The Series 2007A Taxable Certificates maturing on or after March 1, 2017 are subject to redemption prior to maturity at the option of the City, on March 1, 2017, and on any date thereafter, at par plus accrued interest to the redemption date, with no redemption premium.

City of Aspen, Colorado
Notes to the Financial Statements
December 31, 2008
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Long-term Liabilities – Governmental Activities (continued)

2. Parks and Open Space Sales Tax Revenue Bonds, Series 2005B

The City issued \$14,900,000 of Sales Tax Revenue bonds. The proceeds of this issue were used for the purpose of buying, improving, and maintaining trail, recreation and open space properties and ancillary facilities. The interest rate on the Series 2005B bonds ranges from 3.25% to 5.25% and is payable on May 1 and November 1 through 2025.

The Series 2005B Bonds are special, limited obligations of the City, payable from and secured solely by the revenues derived from the City's 1.5% Parks and Open Space Sales Tax, after deduction of the reasonable and necessary costs and expenses of collecting and enforcing the tax. The Series 2005B Bonds are issued on parity with the Series 2005 Sales Tax Refunding Bonds and the Series 2001 Parks and Open Space Sales Tax Revenue Bonds.

The Series 2005B Bonds maturing on and after November 1, 2016 are subject to redemption prior to maturity at the option of the City, on November 1, 2015, and on any date thereafter, at a redemption price equal to par plus accrued interest to the redemption date, with no redemption premium.

3. Sales Tax Revenue Refunding Bonds, Series 2005

The City issued \$12,380,000 of Sales Tax Refunding Bonds dated March 15, 2005, of which \$10,956,300 (88.5%) pertains to governmental activities. The remaining \$1,423,700 is accounted for as a long-term liability for business-type activities on the Golf Course Fund (see note H4). The proceeds of this issue were used to advance refund the City's Sales Tax Revenue Bonds, Series 1999. The interest rate on the Series 2005 Refunding Bonds ranges from 3.50% to 5.25% and is payable on May 1 and November 1 through 2019.

The Series 2005 Bonds are special, limited obligations of the City, payable from and secured solely by the revenues derived from the City's 1.5% Parks and Open Space Sales Tax, after deduction of the reasonable and necessary costs and expenses of collecting and enforcing the tax. The Series 2005 Bonds are issued on parity with the Series 2005B Parks and Open Space Sales Tax Revenue Bonds and the Series 2001 Parks and Open Space Sales Tax Revenue Bonds.

The Series 2005 Bonds maturing on and after November 1, 2016 are subject to redemption prior to maturity at the option of the City, on November 1, 2015, and on any date thereafter, at a redemption price equal to par plus accrued interest to the redemption date, with no redemption premium.

4. Refunding Certificates of Participation, Series 2004

The City issued \$3,040,000 of Refunding Certificates of Participation dated July 31, 2004. Proceeds were used to refund the City's Series 1995 Certificates of Participation and to pay the related issuance costs. The interest rates range from 3.0% to 3.5% and are payable semiannually March 1 and September 1 through September 2009.

City of Aspen, Colorado
Notes to the Financial Statements
December 31, 2008
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Long-term Liabilities – Governmental Activities (continued)

4. Refunding Certificates of Participation, Series 2004 (continued)

The Certificates are payable from annually appropriated base rentals and moneys held by the Trustee in a Certificate Fund.

5. General Obligation Refunding Bonds, Series 2003

The City issued \$7,930,000 of General Obligation Refunding Bonds dated October 29, 2003 (the 2003 Bonds), of which \$1,315,000 pertains to governmental activities and was paid off on December 1, 2007. The remaining \$6,615,000 is accounted for as a long-term liability for business-type activities (see Note H3). Proceeds from the 2003 Bonds were used to refund the City's outstanding General Obligation Bonds, Series 1992A, General Obligation Housing Refunding Bonds, Series 1993A maturing on and after December 1, 2004, and General Obligation Housing Refunding Bonds, Series 1993B and to pay for issuance costs. The interest rate on the 2003 Bonds ranges from 2.25% to 3.90% and is payable semiannually on June 1 and December 1 through December 2018.

The 2003 Bonds are general obligations of the City, payable from ad valorem property taxes to be levied without limitation as to the rate or amount against all taxable property within the City.

2003 Bonds maturing on and after December 1, 2012 are subject to redemption prior to maturity at the option of the City, in whole or in part, on December 1, 2011, and thereafter, at a redemption price equal to the principal amount so redeemed with no redemption premium, plus accrued interest to the redemption date.

6. Parks and Open Space Sales Tax Revenue Bonds, Series 2001

The City issued \$10,780,000 of Parks and Open Space Sales Tax Revenue Bonds dated August 1, 2001 (the 2001 Bonds). Proceeds were used to buy, improve and maintain trails, recreation and open space properties and ancillary facilities. The interest rates range from 3.75% to 5.00% and are payable semiannually on May 1 and November 1 of each year until 2021.

The 2001 Bonds are special, limited obligations of the City payable solely from and secured by the revenues generated from the City's 1.5% Parks and Open Space Sales Tax, after deduction of the reasonable and necessary costs and expenses of collecting and enforcing the tax. The Series 2001 Bonds are issued on parity with the Series 2005B Parks and Open Space Sales Tax Revenue Bonds.

2001 Bonds maturing on and after November 1, 2012 are subject to redemption prior maturity at the option of the City, in whole or part, on November 1, 2011, and on any date thereafter, at a redemption price equal to par, plus accrued interest to the redemption date.

City of Aspen, Colorado
Notes to the Financial Statements
December 31, 2008
(Continued)

IV. Detailed Notes on All Funds (continued)

H. Long-term Liabilities – Business-type Activities

The City has the following long-term liabilities outstanding for business-type activities:

1. General Obligation Hydroelectric Bonds, Series 2008

The City issued \$5,500,000 of General Obligation bonds dated September 18, 2008 (the 2008 Bonds). Because the City has determined business-type activities will make principal and interest payments on the 2008 Bonds, this issuance is reported as a business-type long-term liability on the Ruedi Hydroelectric Fund.

Interest rates range from 3.00% to 4.85% and are payable semi-annually on June 1 and December 1, through December 2035. Proceeds from the bonds are being used for the design, construction and equipping of the Castle Creek Hydroelectric Facility. The 2008 Bonds are payable from certain available fees of the City's Electric Utility System and , to the extent such fees are not sufficient, ad valorem property taxes levied by the City on all taxable property within the boundaries of the City.

The 2008 Bonds maturing on and after December 1, 2019 are subject to redemption prior to maturity at the option of the City at the principal amount thereon (with no redemption premium), plus accrued interest to the redemption date.

2. General Obligation Housing Bonds, Series 2001A

The City issued \$7,635,000 of General Obligation Housing Bonds, Series 2001A dated August 15, 2001 (the 2001A Bonds). Because the City has determined business-type activities will make principal and interest payments on the 2001A Bonds, this issuance is reported as a business-type long-term liability on the Truscott Place Housing Fund.

Interest rates range from 4.00% to 5.00% and are payable semiannually on June 1 and December 1, through December 2021. Proceeds from the bonds were used to construct and equip affordable housing units and infrastructure improvements at or near the City's Truscott Place affordable housing complex (Truscott Place). The bonds are payable from available rent and other revenues of the City's Truscott Housing Fund and Affordable Housing Fund. The City may also determine that amounts are to be paid from ad valorem property taxes if revenues are not sufficient in any year.

The 2001A Bonds maturing on and after December 1, 2012, are subject to redemption prior to maturity at the option of the City, in whole or part, on December 1, 2011, and any date thereafter, at a redemption price equal to the principal amount plus accrued interest to the redemption date.

City of Aspen, Colorado
Notes to the Financial Statements
December 31, 2008
(Continued)

IV. Detailed Notes on All Funds (continued)

H. Long-term Liabilities – Business-type Activities (continued)

3. General Obligation Refunding Bonds, Series 2003

The City issued \$7,930,000 of General Obligation Refunding Bonds dated October 29, 2003 (the 2003 Bonds), of which \$6,615,000 pertains to business-type activities on the Truscott Place and Marolt Ranch Housing Funds (refer to Note G5).

4. Sales Tax Revenue Refunding Bonds, Series 2005

The City issued \$12,380,000 Sales Tax Refunding Bonds dated March 15, 2005, of which \$1,423,700 (11.5%) is accounted for as a long-term liability for business-type activities on the Golf Course Fund (see Note G3).

I. Long-term Liabilities – Compensated Absences

All regular employees are granted paid vacation and sick leave. Employees accrue vacation and sick leave according to the following schedule:

<u>Years of Service</u>	<u>Vacation Leave</u>	<u>Sick Leave</u>
0 to 5 years	112 hours per year	96 hours per year
After 5 years	160 hours per year	96 hours per year
Maximum Accrual	320 hours	Unlimited

Police officers are allowed to accrue an additional 72 hours of vacation leave in lieu of scheduled holidays. In addition, police officers have a maximum vacation leave accrual of 464 hours.

Upon termination, an employee is paid 100% of the accrued vacation time up to the maximum accrual from the fund that paid the employee's salary. Accrued sick leave is paid at the ratio of one hour paid for three hours accrued and the accrual is limited to 720 hours, for a maximum payout of 240 hours. In accordance with GAAP, the City's approximate liability for vacation and sick pay earned by employees at December 31, 2008 has been reflected in the proprietary type fund financial statements and in the governmental activities column of the government-wide financial statements.

J. Long-term Liabilities – Refunded Bonds

In prior years, the City defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. The bonds intended to be refunded by the refunding issues remain a contingent liability of the City until retired; however, they are not included for the purposes of calculating debt limitations by the City. The amount of debt considered defeased cannot be readily determined as of December 31, 2008.

K. Long-term Liabilities – Legal Debt Limits

The City is subject to a legal debt limit for general obligation bonds of 20% of assessed value of real property. Additionally, authorized but unissued sales tax debt is approximately \$3 million at December 31, 2008.

City of Aspen, Colorado
Notes to the Financial Statements
December 31, 2008
(Continued)

IV. Detailed Notes on All Funds (continued)

L. Long-term Liabilities – Activity and Debt Service Schedules

Long-term liability activity for the year ended December 31, 2008, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Sales Tax Revenue Bonds:					
Series 2001	8,560,000	-	(450,000)	8,110,000	470,000
Refunding Bonds, Series 2005	9,230,550	-	(650,475)	8,580,075	672,600
Series 2005B	14,700,000	-	(100,000)	14,600,000	100,000
Certificates of Participation:					
Refunding Bonds, Series 2004	1,220,000	-	(655,000)	565,000	565,000
Taxable Certificates, Series 2007A	8,345,000	-	(115,000)	8,230,000	120,000
Compensated absences	1,958,469	53,092	-	2,011,561	804,624
Total Governmental Activities					
Long-Term Liabilities	<u>44,014,019</u>	<u>53,092</u>	<u>(1,970,475)</u>	<u>42,096,636</u>	<u>2,732,224</u>
Business-Type Activities					
Housing Facility Bonds:					
General Obligation, Series 2001A	7,420,000	-	(395,000)	7,025,000	405,000
General Obligation, Series 2001B	3,900,000	-	(3,900,000)	-	-
General Obligation Bonds:					
Refunding Bonds, Series 2003	4,010,000	-	(615,000)	3,395,000	320,000
General Obligation, Series 2008	-	5,500,000	-	5,500,000	125,000
Sales Tax Revenue Bonds:					
Refunding Bonds, Series 2005	1,199,450	-	(84,525)	1,114,925	87,400
Total Business-Type Activities					
Long-Term Liabilities	<u>16,529,450</u>	<u>5,500,000</u>	<u>(4,994,525)</u>	<u>17,034,925</u>	<u>937,400</u>
Total Government-wide					
Long-Term Liabilities	<u>\$ 60,543,469</u>	<u>\$ 5,553,092</u>	<u>\$ (6,965,000)</u>	<u>\$ 59,131,561</u>	<u>\$ 3,669,624</u>

For governmental activities, claims and judgments are generally liquidated by the General Fund. Compensated absences are liquidated by the fund that paid the salaries.

City of Aspen, Colorado
Notes to the Financial Statements
December 31, 2008
(Continued)

IV. Detailed Notes on All Funds (continued)

L. Long-term Liabilities – Activity and Debt Schedules (continued)

Debt service requirements at December 31, 2008, were as follows:

	Principal	Interest	Total
Governmental Activities:			
2009	\$ 1,927,600	\$ 1,996,801	\$ 3,924,401
2010	1,404,725	1,920,812	3,325,537
2011	1,471,275	1,863,373	3,334,648
2012	1,522,825	1,804,039	3,326,864
2013	1,588,800	1,739,938	3,328,738
2014-2018	8,991,150	7,574,358	16,565,508
2019-2023	12,283,700	5,035,202	17,318,902
2024-2028	6,845,000	1,896,210	8,741,210
2029-2033	1,990,000	979,926	2,969,926
2034-2037	2,060,000	315,880	2,375,880
Total Governmental Activities	\$ 40,085,075	\$ 25,126,539	\$ 65,211,614
Business-Type Activities:			
2009	\$ 937,400	\$ 735,559	\$ 1,672,959
2010	965,275	702,949	1,668,224
2011	1,008,725	666,952	1,675,677
2012	1,042,175	626,586	1,668,761
2013	1,086,200	584,100	1,670,300
2014-2018	5,833,850	2,219,630	8,053,480
2019-2023	3,041,300	1,055,998	4,097,298
2024-2028	1,150,000	628,700	1,778,700
2029-2033	1,445,000	339,162	1,784,162
2034-2035	525,000	34,920	559,920
Total Business-Type Activities	\$ 17,034,925	\$ 7,594,556	\$ 24,629,481

M. Reserved Fund Balance

The City had the following fund balance amounts reserved at year end:

	Amount
Reserved for Debt Service	\$ 186,077
Reserved for Long-Term Advances	8,954,242
Reserved for Prepaid Expenses	71,654
Reserved for Inventory	48,721
Reserved for Emergencies - TABOR	1,840,756
Total Reserved Equity	\$11,101,450

City of Aspen, Colorado
Notes to the Financial Statements
December 31, 2008
(Continued)

V. Other Information

A. Deferred Compensation and Pension Plans

1. Employee Deferred Compensation Plans

The City has contracted for the administration of four deferred compensation plans created in accordance with Internal Revenue Code Section 457. The Plan assets are invested with the Equitable Life Assurance Company of the United States (PEDC), Great West Life, International City Management Association Retirement Corporation (ICMA), and Nationwide Retirement Services. The PEDC, Great West Life, and Nationwide plans have been closed to new employees.

The City has also contracted for the administration of 3 pension plans in accordance with Internal Revenue Code 401(a) plan. The plan assets are invested with Nationwide Retirement Services and ICMA, which administers a 401(a) plan for regular employees and a separate 401(a) plan for Police officers which is explained in detail below.

Contributions to these plans are accounted for in the respective fund where the employee's salary is recorded. The City has a mandatory contribution, irrespective of a regular employee's participation, equal to 5% of the regular employee's salary for the first five years of employment, 6% for the next five years and 7% per year thereafter. Regular employees can elect for the mandatory contribution to be invested in the deferred compensation or the regular employee pension plan. Regular employees can elect to contribute their own deductions to the deferred compensation plan with a combined limit of \$15,500 for 2008. The City also makes a mandatory contribution to a deferred compensation plan for police officers, which is equal to 2.2% of their salary. The City Council has the authority to change the contributions. For the year ended December 31, 2008, employer plan contributions totaled \$1,197,614 and employee plan contributions totaled \$1,008,324.

2. Police Pension Plan

The City provides pension benefits for full-time police officers through a defined contribution plan contracted and administered through ICMA. This plan falls under the definition of a Section 401(a) money purchase plan by the Internal Revenue Service. The police department joined the ICMA plan on January 1, 1985. Police officers are required to join the plan. Under the plan, the City must contribute 9% of the police officer's salary and the police officer must contribute a minimum of 9% of their annual earnings. After ten years of employment, the City contributes 10% of the police officer's salary. The combined contribution cannot exceed 20% of the officer's annual earnings. The City's contributions, including interest allocation, for each police officer are fully vested after five years of continuous service. Vesting occurs at the rate of 20% per year of service. Upon an officer's separation of employment, all unvested City contributions and interest allocations are forfeited and are required to be used to reduce future City contributions to the plan. The assets of the plan are not available to general creditors of the City. The City Council has the authority to establish contribution requirements and other provisions.

City of Aspen, Colorado
Notes to the Financial Statements
December 31, 2008
(Continued)

V. Other Information (continued)

A. Deferred Compensation and Pension Plans (continued)

The deferred compensation and pension plans are not available to employees until termination, retirement, death, or unforeseeable emergency. As of December 31, 2008, there were no unfunded deferred compensation or pension funds due to any deferred compensation or pension plans. The City's fiduciary responsibility is limited to acting as an agent for the transfer of assets to ICMA, Nationwide Retirement Services, PEDC, and Great West Life. The ICMA, Nationwide Retirement Services, PEDC, and Great West Life are responsible for the investment of the funds as directed by the Plan participants.

For the year ended December 31, 2008, the total covered payroll for both the City employee deferred compensation plan and the police pension plan was \$16,638,917. The City's total payroll was \$21,100,175.

3. Cafeteria Plan

The City offers its employees a compensation plan organized under Internal Revenue Code Section 125. This plan includes benefits for dependent care and health expense reimbursement. Because the plan is a salary reduction plan, no cost to the City is recognized.

B. Risk Management

The City is exposed to various risks of loss related to workers compensation, general liability, unemployment, torts, theft of, damage to, and destruction of assets, and errors and omissions. The City carries commercial coverage for these risks and claims and does not expect claims to exceed their coverage.

1. Colorado Intergovernmental Risk Sharing Agency (CIRSA)

The Colorado Intergovernmental Risk Sharing Agency (CIRSA) was formed by an intergovernmental agreement by member municipalities pursuant to state statutes. Membership is restricted to Colorado municipalities who are members of the Colorado Municipal League.

The purpose of CIRSA is to provide members defined liability and property coverages and to assist members in the prevention and reduction of losses and injuries to municipal property and employees, or to other persons or property, which might result in claims being made against members of CIRSA, their employees or officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability or loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. The bylaws shall constitute the substance of the intergovernmental contract among the members.

City of Aspen, Colorado
Notes to the Financial Statements
December 31, 2008
(Continued)

V. Other Information (continued)

B. Risk Management (continued)

1. Colorado Intergovernmental Risk Sharing Agency (CIRSA) (continued)

CIRSA is governed by a Board of Directors, who are elected by the membership for two year terms. All actions of the membership require a 2/3 majority vote of all the members present at a meeting. The scope, terms, conditions, and limitations of the coverages are governed by the applicable coverage policies and/or excess coverage policies, the CIRSA bylaws, and other applicable documents; the types and monetary limits of the coverages are generally described below.

The types of coverages include property, general liability, auto liability, law enforcement liability, public officials' errors and omissions liability, excess liability, crime coverage, and supplemental defense coverage. The 2008 CIRSA self-insured retentions are \$500,000 per claim for property, \$500,000 per claim for liability, and \$150,000 per claim for crime. There were no settled claims that exceeded insurance coverage in the year ended December 31, 2008.

Excess insurance is carried through Northfield Insurance Company / TIG and Aetna Casualty and Surety Company. The excess limits are \$500,000,000 per claim for property, \$5,000,000 per claim for liability (except auto liability which is \$1,500,000 per claim), and \$2,000,000 per claim for crime. The deductible for all coverages is \$10,000 per claim except auto liability which is \$5,000 per claim.

City Council approves the City's continued membership in CIRSA via their annual review of the City's budget for the various departments and funds.

2. Worker's Compensation and Health Insurance

In addition to participating in CIRSA, the City maintains a commercial worker's compensation policy.

The City also offers health insurance to certain employees through the City's self-funded health plan with excess coverage underwritten by a commercial carrier. Liabilities for retained risk claims are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The following is a summary of the changes in the balances of claims liabilities during 2008.

	Year Ended 2008	Year Ended 2007
Unpaid claims, beginning of year	\$ 443,096	\$ 463,468
New claims incurred including (IBNRs)	2,988,848	2,157,948
Claim payments	(2,970,944)	(2,178,320)
Unpaid claims, end of year	<u>\$ 461,000</u>	<u>\$ 443,096</u>

City of Aspen, Colorado
Notes to the Financial Statements
December 31, 2008
(Continued)

V. Other Information (continued)

B. Risk Management (continued)

3. Commitments and Contingencies

Pending Litigation. The City is a party to various lawsuits which may result in future liabilities. The office of the City Attorney reports numerous possible contingent liabilities, none of which in their opinion will result in a material loss to the City.

Ruedi Hydropower Project. The City of Aspen and Pitkin County (the County) jointly hold a license from the Federal Energy Regulatory Commission (FERC) that authorized the development of the hydropower resources of the Ruedi Dam and Reservoir located in the County. The power from the facility is provided to the City's electrical utility fund for distribution to the retail customers of the Aspen municipal electric system. During 1983, the City and County formed a joint department to manage the construction and operation of the hydroelectric-generating facility at the Ruedi Dam and Reservoir through an intergovernmental agreement. In February 1984, the City issued \$4.5 million of general obligation electric bonds to finance the Project. In 1993 the intergovernmental agreement was dissolved and the agreement between the City and County was amended to clarify that the City operates the facility. There is a pending application before FERC which would confirm the City as the sole licensee as part of the implementation of the 1993 agreement.

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GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Nonmajor Special Revenue Funds

The *Tourism/Regional Transportation Fund* accounts for a 1-cent lodging tax imposed to support tourism, marketing, and in-town transportation.

The *Parking Improvement Fund* accounts for the operation of the Rio Grande Parking Plaza.

The *Early Childhood Education Initiative Fund* accounts for private donations to provide childcare referrals, mentoring, grants, and scholarships targeted at preparing children for school.

The *Kids First/Daycare Fund* is funded from 55% of the City's 0.45% sales tax and accounts for the City's Kids First Child Care Department, which provides subsidized day care services for over 400 local children.

The *Stormwater Fund* accounts for revenues and expenditures related to a water quality improvement initiative.

The *Bridges and Trails Fund* accounts for capital improvements to City owned bridges and trails.

DEBT SERVICE FUND

The *Debt Service Fund* accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

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**City of Aspen, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2008**

	Special Revenue					Bridges and Trails Fund	Total Nonmajor Governmental Funds
	Tourism/ Regional Transportation Fund	Parking Improve- ment Fund	Early Childhood Education Initiative Fund	Kids First/ Daycare Fund	Stormwater Fund		
Assets:							
Cash and investments	\$ -	\$ 1,632,521	\$ 255,904	\$ 4,044,330	\$ 1,299,742	\$ 2,894,609	\$ 10,127,106
Property tax receivable	-	-	-	-	813,874	-	813,874
Other receivables, net of allowance for doubtful accounts	160,224	157,772	-	155,957	-	-	473,953
Due from other governments	-	-	-	-	21,441	-	21,441
Advances due from other funds	-	-	-	177,534	-	-	177,534
Total Assets	160,224	1,790,293	255,904	4,377,821	2,135,057	2,894,609	11,613,908
Liabilities and Fund Balance:							
Liabilities:							
Deficit pooled cash and investments	159,901	-	-	-	-	-	159,901
Accounts payable	323	19,065	6,643	35,773	245	194,651	256,700
Accrued liabilities	-	3,229	540	1,747	-	629	6,145
Deferred Revenue	-	-	-	-	813,874	-	813,874
Deposits	-	-	-	4,824	-	-	4,824
Total Liabilities	160,224	22,294	7,183	42,344	814,119	195,280	1,241,444
Fund Balance:							
Unreserved:							
Undesignated	-	1,767,999	248,721	4,335,477	1,320,938	2,699,329	10,372,464
Total Fund Balance	-	1,767,999	248,721	4,335,477	1,320,938	2,699,329	10,372,464
Total Liabilities and Fund Balance	\$ 160,224	\$ 1,790,293	\$ 255,904	\$ 4,377,821	\$ 2,135,057	\$ 2,894,609	\$ 11,613,908

City of Aspen, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2008

	Special Revenue					Bridges and Trails Fund	Total Nonmajor Governmental Funds
	Tourism/Regional Transportation Fund	Parking Improvement Fund	Early Childhood Education Initiative Fund	Kids First/Daycare Fund	Stormwater Fund		
Revenues:							
Taxes:							
Sales/lodging tax	\$ 1,238,822	\$ 1,308,170	\$ -	\$ 1,295,358	\$ -	\$ -	\$ 3,842,350
General property tax	-	-	-	-	797,535	-	797,535
Licenses and permits	-	-	-	-	700,831	-	700,831
Intergovernmental	-	-	-	-	-	64,437	64,437
Charges for services:							
General government	-	402,764	-	-	-	-	402,764
Refund of expenditures	-	-	-	37,216	-	42,042	79,258
Earnings on investments	1,825	100,888	17,285	285,502	49,853	187,788	643,141
Miscellaneous:							
Rents and royalties	-	89,655	-	157,853	-	1,232	248,740
Contributions	-	-	342,970	100	-	2,400	345,470
Other	-	2,013	91,043	11,200	-	-	104,256
Total Revenues	<u>1,240,647</u>	<u>1,903,490</u>	<u>451,298</u>	<u>1,787,229</u>	<u>1,548,219</u>	<u>297,899</u>	<u>7,228,782</u>
Expenditures:							
Current:							
General government	1,240,647	598,061	-	-	-	-	1,838,708
Public works	-	-	-	-	294,247	-	294,247
Public health and welfare	-	-	342,767	1,531,115	-	-	1,873,882
Capital Outlay:							
General government	-	14,276	-	-	-	-	14,276
Public works	-	-	-	-	40,451	-	40,451
Culture and recreation	-	-	-	-	-	2,279,733	2,279,733
Total Expenditures	<u>1,240,647</u>	<u>612,337</u>	<u>342,767</u>	<u>1,531,115</u>	<u>334,698</u>	<u>2,279,733</u>	<u>6,341,297</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>1,291,153</u>	<u>108,531</u>	<u>256,114</u>	<u>1,213,521</u>	<u>(1,981,834)</u>	<u>887,485</u>
Other Financing Sources (Uses):							
Transfers in	-	8,880	2,670	23,885	-	2,617,570	2,653,005
Transfers out	-	(720,740)	-	(30,940)	-	(136,785)	(888,465)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(711,860)</u>	<u>2,670</u>	<u>(7,055)</u>	<u>-</u>	<u>2,480,785</u>	<u>1,764,540</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	<u>-</u>	<u>579,293</u>	<u>111,201</u>	<u>249,059</u>	<u>1,213,521</u>	<u>498,951</u>	<u>2,652,025</u>
Fund Balances - Beginning	<u>-</u>	<u>1,188,706</u>	<u>137,520</u>	<u>4,086,418</u>	<u>107,417</u>	<u>2,200,378</u>	<u>7,720,439</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ 1,767,999</u>	<u>\$ 248,721</u>	<u>\$ 4,335,477</u>	<u>\$ 1,320,938</u>	<u>\$ 2,699,329</u>	<u>\$ 10,372,464</u>

City of Aspen, Colorado
Tourism/Regional Transportation Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2008
(With Comparative Actual Amounts for 2007)

	<u>2008</u>			<u>Final Budget</u>	<u>2007</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>		<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Taxes:					
Lodging tax	\$ 1,325,360	\$ 1,325,360	\$ 1,238,822	\$ (86,538)	\$ 1,151,308
Earnings on investments	5,000	5,000	1,825	(3,175)	6,374
Total Revenues	<u>1,330,360</u>	<u>1,330,360</u>	<u>1,240,647</u>	<u>(89,713)</u>	<u>1,157,682</u>
Expenditures:					
Current:					
General government	1,330,360	1,330,360	1,240,647	89,713	1,157,682
Total Expenditures	<u>1,330,360</u>	<u>1,330,360</u>	<u>1,240,647</u>	<u>89,713</u>	<u>1,157,682</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	-
Fund Balances - Beginning			-		-
Fund Balances - Ending			<u>\$ -</u>		<u>\$ -</u>

City of Aspen, Colorado
Parking Improvement Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2008
(With Comparative Actual Amounts for 2007)

	2008			Final Budget Variance Positive (Negative)	2007
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
Sales taxes	\$ 1,342,130	\$ 1,342,130	\$ 1,308,170	\$ (33,960)	\$ 1,251,288
Charges for services:					
Parking fees	428,390	428,390	402,764	(25,626)	340,113
Refund of expenditures	-	-	-	-	358
Earnings on investments	15,470	15,470	100,888	85,418	66,866
Miscellaneous:					
Rents and royalties	91,870	91,870	89,655	(2,215)	87,152
Other revenue	-	-	2,013	2,013	-
Total Revenues	<u>1,877,860</u>	<u>1,877,860</u>	<u>1,903,490</u>	<u>25,630</u>	<u>1,745,777</u>
Expenditures:					
Current:					
General government	643,900	761,880	598,061	163,819	486,729
Capital outlay:					
General government	164,000	262,500	14,276	248,224	187,982
Total Expenditures	<u>807,900</u>	<u>1,024,380</u>	<u>612,337</u>	<u>412,043</u>	<u>674,711</u>
Excess of Revenues Over Expenditures	<u>1,069,960</u>	<u>853,480</u>	<u>1,291,153</u>	<u>437,673</u>	<u>1,071,066</u>
Other Financing Sources (Uses):					
Transfers in	-	8,880	8,880	-	-
Transfers out	(720,740)	(720,740)	(720,740)	-	(873,370)
Total Other Financing (Uses)	<u>(720,740)</u>	<u>(711,860)</u>	<u>(711,860)</u>	<u>-</u>	<u>(873,370)</u>
Excess of Revenues Over Expenditures and Other Financing (Uses)	<u>\$ 349,220</u>	<u>\$ 141,620</u>	579,293	<u>\$ 437,673</u>	197,696
Fund Balances - Beginning			<u>1,188,706</u>		<u>991,010</u>
Fund Balances - Ending			<u>\$ 1,767,999</u>		<u>\$ 1,188,706</u>

City of Aspen, Colorado
Early Childhood Education Initiative Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2008
(With Comparative Actual Amounts for 2007)

	<u>2008</u>			Final Budget Variance Positive (Negative)	<u>2007</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Earnings on investments	\$ -	\$ -	\$ 17,285	\$ 17,285	\$ 8,563
Contributions	323,090	323,090	342,970	19,880	259,625
Other revenue	30,000	30,000	91,043	61,043	41,123
Total Revenues	<u>353,090</u>	<u>353,090</u>	<u>451,298</u>	<u>98,208</u>	<u>309,311</u>
Expenditures:					
Current:					
Public health and welfare	347,950	347,950	342,767	5,183	259,530
Total Expenditures	<u>347,950</u>	<u>347,950</u>	<u>342,767</u>	<u>5,183</u>	<u>259,530</u>
Excess of Revenues Over Expenditures	<u>5,140</u>	<u>5,140</u>	<u>108,531</u>	<u>103,391</u>	<u>49,781</u>
Other Financing Sources:					
Transfers in	-	2,670	2,670	-	-
Total Other Financing Sources	<u>-</u>	<u>2,670</u>	<u>2,670</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over Expenditures	<u>\$ 5,140</u>	<u>\$ 7,810</u>	111,201	<u>\$ 103,391</u>	49,781
Fund Balances - Beginning			<u>137,520</u>		<u>87,739</u>
Fund Balances - Ending			<u>\$ 248,721</u>		<u>\$ 137,520</u>

City of Aspen, Colorado
Kids First/Daycare Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
For the Year Ended December 31, 2008
(With Comparative Actual Amounts for 2007)

	2008			2007	
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
Sales taxes	\$ 1,408,440	\$ 1,408,440	\$ 1,295,358	\$ (113,082)	\$ 1,238,638
Refund of expenditures	46,490	46,490	37,216	(9,274)	47,302
Earnings on investments	152,670	152,670	285,502	132,832	231,453
Miscellaneous:					
Rents and royalties	177,000	177,000	157,853	(19,147)	147,576
Contributions	-	-	100	100	3,000
Other revenue	10,000	10,000	11,200	1,200	10,000
Total Revenues	<u>1,794,600</u>	<u>1,794,600</u>	<u>1,787,229</u>	<u>(7,371)</u>	<u>1,677,969</u>
Expenditures:					
Current:					
Public health and welfare	1,750	1,847,410	1,531,115	316,295	1,332,898
Total Expenditures	<u>1,750</u>	<u>1,847,410</u>	<u>1,531,115</u>	<u>316,295</u>	<u>1,332,898</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,792,850</u>	<u>(52,810)</u>	<u>256,114</u>	<u>308,924</u>	<u>345,071</u>
Other Financing Sources (Uses):					
Transfers in	181,690	191,690	191,690	-	181,690
Transfers out	(30,940)	(30,940)	(30,940)	-	(31,800)
Total Other Financing Sources	<u>150,750</u>	<u>160,750</u>	<u>160,750</u>	<u>-</u>	<u>149,890</u>
Excess of Revenues and Other Financing Sources Over Expenditures - Budget Basis	<u>\$ 1,943,600</u>	<u>\$ 107,940</u>	416,864	<u>\$ 308,924</u>	494,961
Reconciliation to GAAP Basis:					
Interfund advance principal payments			(167,805)		(158,606)
Excess of Revenues and Other Financing Sources Over Expenditures - GAAP Basis			249,059		336,355
Fund Balances - Beginning			<u>4,086,418</u>		<u>3,750,063</u>
Fund Balances - Ending			<u>\$ 4,335,477</u>		<u>\$ 4,086,418</u>

City of Aspen, Colorado
Stormwater Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2008
(With Comparative Actual Amounts for 2007)

	<u>2008</u>			Final Budget Variance Positive (Negative)	<u>2007</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Taxes:					
General property tax	\$ -	\$ 799,970	\$ 797,535	\$ (2,435)	\$ -
Licenses and permits	-	900,000	700,831	(199,169)	-
Earnings on investments	-	-	49,853	49,853	-
Total Revenues	<u>-</u>	<u>1,699,970</u>	<u>1,548,219</u>	<u>(151,751)</u>	<u>-</u>
Expenditures:					
Current:					
Public works	-	587,650	294,247	293,403	-
Capital outlay:					
Public works	-	228,250	40,451	187,799	-
Total Expenditures	<u>-</u>	<u>815,900</u>	<u>334,698</u>	<u>481,202</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>884,070</u>	<u>1,213,521</u>	<u>329,451</u>	<u>-</u>
Other Financing Sources:					
Transfers in	-	-	-	-	107,417
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>107,417</u>
Excess of Revenues and Financing Sources Over Expenditures	<u>\$ -</u>	<u>\$ 884,070</u>	<u>1,213,521</u>	<u>\$ 329,451</u>	<u>107,417</u>
Fund Balances - Beginning			<u>107,417</u>		<u>-</u>
Fund Balances - Ending			<u>\$ 1,320,938</u>		<u>\$ 107,417</u>

City of Aspen, Colorado
Bridges and Trails Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2008
(With Comparative Actual Amounts for 2007)

	2008			Final Budget Variance Positive (Negative)	2007
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Colorado Lottery revenue	\$ 61,810	\$ 61,810	\$ 64,437	\$ 2,627	\$ 64,879
Refund of expenditures	100,000	100,000	42,042	(57,958)	-
Earnings on investments	-	-	187,788	187,788	105,737
Miscellaneous:					
Rents and royalties	25,000	25,000	1,232	(23,768)	-
Contributions and grants	-	-	2,400	2,400	4,500
Other revenue	-	-	-	-	15,699
Total Revenues	<u>186,810</u>	<u>186,810</u>	<u>297,899</u>	<u>111,089</u>	<u>190,815</u>
Expenditures:					
Current:					
Capital outlay	2,854,380	4,854,585	2,279,733	2,574,852	2,415,637
Total Expenditures	<u>2,854,380</u>	<u>4,854,585</u>	<u>2,279,733</u>	<u>2,574,852</u>	<u>2,415,637</u>
(Deficiency) of Revenues Over Expenditures	<u>(2,667,570)</u>	<u>(4,667,775)</u>	<u>(1,981,834)</u>	<u>2,685,941</u>	<u>(2,224,822)</u>
Other Financing Sources (Uses):					
Transfers in	2,667,570	2,617,570	2,617,570	-	4,422,650
Transfers out	-	(136,785)	(136,785)	-	-
Total Other Financing Sources	<u>2,667,570</u>	<u>2,480,785</u>	<u>2,480,785</u>	<u>-</u>	<u>4,422,650</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	<u>\$ -</u>	<u>\$ (2,186,990)</u>	<u>498,951</u>	<u>\$ 2,685,941</u>	<u>2,197,828</u>
Fund Balances - Beginning			<u>2,200,378</u>		<u>2,550</u>
Fund Balances - Ending			<u>\$ 2,699,329</u>		<u>\$ 2,200,378</u>

City of Aspen, Colorado
Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2008
(With Comparative Actual Amounts for 2007)

	<u>2008</u>			Final Budget Variance Positive (Negative)	<u>2007</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Miscellaneous:					
Rents and royalties	\$ 597,440	\$ 597,440	\$ 593,864	\$ (3,576)	\$ 512,543
Total Revenues	<u>597,440</u>	<u>597,440</u>	<u>593,864</u>	<u>(3,576)</u>	<u>512,543</u>
Expenditures:					
Current:					
General government	7,330	7,330	6,286	1,044	3,814
Debt service:					
Principal retirement	2,017,250	2,763,400	1,970,475	792,925	2,158,350
Interest	2,094,900	1,273,750	2,065,958	(792,208)	1,916,080
Total Expenditures	<u>4,119,480</u>	<u>4,044,480</u>	<u>4,042,719</u>	<u>1,761</u>	<u>4,078,244</u>
(Deficiency) of Revenues Over Expenditures	<u>(3,522,040)</u>	<u>(3,447,040)</u>	<u>(3,448,855)</u>	<u>(1,815)</u>	<u>(3,565,701)</u>
Other Financing Sources (Uses):					
Transfer in	3,522,040	3,447,040	3,447,040	-	3,758,350
Transfer out	-	(313,890)	(313,890)	-	-
Total Other Financing Sources	<u>3,522,040</u>	<u>3,133,150</u>	<u>3,133,150</u>	<u>-</u>	<u>3,758,350</u>
(Deficiency) of Revenues and Other Financing Sources Over Expenditures	<u>\$ -</u>	<u>\$ (313,890)</u>	<u>(315,705)</u>	<u>\$ (1,815)</u>	<u>192,649</u>
Fund Balances - Beginning			<u>501,782</u>		<u>309,133</u>
Fund Balances - Ending			<u>\$ 186,077</u>		<u>\$ 501,782</u>

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PROPRIETARY FUNDS

ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the City is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

Major Enterprise Funds:

The *Water Fund* accounts for the activities of the water utility owned by the City for the delivery of water service to the residents of Aspen. The major sources of revenue are from water user fees, which are used for operations, and from tap fees, which are used for capital improvements and are charged to new water hookups in the City.

The *Electric Fund* accounts for the activities of the electric utility operated by the City for the delivery of electric service to a portion of the citizens of Aspen. The major source of revenue is electric service revenue while purchased power is the major expense.

The *Ruedi Hydroelectric Fund* is used to account for activities of the Ruedi Hydroelectric Plant. The Plant produces electricity which is sold exclusively to the City's Electric Fund for resale to its customers.

The *Transportation Fund* was created to address parking and transportation issues in the City. The revenues from paid parking and parking citations are designated to fund parking and general transportation projects.

Nonmajor Enterprise Funds:

The *Truscott Place Housing Fund* is used to account for the apartment complex owned by the City. This apartment complex is rented to employees who work in Pitkin County at amounts significantly below market rates.

The *Marolt Ranch Housing Fund* is used to account for another apartment complex owned by the City. This apartment complex is rented to seasonal workers during the winter and to Aspen Music School students during summer months.

The *Golf Course Fund* accounts for activities of the eighteen hole golf course owned and operated by the City. The golf course is self sufficient and funded solely from user fees.

INTERNAL SERVICE FUNDS

The *Health Insurance Internal Service Fund* accounts for health insurance contributions and claims paid to beneficiaries provided to other departments or agencies of the City, or to other governments, on a cost reimbursement basis.

The *Employee Housing Internal Service Fund* accounts for all sales transaction of City owned housing units, as well as current maintenance and future construction of all rental and sale units for City Employees.

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City of Aspen, Colorado
Nonmajor Proprietary Funds
Combining Balance Sheet
December 31, 2008

	<u>Truscott Place Housing Fund</u>	<u>Marolt Ranch Housing Fund</u>	<u>Golf Course Fund</u>	<u>Total</u>
Assets:				
Current Assets:				
Cash and investments	\$ 1,197,747	\$ 1,620,806	\$ 54,807	\$ 2,873,360
Accounts receivable, net of allowance for uncollectibles	15,346	5,769	5,557	26,672
Total Current Assets	<u>1,213,093</u>	<u>1,626,575</u>	<u>60,364</u>	<u>2,900,032</u>
Non-current Assets:				
Deferred debt issuance costs	-	148,776	52,510	201,286
Capital Assets:				
Land and improvements	1,021,183	250,000	905,631	2,176,814
Buildings	13,426,813	5,970,875	4,308,575	23,706,263
Infrastructure and improvements other than buildings	352,077	280,709	575,623	1,208,409
Machinery and equipment	108,100	408,331	1,002,564	1,518,995
Less: accumulated depreciation	(2,632,699)	(2,870,957)	(1,912,139)	(7,415,795)
Net Property, Plant and Equipment	<u>12,275,474</u>	<u>4,038,958</u>	<u>4,880,254</u>	<u>21,194,686</u>
Total Non-current Assets	<u>12,275,474</u>	<u>4,187,734</u>	<u>4,932,764</u>	<u>21,395,972</u>
Total Assets	<u>13,488,567</u>	<u>5,814,309</u>	<u>4,993,128</u>	<u>24,296,004</u>
Liabilities:				
Current liabilities:				
Accounts payable	229,328	19,129	16,937	265,394
Accrued liabilities	18,928	18,005	90,935	127,868
Customer deposits	121,424	203,914	-	325,338
Current portion of long-term debt	405,000	320,000	87,400	812,400
Total Current Liabilities	<u>774,680</u>	<u>561,048</u>	<u>195,272</u>	<u>1,531,000</u>
Long-term Liabilities:				
Revenue bonds (net of current portion)	-	-	1,027,525	1,027,525
General obligation bonds (net of current portion)	6,620,000	3,075,000	-	9,695,000
Total Long-term Liabilities	<u>6,620,000</u>	<u>3,075,000</u>	<u>1,027,525</u>	<u>10,722,525</u>
Total Liabilities	<u>7,394,680</u>	<u>3,636,048</u>	<u>1,222,797</u>	<u>12,253,525</u>
Net Assets:				
Invested in capital assets, net of related debt	5,250,474	792,734	3,817,839	9,861,047
Unrestricted	843,413	1,385,527	(47,508)	2,181,432
Total Net Assets	<u>\$ 6,093,887</u>	<u>\$ 2,178,261</u>	<u>\$ 3,770,331</u>	<u>\$ 12,042,479</u>

City of Aspen, Colorado
Nonmajor Proprietary Funds
Combining Statement of Revenues, Expenses and Changes in Net Assets
For the Year Ended December 31, 2008

	<u>Truscott Place Housing Fund</u>	<u>Marolt Ranch Housing Fund</u>	<u>Golf Course Fund</u>	<u>Total</u>
Operating Revenues:				
Charges for services:				
Culture and recreation fees	\$ -	\$ -	\$ 997,168	\$ 997,168
Total charges for services	<u> </u>	<u> </u>	<u>997,168</u>	<u>997,168</u>
Miscellaneous:				
Rents and royalties	990,021	1,128,461	143,155	2,261,637
Capital projects reimbursement	-	-	1,204	1,204
Other	39,075	53,603	9,744	102,422
Total miscellaneous	<u>1,029,096</u>	<u>1,182,064</u>	<u>154,103</u>	<u>2,365,263</u>
Total Operating Revenues	<u>1,029,096</u>	<u>1,182,064</u>	<u>1,151,271</u>	<u>3,362,431</u>
Operating Expenses:				
Personnel services	191,007	212,875	681,484	1,085,366
General operations	353,569	247,519	284,632	885,720
Depreciation and amortization	366,987	182,682	185,004	734,673
Total Operating Expenses	<u>911,563</u>	<u>643,076</u>	<u>1,151,120</u>	<u>2,705,759</u>
Operating Income	<u>117,533</u>	<u>538,988</u>	<u>151</u>	<u>656,672</u>
Non-Operating Revenues (Expenses):				
Earnings on investments	58,291	112,654	6,056	177,001
Loss on disposal of assets	-	-	(1,905)	(1,905)
Interest expense	(395,145)	(141,559)	(54,103)	(590,807)
Total Non-Operating Revenues (Expenses)	<u>(336,854)</u>	<u>(28,905)</u>	<u>(49,952)</u>	<u>(415,711)</u>
Net Income (Loss) Before Contributions and Transfers	(219,321)	510,083	(49,801)	240,961
Transfers in	5,017,480	9,390	95,520	5,122,390
Transfers out	(30,940)	(21,990)	(18,730)	(71,660)
Net Income Added to Net Assets	4,767,219	497,483	26,989	5,291,691
Net Assets - Beginning	<u>1,326,668</u>	<u>1,680,778</u>	<u>3,743,342</u>	<u>6,750,788</u>
Net Assets - Ending	<u>\$ 6,093,887</u>	<u>\$ 2,178,261</u>	<u>\$ 3,770,331</u>	<u>\$ 12,042,479</u>

City of Aspen, Colorado
Nonmajor Proprietary Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2008

	Truscott Place Housing Fund	Marolt Ranch Housing Fund	Golf Course Fund	Totals
Cash Flows from Operating Activities:				
Cash received from customers and others	\$ 988,714	\$ 1,138,480	\$ 994,947	\$ 3,122,141
Other operating cash receipts	39,075	53,603	154,103	246,781
Cash payments to vendors for goods and services	(157,456)	(251,401)	(286,180)	(695,037)
Cash payments to employees for services	(192,830)	(215,621)	(694,764)	(1,103,215)
Net Cash Provided by Operating Activities	<u>677,503</u>	<u>725,061</u>	<u>168,106</u>	<u>1,570,670</u>
Cash Flows from Non-Capital Financing Activities:				
Transfers from other funds, net	1,064,350	(12,600)	76,790	1,128,540
Net Cash Provided (Used) by Non-Capital and Related Financing Activities	<u>1,064,350</u>	<u>(12,600)</u>	<u>76,790</u>	<u>1,128,540</u>
Cash Flows from Capital and Related Financing Activities:				
Sale of assets	-	-	(1,905)	(1,905)
Acquisition of capital assets	(355,759)	(215,360)	(122,833)	(693,952)
Principal payments	(677,810)	(310,000)	(84,525)	(1,072,335)
Debt issuance costs	12,924	15,857	3,565	32,346
Interest paid on debt	(395,145)	(141,559)	(54,103)	(590,807)
Net Cash (Used) by Capital and Related Financing Activities	<u>(1,415,790)</u>	<u>(651,062)</u>	<u>(259,801)</u>	<u>(2,326,653)</u>
Cash Flows from Investing Activities:				
Interest received - Unrestricted	58,291	112,654	6,056	177,001
Net Cash Provided by Investing Activities	<u>58,291</u>	<u>112,654</u>	<u>6,056</u>	<u>177,001</u>
Net Increase (Decrease) in Cash	384,354	174,053	(8,849)	549,558
Cash - Beginning of Year	813,393	1,446,753	63,656	2,323,802
Cash - End of Year	<u>1,197,747</u>	<u>1,620,806</u>	<u>54,807</u>	<u>2,873,360</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating income	117,533	538,988	151	656,672
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	366,987	182,682	185,004	734,673
Changes in assets and Liabilities:				
(Increase) decrease in accounts receivable	(1,547)	3,953	(2,221)	185
Increase (decrease) in accounts payable	196,113	(3,882)	(1,548)	190,683
(Decrease) in accrued liabilities	(1,823)	(2,746)	(13,280)	(17,849)
Increase in customer deposits	240	6,066	-	6,306
Net Cash Provided by Operating Activities	<u>\$ 677,503</u>	<u>\$ 725,061</u>	<u>\$ 168,106</u>	<u>\$ 1,570,670</u>

City of Aspen, Colorado
Water Enterprise Fund
Schedule of Revenues, Expenses and Changes in Net Assets
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
For the Year Ended December 31, 2008
(With Comparative Actual Amounts for 2007)

	2008			Final Budget Variance Positive (Negative)	2007
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Operating revenues:					
Water sales	\$ 4,266,300	\$ 4,266,300	\$ 4,142,226	\$ (124,074)	\$ 4,757,351
Miscellaneous:					
Rents and royalties	17,280	17,280	26,352	9,072	18,823
Capital project reimbursement	81,430	81,430	51,056	(30,374)	-
Other	29,730	29,730	116,922	87,192	103,887
Other resources:					
Earnings on investments	218,050	218,050	694,521	476,471	594,159
Total Revenues	<u>4,612,790</u>	<u>4,612,790</u>	<u>5,031,077</u>	<u>418,287</u>	<u>5,474,220</u>
Expenses:					
Operating:					
Personnel services	2,798,150	2,798,150	2,730,528	67,622	2,461,362
Purchased services	684,320	684,320	684,754	(434)	656,410
Materials and supplies	255,790	273,090	336,758	(63,668)	360,906
Contingency	-	263,210	15,350	247,860	8,460
Capital expenses:					
Property, plant and equipment	4,305,030	3,566,637	1,058,309	2,508,328	1,137,333
Total Expenses	<u>8,043,290</u>	<u>7,585,407</u>	<u>4,825,699</u>	<u>2,759,708</u>	<u>4,624,471</u>
Income (Loss) before Contributions and Transfers	<u>(3,430,500)</u>	<u>(2,972,617)</u>	<u>205,378</u>	<u>3,177,995</u>	<u>849,749</u>
Tap fees	1,300,000	1,300,000	1,323,273	23,273	1,385,490
Sale of assets	242,100	242,100	-	(242,100)	-
Transfers in	310,510	528,240	528,335	95	459,270
Transfers out	<u>(2,021,930)</u>	<u>(2,538,002)</u>	<u>(2,538,002)</u>	<u>-</u>	<u>(1,412,529)</u>
Change in Net Assets - Budget Basis	<u>\$ (3,599,820)</u>	<u>\$ (3,440,279)</u>	<u>(481,016)</u>	<u>\$ 2,959,263</u>	<u>1,281,980</u>
Reconciliation to GAAP Basis:					
Capitalized expenses			1,058,309		898,087
Change in compensated absences			1,878		(46,979)
Loss on disposition of fixed assets			(20,644)		(6,751)
Depreciation			<u>(835,933)</u>		<u>(853,882)</u>
Change in Net Assets - GAAP Basis			<u>(277,406)</u>		<u>1,272,455</u>
Net Assets - Beginning			<u>26,977,962</u>		<u>25,705,507</u>
Net Assets - Ending			<u>\$ 26,700,556</u>		<u>\$ 26,977,962</u>

City of Aspen, Colorado
Electric Enterprise Fund
Schedule of Revenues, Expenses and Changes in Net Assets
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
For the Year Ended December 31, 2008
(With Comparative Actual Amounts for 2007)

	2008			Final Budget Variance Positive (Negative)	2007
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Electric sales	\$ 6,504,280	\$ 6,504,280	\$ 5,686,755	\$ (817,525)	\$ 5,578,062
Intergovernmental - State grant	-	121,000	51,250	(69,750)	-
Miscellaneous:					
Rents and royalties	-	-	-	-	16,800
Other revenues	20,690	20,690	25,792	5,102	78,211
Other resources:					
Earnings on investments	135,250	135,250	174,550	39,300	134,582
Total Revenues	<u>6,660,220</u>	<u>6,781,220</u>	<u>5,938,347</u>	<u>(842,873)</u>	<u>5,807,655</u>
Expenses:					
Operating:					
Personnel services	826,570	826,570	863,964	(37,394)	867,328
Purchased services	3,175,370	3,175,370	3,268,524	(93,154)	3,273,872
Materials and supplies	89,080	95,600	86,999	8,601	81,003
Contingency	-	91,240	1,010	90,230	-
Capital expenses:					
Property, plant and equipment	2,422,240	3,089,200	467,265	2,621,935	273,965
Total Expenses	<u>6,513,260</u>	<u>7,277,980</u>	<u>4,687,762</u>	<u>2,590,218</u>	<u>4,496,168</u>
Income (Loss) before Contributions and Transfers	<u>146,960</u>	<u>(496,760)</u>	<u>1,250,585</u>	<u>1,747,345</u>	<u>1,311,487</u>
Sale of fixed assets	-	-	-	-	8,501
Transfers in	-	24,580	24,580	-	-
Transfers out	(905,590)	(1,032,860)	(1,032,955)	(95)	(745,760)
Change in Net Assets - Budget Basis	<u>\$ (758,630)</u>	<u>\$ (1,505,040)</u>	<u>242,210</u>	<u>\$ 1,747,250</u>	<u>574,228</u>
Reconciliation to GAAP Basis:					
Capitalized expenses			467,265		66,704
Change in compensated absences			(771)		(6,762)
Loss on disposition of fixed assets			(4,566)		(7,942)
Depreciation			(261,625)		(268,574)
Change in Net Assets - GAAP Basis			<u>442,513</u>		<u>357,654</u>
Net Assets - Beginning			<u>6,993,111</u>		<u>6,635,457</u>
Net Assets - Ending			<u>\$ 7,435,624</u>		<u>\$ 6,993,111</u>

City of Aspen, Colorado
Ruedi Hydroelectric Enterprise Fund
Schedule of Revenues, Expenses and Changes in Net Assets
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
For the Year Ended December 31, 2008
(With Comparative Actual Amounts for 2007)

	2008			2007	
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Electric sales	\$ 490,100	\$ 490,100	\$ 696,604	\$ 206,504	\$ 410,000
Earnings on investments	24,820	24,820	283,240	258,420	66,384
Total Revenues	<u>514,920</u>	<u>514,920</u>	<u>979,844</u>	<u>464,924</u>	<u>476,384</u>
Expenses:					
Operating:					
Personnel services	68,290	68,290	78,128	(9,838)	18,325
Purchased services	276,660	276,660	277,090	(430)	212,964
Materials and supplies	66,400	82,400	2,100	80,300	-
Capital expenses:					
Property, plant and equipment	3,720,210	3,909,194	1,128,174	2,781,020	178,015
Debt service:					
Debt issuance costs	-	107,749	108,399	(650)	-
Interest	-	46,957	46,957	(46,957)	-
Total Expenses	<u>4,131,560</u>	<u>4,491,250</u>	<u>1,640,848</u>	<u>2,803,445</u>	<u>409,304</u>
Income (Loss) before Contributions and Transfers	<u>(3,616,640)</u>	<u>(3,976,330)</u>	<u>(661,004)</u>	<u>(2,338,521)</u>	<u>67,080</u>
Debt issuance	5,500,000	5,500,000	5,500,000	-	-
Transfers in	1,071,210	1,117,800	1,117,800	-	-
Change in Net Assets - Budget Basis	<u>\$ 2,954,570</u>	<u>\$ 2,641,470</u>	5,956,796	<u>\$ (2,338,521)</u>	67,080
Reconciliation to GAAP Basis:					
Debt issuance			(5,500,000)		-
Debt issuance costs			108,399		-
Debt accrued interest			(17,795)		-
Capitalized expenses			1,128,174		178,015
Loss on disposition of fixed assets			(110,523)		-
Depreciation and amortization			<u>(114,983)</u>		<u>(114,779)</u>
Change in Net Assets - GAAP Basis			1,450,068		130,316
Net Assets - Beginning			<u>3,032,473</u>		<u>2,902,157</u>
Net Assets - Ending			<u>\$ 4,482,541</u>		<u>\$ 3,032,473</u>

City of Aspen, Colorado
Transportation Enterprise Fund
Schedule of Revenues, Expenses and Changes in Net Assets
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
For the Year Ended December 31, 2008
(With Comparative Actual Amounts for 2007)

	2008			Final Budget Variance Positive (Negative)	2007
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
Use tax	\$ 1,722,000	\$ 1,722,000	\$ 42,187	\$ (1,679,813)	\$ -
Intergovernmental - Federal grants	-	30,500	30,504	4	-
Charges for services:					
Parking sales	2,344,030	2,344,030	2,365,634	21,604	2,006,369
Fines	774,800	797,800	624,577	(173,223)	550,436
Miscellaneous:					
Capital project reimbursement	168,510	174,090	146,527	(27,563)	115,764
Other	-	-	51,023	51,023	49,254
Other resources:					
Earnings on investments	70,380	70,380	390,228	319,848	252,770
Total Revenues	<u>5,079,720</u>	<u>5,138,800</u>	<u>3,650,680</u>	<u>(1,488,120)</u>	<u>2,974,593</u>
Expenses:					
Operating:					
Personnel services	1,608,850	1,612,390	1,571,104	41,286	1,419,913
Purchased services	1,519,800	1,744,800	1,599,691	145,109	948,453
Materials and supplies	304,810	488,090	231,285	256,805	180,039
Contingency	-	206,870	1,280	205,590	3,990
Capital expenses:					
Property, plant and equipment	677,300	1,069,730	781,828	287,902	216,677
Total Expenses	<u>4,110,760</u>	<u>5,121,880</u>	<u>4,185,188</u>	<u>936,692</u>	<u>2,769,072</u>
Income (Loss) before Contributions and Transfers	<u>968,960</u>	<u>16,920</u>	<u>(534,508)</u>	<u>(551,428)</u>	<u>205,521</u>
Sale of fixed assets	-	-	4,000	4,000	-
Transfers in	162,240	211,420	211,420	-	1,331,370
Transfers out	(395,050)	(545,050)	(545,050)	-	(337,140)
Change in Net Assets - Budget Basis	<u>\$ 736,150</u>	<u>\$ (316,710)</u>	<u>(864,138)</u>	<u>\$ (547,428)</u>	<u>1,199,751</u>
Reconciliation to GAAP Basis:					
Capitalized expenses			781,828		115,682
Change in compensated absences			3,495		(28,744)
Loss on disposition of fixed assets			(1,324)		(5,801)
Depreciation			(72,426)		(92,826)
Change in Net Assets - GAAP Basis			<u>(152,565)</u>		<u>1,188,062</u>
Net Assets - Beginning			<u>4,821,050</u>		<u>3,632,988</u>
Net Assets - Ending			<u>\$ 4,668,485</u>		<u>\$ 4,821,050</u>

City of Aspen, Colorado
Truscott Place Housing Enterprise Fund
Schedule of Revenues, Expenses and Changes in Net Assets
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
For the Year Ended December 31, 2008
(With Comparative Actual Amounts for 2007)

	2008			Final Budget Variance Positive (Negative)	2007
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Operating revenues:					
Rents and royalties	\$ 950,300	\$ 950,300	\$ 990,021	\$ 39,721	\$ 1,000,389
Other	56,600	56,600	39,075	(17,525)	45,089
Other resources:					
Earnings on investments	14,900	14,900	58,291	43,391	65,731
Total Revenues	<u>1,021,800</u>	<u>1,021,800</u>	<u>1,087,387</u>	<u>65,587</u>	<u>1,111,209</u>
Expenses:					
Operating:					
Personnel services	183,310	183,310	193,764	(10,454)	208,307
Purchased services	303,100	343,100	293,332	49,768	255,510
Materials and supplies	23,720	28,740	60,237	(31,497)	49,864
Capital expenses:					
Property, plant and equipment	122,000	597,890	355,759	242,131	58,828
Debt service:					
Principal	707,630	4,607,630	4,600,000	7,630	995,000
Interest	353,120	375,310	382,856	(7,546)	569,011
Total Expenses	<u>1,692,880</u>	<u>6,135,980</u>	<u>5,885,948</u>	<u>250,032</u>	<u>2,136,520</u>
Income (Loss) before Contributions and Transfers	<u>(671,080)</u>	<u>(5,114,180)</u>	<u>(4,798,561)</u>	<u>315,619</u>	<u>(1,025,311)</u>
Retirement of 2001B G.O.	-	3,922,190	3,922,190	-	-
Transfers in	749,620	1,095,290	1,095,290	-	1,531,106
Transfers out	(30,940)	(30,940)	(30,940)	-	-
Change in Net Assets - Budget Basis	<u>\$ 47,600</u>	<u>\$ (127,640)</u>	<u>187,979</u>	<u>\$ 315,619</u>	<u>505,795</u>
Reconciliation to GAAP Basis:					
Debt principal payments			4,600,000		995,000
Debt accrued interest			(12,289)		(17,584)
Capitalized expenses			355,759		31,125
Change in compensated absences			2,757		(4,286)
Depreciation			<u>(366,987)</u>		<u>(365,107)</u>
Change in Net Assets - GAAP Basis			<u>4,767,219</u>		<u>1,144,943</u>
Net Assets (Deficit) - Beginning			<u>1,326,668</u>		<u>181,725</u>
Net Assets - Ending			<u>\$ 6,093,887</u>		<u>\$ 1,326,668</u>

City of Aspen, Colorado
Marolt Ranch Housing Enterprise Fund
Schedule of Revenues, Expenses and Changes in Net Assets
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
For the Year Ended December 31, 2008
(With Comparative Actual Amounts for 2007)

	2008			Final Budget Variance Positive (Negative)	2007
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Operating revenues:					
Rents and royalties	\$ 1,192,380	\$ 1,192,380	\$ 1,128,461	\$ (63,919)	\$ 1,102,460
Other	49,500	49,500	53,603	4,103	59,433
Other resources:					
Earnings on investments	24,300	24,300	112,654	88,354	94,483
Total Revenues	<u>1,266,180</u>	<u>1,266,180</u>	<u>1,294,718</u>	<u>28,538</u>	<u>1,256,376</u>
Expenses:					
Operating:					
Personnel services	220,330	220,330	215,632	4,698	155,257
Purchased services	274,590	274,590	219,591	54,999	199,755
Materials and supplies	25,950	29,430	27,928	1,502	24,846
Capital expenses:					
Property, plant and equipment	187,270	208,670	215,360	(6,690)	269,996
Debt service:					
Principal	310,000	310,000	310,000	-	305,000
Interest	126,350	126,350	126,348	2	133,914
Total Expenses	<u>1,144,490</u>	<u>1,169,370</u>	<u>1,114,859</u>	<u>54,511</u>	<u>1,088,768</u>
Income before Contributions and Transfers	<u>121,690</u>	<u>96,810</u>	<u>179,859</u>	<u>83,049</u>	<u>167,608</u>
Transfers in	-	9,390	9,390	-	35,000
Transfers out	(21,990)	(21,990)	(21,990)	-	-
Change in Net Assets - Budget Basis	<u>\$ 99,700</u>	<u>\$ 84,210</u>	<u>167,259</u>	<u>\$ 83,049</u>	<u>202,608</u>
Reconciliation to GAAP Basis:					
Debt principal payments			310,000		305,000
Debt accrued interest			(15,211)		(15,390)
Capitalized expenses			215,360		222,377
Change in compensated absences			2,757		(4,286)
Depreciation			(182,682)		(167,675)
Change in Net Assets - GAAP Basis			497,483		542,634
Net Assets - Beginning			<u>1,680,778</u>		<u>1,138,144</u>
Net Assets - Ending			<u>\$ 2,178,261</u>		<u>\$ 1,680,778</u>

City of Aspen, Colorado
Golf Course Enterprise Fund
Schedule of Revenues, Expenses and Changes in Net Assets
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
For the Year Ended December 31, 2008
(With Comparative Actual Amounts for 2007)

	2008			Final Budget Variance Positive (Negative)	2007
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for services:					
Culture and recreation fees	\$ 1,109,000	\$ 1,109,000	\$ 997,168	\$ (111,832)	\$ 958,842
Miscellaneous:					
Rents and royalties	146,200	146,200	143,155	(3,045)	156,435
Capital project reimbursement	-	-	1,204	1,204	-
Other	500	2,500	9,744	7,244	25,587
Other resources:					
Earnings on investments	2,400	2,400	6,056	3,656	11,498
Total Revenues	<u>1,258,100</u>	<u>1,260,100</u>	<u>1,157,327</u>	<u>(102,773)</u>	<u>1,152,362</u>
Expenses:					
Operating:					
Personnel services	741,620	741,620	695,255	46,365	680,520
Purchased services	139,610	139,610	175,281	(35,671)	186,533
Materials and supplies	127,450	129,450	109,351	20,099	106,972
Capital expenses:					
Property, plant and equipment	153,350	153,350	127,238	26,112	118,390
Debt service:					
Principal retirement	37,760	84,530	84,525	5	81,650
Interest and refunding expense	22,800	51,030	51,031	(1)	53,889
Total Expenses	<u>1,222,590</u>	<u>1,299,590</u>	<u>1,242,681</u>	<u>56,909</u>	<u>1,227,954</u>
Income (Loss) before Contributions and Transfers	<u>35,510</u>	<u>(39,490)</u>	<u>(85,354)</u>	<u>(45,864)</u>	<u>(75,592)</u>
Sale of assets	-	-	2,500	2,500	
Transfers in	-	95,520	95,520	-	-
Transfers out	(18,730)	(18,730)	(18,730)	-	-
Change in Net Assets - Budget Basis	<u>\$ 16,780</u>	<u>\$ 37,300</u>	<u>(6,064)</u>	<u>\$ (43,364)</u>	<u>(75,592)</u>
Reconciliation to GAAP Basis:					
Debt principal payments			84,525		81,650
Debt accrued interest			(3,072)		(3,192)
Capitalized expenses			127,238		97,332
Change in compensated absences			13,771		(9,196)
Loss on disposition of fixed assets			(4,405)		(32,173)
Depreciation and amortization			(185,004)		(191,344)
Change in Net Assets - GAAP Basis			26,989		(132,515)
Net Assets - Beginning			<u>3,743,342</u>		<u>3,875,857</u>
Net Assets - Ending			<u>\$ 3,770,331</u>		<u>\$ 3,743,342</u>

**City of Aspen, Colorado
Internal Service Funds
Combining Balance Sheet
December 31, 2008**

	<u>Health Insurance Fund</u>	<u>Employee Housing Fund</u>	<u>Total</u>
Assets:			
Current Assets:			
Cash and investments	\$ 1,178,459	\$ 1,796,621	\$ 2,975,080
Accounts receivable, net of allowance for uncollectibles	284,184	24	284,208
Inventory	-	214,140	214,140
Total Current Assets	<u>1,462,643</u>	<u>2,010,785</u>	<u>3,473,428</u>
Non-current Assets:			
Capital Assets:			
Construction in progress	-	13,989	13,989
Buildings	-	893,542	893,542
Infrastructure and improvements other than buildings	-	119,821	119,821
Less: accumulated depreciation	-	(468,612)	(468,612)
Net Property, Plant and Equipment	<u>-</u>	<u>558,740</u>	<u>558,740</u>
Total Non-current Assets	<u>-</u>	<u>558,740</u>	<u>558,740</u>
Total Assets	<u>1,462,643</u>	<u>2,569,525</u>	<u>4,032,168</u>
Liabilities:			
Current liabilities:			
Accounts payable	461,000	36,664	497,664
Accrued liabilities	-	2	2
Total Liabilities	<u>461,000</u>	<u>36,666</u>	<u>497,666</u>
Net Assets:			
Invested in capital assets, net of related debt	-	558,740	558,740
Unrestricted	1,001,643	1,974,119	2,975,762
Total Net Assets	<u>\$ 1,001,643</u>	<u>\$ 2,532,859</u>	<u>\$ 3,534,502</u>

City of Aspen, Colorado
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Assets
For the Year Ended December 31, 2008

	<u>Health Insurance Fund</u>	<u>Employee Housing Fund</u>	<u>Total</u>
Operating Revenues:			
Charges for services:			
Premium contributions	\$ 3,225,644	\$ -	\$ 3,225,644
Total charges for services	<u>3,225,644</u>	<u>-</u>	<u>3,225,644</u>
Miscellaneous:			
Rents and royalties	-	91,927	91,927
Claims reimbursement	349,109	-	349,109
Total miscellaneous	<u>349,109</u>	<u>91,927</u>	<u>441,036</u>
Total Operating Revenues	<u>3,574,753</u>	<u>91,927</u>	<u>3,666,680</u>
Operating Expenses:			
Personnel services	41,775	1,286	43,061
General operations	3,515,120	136,956	3,652,076
Depreciation and amortization	-	40,544	40,544
Total Operating Expenses	<u>3,556,895</u>	<u>178,786</u>	<u>3,735,681</u>
Operating Income (Loss)	<u>17,858</u>	<u>(86,859)</u>	<u>(69,001)</u>
Non-Operating Revenues (Expenses):			
Earnings on investments	150,156	75,792	225,948
Gain on disposal of assets	-	4,315	4,315
Total Non-Operating Revenues (Expenses)	<u>150,156</u>	<u>80,107</u>	<u>230,263</u>
Net Income (Loss) Before Contributions and Transfers	<u>168,014</u>	<u>(6,752)</u>	<u>161,262</u>
Contributions	-	472,983	472,983
Transfer in	-	2,066,628	2,066,628
Transfer out	<u>(1,006,251)</u>	<u>-</u>	<u>(1,006,251)</u>
Net Income (Loss) Added to Net Assets	<u>(838,237)</u>	<u>2,532,859</u>	<u>1,694,622</u>
Net Assets - Beginning	<u>1,839,880</u>	<u>-</u>	<u>1,839,880</u>
Net Assets - Ending	<u>\$ 1,001,643</u>	<u>\$ 2,532,859</u>	<u>\$ 3,534,502</u>

City of Aspen, Colorado
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2008

	Health Insurance Fund	Employee Housing Fund	Totals
Cash Flows from Operating Activities:			
Cash received from customers and others	\$ 3,415,459	\$ 91,903	\$ 3,507,362
Cash payments to vendors for goods and services	(3,497,216)	(314,432)	(3,811,648)
Cash payments to employees for services	(41,775)	(1,284)	(43,059)
Net Cash Used by Operating Activities	<u>(123,532)</u>	<u>(223,813)</u>	<u>(347,345)</u>
Cash Flows from Non-Capital Financing Activities:			
Transfers from (to) other funds, net	(1,006,251)	2,066,628	1,060,377
Net Cash Provided (Used) by Non-Capital and Related Financing Activities	<u>(1,006,251)</u>	<u>2,066,628</u>	<u>1,060,377</u>
Cash Flows from Capital and Related Financing Activities:			
Sale of assets	-	4,315	4,315
Acquisition of capital assets	-	(126,301)	(126,301)
Net Cash Used by Capital and Related Financing Activities	<u>-</u>	<u>(121,986)</u>	<u>(121,986)</u>
Cash Flows from Investing Activities:			
Interest received - Unrestricted	150,156	75,792	225,948
Net Cash Provided by Investing Activities	<u>150,156</u>	<u>75,792</u>	<u>225,948</u>
Net Increase (Decrease) in Cash	(979,627)	1,796,621	816,994
Cash - Beginning of Year	2,158,086	-	2,158,086
Cash - End of Year	<u>1,178,459</u>	<u>1,796,621</u>	<u>2,975,080</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Operating income (loss)	17,858	(86,859)	(69,001)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	-	40,544	40,544
Changes in assets and Liabilities:			
(Increase) in accounts receivable	(159,294)	(24)	(159,318)
(Increase) in inventories	-	(214,140)	(214,140)
Increase in accounts payable	17,904	36,664	54,568
Increase in accrued liabilities	-	2	2
Net Cash Provided by Operating Activities	<u>\$ (123,532)</u>	<u>\$ (223,813)</u>	<u>\$ (347,345)</u>

City of Aspen, Colorado
Health Insurance Internal Service Fund
Schedule of Revenues, Expenses and Changes in Net Assets
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2008
(With Comparative Actual Amounts for 2007)

	<u>2008</u>			Final Budget Variance Positive (Negative)	<u>2007</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Operating:					
Premium contributions	\$ 3,499,250	\$ 3,499,250	\$ 3,225,644	\$ (273,606)	\$ 3,215,235
Other resources:					
Earnings on investments	60,000	60,000	150,156	90,156	117,253
Claims reimbursement	41,900	41,900	349,109	307,209	451,391
Total Revenues	<u>3,601,150</u>	<u>3,601,150</u>	<u>3,724,909</u>	<u>123,759</u>	<u>3,783,879</u>
Expenses:					
Operating:					
Premiums and claims paid	3,025,000	3,033,750	3,111,131	(77,381)	2,747,989
Personnel services	35,300	35,300	41,775	(6,475)	25,375
Purchased services	420,000	420,000	403,989	16,011	336,082
Contingency	182,130	173,380	-	173,380	-
Total Expenses	<u>3,662,430</u>	<u>3,662,430</u>	<u>3,556,895</u>	<u>105,535</u>	<u>3,109,446</u>
Income (Loss) Before Transfers	<u>(61,280)</u>	<u>(61,280)</u>	<u>168,014</u>	<u>18,224</u>	<u>674,433</u>
Transfers in	61,280	-	-	-	-
Transfers out	-	(1,039,890)	(1,006,251)	(33,639)	-
Change in Net Assets	<u>\$ -</u>	<u>\$ (1,101,170)</u>	<u>(838,237)</u>	<u>\$ (15,415)</u>	<u>674,433</u>
Net Assets - Beginning			<u>1,839,880</u>		<u>1,165,447</u>
Net Assets - Ending			<u>\$ 1,001,643</u>		<u>\$ 1,839,880</u>

City of Aspen, Colorado
Employee Housing Internal Service Fund
Schedule of Revenues, Expenses and Changes in Net Assets
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
For the Year Ended December 31, 2008
(With Comparative Actual Amounts for 2007)

	2008			Final Budget Variance Positive (Negative)	2007
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Operating:					
Rents and royalties	\$ -	\$ 91,000	\$ 91,927	\$ 927	\$ -
Other resources:					
Earnings on investments	-	85,000	75,792	(9,208)	-
Total Revenues	<u>-</u>	<u>176,000</u>	<u>167,719</u>	<u>(8,281)</u>	<u>-</u>
Expenses:					
Operating:					
Personnel services	-	-	1,286	(1,286)	
Purchased services	-	-	4,745	(4,745)	
Materials and supplies	140,990	140,990	132,211	8,779	
Capital expenses:					
Property, plant and equipment	902,900	1,013,400	340,441	672,959	-
Total Expenses	<u>1,043,890</u>	<u>1,154,390</u>	<u>478,683</u>	<u>675,707</u>	<u>-</u>
Income (Loss) before Contributions and Transfers	<u>(1,043,890)</u>	<u>(978,390)</u>	<u>(310,964)</u>	<u>(683,988)</u>	<u>-</u>
Contributions	-	-	472,983	472,983	-
Sale of fixed assets	-	-	4,315	4,315	-
Transfers in	1,043,890	2,066,628	2,066,628	-	-
Change in Net Assets - Budget Basis	<u>\$ -</u>	<u>\$ 1,088,238</u>	<u>2,232,962</u>	<u>\$ (206,690)</u>	<u>-</u>
Reconciliation to GAAP Basis:					
Capitalized expenses			126,301		-
Inventory			214,140		-
Depreciation			(40,544)		-
Change in Net Assets - GAAP Basis			<u>2,532,859</u>		<u>-</u>
Net Assets - Beginning			<u>-</u>		<u>-</u>
Net Assets - Ending			<u>\$ 2,532,859</u>		<u>\$ -</u>

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FIDUCIARY FUNDS

AGENCY FUNDS

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments.

The *Police Seizure Fund* accounts for proceeds from police seizure activities.

The *Deposits Agency Fund* accounts for deposits that will be remitted to other parties upon meeting payment criteria.

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City of Aspen, Colorado
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2008

	<u>Balance, January 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, December 31, 2008</u>
Police Seizure Fund				
Assets				
Cash and investments	\$ 53,441	\$ 4,711	\$ -	\$ 58,152
Liabilities				
Due to others	53,441	4,711	-	58,152
Deposits Agency Fund				
Assets				
Cash and investments	3,267,906	2,491,161	485,618	5,273,449
Liabilities				
Due to others	3,267,906	2,491,161	485,618	5,273,449
Totals				
Assets				
Cash and investments	<u>3,321,347</u>	<u>2,495,872</u>	<u>485,618</u>	<u>5,331,601</u>
Liabilities				
Due to others	<u>\$ 3,321,347</u>	<u>\$ 2,495,872</u>	<u>\$ 485,618</u>	<u>\$ 5,331,601</u>

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**ANNUAL SCHEDULE OF REVENUES AND EXPENDITURES
FOR ROADS, BRIDGES AND STREETS**

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

LOCAL HIGHWAY FINANCE REPORT	City or County: City of Aspen
	YEAR ENDING : December 2008
This Information From The Records Of (example - City of _ or County of	Prepared By: Debbie Pearce Phone: 970-920-5033

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

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	2,416,444
3. Other local imposts (from page 2)	0
4. Miscellaneous local receipts (from page 2)	107,265
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	2,523,709
B. Private Contributions	
C. Receipts from State government (from page 2)	256,457
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	2,780,166

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	1,941,396
2. Maintenance:	376,994
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	
c. Other	
d. Total (a. through c.)	0
4. General administration & miscellaneous	461,776
5. Highway law enforcement and safety	
6. Total (1 through 5)	2,780,166
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	2,780,166

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		2,780,166	2,780,166		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2008

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		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other		g. Other Misc. Receipts	21,273
6. Total (1. through 5.)	0	h. Other County road & bridge tax	85,992
c. Total (a. + b.)	0	i. Total (a. through h.)	107,265
	(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	193,807	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	32,650	d. Federal Transit Admin	
d. Other (Specify) State Hwy contrac	30,000	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	62,650	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	256,457	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation		1,941,396	1,941,396
(5). Total Construction (1) + (2) + (3) + (4)	0	1,941,396	1,941,396
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,941,396	1,941,396
			(Carry forward to page 1)

Notes and Comments:



THE CITY OF ASPEN

STATISTICAL SECTION



THE CITY OF ASPEN

STATISTICAL SECTION

This section of the City of Aspen'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 City's overall financial position.

Contents	Page
<u>Financial Trends</u>	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	H1
<u>Revenue Capacity</u>	
These schedules contain information to help the reader assess the City's most significant local revenue sources; property tax, sales tax, and real estate transfer tax.	H6
<u>Debt Capacity</u>	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	H13
<u>Demographic and Economic Information</u>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	H18
<u>Operating Information</u>	
These schedules contain service and capital asset data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	H20

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City of Aspen, Colorado
Net Assets by Component
Last Six Years¹

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities						
Invested in capital assets, net of related debt	\$ 90,897,198	\$ 99,236,321	\$ 112,854,532	\$ 135,780,602	\$ 142,916,432	\$ 151,470,473
Restricted	2,549,528	2,611,120	1,984,602	2,397,228	3,396,902	2,026,833
Unrestricted	44,540,902	46,418,790	60,431,953	54,640,051	44,787,298	51,415,205
Total governmental activities net assets	<u>137,987,628</u>	<u>148,266,231</u>	<u>175,271,087</u>	<u>192,817,881</u>	<u>191,100,632</u>	<u>204,912,511</u>
Business-type activities						
Invested in capital assets, net of related debt	26,415,513	26,765,302	26,823,965	28,783,892	29,688,898	35,605,394
Unrestricted	7,180,159	8,792,331	12,501,822	15,287,943	18,886,486	19,724,291
Total business-type activities net assets	<u>33,595,672</u>	<u>35,557,633</u>	<u>39,325,787</u>	<u>44,071,835</u>	<u>48,575,384</u>	<u>55,329,685</u>
Primary government						
Invested in capital assets, net of related debt	117,312,711	126,001,623	139,678,497	164,564,494	172,605,330	187,075,867
Restricted	2,549,528	2,611,120	1,984,602	2,397,228	3,396,902	2,026,833
Unrestricted	51,721,061	55,211,121	72,933,775	69,927,994	63,673,784	71,139,496
Total primary government net assets	<u>\$ 171,583,300</u>	<u>\$ 183,823,864</u>	<u>\$ 214,596,874</u>	<u>\$ 236,889,716</u>	<u>\$ 239,676,016</u>	<u>\$ 260,242,196</u>

¹ Information presented since implementation of GASB 34

City of Aspen, Colorado
Changes in Net Assets
Last Six Years¹

Expenses:	2003	2004	2005	2006	2007	2008
Governmental Activities:						
General government	\$ 6,521,896	\$ 8,335,288	\$ 8,845,996	\$ 9,862,710	\$ 11,367,873	\$ 12,799,795
Public safety	3,449,705	3,844,975	3,506,131	4,290,310	3,992,721	3,965,895
Public works	2,429,521	2,615,297	3,124,243	2,410,449	5,211,492	5,524,416
Public health and welfare	2,509,340	2,840,915	2,492,262	10,681,741	45,741,334	4,642,857
Culture and recreation	11,137,171	12,482,402	11,490,746	13,131,721	12,800,971	13,485,076
Interest on long-term debt	1,460,672	1,309,128	1,255,267	1,790,705	1,746,898	2,067,637
Total Governmental Activities	27,508,305	31,428,005	30,714,645	42,167,636	80,861,289	42,485,676
Business-type Activities:						
Water	3,624,996	3,584,467	3,813,081	4,082,338	4,633,996	4,622,089
Electric	4,262,194	4,892,575	4,382,227	4,761,816	5,050,868	5,135,035
Transportation	2,019,693	1,856,963	2,549,715	4,233,690	2,780,761	3,472,291
Golf	1,193,751	1,231,648	1,085,652	1,158,971	1,284,877	1,207,128
Affordable housing	2,281,685	2,186,309	2,293,838	2,265,781	2,246,114	2,091,343
Total Business-type Activities	13,382,319	13,751,962	14,124,513	16,502,596	15,996,616	16,527,886
Total Primary Government Expenses	40,890,624	45,179,967	44,839,158	58,670,232	96,857,905	59,013,562
Program Revenues:						
Governmental Activities:						
Charges for services:						
General government	2,278,290	4,902,546	6,754,429	4,224,059	4,868,304	4,258,264
Public safety	65,204	79,421	100,980	122,451	160,648	159,278
Public works	-	11,611	192,659	44,799	225,373	1,122,397
Public health and welfare	3,098,711	498,281	1,587,771	5,164,744	18,911,408	5,516,600
Culture and recreation	2,567,442	2,302,608	2,510,436	2,752,506	3,000,207	2,994,550
Operating grants and contributions	1,311,797	983,838	811,477	857,582	1,272,132	1,601,369
Capital grants and contributions	270,744	9,445	68,732	-	1,033,333	106,656
Total Governmental Activities Program Revenues	9,592,188	8,787,750	12,026,484	13,166,141	29,471,405	15,759,114
Business-type Activities:						
Charges for services:						
Water	2,962,967	3,191,631	3,649,431	4,194,337	4,776,174	4,168,578
Electric	4,804,905	4,766,857	5,321,003	5,756,265	6,004,862	6,383,359
Transportation	1,896,268	2,032,945	2,135,204	2,273,648	2,556,805	2,990,211
Golf	1,276,354	996,555	885,466	721,530	958,842	1,140,323
Affordable housing	1,531,301	1,743,253	1,838,748	2,452,842	2,207,371	2,211,160
Operating grants and contributions	288,904	318,445	267,822	394,881	413,374	285,041
Capital grants and contributions	1,186,360	2,071,100	3,604,154	2,319,583	1,501,254	1,522,254
Total Business-Type Activities Program Revenues	13,947,059	15,120,786	17,701,828	18,113,086	18,418,682	18,700,926
Total Primary Government Program Revenues	23,539,247	23,908,536	29,728,312	31,279,227	47,890,087	34,460,040
Net (Expense)/Revenue						
Governmental activities	(17,916,117)	(22,640,255)	(18,688,161)	(29,001,495)	(51,389,884)	(26,726,562)
Business-type activities	564,740	1,368,824	3,577,315	1,610,490	2,422,066	2,173,040
Total Primary Government Net Expense	\$ (17,351,377)	\$ (21,271,431)	\$ (15,110,846)	\$ (27,391,005)	\$ (48,967,818)	\$ (24,553,522)

¹ Information presented since implementation of GASB 34

City of Aspen, Colorado
Changes in Net Assets
Last Six Years¹

General Revenues and Other Changes in Net Assets:	2003	2004	2005	2006	2007	2008
Governmental Activities:						
Taxes:						
Property taxes	\$ 4,258,517	\$ 4,207,853	\$ 4,228,528	\$ 4,451,153	\$ 4,560,450	\$ 6,682,473
Specific ownership taxes	209,120	210,285	217,321	226,140	208,670	289,612
Sales and use taxes	13,412,647	14,602,350	16,333,855	17,325,934	18,087,080	18,938,129
Franchise and business taxes	646,106	792,707	893,038	974,223	942,540	1,051,158
Real estate transfer tax	6,661,186	9,754,629	14,785,334	17,386,929	15,027,763	8,806,211
Lodging tax	782,865	883,105	974,567	1,084,122	1,149,529	1,238,693
Unrestricted investment earnings	649,084	914,184	1,487,674	2,597,400	3,674,409	3,462,232
Grants and contributions not restricted to specific programs	860,211	1,928,038	2,644,499	4,618,854	2,572,862	2,770,812
Sale of capital assets	712,013	29,499	4,055,500	346,639	559,934	115,979
Transfers	3,241,514	(403,792)	72,701	(2,463,105)	(861,317)	(2,816,858)
Total General Revenues and Transfers	31,433,263	32,918,858	45,693,017	46,548,289	45,921,920	40,538,441
Business-type Activities:						
Sales and use taxes	-	-	-	-	-	42,187
Unrestricted investment earnings	129,115	189,345	263,540	735,833	1,219,607	1,719,540
Sale of capital assets	101,924	-	-	(63,380)	559	2,676
Transfers	(3,241,514)	403,792	(72,701)	2,463,105	861,317	2,816,858
Total Business-type Activities	(3,010,475)	593,137	190,839	3,135,558	2,081,483	4,581,261
Total Primary Government Revenues	28,422,788	33,511,995	45,883,856	49,683,847	48,003,403	45,119,702
Change in Net Assets						
Governmental activities	13,517,146	10,278,603	27,004,856	17,546,794	(5,467,964)	13,811,879
Business-type activities	(2,445,735)	1,961,961	3,768,154	4,746,048	4,503,549	6,754,301
Total Change in Net Assets	\$ 11,071,411	\$ 12,240,564	\$ 30,773,010	\$ 22,292,842	\$ (964,415)	\$ 20,566,180

¹ Information presented since implementation of GASB 34

City of Aspen, Colorado
Fund Balances, Governmental Funds
Last Ten Years

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund										
Reserved	\$ 2,843,972	\$ 3,567,805	\$ 5,600,211	\$ 2,633,584	\$ 1,659,039	\$ 1,273,768	\$ 1,693,474	\$ 2,120,610	\$ 2,924,021	\$ 1,862,972
Unreserved	6,845,445	3,423,411	793,217	4,081,167	5,422,240	7,211,636	8,514,244	12,937,068	7,062,581	6,595,732
Total General Fund	<u>9,689,417</u>	<u>6,991,216</u>	<u>6,393,428</u>	<u>6,714,751</u>	<u>7,081,279</u>	<u>8,485,404</u>	<u>10,207,718</u>	<u>15,057,678</u>	<u>9,986,602</u>	<u>8,458,704</u>
All Other Governmental Funds										
Reserved	1,236,418	5,925,116	8,518,175	8,457,803	8,613,895	7,126,468	4,480,097	2,187,626	9,568,367	9,238,478
Unreserved, reported in:										
Special revenue funds	17,759,083	24,023,403	28,657,963	24,522,433	21,249,298	26,846,750	35,410,032	33,474,939	19,097,330	24,399,876
Capital projects funds	10,739,801	6,944,916	13,134,261	3,401,000	4,453,667	1,242,612	5,997,797	2,550	2,200,378	2,699,329
Total All Other Governmental Funds	<u>\$ 29,735,302</u>	<u>\$ 36,893,435</u>	<u>\$ 50,310,399</u>	<u>\$ 36,381,236</u>	<u>\$ 34,316,860</u>	<u>\$ 35,215,830</u>	<u>\$ 45,887,926</u>	<u>\$ 35,665,115</u>	<u>\$ 30,866,075</u>	<u>\$ 36,337,683</u>

City of Aspen, Colorado
Changes in Fund Balances, Governmental Funds
Last Ten Years

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenues:										
Taxes	\$ 20,553,333	\$ 22,972,599	\$ 24,688,582	\$ 25,152,809	\$ 25,970,441	\$ 30,450,929	\$ 37,433,927	\$ 41,549,196	\$ 40,079,836	\$ 36,716,822
Licenses and permits	102,362	143,543	193,630	199,787	193,489	268,844	240,279	1,568,929	1,448,116	2,171,593
Intergovernmental	1,621,136	1,450,043	573,686	399,995	479,311	564,974	547,638	496,567	489,554	490,005
Charges for services	2,359,556	2,851,760	2,464,090	2,994,727	3,595,403	4,730,326	5,481,536	9,169,026	22,123,973	5,743,510
Fines	69,039	94,766	128,587	132,066	85,773	92,443	90,629	73,722	79,767	118,177
Miscellaneous	2,548,083	4,422,935	4,940,668	11,787,828	7,174,527	9,147,350	12,166,915	11,792,795	22,869,118	16,712,302
Total Revenues	<u>27,253,509</u>	<u>31,935,646</u>	<u>32,989,243</u>	<u>40,667,212</u>	<u>37,498,944</u>	<u>45,254,866</u>	<u>55,960,924</u>	<u>64,650,235</u>	<u>87,090,364</u>	<u>61,952,409</u>
Expenditures:										
General government	4,018,130	4,730,609	5,789,607	5,448,684	4,841,463	9,094,837	9,036,393	10,234,641	11,208,541	12,681,991
Public safety	2,622,748	2,708,787	3,158,628	3,281,541	3,349,462	3,718,617	4,161,238	4,218,180	4,312,794	4,274,038
Public works	5,132,703	4,514,000	1,540,724	2,429,776	1,198,752	1,242,953	2,007,966	1,940,970	2,294,254	3,227,691
Public health and welfare	1,814,749	1,597,019	1,137,739	1,465,855	2,453,709	2,609,899	2,714,200	2,369,261	2,629,833	2,949,131
Culture and recreation	4,365,607	5,525,355	5,764,399	6,619,083	8,138,256	8,406,394	8,937,099	10,276,090	10,462,438	11,300,085
Capital Outlay:	8,698,708	9,928,792	30,670,923	35,855,009						
General government					1,077,970	1,010,576	1,664,370	1,357,761	11,446,265	1,970,475
Public works	-	-	-	-	497,615	619,451	1,206,790	750,872	2,323,013	2,065,958
Public health and welfare	-	-	-	-	5,402,698	6,636,877	19,392,206	24,992,589	42,921,755	3,728,892
Culture and recreation	-	-	-	-	6,376,685	5,575,532	11,307,197	9,615,640	4,830,662	2,019,058
Debt service:										
Principal retirement	3,690,468	1,520,000	1,452,625	2,354,225	3,446,350	2,349,050	1,796,750	2,080,650	2,158,350	6,986,024
Interest	753,257	1,693,255	1,437,301	2,351,678	1,470,738	1,313,292	1,246,996	1,766,515	1,916,080	3,039,785
Total Expenditures	<u>31,096,370</u>	<u>32,217,817</u>	<u>50,951,946</u>	<u>59,805,851</u>	<u>38,253,698</u>	<u>42,577,478</u>	<u>63,471,205</u>	<u>69,603,169</u>	<u>96,503,985</u>	<u>54,243,128</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,842,861)	(282,171)	(17,962,703)	(19,138,639)	(754,754)	2,677,388	(7,510,281)	(4,952,934)	(9,413,621)	7,709,281
Other Financing Sources (Uses):										
Proceeds from sale of fixed assets	1,668,025	1,404,941	1,789,936	1,043,887	154,323	29,499	4,055,500	346,639	559,934	111,664
Premium on issuance	-	-	195,970	-	29,202	15,257	389,320	-	-	-
Debt issued	12,477,084	-	24,965,775	-	1,315,000	3,040,000	27,009,374	-	-	-
Issuance costs	(158,003)	-	(476,791)	-	-	(72,591)	(208,577)	-	-	-
Payments to refunded debt escrow	-	-	-	-	-	(2,982,666)	(11,413,627)	-	-	-
Transfers in	8,698,605	6,724,813	21,478,357	18,379,629	10,401,081	11,429,622	8,190,525	14,791,138	16,665,620	11,497,427
Transfers (out)	(8,455,211)	(6,263,044)	(17,169,169)	(13,919,828)	(7,159,567)	(11,833,414)	(8,117,824)	(15,557,694)	(17,682,049)	(15,374,662)
Total Other Financing Sources (Uses)	<u>14,230,500</u>	<u>1,866,710</u>	<u>30,784,078</u>	<u>5,503,688</u>	<u>4,740,039</u>	<u>(374,293)</u>	<u>19,904,691</u>	<u>(419,917)</u>	<u>(456,495)</u>	<u>(3,765,571)</u>
Net change in fund balances	<u>\$ 10,387,639</u>	<u>\$ 1,584,539</u>	<u>\$ 12,821,375</u>	<u>\$ (13,634,951)</u>	<u>\$ 3,985,285</u>	<u>\$ 2,303,095</u>	<u>\$ 12,394,410</u>	<u>\$ (5,372,851)</u>	<u>\$ (9,870,116)</u>	<u>\$ 3,943,710</u>
Debt Service as a percentage of noncapital expenditures	19.84%	14.42%	14.25%	19.65%	19.75%	12.75%	10.18%	11.70%	11.65%	22.55%

City of Aspen, Colorado
Assessed Value and Actual Value of Taxable Property
Last Ten Years

Fiscal Year Ended December 31¹	Valuation Base Year²	Residential Property Assessment Rate³	Residential Property⁴	Commercial Property	Other Property	Tax-Exempt Property	Assessed Value	Estimated Actual Value²	Taxable Assessed Value as a Percentage of Estimated Actual Taxable Value	Total Direct Tax Rate⁵
1999	1998	9.74%	302,949,510	216,765,370	43,560,830	51,518,480	563,275,710	4,007,610,762	14.06%	5.401
2000	1998	9.74%	316,343,830	221,201,020	50,581,820	53,399,220	588,126,670	4,185,060,775	14.05%	5.385
2001	2000	9.15%	435,696,010	256,612,730	77,121,430	56,211,250	769,430,170	5,912,491,640	13.01%	5.401
2002	2000	9.15%	451,626,200	259,279,500	73,655,330	58,540,920	784,561,030	6,083,834,510	12.90%	5.442
2003	2002	7.96%	430,906,670	262,622,630	81,241,180	61,097,950	774,770,480	6,599,132,570	11.74%	5.431
2004	2002	7.96%	440,890,820	259,487,760	77,983,960	89,640,270	778,362,540	6,702,520,600	11.61%	5.437
2005	2004	7.96%	484,239,720	267,699,300	72,424,490	99,465,470	824,363,510	7,256,251,220	11.36%	5.410
2006	2004	7.96%	506,452,940	273,885,700	67,072,048	92,888,940	847,410,688	7,538,193,130	11.24%	5.419
2007	2006	7.96%	749,829,010	379,509,740	101,390,230	99,780,110	1,230,728,980	11,078,234,110	11.11%	5.459
2008	2006	7.96%	774,802,040	387,880,550	90,371,420	100,371,950	1,253,054,010	11,382,833,100	11.01%	5.467

¹ Property taxes levied on the valuation for the year indicated are collected in the following year.

² Actual value is reappraised biennially from sales that occurred in the 24 month period ending June 30 of the indicated valuation base year.

³ Residential property is assessed at the indicated assessment rate of actual value. All other property is assessed at 29% of actual value.

⁴ Residential property is valued at 100% of market value; all other property is valued considering the income, cost and market approaches to appraisal.

⁵ Per \$1,000 of assessed valuation.

Source: Pitkin County Department of Finance

City of Aspen, Colorado
Direct and Overlapping Property Tax Rates
Last Ten Years
(rate per \$1,000 of assessed value)

Overlapping Rates

Fiscal Year	Total Direct Tax Rate	Pitkin County	Open Space & Trails	Aspen Fire Protection	Aspen Sanitation District	Aspen School District	Colorado Mtn College	Colorado River Water Cons	Aspen Valley Hospital	Aspen Ambulance District	Aspen Historic District	Pitkin County Library	Human Svc & Other Grants	Healthy Community Fund
1999	5.401	3.471	2.514	1.261	0.234	7.772	3.655	0.282	1.500	0.230	-	1.158	-	-
2000	5.385	3.677	3.806	1.068	0.246	9.874	3.997	0.282	1.500	0.246	-	1.239	-	-
2001	5.401	3.559	3.758	0.876	0.208	8.946	3.997	0.253	1.500	0.202	-	1.038	-	-
2002	5.442	2.954	3.773	0.880	0.213	8.926	3.997	0.255	1.500	0.209	-	1.072	0.463	-
2003	5.431	3.172	3.772	0.880	0.224	8.955	3.997	0.255	1.500	0.221	-	1.131	0.488	-
2004	5.437	3.288	3.769	0.879	0.229	8.969	3.997	0.252	1.500	0.226	-	1.383	0.501	-
2005	5.410	3.123	3.764	0.878	0.223	10.458	3.997	0.230	1.500	0.221	-	1.357	0.484	-
2006	5.419	3.194	3.760	1.802	0.229	10.294	3.997	0.221	1.500	0.228	0.300	1.398	-	0.648
2007	5.459	2.374	3.757	1.397	0.168	8.622	3.997	0.191	1.280	0.170	0.300	1.113	-	0.489
2008	5.467	2.495	3.760	1.506	0.168	9.355	3.997	0.198	1.280	0.176	0.300	1.148	-	0.501

Source: Pitkin County Treasurer

**City of Aspen, Colorado
Property Tax Levies and Collections
Last Ten Years**

<u>Fiscal Year</u>	<u>Collected within the Fiscal Year Following the Levy</u>			<u>Total Collections to Date</u>		
	<u>Taxes Levied for the Fiscal Year</u>	<u>Amount</u>	<u>Percentage of Levy</u>	<u>Collections in Subsequent Years</u>	<u>Amount</u>	<u>Percentage of Levy</u>
1998	2,513,445	2,471,858	98.35%	1,011	2,472,869	98.39%
1999	3,139,409	3,040,079	96.84%	1,995	3,042,074	96.90%
2000	3,180,399	3,164,606	99.50%	(1,596)	3,163,010	99.45%
2001	4,197,766	4,161,483	99.14%	(6,699)	4,154,784	98.98%
2002	4,280,338	4,266,864	99.69%	508	4,267,372	99.70%
2003	4,233,256	4,207,571	99.39%	(7,209)	4,200,362	99.22%
2004	4,234,902	4,230,537	99.90%	(6,123)	4,224,414	99.75%
2005	4,462,989	4,452,571	99.77%	799	4,453,370	99.78%
2006	4,592,119	4,570,757	99.53%	12,124	4,582,881	99.80%
2007	6,718,550	6,693,076	99.62%	347	6,693,423	99.63%

Source: Pitkin County Assessor

**City of Aspen, Colorado
Principal Property Tax Payers
Current Year and Nine Years Ago**

Taxpayer	2008			1999		
	Assessed Value	Rank	Percentage of Total City Assessed Value	Assessed Value	Rank	Percentage of Total City Assessed Value
Aspen Skiing Company	\$ 23,171,000	1	1.85%	\$ 3,596,920	5	0.64%
SLT Aspen Dean Street LLC	19,595,880	2	1.56%	22,740,210	1	4.04%
Hyatt Grand Aspen	12,398,820	3	0.99%	-		-
Aspen Highlands Condo Association Inc	12,096,710	4	0.97%	-		-
LCP Elysian Aspen Owner LLC	9,610,890	5	0.77%	-		-
Limelight LLC	7,862,680	6	0.63%	-		-
Aspen Institute Inc	6,933,620	7	0.55%	3,480,000	6	0.62%
Ajax Mountain Associates LLC	6,557,460	8	0.52%	-		-
Maroon Creek LLC	6,544,990	9	0.52%	3,476,810	7	0.62%
Aspen Club Lodge Properties LLC	6,529,930	10	0.52%	-		-
Mill Street Plaza Associates LLC	6,190,400	11	0.49%	3,451,220	8	0.61%
Little Nell Hotel	-		-	10,536,480	2	1.87%
Hotel Jerome Associates LP	-		-	5,848,700	3	1.04%
Reinhold Aspen Inc	-		-	3,639,500	4	0.65%
US West Communications	-		-	3,053,900	10	0.54%
Arthur Pfister	-		-	3,223,920	9	0.57%
Total	<u>\$ 117,492,380</u>		<u>9.38%</u>	<u>\$ 63,047,660</u>		<u>11.19%</u>

Source: Pitkin County Assessor

**City of Aspen, Colorado
Sales & Lodging Tax Receipts
Last Ten Years**

Year	Share of County Tax Receipts¹	1.0% Original Parks and Open Space Sales Tax Receipts	0.25% Sales Tax Receipts	0.45% Sales Tax Receipts	0.5% Additional Parks and Open Space Sales Tax Receipts²	1.0% Lodging Tax Receipts³	Total Sales & Lodging Tax Receipts
1999	5,248,208	3,779,543	944,886	1,700,794	N/A	N/A	11,673,431
2000	5,412,966	3,989,496	997,374	1,795,273	N/A	N/A	12,195,109
2001	5,322,965	3,761,253	940,313	1,692,564	1,880,627	838,364	14,436,086
2002	5,150,529	3,684,631	921,161	1,658,085	1,842,317	793,185	14,049,908
2003	5,191,807	3,727,874	931,970	1,677,543	1,863,938	780,454	14,173,586
2004	5,620,586	4,065,044	1,016,261	1,829,272	2,032,523	875,291	15,438,977
2005	6,226,620	4,516,950	1,129,236	2,032,628	2,258,474	977,471	17,141,379
2006	6,713,787	4,812,687	1,203,172	2,165,710	2,406,344	1,084,121	18,385,821
2007	7,075,917	5,005,157	1,251,288	2,252,141	2,502,578	1,151,308	19,238,389
2008	7,035,890	5,234,176	1,308,170	2,354,856	2,617,088	1,238,822	19,789,002

¹ 43% of Pitkin county's 2% sales tax is distributed to Pitkin County and 57% is distributed to municipalities within Pitkin County based upon actual sales taxes collected during the pervious years.

² An additional 0.5% City sales tax became effective January 1, 2001.

³ A 1.0% City lodging tax became effective January 1, 2001.

Source: City of Aspen Finance Department

City of Aspen, Colorado
Taxable Retail Sales by Industry
Last Ten Years

Year	Tourist Accommodations	Restaurants & Bars	Clothing Stores	Food & Drug Stores	Sports Equipment & Clothing	Utilities & Telecommunications	General Retail & Construction	
1999	108,871,200	73,389,891	39,142,191	38,919,364	25,185,042	24,912,075	24,373,000	
2000	115,457,005	71,078,498	39,484,364	39,664,920	26,661,430	27,905,711	27,646,481	
2001	102,699,676	67,070,294	36,928,455	37,707,080	25,183,542	29,063,037	28,943,765	
2002	99,391,307	66,467,417	33,319,528	38,422,808	24,787,944	27,716,051	27,494,076	
2003	97,186,642	68,600,014	33,388,758	41,021,899	25,040,415	27,995,239	26,214,518	
2004	107,152,600	74,901,035	37,745,324	42,590,223	26,488,147	30,558,377	32,178,837	
2005	121,771,189	78,802,304	43,996,595	44,919,997	29,076,201	33,561,334	34,450,066	
2006	133,410,053	84,488,687	47,707,985	47,699,022	32,965,634	36,547,011	35,308,575	
2007	144,658,144	86,720,379	48,843,770	51,376,369	32,675,548	35,759,963	46,493,386	
2008	149,945,647	87,762,220	46,195,437	53,617,486	33,582,162	40,739,830	46,159,148	
Year (continued)	Specialty Retail	Jewelry Stores	Liquor Stores	Galleries	Fur Stores	T-Shirt Stores	Miscellaneous Retail	Total Taxable Sales
1999	31,800,038	4,978,751	6,153,313	2,874,828	193,026	2,908,194	1,462,548	385,163,461
2000	33,459,078	5,675,433	6,248,197	3,400,150	270,052	2,765,936	1,735,186	401,452,441
2001	30,387,407	4,506,004	6,209,326	1,599,966	293,920	2,291,379	1,481,411	374,365,262
2002	32,263,221	4,390,535	6,013,794	2,177,403	489,081	2,318,837	2,207,529	367,459,531
2003	31,107,030	5,290,702	6,464,495	1,853,468	1,038,927	2,480,907	2,011,582	369,694,596
2004	30,107,145	6,468,323	6,601,595	2,573,000	1,092,050	2,460,241	2,934,129	403,851,026
2005	33,640,574	7,328,877	7,081,307	5,473,081	1,060,831	2,370,889	5,044,761	448,578,006
2006	33,085,521	7,453,441	7,768,650	4,497,934	1,165,825	2,295,861	3,330,132	477,724,331
2007	30,759,608	10,342,420	8,123,907	5,067,914	1,231,765	1,979,113	3,756,655	507,788,941
2008	25,956,197	8,201,180	8,493,403	4,771,231	1,114,114	1,659,871	2,457,847	510,655,773

Source: City of Aspen Finance Department

**City of Aspen, Colorado
Real Estate Transfer Tax Receipts
Last Ten Years**

Fiscal Year	0.50% Wheeler Opera House Real Estate Transfer Tax	1.0% Housing & Daycare Real Estate Transfer Tax	Total Real Estate Transfer Taxes
1999	1,929,257	3,411,042	5,340,299
2000	2,427,005	4,265,833	6,692,838
2001	2,300,364	3,925,880	6,226,244
2002	2,213,806	3,837,370	6,051,176
2003	2,366,880	4,237,021	6,603,901
2004	3,462,504	6,292,125	9,754,629
2005	5,306,119	9,479,215	14,785,334
2006	6,289,551	11,076,748	17,366,299
2007	5,272,106	9,755,656	15,027,762
2008	3,074,909	5,731,302	8,806,211

Source: City of Aspen Finance Department

**City of Aspen, Colorado
Outstanding Debt by Type
Last Ten Years**

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Estimated Personal Income ¹	Per Capita
	General Obligation Bonds	Sales Tax Revenue Bonds	Certificates of Participation	Special Assessment Bonds	Housing Facility Bonds	General Obligation Bonds	Sales Tax Revenue Bonds			
1999	3,500,000	12,292,650	7,070,000	390,000	8,210,000	2,670,002	1,597,350	35,730,002	11.10%	6,184
2000	2,655,000	12,292,650	6,395,000	390,000	7,810,000	1,825,002	1,597,350	32,965,002	8.37%	5,574
2001	14,950,000	22,785,025	5,675,000	390,000	7,390,000	935,002	1,559,975	53,685,002	12.64%	8,362
2002	8,305,000	22,120,800	4,920,000	105,000	14,086,583	-	1,504,200	51,041,583	12.08%	7,927
2003	1,315,000	21,304,450	4,135,000	-	13,574,188	6,615,000	1,445,550	48,389,188	11.18%	7,496
2004	990,000	20,455,400	3,040,000	-	13,044,198	6,045,000	1,384,000	44,958,598	9.67%	7,060
2005	650,000	34,774,550	2,465,000	-	12,490,991	5,385,000	1,360,450	57,125,991	11.45%	8,927
2006	305,000	33,653,900	1,850,000	-	11,919,461	4,705,000	1,281,100	53,714,461	9.80%	8,439
2007	-	32,490,550	9,565,000	-	11,320,000	4,010,000	1,199,450	58,585,000	10.29%	9,154
2008	-	31,290,075	8,795,000	-	7,025,000	8,895,000	1,114,925	57,120,000	9.54%	8,921

¹ Pitkin County Estimated Personal Income. See page H20 for additional details.

City of Aspen, Colorado
Ratios of Bonded Debt Outstanding
Last Ten Years

Fiscal Year	General Obligation Bonds	Certificates of Participation	Sales Tax Revenue Bonds	Special Assessment Bonds	Total Bonded General Obligation Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
1999	14,380,002	7,070,000	13,890,000	390,000	14,380,002	2.55%	2,489
2000	12,290,002	6,395,000	13,890,000	390,000	12,290,002	2.09%	2,078
2001	23,275,002	5,675,000	24,345,000	390,000	23,275,002	3.02%	3,625
2002	22,391,583	4,920,000	23,625,000	105,000	22,391,583	2.85%	3,477
2003	21,504,188	4,135,000	22,750,000	-	21,504,188	2.78%	3,331
2004	20,079,198	3,040,000	21,839,400	-	20,079,198	2.58%	3,153
2005	18,525,991	2,465,000	36,135,000	-	18,525,991	2.25%	2,895
2006	16,929,461	1,850,000	34,935,000	-	16,929,461	2.00%	2,660
2007	15,330,000	9,565,000	33,690,000	-	15,330,000	1.25%	2,395

City of Aspen, Colorado
Direct and Overlapping Governmental Activities Debt
As of December 31, 2008
(in thousands)

<u>Overlapping Debt</u>	<u>Total General Obligation Debt Outstanding</u>	<u>Estimated Percentage Applicable¹</u>	<u>Estimated Share of Overlapping Debt</u>
Aspen School District	\$ 61,725	48.208%	\$ 29,756
Pitkin County	19,860	44.316%	8,801
Total Overlapping Debt	<u>\$ 81,585</u>		<u>38,558</u>
City of Aspen Direct Debt			<u>16,929</u>
Total Direct and Overlapping Debt			<u>\$ 55,487</u>

¹ For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Aspen. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and the businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: Assessed value data used to estimate applicable percentages provided by the Pitkin County Assessor. Debt outstanding provided by each governmental unit.

**City of Aspen, Colorado
Legal Debt Margin Information
Last Ten Years
(in thousands)**

Legal Debt Margin Calculation for Fiscal Year 2008

Assessed value ¹	\$ 1,253,054,010
Debt limit (20% of assessed value)	250,610,802
Debt applicable to limit:	
General Obligation Bonds	15,920,000
Total net debt applicable to limit	<u>15,920,000</u>
Legal debt margin	<u>\$ 234,690,802</u>

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Debt Limit	\$ 112,655	\$ 117,625	\$ 153,886	\$ 156,912	\$ 154,954	\$ 155,673	\$ 164,873	\$ 169,482	\$ 246,146	\$ 250,611
Total net debt applicable to limit	<u>14,380</u>	<u>12,290</u>	<u>23,275</u>	<u>22,392</u>	<u>21,504</u>	<u>20,079</u>	<u>18,526</u>	<u>16,929</u>	<u>15,330</u>	<u>15,920</u>
Legal Debt Margin	<u>\$ 98,275</u>	<u>\$ 105,335</u>	<u>\$ 130,611</u>	<u>\$ 134,521</u>	<u>\$ 133,450</u>	<u>\$ 135,593</u>	<u>\$ 146,347</u>	<u>\$ 152,553</u>	<u>\$ 230,816</u>	<u>\$ 234,691</u>
Total net debt applicable to limit as a percentage of debt limit	12.765%	10.448%	15.125%	14.270%	13.878%	12.898%	11.237%	9.989%	6.228%	6.352%

¹ Source: Pitkin County Assessor

**City of Aspen, Colorado
Pledged-Revenue Coverage
Last Ten Years**

Fiscal Year	Sales Tax Revenue Bonds				Debt Service			Special Assessment Bonds			
	Share of County Tax Receipts ¹	1.0% Original Parks and Open Space Sales Tax Receipts	0.5% Additional Parks and Open Space Sales Tax Receipts ²	Total Pledged Revenues	Principal	Interest	Coverage	Special Assessment Collections	Principal	Interest	Coverage
1999	5,248,208	3,779,543	-	9,027,751	1,275,000	47,843	6.82	89,086	45,000	34,430	1.12
2000	5,412,966	3,989,496	-	9,402,462	-	1,180,065	7.97	82,653	-	23,355	3.54
2001	5,322,965	3,761,253	1,880,626	10,964,844	325,000	858,052	9.27	173,960	-	23,355	7.45
2002	5,150,529	3,684,631	1,842,317	10,677,477	720,000	1,322,646	5.23	93,842	285,000	16,613	0.31
2003	5,191,807	3,727,874	1,863,938	10,783,619	875,000	1,166,225	5.28	89,379	105,000	15,143	0.74
2004	5,620,586	4,065,044	2,032,523	11,718,153	910,000	1,129,333	5.75	41,064	-	-	NA
2005	6,226,620	4,516,950	2,258,474	6,775,424	945,000	790,688	3.90	-	-	-	NA
2006	6,713,787	4,812,688	2,406,344	7,219,032	1,200,000	1,729,811	2.46	-	-	-	NA
2007	7,075,917	5,005,157	2,502,578	7,507,735	1,245,000	1,642,188	2.60	-	-	-	NA
2008	7,035,890	5,234,176	2,617,088	7,851,264	1,285,000	1,594,512	2.73	-	-	-	NA

¹ The City share of the County Sales Tax plus the 1.0% Original Parks and Open Space Tax were pledged against the Series 1995 Sales Tax Refunding Bonds.

² The 0.5% Additional Parks and Open Space Sales Tax did not go into effect until January 1, 2001. The Original 1.0% and the 0.5% Additional Sales Taxes are pledged to all issuances of Sales Tax Revenue

**City of Aspen, Colorado
Demographic and Economic Statistics
Last Ten Years**

Fiscal Year	Population¹	Estimated Personal Income (in thousands)	Per Capita Income²	Unemployment Rate³
1999	5,778	321,800	55,694	3.4%
2000	5,914	393,689	66,569	2.9%
2001	6,420	424,831	66,173	3.4%
2002	6,439	422,456	65,609	4.4%
2003	6,455	432,821	67,052	5.7%
2004	6,368	464,743	72,981	5.1%
2005	6,399	498,930	77,970	4.1%
2006	6,365	548,167	86,122	3.2%
2007	6,400	569,600	89,000	2.8%
2008	6,403	598,456	93,465	3.4%

¹ State of Colorado, Department of Local Affairs, Division of Local Government, Denver, Colorado (http://dola.colorado.gov/dlg/demog/pop_muni_estimates.html).

² Pitkin County Per Capita Income figures per U.S. Department of Commerce, Bureau of Economic Analysis (<http://www.bea.gov/index.htm>).

³ Real Estate Center, Texas A&M University (<https://recenter.tamu.edu/data/empc/LAUCN080970.htm>).

**City of Aspen, Colorado
Principal Area Employers
Current Year and Ten Years Ago¹**

Employer	2008 Estimated Employees	Rank	1998 Estimated Employees	Rank
Aspen Skiing Company	3,116	1	3,000	1
City of Aspen	317	2	200	5
Aspen Valley Hospital	264	3	352	3
St. Regis Aspen Resort	258	4	450	2
Pitkin County	240	5	236	4
Aspen School District No. 1	202	6	195	7
Roaring Fork Transit Authority	191	7	200	6
Ritz Carlton	190	8	-	
Hotel Jerome	180	9	180	8
City Market	79	10	60	10
CRW Property Management	-		130	9

¹ GASB 34 requires presentation of the current year and nine years ago; however, principal area employers data for 1999 is not available. 1998 has been presented instead.

Source: City of Aspen Finance Department and Pitkin County Department of Finance

City of Aspen, Colorado
Full-time Equivalent City Government Employees by Program

<u>Program</u>	<u>2008</u>
General government	69
Public Safety	35
Public Works	20
Public Health and Welfare	15
Culture and Recreation	107
Water	28
Electric	5
Transportation	16
Golf	10
Affordable Housing	<u>12</u>
Total:	<u><u>317</u></u>

Source: City Finance Department

City of Aspen, Colorado
Operating Indicators by Function/Program
Last Six Years¹

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Government						
Building permits issued	²	356	371	384	404	284
Building inspections conducted	²	1,510	1,940	2,467	2,310	2,250
Certificates of occupancy & letters of completion issued	²	144	255	135	163	327
Police³						
Number of crimes	1,206	1,313	1,380	1,266	1,156	1,181
Traffic Citations	442	370	248	280	296	528
Traffic Accidents	478	533	664	645	757	943
Public Works						
Square yards reconstructed ⁴	0	0	0	0	0	0
Square yards overlaid	15,765	31,469	18,293	16,895	0 ⁵	0 ⁵
Square yards seal coated ⁴	0	0	0	0	0	0
Transit						
Passengers	974,927	977,070	995,018	1,066,524	1,097,074	1,194,191
Free bus routes	7	7	7	7	8	8
Utility						
New taps issued	56	33	77	65	77	41

¹ Information presented since implementation of GASB 34

² Data unavailable

³ Estimated statistics

⁴ No road reconstruction or seal coating has been done since 1999

⁵ No asphalt work was done in 2007 and 2008 due to lack of asphalt oil availability

Source: City of Aspen departmental data

City of Aspen, Colorado
Capital Asset Statistics by Program
Last Six Years¹

	2003	2004	2005	2006	2007	2008
Parks						
Developed acres	2	2	2	2	2	38.28
Undeveloped acres	2	2	2	2	2	970.2
Paved trails (linear miles)	2	2	2	2	2	14.16
Unpaved trails (linear miles)	2	2	2	2	2	8.46
Nordic trails (linear miles) ³	2	2	2	2	2	58.2
Police						
Stations	1	1	1	1	1	1
Licensed vehicles	15	16	17	17	17	17
Public Services						
Streets (lane miles)	61.37	61.37	61.37	61.37	61.37	61.37
Street lights	425	425	427	433	433	433
Transit						
Buses	2	2	2	2	2	16
Utility						
Electric switch stations	1	1	1	1	1	1

¹ Information presented since implementation of GASB 34

² Data unavailable

³ Winter season only and located in the City of Aspen, Pitkin County, and Town of Snowmass Village. All maintained by the City of Aspen

Source: City of Aspen departmental data