

ARAPAHOE COUNTY COLORADO

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2011



*Arapahoe County Celebrates 150 Years*  
*1861 - 2011*



DEPARTMENT OF FINANCE  
5334 SOUTH PRINCE STREET  
LITTLETON, COLORADO 80120-1136  
[WWW.CO.ARAPAHOE.CO.US](http://WWW.CO.ARAPAHOE.CO.US)

### **Reasonable Accommodation Policy**

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# ARAPAHOE COUNTY COLORADO

# COMPREHENSIVE ANNUAL

# FINANCIAL REPORT

## YEAR ENDED DECEMBER 31, 2011



### 2011 CAFR ACKNOWLEDGEMENTS

#### BOARD OF COUNTY COMMISSIONERS

Susan Beckman .....District 1, Chair Pro Tem  
 Nancy N. Sharpe ..... District 2, Chair  
 Rod Bockenfeld.....District 3  
 Nancy Jackson .....District 4  
 Bill L. Holen.....District 5

#### ELECTED OFFICIALS

Nancy A. Doty .....Clerk and Recorder  
 Corbin Sakdol..... Assessor  
 Sue Sandstrom..... Treasurer  
 Dr. Michael Dobersen ..... Coroner  
 Carol Chambers .....District Attorney  
 J. Grayson Robinson .....Sheriff

#### FINANCE DEPARTMENT

Janet J. Kennedy, CPA .....Finance Director  
 Steve Oliver, CPA.....Accounting Manager  
 Lynn Obremski, CPA.....Senior Accountant  
 Dennis Palamet, Retired CPA .....Accountant II  
 Amber Skaggs ..... Accountant II  
 Loren Kohler ..... Accountant II  
 Sandra Gronquist.....Accountant II  
 Tammy Smith ..... Accounting Coordinator  
 Zada Cunningham ..... Sales Tax Analyst  
 Ann Jagow ..... SAP Functional Administrator  
 Debbie McCarty ...SAP Functional Administrator  
 Jon Rajewich..... SAP Functional Administrator  
 Mary Lokatys ..... Office Manager

#### COMMUNICATION SERVICES

Liz Ellis ..... Creative Services Specialist II  
 Printed by Arapahoe County Printing Services



Prepared by the Arapahoe County  
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**ARAPAHOE COUNTY, COLORADO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED DECEMBER 31, 2011**

**TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

	Page
Letter of Transmittal .....	A-1
Certificate of Achievement .....	A-6
List of Principal Officers.....	A-7
Organizational Chart .....	A-8

**FINANCIAL SECTION**

Independent Auditor's Report .....	B-1
Management's Discussion and Analysis.....	B-3
<b>Basic Financial Statements:</b>	
Government-wide Financial Statements:	
Statement of Net Assets.....	C-1
Statement of Activities.....	C-2
Governmental Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	C-4
Reconciliation of Total Governmental Fund Balances to the Statement of Net Assets.....	C-6
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds .....	C-8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	C-10
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
General Fund.....	C-11
Social Services .....	C-12
Open Spaces .....	C-13
Proprietary Fund Financial Statements:	
Statement of Net Assets – Proprietary Funds .....	C-14
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds .....	C-15
Statement of Cash Flows – Proprietary Funds .....	C-16
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Assets – Fiduciary Funds.....	C-17
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds .....	C-18
Notes to the Financial Statements.....	C-20
<b>Required Supplementary Information:</b>	
Arapahoe County Retirement Plan-Schedules of Employer Contributions and Funding Progress.....	C-62
<b>Supplementary Information:</b>	
Human Services Schedule of EBT Authorizations.....	C-65
Local Highway Finance Report.....	C-66
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Building Maintenance Administration .....	C-68
Board Designated.....	C-69
<b>Combining Financial Statements and Schedules:</b>	
Description of Nonmajor Governmental Funds.....	D-1
Combining Balance Sheet – Nonmajor Governmental Funds.....	D-4
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds .....	D-10
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Electronic Filing Technology – Special Revenue Fund .....	D-16
Cash-In-Lieu – Special Revenue Fund.....	D-17
Law Enforcement Authority District – Special Revenue Fund.....	D-18
Arapahoe/Douglas Works! – Special Revenue Fund .....	D-19
Road & Bridge Fund – Special Revenue Fund.....	D-20
Conservation Trust – Special Revenue Fund.....	D-21
Contingent – Special Revenue Fund .....	D-22
Communications Network Replacement – Special Revenue Fund .....	D-23
Sheriff's Commissary – Special Revenue Fund .....	D-24
Community Development – Special Revenue Fund.....	D-25
Forfeited Property – Special Revenue Fund.....	D-26

**ARAPAHOE COUNTY, COLORADO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**TABLE OF CONTENTS  
(Continued)**

Developmental Disability – Special Revenue Fund .....	D-27
Grants – Special Revenue Fund .....	D-28
Homeland Security Grant – Special Revenue Fund.....	D-29
Fair – Special Revenue Fund.....	D-30
Capital Expenditure Fund – Capital Project Fund.....	D-31
Infrastructure – Capital Project Fund.....	D-32
Arapahoe County Recreation District – Capital Project Fund.....	D-33
Arapahoe County Water and Wastewater PID .....	D-34
Equipment Lease Purchase Fund – Debt Service Fund .....	D-35
Arapahoe County Building Finance Corporation .....	D-36
Description of Proprietary Funds - Internal Service Funds .....	D-37
Combining Statement of Net Assets – Proprietary Funds .....	D-38
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds .....	D-40
Combining Statement of Cash Flows – Proprietary Funds.....	D-42
Description of Fiduciary Funds – Agency Funds.....	D-44
Combining Statement of Changes In Asset and Liabilities – Fiduciary Funds .....	D-45
<b>Statements of Component Unit Without Separately Presented Financial Statements - E-911 Authority:</b>	
Balance sheet – Component Unit – E-911 Authority .....	D-46
Statement of Revenues, Expenditures and Changes in Fund Balance – Component Unit – E-911 Authority .....	D-47
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – Component Unit - E-911 Authority .....	D-48

**STATISTICAL SECTION**

**Government-Wide Information:**

Table 1	Net Assets by Component .....	E-2
Table 2	Changes in Net Assets.....	E-4
Table 3	Fund Balances, Governmental Funds .....	E-6
Table 4	Changes in Fund Balances, Governmental Funds.....	E-8
Table 5	Assessed Value and Actual Value of Taxable Property .....	E-10
Table 6	Direct and Overlapping Property Tax Rates .....	E-12
Table 7	Principal Property Tax Payers.....	E-14
Table 8	Property Tax Levies and Collections .....	E-15
Table 9	Ratios of Outstanding Debt.....	E-16
Table 10	Computation of Direct and Overlapping Debt .....	E-18
Table 11	Legal Debt Margin Information.....	E-21
Table 12	Demographic and Economic Statistics .....	E-22
Table 13	Principal Employers .....	E-23
Table 14	Full-time Equivalent County Government Employees by Function/Program .....	E-24
Table 15	Operating Indicators by Function/Program .....	E-25
Table 16	Capital Assets Statistics by Function/Program .....	E-26

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JANET J. KENNEDY, CPA  
*Director*

June 21, 2012

To the Board of County Commissioners and to the  
Citizens of Arapahoe County, Colorado:

The Comprehensive Annual Financial Report of Arapahoe County, Colorado, for the fiscal year ended December 31, 2011, is hereby submitted.

This report includes information on the financial activities of the Arapahoe County (hereafter referred to as the County). Management assumes full responsibility for the completeness and reliability of the information contained in this report. To provide a reasonable basis for making these representations, the County has established internal controls that are designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with Generally Accepted Accounting Principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB). Because the cost of internal controls should not outweigh their benefits, the County's internal controls have been designed to provide reasonable assurance that the financial statements will be free from material misstatements. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the County. All required disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

Arapahoe County financial statements have been audited by Clifton Larson Allen LLP, a firm of licensed Certified Public Accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of Arapahoe County present fairly, in all material respects, the financial position of the County. The independent auditors have issued an unqualified ("clean") opinion on Arapahoe County's financial statements for the year ended December 31, 2011. The independent auditor's report is presented as the first component of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

### **Profile of Arapahoe County**

Arapahoe County, incorporated in 1902, is located in the north central part of the State. The County is located in the southeastern portion of the Denver metropolitan area and covers approximately 850 square miles. Arapahoe County, with the county seat located in the City of Littleton, is the third largest county in the State of Colorado with a population of about 582,000. A majority of residents live in the urbanized western part of the County, while other residents live in the rural, rolling farmlands to the east. The County contains all or part of the following cities and towns: Aurora, Bennett, Bow-Mar, Centennial, Cherry Hills Village, Columbine Valley, Deer Trail, Englewood, Foxfield, Glendale, Greenwood Village, Littleton and Sheridan. There are also nine school districts and about 330 local improvement and service districts within the County.

A five-member Board of County Commissioners (BOCC) serves as the legislative, policy-making and administrative body governing the unincorporated area of the County. The Commissioners serve full time and manage the operations of the County on a daily basis. The County does not have a County Manager or Administrator. The Commissioners are elected from individual districts within the County. The Board currently includes:

**Comprehensive Annual Finance Report (CAFR) Transmittal**

Susan Beckman (Chair Pro Tem) .....	District 1
Nancy Sharpe (Chair) .....	District 2
Rod Bockenfeld .....	District 3
Nancy Jackson .....	District 4
Bill Holen .....	District 5

Departments overseen by the Board of County Commissioners include: BOCC Administration, Communication Services, Community Resources, County Attorney, Facilities and Fleet Management, Finance, Human Resources, Human Services, Information Technology, Public Works and Development and Open Space.

In addition to the BOCC there are six elected officials that serve the County in specific areas. These positions are independent of the BOCC in their duties. The BOCC does have budgetary oversight for these departments.

Corbin Sakdol .....	Assessor
Sue Sandstrom .....	Treasurer
Dr. Michael Dobersen .....	Coroner
Nancy A. Doty .....	Clerk and Recorder
Carol Chambers .....	District Attorney
J. Grayson Robinson .....	Sheriff

The Public Trustee is appointed by the Governor and is responsible for processing transactions related to real property located within the County including the release of deeds and the processing of foreclosures. This office is a fiscally separate and independent agency.

**Budget Process**

The budget helps to ensure that the County's financial strength and integrity continue to be maintained and enhanced. The budget also supports continuous customer service efforts to foster efficiency, cost effectiveness, and excellence in the provision of services to the Citizens of Arapahoe County.

The County constructs its budget on a calendar year as required by Part 1 of Article 1 of Title 29 of the Colorado Revised Statutes, which governs the budget process of Colorado counties. On or before August 15th, elected officials and department directors submit revenue estimates and expenditure requests to the Budget Division of the Finance Department. On or before August 25 of each year, the County Assessor submits the current total assessed valuations for all taxing entities in the County and the factors needed to compute the statutory property tax revenue limits. Based on this information and following a review process, the Budget Division submits a recommended balanced budget to the Board of County Commissioners through the Executive Budget Committee on or before October 15. The Executive Budget Committee is composed of selected representatives from the elected officials and department directors who review preliminary budget issues and requests and present their recommendations to the Board of County Commissioners. The County currently prepares budgets on an annual basis.

All mill levies must be certified by the BOCC on or before December 22nd of each year. Prior to the beginning of the next fiscal year, the BOCC enacts a budget adoption resolution and an appropriating resolution to approve the total budget and departmental expenditures. The BOCC may make no contract and no liability against the County can be created by any County officials unless an appropriation has been made.

In addition, neither the BOCC nor any County official can expend money for any of the purposes set out in the appropriation resolution in excess of the amount appropriated. In the case of an emergency or a contingency that was not reasonably foreseeable, the BOCC may authorize the expenditure of funds in excess of the budget by a resolution adopted by a majority vote.

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## **Comprehensive Annual Finance Report (CAFR) Transmittal**

### **Local Economy**

The condition of the national and local economy has an impact on the financial condition of Arapahoe County. Growth in residential and non-residential new construction, the real estate market, employment, consumer spending, and inflation all play a role in the local economy.

The national economy has begun a gradual recovery from the recession of 2007-2009 but is not growing at a rate similar to other recent recoveries. National economic growth, as measured by gross domestic product (GDP), has been slowly expanding since mid-2009 and was 3.0% in 2011 and forecasted to be 2.1% for 2011 and 2.0% for 2012. The unemployment rate has remained high during the recovery as discouraged workers re-enter the workforce and job creation has been slow. Unemployment is expected to decline slowly over the next few years. The construction and real estate markets have been hit hard by foreclosures, banking problems, high inventory, low consumer confidence and the lack of ability to secure lending. Inflation is expected to be moderate through 2012 although current increases in food and gas prices could have an impact.

The Colorado economy has suffered from the recent recession but the impact has not been as bad as the nation as a whole. Unemployment has climbed to about 8.6% by the end of 2011, still lower than the national average. Colorado unemployment is forecast to stay above 8.0% until 2014. Further contraction or very low levels of activity were seen for residential and nonresidential construction in 2011. For 2012, the County experienced a drop in assessed values of 7.0% with the actual value of property declining 6.2%. This will hold County property tax revenues relatively flat over the coming years. Colorado's more diverse economy during this recession has allowed a milder downturn than other states. Retail sales have started to slowly rebound in Colorado. Overall, a gradual recovery with ups and downs in economic data is projected for both Colorado and the nation and this will continue to impact revenues and expenditures through an increased need for services and stagnant or lower growth in revenues.

### **Long-term financial planning**

The County currently projects revenues, expenditures and available fund balances for 5 year periods to help determine its financial position and plan for the future. It is the County's intent each year to structurally balance the General Fund operating budget, meaning that budgeted ongoing expenditures do not exceed budgeted ongoing revenues, without the use of fund balance. The available fund balance at the end of one year can then be used to budget for capital projects and other one-time uses in the following year.

The Executive Budget Committee, after a thorough review of the County's financial position, has set five priorities when planning for the future.

- Structurally balancing the General Fund operating budget
- Continuing the County's capital program through the use of one-time funds
- Capturing efficiencies in the operating budget
- Preserving the investment in County staff through a total compensation philosophy
- Understanding and adapting to the current fiscal environment

For 2011 the County has planned on \$10.1 million in capital improvements. \$1.25 million has been budgeted for the Peoria Service Center Project. Another \$1.1 million has been budgeted for the renovation of Arapahoe Plaza. Various improvements at the Arapahoe county Justice Center will be about \$1.67 million. Also, \$4.0 million will be spent on various infrastructure projects.

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## **Comprehensive Annual Finance Report (CAFR) Transmittal**

### **Preparing for the Future and Uncertain Economic Conditions**

The recent recession and the prospects for a slow recovery greatly influence the budget decisions of the Board of County Commissioners and the Executive Budget Committee. The slow economic recovery has resulted in many of the County's revenues continuing to show declining growth and in many cases, revenues are still declining over prior year collections. On the expenditure side, there is continued upward cost pressure from employee benefits and the prices of commodities and materials without a corresponding increase in revenues to offset these increases. However, over the last few years, the Executive Budget Committee and the Board of County Commissioners have made efforts to contain costs and limit expenditure growth where possible and have continued to do so in the 2012 budget.

Property tax is the largest source of revenue for the County and the General Fund, and is a large source of revenue for several other funds. The growth of property taxes is limited by both the local economy and by the provisions of the Taxpayer's Bill of Rights, or TABOR. For 2012, a decline in both residential and nonresidential property values results in very small growth in property tax revenue with all of the growth attributable to the amount of refunds and abatements of property taxes which the County is allowed to collect. Permit fees and charges applied to planning and building activities have also been impacted by the economic downturn. New construction for both residential and non-residential projects are at much lower levels now than prior to the recession and are not showing signs of a significant rebound. Revenues for planning and building related areas are not expected to increase from the low levels of 2011 for the foreseeable future.

Revenues for the Clerk & Recorder's Office are expected to decrease in 2012 due to projected declines in motor vehicle related revenues. A large source of revenue for the County is specific ownership tax applied to motor vehicles. This revenue has stopped growing and the expectations for the next few years are flat. The economic downturn has also held interest rates at historically low levels and the County's interest earnings are impacted as a result.

The Board of County Commissioners and the Executive Budget Committee was mindful of the uncertainty of the economy and therefore recommended a budget that contained a small operating surplus in the General Fund. This operating surplus would serve as a buffer against flat or declining property tax revenues and provide a reasonable head start on any budget reduction measures that may need to be implemented if such an impact occurs. This potential decline in growth and the prospect of further declines reinforced the County's commitment to structurally balancing its budget.

### **Awards and Acknowledgements**

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

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, the contents of which conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

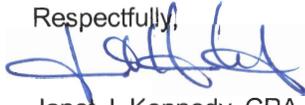
A Certificate of Achievement is valid for a period of one year only. Arapahoe County has received a Certificate of Achievement for the last twenty-three consecutive years (fiscal years ended 1987 – 2010). We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA.

## Comprehensive Annual Finance Report (CAFR) Transmittal

I would like to express my appreciation to the Accounting Manager, Steve Oliver, Sr. Accountant Lynn Obremski and the department accountants and analysts: Tammy Smith, Dennis Palamet, Sandra Gronquist, Amber Skaggs, Loren Kohler, Zada Cunningham, and Mary Lokatys who contributed greatly to the audit and the preparation of the CAFR. Their professionalism, dedication, and efficiency made the preparation of this report possible. Jon Rajewich, Ann Jagow, Mary Lisa Bugel, and Debbie McCarty also deserve recognition for their outstanding work in managing the County's financial system (SAP). I would also like to thank each of the Department Directors, Elected Officials and their staff for their cooperation allowing our staff to successfully account for, monitor and report on the financial activity of Arapahoe County.

Finally, I wish to thank the Board of County Commissioners for their leadership and support, without which the preparation of this report and the continued success of the Finance Department would not be possible.

Respectfully,



Janet J. Kennedy, CPA  
Director of Finance  
Arapahoe County, Colorado

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Arapahoe County  
Colorado

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

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



*Linda C. Davison*

President

*Jeffrey R. Emer*

Executive Director

# ARAPAHOE COUNTY, COLORADO

## LIST OF PRINCIPAL OFFICERS

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### Board of County Commissioners (BOCC)

---

Susan Beckman ..... District 1, Chair Pro Tem  
Nancy N. Sharpe ..... District 2, Chair  
Rod Bockenfeld ..... District 3  
Nancy Jackson ..... District 4  
Bill L. Holen ..... District 5

### Elected Officials Other Than BOCC

---

Corbin Sakdol ..... Assessor  
Nancy A. Doty ..... Clerk and Recorder  
Dr. Michael Dobersen ..... Coroner  
Carol Chambers ..... District Attorney  
J. Grayson Robinson ..... Sheriff  
Sue Sandstrom ..... Treasurer

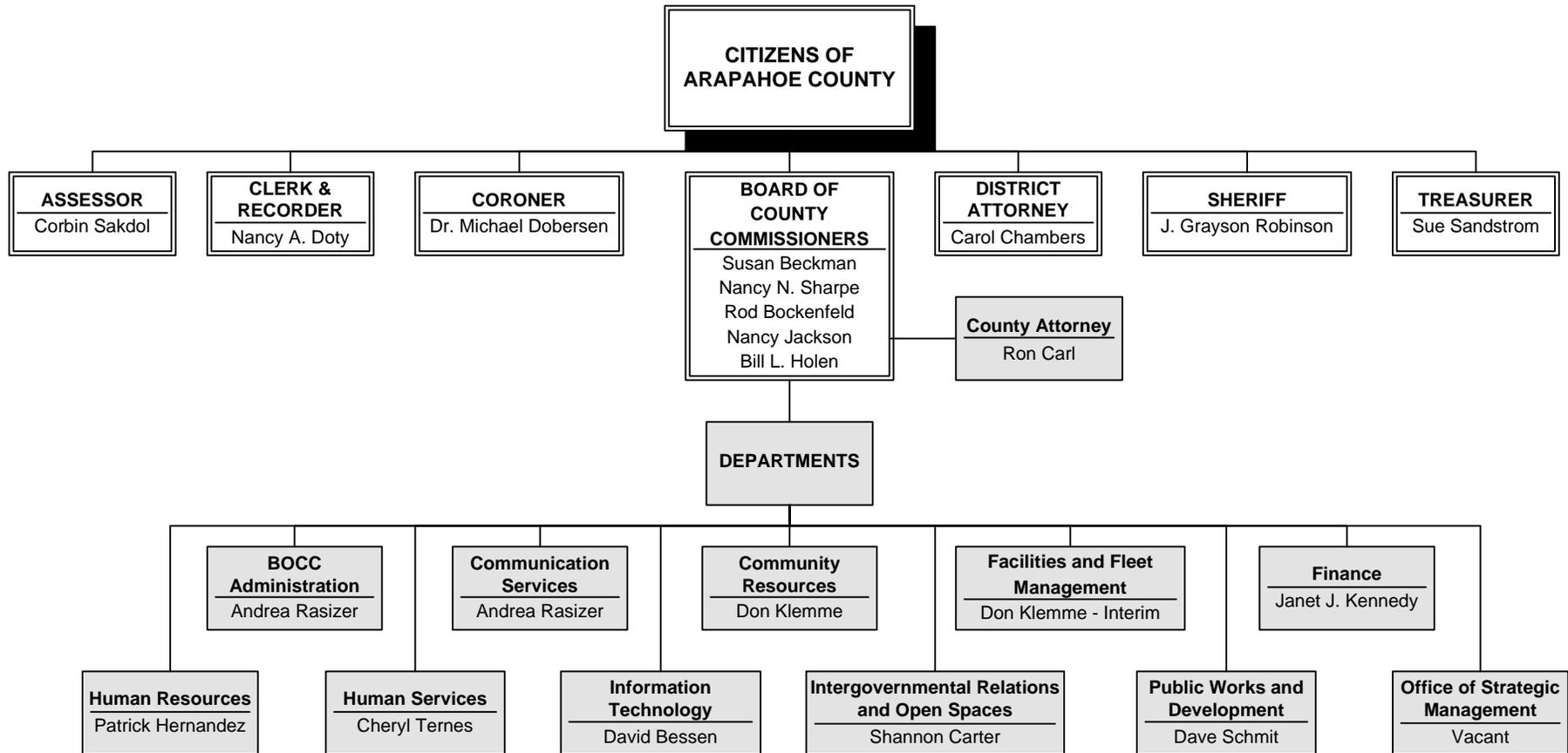
### Department Directors

---

Andrea Rasizer ..... BOCC Administration and Communication Services  
Don Klemme ..... Community Resources  
Ron Carl ..... County Attorney  
Don Klemme, Interim ..... Facilities and Fleet Management  
Janet J. Kennedy ..... Finance  
Patrick Hernandez ..... Human Resources  
Cheryl Ternes ..... Human Services  
David Bessen ..... Information Technology  
Shannon Carter ..... Intergovernmental Relations and Open Spaces  
Dave Schmit ..... Public Works & Development

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# ARAPAHOE COUNTY GOVERNMENT ORGANIZATIONAL CHART



A-8





## Independent Auditor's Report

The Board of County Commissioners  
Arapahoe County, Colorado

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Arapahoe County, Colorado (the County) as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of either Arapahoe County Airport Authority or Arapahoe County Water and Wastewater Authority, both of which are discretely presented component units of the County. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Arapahoe County Airport Authority and Arapahoe County Water and Wastewater Authority, is based solely on the reports of such other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Of the discretely presented component units, only the financial statements of E-911 Authority and Arapahoe County Airport Authority were audited in accordance with *Government Auditing Standards*. 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 opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of December 31, 2011, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund, the Social Services Fund and the Open Spaces Sales Tax Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2012 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That

report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension disclosures on pages B-3 through B-16 and C-62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. 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 supplementary information, combining and individual fund financial statements and schedules and the statements of component units without separately issued financial statements, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section and statistical section listed in the table of contents 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.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
June 21, 2012

# ARAPAHOE COUNTY, COLORADO

## MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2011

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### INTRODUCTION

In this Management's Discussion and Analysis (MD&A) section of the Comprehensive Annual Financial Report (CAFR), we provide readers with a narrative overview and analysis of the financial activities of Arapahoe County, Colorado, for the fiscal year ended December 31, 2011. When analyzing financial activities of the current fiscal year, it is useful to compare current fiscal year information with comparable information of the previous fiscal year. This discussion and analysis is also intended to serve as an introduction to the County's basic financial statements. We encourage readers to consider the information presented here in conjunction with the information presented in the letter of transmittal and basic financial statements to enhance their understanding of the County's financial activity and performance.

### OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The Basic Financial Statements are comprised of three components: Government-wide Financial Statements, Fund Financial Statements and Notes to the Financial Statements

In addition to the basic financial statements, this annual report also contains other supplementary schedules and information and a statistical section.

#### Government-wide Financial Statements

The Government-wide Financial Statements are designed to provide readers with a long-term and broad overview of the County's finances as a whole in a manner similar to a private sector business. The Government-wide Financial Statements use an economic resource measurement focus and the full accrual basis of accounting to present this long-term and broad overview of financial position and activities in the Statement of Net Assets and the Statement of Activities. Therefore, certain expenditures that are recorded in the governmental fund financial statements are deferred or capitalized and amortized or depreciated in the Government-wide Financial Statements. Long-term liabilities and revenues and related assets not reported in fund financial statements are recorded in the Government-wide Financial Statements independent of the cash flows related to these items. Fiduciary fund assets held by a governmental entity for other parties either as trustee or agent are not included in the Government-wide Financial Statements because they cannot be used to finance the governmental entity's own operating programs.

The Statement of Net Assets presents the financial position of the County as a whole at the end of the fiscal year by presenting information on all of the County's assets and liabilities. The difference between the County's assets and liabilities is reported as net assets. Over time, increases or decreases in net assets serve as a useful indicator of whether the County's financial position is improving or deteriorating. If the County's net assets have increased, the financial position of the County has improved. If the County's net assets have decreased, the financial position of the County has deteriorated. The Statement of Activities shows why the financial position of the County as a whole has changed since the beginning of the fiscal year by presenting information showing how the government's net assets have changed during the fiscal year. In the Statement of Activities, all changes in net assets are reported as soon as the underlying economic event giving rise to the change occurs, regardless of the timing of related cash flows.

The Government-wide Financial Statements not only include Arapahoe County, the general purpose government, but also legally separate and special purpose governmental entities, for which Arapahoe County is financially accountable and with which Arapahoe County has a significant relationship. These legally separate and special purpose governmental entities are known as component units.

The financial activity of component units that can be objectively viewed as an extension of the general purpose government because their governing bodies are substantively the same or because the component unit provides services exclusively or almost exclusively to or for the benefit of the general purpose government are blended into the financial statements of the local government. When the component unit's financial activities are blended, the activities are presented as if they were executed by the general local government and balances of the blended component unit's financial statements are

## ARAPAHOE COUNTY, COLORADO

### MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

December 31, 2011

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merged with the similar balances of the general purpose local government in a manner that prevents the balances of the blended component unit and the local primary government from being separately identified. The merged financial statements of the blended component units and the general-purpose government are identified in the Government-wide Financial Statements as the primary government. The following component units have been blended into the Arapahoe County primary government in the Government-wide Financial Statements:

- Arapahoe County Building Finance Corporation
- Arapahoe County Law Enforcement Authority
- Arapahoe County Housing Authority
- Arapahoe County Recreation District
- Arapahoe County Water and Wastewater Public Improvement District

The financial information for component units that cannot be appropriately blended into the financial statements of the primary government are presented separately from the financial information presented for the primary government as discrete component units of Arapahoe County in the Government-wide Financial Statements. The following component units have been presented as discrete component units in the Arapahoe County Government-wide Financial Statements:

- E-911 Authority
- Arapahoe County Airport Authority
- Arapahoe County Water and Wastewater Authority

Complete financial statements of the individual component units can be obtained from their respective administrative offices. Addresses and other additional information about the County's component units are presented in the notes to the financial statements.

On the Statement of Net Assets, columns are used to separate the financial information of the primary government and the discretely presented component units. On the Statement of Activities, both columns and rows are used to separate the financial information of the primary government and the discretely presented component units.

The Government-wide Financial Statements can be found on pages C-1 to C-3 of this annual report.

#### **Fund Financial Statements**

A fund is a fiscal and accounting entity with a self-balancing set of accounts used to record financial resources with related liabilities and residual equities segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. Arapahoe County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related regulations, requirements, restrictions or limitations. All of the funds of Arapahoe County can be divided into three categories:

- Governmental Funds
- Proprietary Funds
- Fiduciary Funds

**Governmental Funds** - Governmental funds are used to account for essentially the same functions reported as governmental activities in the Government-wide Financial Statements. However, because Governmental Fund Financial Statements measurement focus is on near-term inflows and outflows of current financial resources, as well as on balances of current financial resources available at the end of the fiscal year, these financial statements provide information about the ability of the fund to finance current activities and operate within the planned appropriations and budgets. Such information may be useful in evaluating a government's ability to meet its near-term financing and appropriation related requirements. All current financial resources contained in a governmental fund, other than the general fund, are available only for carrying on the specific activities or attaining the certain objectives in accordance with special regulations, restrictions or limitations related to the purpose for which these

## ARAPAHOE COUNTY, COLORADO

### MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

December 31, 2011

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funds were created. Therefore, all of the current financial resources contained in these governmental funds are considered to be assigned to the purpose for which the fund was created. The General Fund is used to account for all governmental fund activities that are not specifically accounted for in the other governmental funds. Therefore, the General Fund is the only governmental fund that contains unassigned funds in addition to assigned funds in its fund balance.

Current financial resources, the measurement focus of Governmental Fund Financial Statements, are cash and near-cash assets reduced by short term debt (spendable/appropriable resources) that are available during the fiscal year and soon enough after the end of the fiscal year to financially support the purpose of carrying on specific activities or attaining certain objectives in accordance with the special regulations, restrictions or limitations that define the fund.

Governmental fund accounting uses the modified accrual basis of accounting. This basis of accounting records and reports the inflows and outflows of current financial resources (spendable/appropriable resources) under the special regulations, restrictions or limitations that define the fund. By focusing on current financial resources, modified accrual accounting provides additional information related to the regulations, restrictions or limitations that define the fund and emphasizes the need for short term financing and the generation of spendable resources.

Because the focus of Fund Financial Statements is narrower than that of the Government-wide Financial Statements, it is useful to compare the information presented for governmental funds in Fund Financial Statements with similar information presented for governmental activities in the Government-wide Financial Statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. A reconciliation of the Total Governmental Fund Balances in the Fund Financial Statements balance sheets to the Net Assets of Governmental Activities in the Government-wide Financial Statements is provided following the Balance Sheet of Government Funds in the Fund Financial Statements. A reconciliation of the Net Change in Fund Balances - Total Governmental Funds in the Fund Financial Statements to the Change in Net Assets of Governmental Activities in the Government-wide Financial Statements is provided following the Statement of Revenues, Expenditures and Changes in Fund Balances in the Fund Financial Statements. These reconciliations provide explanations of differences between these balances and facilitate an understanding of the differences between the measurement focuses and bases of accounting used as the basis of preparing the Fund Financial Statements and the Government-wide Financial Statements.

In this annual report, the County reports on twenty-four individual governmental funds. Information is presented separately in the Fund Financial Statements for the General Fund, Social Services Fund, and the Open Space Fund, all of which are considered to be major funds. Individual Fund Balance Sheets and Statements of Revenues, Expenditures and Changes in Fund Balance are presented for each of these major funds in the Fund Financial Statements included in the Basic Financial Statements section of this annual report. Financial information for the other twenty-one governmental funds is combined into a single, aggregated presentation as Other Governmental Funds in the Fund Financial Statements in the Basic Financial Statements section of this annual report.

The Basic Governmental Fund Financial Statements can be found on pages C-4 to C-13 of this annual report. Financial information related to the individual non-major funds is provided on pages D-1 to D-36 in the Combining Financial Statements and Schedules section of this annual report.

**Proprietary Funds** - Fund Financial Statements contain two types of proprietary funds, enterprise funds and internal service funds.

Enterprise funds are used to report any activity for which a fee is charged to external users for goods or services. Arapahoe County does not use enterprise funds.

## ARAPAHOE COUNTY, COLORADO

### MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

December 31, 2011

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Internal Service funds are used to report any activity that provides goods and services to other funds of the primary government or component units on a cost reimbursement basis. Arapahoe County uses five internal service funds to account for the following activities: the accumulation and allocation of equipment and materials costs, employee benefit, and self-insurance activities. The measurement focus for internal service funds is economic resources and the basis of accounting used for Internal Service Funds is full accrual accounting. Since internal service fund activities benefit governmental activities; they have been included in the governmental activities in the Government-wide Financial Statements.

The total of the five internal service funds is combined into a single, aggregated presentation as Governmental Activities – Internal Service Funds in the Fund Financial Statements in the Basic Financial Statements section of this annual report. Financial information related to the individual internal service funds is provided on pages D-37 to D-43 in the Combining Financial Statements and Schedules section of this annual report.

The Internal Service Fund Financial Statements can be found on pages C-14 to C-16 of this annual report.

**Fiduciary Funds** - Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary Funds are not included in the Government-wide Financial Statements because the resources of these funds are not available to support Arapahoe County's programs or operations. Arapahoe County uses four fiduciary funds, one trust fund and three agency funds.

The trust fiduciary fund is used to account for the activities of the Arapahoe County Retirement Trust in the Fund Financial Statements in the Basic Financial Statements section of this annual report. The measurement focus for the trust fiduciary fund is economic resources and the basis of accounting used for trust fiduciary fund is full accrual accounting.

The total of the three agency funds are combined into a single, aggregated presentation as Agency Funds - Total in the Fund Financial Statements in the Basic Financial Statements section of this annual report. The Agency Funds – Total presentation does not include a statement presenting the activities that change the agency funds net assets as part of the Basic Financial Statements. The basis of accounting for the agency funds is full accrual accounting. Financial information related to the individual agency funds is provided on pages D-44 and D-45 in the Combining Financial Statements and Schedules section of this annual report.

A Statement of Fiduciary Net Assets is presented in the Fund Financial Statements for both the Arapahoe County Retirement Trust and the Total Agency Funds. A Statement of Changes in Fiduciary Net Assets is presented for only the Arapahoe County Retirement Trust in the Fund Financial Statements. The Fiduciary Fund Financial Statements can be found on pages C-17 and C-18 of this annual report.

#### **Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the financial information provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages C-20 through C-59 of this annual report.

#### **Budgetary Comparisons**

Arapahoe County adopts an annual appropriation budget for all of its governmental funds. A budgetary comparison statement has been provided for the General Fund and all major Special Revenue Funds on pages C-11 to C-13 of this annual report. Budget-to-actual comparisons for each of the remaining governmental funds are provided on pages D-16 to D-36 in the Combining Financial Statements and Schedules Section of this annual report.

**ARAPAHOE COUNTY, COLORADO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**December 31, 2011**

**CHANGES IN THE GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**Condensed Statement of Net Assets**

The following table provides a condensed comparative presentation of Arapahoe County's Government-wide Statement of Net Assets for the primary government for 2011 and 2010.

	<b>2011</b>	<b>2010</b>
<b>Assets</b>		
Current and Other Assets	\$352,303,796	\$ 354,943,309
Capital Assets	856,657,801	851,081,476
Total Assets	<u>1,208,961,597</u>	<u>1,206,024,785</u>
<b>Liabilities</b>		
Current and Other Liabilities	180,537,879	172,134,388
Long-term Liabilities	254,473,201	253,854,996
Total Liabilities	<u>435,011,080</u>	<u>425,989,384</u>
<b>Net Assets</b>		
Invested in Capital Assets, Net of Related Debt	642,290,143	628,465,040
Restricted	37,691,869	35,276,618
Unrestricted	93,968,505	116,293,743
Total Net Assets	<u>\$773,950,517</u>	<u>\$ 780,035,401</u>

**Condensed Statement of Activities**

The following table provides a condensed comparative presentation of Arapahoe County's Government-wide Statement of Activities for the primary government for 2011 and 2010.

	<b>2011</b>	<b>2010</b>
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 42,625,497	\$ 44,272,657
Operating Grants and Contributions	72,671,687	74,383,770
Capital Grants and Contributions	1,209,313	901,695
General Revenues:		
Property Taxes	134,792,665	132,748,945
Sales Tax	17,568,252	17,358,730
Other Taxes	7,819,588	8,243,151
Investment Income	2,337,311	3,672,457
Build America Bonds Credit	1,158,381	-
Other Revenues	8,741,330	8,809,737
Total Revenues	<u>288,924,024</u>	<u>290,391,142</u>
<b>Expenses</b>		
General Government	66,121,995	65,620,965
Public Safety	76,142,197	75,458,627
Judicial Services	12,223,389	12,614,228
Health & Welfare	83,747,155	84,731,102
Highway & Streets	27,133,757	23,960,428
Water & Wastewater	3,517,485	3,273,817
Airport	365,938	365,552
Culture & Recreation	14,261,422	14,268,965
Interest on Long-term Debt	11,495,570	10,704,678
Total Expenses	<u>295,008,908</u>	<u>290,998,362</u>
<b>Decrease in Net Assets</b>	<u>(6,084,884)</u>	<u>(607,220)</u>
<b>Net Assets - January 1</b>	<u>780,035,401</u>	<u>778,400,121</u>
<b>Net Assets - January 1 Restated</b>	<u>-</u>	<u>780,642,621</u>
<b>Net Assets - December 31</b>	<u>\$ 773,950,517</u>	<u>\$ 780,035,401</u>

## ARAPAHOE COUNTY, COLORADO

### MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

December 31, 2011

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#### ANALYSIS OF THE GOVERNMENT-WIDE FINANCIAL POSITION AND RESULTS OF OPERATIONS

##### Analysis of Government-wide Financial Position

Net assets is the amount by which a government's assets exceed its liabilities at the end of the fiscal year. As of December 31, 2011 and 2010, Arapahoe County's primary government assets exceeded liabilities by \$774 million and \$780 million respectively indicating that the net assets of the primary government (total assets less total liabilities) decreased \$6 million. This \$6 million decrease in net assets from December 31, 2010 to December 31, 2011 is composed of a decrease in Current and Other Assets of \$2.6 million (0.7%) an increase in Capital Assets of \$5.6 million (0.7%), and an increase in liabilities of \$9 million (2.1%) from 2010 to 2011.

The County's invested in capital assets, net of related debt (the original cost of the of the capital assets less depreciation to date, less any related debt used to acquire those assets), \$642.3 million (83% of net assets ) in 2011 and \$628.5 million (80.6% of net assets) in 2010, is the largest portion of Arapahoe County's primary government net assets. Capital assets include land, land improvements, bridges, water and sewer lines, roads, buildings, building improvements, leasehold improvements, vehicles, furniture and equipment. These capital assets are used to provide services or utility to citizens; consequently, they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional \$37.7 million (4.9% of net assets) in 2011 and \$35.3 million (4.5% of net assets) in 2010 represent resources that are subject to external restrictions on how they may be used. Included in this category are statutory reserves required by the State of Colorado, debt service reserves, and accumulated revenues that may only be used for specific voter-approved projects.

The remainder of the County's primary government net assets, \$94.0 million (12.1% of net assets) in 2011 and \$116.3 million (14.91% of net assets) in 2010 represents unrestricted net assets that may be used to meet ongoing obligations to citizens and creditors. The balance of unrestricted net assets at the end of 2011 decreased by \$22.3 million from the balance in unrestricted net assets at the end of 2010.

##### Analysis of Government-wide Results of Operations

Government-wide revenues for Arapahoe County were less than expenses by \$6.1 million during fiscal year 2011 while government-wide revenues for 2010 were less than expenses by \$0.6 million.

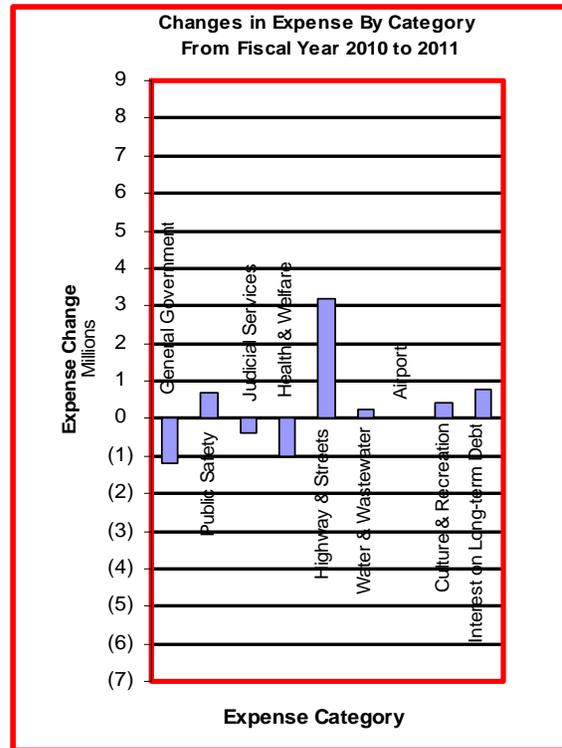
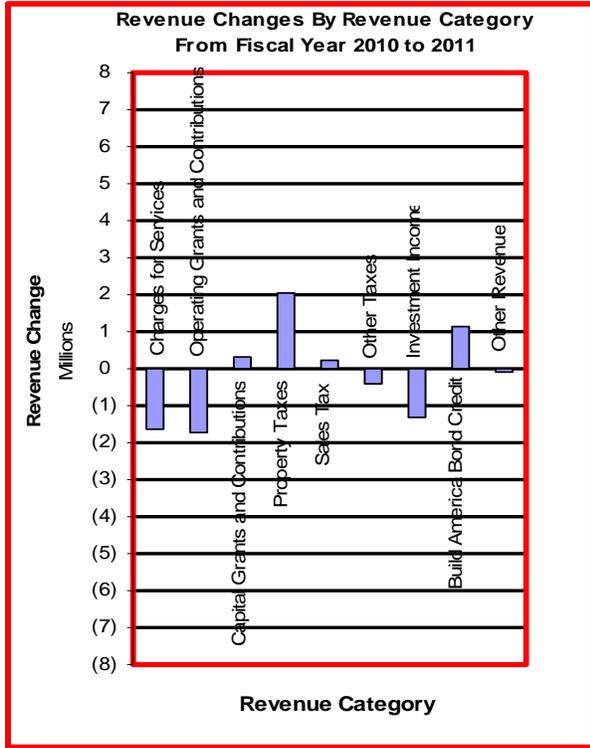
Revenues in the Government-wide Statement of Activities for 2011 decreased \$1.5 million (0.5%) from revenues for 2010, while expenses in the Government-wide Statement of Activities for 2011 increased \$4 million (1.4%) from expenses for 2010.

The changes from fiscal year 2010 to 2011 in the individual revenue and expense categories used in the condensed comparative Government-wide Statement of Activities are presented in the following bar charts:

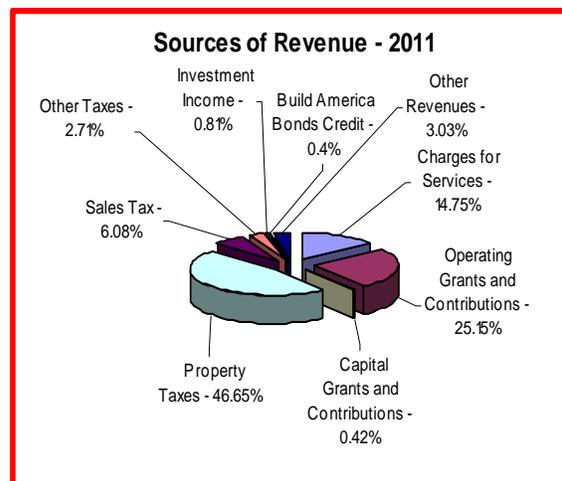
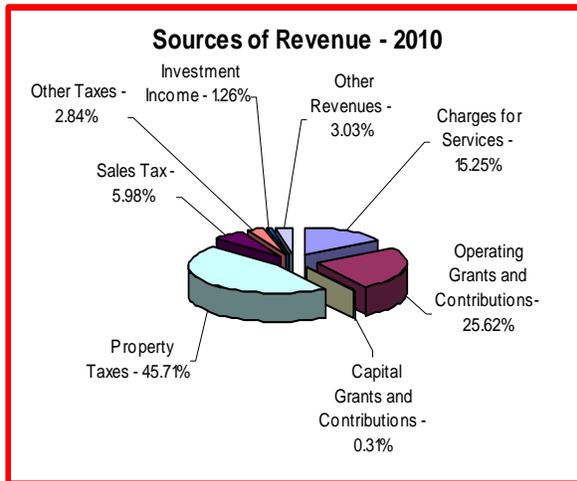
ARAPAHOE COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

December 31, 2011



A comparison of the component sources of revenue used in the condensed comparative Government-wide Statement of Activities for 2010 and 2011 is presented in the following pie charts:



The County received more donated assets in 2011 than in 2010. Donated assets increased from approximately \$0.2 million in 2010 to approximately \$0.37 million in 2011, an increase of approximately \$0.17 million. Donated assets included roads, road improvements, and rights-of-way and homeland

## ARAPAHOE COUNTY, COLORADO

### MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

December 31, 2011

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security related assets, and complement the revenues of the County because the donated assets provide service (utility) to the citizens of the County.

No revenue line items in the condensed comparative Government-wide Statement of Activities for the primary government had notable changes (changes greater than \$2 million and 10%) in their balance from fiscal year 2010 to 2011. However, a noteworthy change in the revenue line items in the condensed comparative Government-wide Statement of Activities for the primary government in 2011 was the addition of the Build America Bonds Credit revenue line item. On December 16, 2009, the Arapahoe County Water and Wastewater Public Improvement District 2009 Series A Direct Build America Bonds were issued in the amount of \$ 51,075,000 with fixed interest rates between 4.25% and 6.48%. The bonds were issued to finance the acquisition of water rights. The Arapahoe County Water and Wastewater Public Improvement District 2009 Series A Direct Build America Bonds were issued under the Build America Bond program that was designed to provide a federal subsidy for the borrowing costs of state and local governments as part of the American Recovery and Reinvestment Act of 2009. Under the Build America Bond program, the United States Treasury Department makes a direct payment to the County in an amount equal to 35 percent of the interest payment on the Build America Bonds. In 2010 and 2011, the United States Treasury Department made interest subsidy payments to the County of \$1,110,015 and \$1,158,381 respectively. During 2010, the interest subsidy was reported as a reduction of interest on long-term debt in the County's financial statements by reducing reported interest on long term debt from \$11,814,693 to \$10,704,678. During 2011, the interest subsidy was reported as Build America Bond Credit revenue in the Other Financing Sources (Uses) section of the Statement of Revenues, Expenditures and Changes in Fund Balance in the Arapahoe County Water and Wastewater PID governmental fund of the fund financial statements and the General Revenues section of the Statement of Activities in the government-wide financial statements.

The sources of revenue as a percentage of the total county revenue for the primary government varied slightly from fiscal year 2010 to 2011. The largest increase in the percentage of sources of revenue was a 0.9% increase in the percentage of property taxes. The largest decrease in the percentage of sources of revenue was a 0.5% decrease in charges for services.

Highways and Streets is the only line in the condensed comparative Government-wide Statement of Activities for the primary government had a notable change (a change greater than \$2 million and 10%) in its balance from fiscal year 2010 to 2011. The Highways & Streets expense line item increased \$3.1 million (13.2%) from \$24 million in 2010 to \$27.1 million in 2011. This increase was caused by the costs incurred by the County for its share of a major shared project with the State of Colorado involving the construction of the Arapahoe Road and Parker Road Interchange.

Expenses are generally controlled in the short run through changes in the fiscal year budgets and the maintenance of sufficient fund balance reserves to enable the government to weather periods of expense overruns and revenue short falls.

### **ANALYSIS OF BALANCES OF FUND FINANCIAL STATEMENTS**

#### **Fund Financial Statements Overview**

Arapahoe County uses fund accounting to ensure and demonstrate compliance with finance-related regulations, requirements, restrictions or limitations and to report the financial position and financial activity of the funds. Fund Financial Statements reinforce the Government-wide Financial Statements by providing additional information related to regulations, requirements, restrictions or limitations and report the financial position and financial activity of the funds. The Fund Financial Statements include Governmental Funds, Proprietary Funds, and Fiduciary Funds.

**ARAPAHOE COUNTY, COLORADO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**December 31, 2011**

**Governmental Funds**

Governmental Fund Financial Statements focus on current financial resources, cash and near-cash assets reduced by short-term debt, that is available during the fiscal year and soon enough after the end of the fiscal year to financially support the purpose of carrying on specific activities or attaining certain objectives in accordance with the special regulations, restrictions or limitations that define the fund. This information is useful in assessing the County's current financial resource requirements

At the end of fiscal year 2011, the following three major governmental funds, which are reported presented in the County's basic financial statements separately, were included in the Fund Financial Statements:

- General Fund
- Social Services Fund
- Open Space Sales Tax

The following is an analysis of the important balances of each of these major funds:

**General Fund**

This fund is the primary operating fund of the Arapahoe County Government. The General Fund's fund balance was \$41.7 million as of December 31, 2011 and \$51.3 million (as adjusted) as of December 31, 2010. For the year ended December 2011, the County discontinued reporting the Board Designated Fund and the Building Maintenance Fund as separate special revenue funds and combined the financial statement balances for these funds into the General Fund to conform with the newly issued GASB Statement 54. Therefore, the ending fund balance of the General Fund at December 31, 2010, \$32,998,077, was restated (increased) by \$18,247,061 to include the fund balances of the Board Designated Fund and the Building Maintenance Fund. The restated December 31, 2010 General Fund Balance is \$51,245,138.

As a measure of the General Fund's ability to meet its financing and revenue generating needs, it is useful to compare the assigned and unassigned fund balance at the end of fiscal year 2011 to the budgeted total program expenditures and transfers for the following fiscal year, 2012. The assigned and unassigned fund balance of the General Fund at the end of fiscal year 2011, \$36.1 million, less the budgeted use of this fund balance in 2012, \$3.5 million, is \$32.6 million which represented 20.6% of the adopted budget for General Fund total program expenditures and transfers-out for 2012, \$158.3 million, or 21.1% of the adopted budget for General Fund total program revenues and transfers-in, \$154.8 million. This indicates that approximately a 20.85% combination of budgeted revenue short falls and expenditures over budgeted expenditures could be sustained during 2012 before the liquidity of the General Fund is compromised, and use of the maintained required liquidity reserves are required.

The County's budget is prepared according to Colorado statutes. The most significant budgeted fund is the General Fund. The following is a condensed budget variance analysis for the General Fund for 2011:

General Fund Budget Variance Analysis					
	Budget			Actual	Variance
	Original Budget	Amendments	Final Budget		
Fund Balance - January 1, 2011	\$ 32,998,077	\$ -	\$ 32,998,077	\$ 32,998,077	
Revenues and Other Financing Sources	153,837,283	13,103,984	166,941,267	163,669,153	(3,272,114)
Expenditures and Other Financing Uses	157,628,024	24,659,859	182,287,883	173,151,459	9,136,424
Fund Balance - December 31, 2011	<u>\$ 29,207,336</u>	<u>\$ (11,555,875)</u>	<u>\$ 17,651,461</u>	<u>\$ 23,515,771</u>	

The General Fund Budget Variance Analysis above and the comparative analysis below do not include the budget, nor the actual balances for the Board Designated Fund and the Building Maintenance Fund. The Board Designated Fund had no budget or actual activity during 2011. The Budget to Actual Schedule of

## ARAPAHOE COUNTY, COLORADO

### MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

December 31, 2011

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Revenues, Expenditures and Changes in Fund Balance can be found in the Other Required Supplemental Information section of the Basic Financial Statements Section of the 2011 Comprehensive Annual Financial Report. The General Fund Budget Variance Analysis is for the General Fund before the Board Designated Fund and the Building Maintenance Fund balances were combined funds into the General Fund to conform to the newly issued GASB Statement 54.

In fiscal year 2011, the Board of County Commissioners originally appropriated a total of \$157.6 million for General Fund expenditures and other financing uses. This appropriated total was amended to \$182.3 million in the final budget, an increase of \$24.7 million (15.6%). The Board of County Commissioner's also originally estimated \$153.8 million of General Fund revenues and other financing sources for 2011. This estimate was revised to \$166.9 million in the final budget, an increase of \$13.1 million (8.5%). The primary reason for the increase in the General Fund revenue and expenditure budget was the purchase and build-out of the Lima Ridge Office Building Complex. Approximately \$9 million of transfers from the Debt Service Fund increasing the revenue budget and \$12 million to the Capital Expenditure Capital Project Fund increasing the expenditure budget were attributable to this construction project. A transfer of \$3.6 million from the Social Services Fund accounted for the remaining revenue budget increase, and an increase in the expenditure budget for \$6.5 million to pay the balance of a lease purchase agreement and a \$4 million transfer to the Capital Expenditure Capital Project Fund for supplemental funding of three other large capital construction projects account for most of the remaining increase in the expenditure budget.

Actual General Fund revenues and other financing sources of \$163.7 million were lower than the General Fund final budgeted revenues and other financing sources final budget, \$166.9 million, by \$3.2 million, a 1.9% variance. Actual General Fund expenditures and other financing uses of \$173.2 million were less than the General Fund final appropriated expenditures and other financing uses of \$182.3 million by \$9.1 million, a 5.0% variance.

The only large General Fund budget to actual revenue variance that occurred during 2011 was a budgetary shortfall in Investment Earnings of \$3.7 million based on an Investment Earnings budget of \$4.9 million and actual earned investment earnings of \$1.2 million. Actual investment earnings of the General Fund fell short of the investment earning budget due to the severe decreases in the interest rates over the last two years for fixed income market instruments in which the County is allowed to invest. Interest rates realized on matured and reinvested balances and newly invested balances in fixed income market instruments with both fixed and variable rates are considerably lower than the interest rates realized before the recessionary period we are currently experiencing. Low rates of return on the fixed income instruments in which the County is allowed invest are projected to remain low in the near future.

There were no notable general fund budget to actual expenditure variances in 2011.

Total expenditures in the General Fund decreased by \$1.3 million (0.9%) from \$141.1 million in fiscal year 2010 to \$139.8 million in fiscal year 2011. Variances within components of total general fund expenditures were nominal, and are not discussed further in this management discussion and analysis.

General Fund actual revenues increased by \$0.2 million (0.1%) from \$150.9 million in 2010 to \$151.1 million in 2011.

The only noteworthy change in components of general fund revenues occurred in the investment income component of the General Fund revenues. Investment income decreased 52%, from \$2.5 million in 2010 to \$1.2 million in 2011. Market conditions for fixed income instruments, to which County investments are limited, continued to decline during 2011, thus, causing the decline in interest rates and, therefore, investment performance on maturing and re-invested balances.

## ARAPAHOE COUNTY, COLORADO

### MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

December 31, 2011

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All other General Fund revenue sources, taxes, licenses and permits, intergovernmental revenues, charges for services, fines, interfund revenues and rentals, and miscellaneous income increased a total of \$1.5 million from 2010 to 2011. None of the individual increases or decreases within these revenue categories was considered significant, and is not discussed further in this management discussion and analysis.

#### **Social Services Fund**

This fund is mandated by the State of Colorado and is used to account for participation by the County in Federal and State public welfare programs. The fund balance decreased \$2.1 million (17.4%) from \$12.1 million at the end of fiscal year 2010 to \$10 million at the end of 2011. Nearly all of the \$10 million fund balance at the end of 2011 was assigned.

Revenues decreased by approximately \$2.3 million (4.7%) from \$48.9 million in 2010 to \$46.6 million in 2011. The Human Services Department was funded approximately 74.4% in 2010 and 73.2% in 2011 from State and Federal grant monies and 25.6% in 2010 and 26.8% in 2011 by County property and other taxes. Individual increases or decreases within the Federal and State revenue categories and the individual property and other taxes were not considered significant and are not discussed further in this management discussion and analysis.

Expenditures decreased \$0.6 million (1.3%) from approximately \$45.7 million in 2010 to approximately \$45.1 million in 2011. Assistance payments for community programs in Arapahoe County are administered and authorized by Arapahoe County and paid by both the State of Colorado and Arapahoe County. In 2011, payments made by Arapahoe County for community assistance programs in the County decreased by 0.6% while payments authorized by Arapahoe County for community assistance programs paid by the State of Colorado in the County decreased by 6.3%.

#### **Open Space Fund**

This fund was established to collect and preserve open space in the County. The total fund balance increased \$3.1 million from \$23.4 million in 2010 to \$26.5 million in 2011. The \$26.5 million fund balance in 2011 was fully restricted in the amount of \$26.5.

The fund collected approximately \$17.6 million in sales tax and received \$0.3 million in investment income during 2011. Other revenue sources were nominal in 2011. Revenues for 2011 remained consistent with 2010 revenues.

Expenditures decreased by approximately \$3.7 million from 2010 to 2011. The fund expended approximately \$14.9 million through grants, share back proceeds payments to incorporated municipalities and capital construction expenditures.

#### **Non Major Governmental Funds**

The total fund balance of the combined non-major governmental funds decreased by approximately \$20.7 million (25.7%); from \$80.3 million in 2010 to \$59.6 million in 2011.

This \$20.7 million decrease was partially caused by the elimination of two non-major governmental funds, the Board Designated Fund and the Building Maintenance Fund, having a fund balance at December 31, 2010 of \$16.9 million and \$1.3 million respectively. The fund balances and the accounting for the activities of these two funds were included in the General Fund because of a change in generally

## ARAPAHOE COUNTY, COLORADO

### MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

December 31, 2011

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accepted accounting principles promulgated in GASB Statement 54. The effect of eliminating these two non-major funds was to reduce the total non-major funds balance by approximately \$18.2 million, which was reported as a prior period adjustment.

The remaining \$2.5 million was primarily caused by the costs incurred by the County for its share of a major shared project with the State of Colorado involving the construction of the Arapahoe Road and Parker Road Interchange.

#### **Proprietary Funds**

There are two types of proprietary funds, enterprise funds and internal service funds. Enterprise funds are used to report the financial position and activities of funds that provide services to the public that are not provided by county governmental funds. Arapahoe County does not use enterprise funds.

Internal service funds are used to report the financial position and activities of funds that provide services to the other funds of the County. The County has only internal service funds. The internal service funds of the County are the Central Services Fund, the Liability Self Insurance Fund, the Employee Flex Benefit Fund, the Worker's Compensation Fund and the Dental Self-Insurance Fund. The net assets for the County's internal service funds increased \$0.9 million (3.3%) from \$28.4 million to \$29.3 million from fiscal year 2010 to 2011.

Of the \$29.3 million of the total net assets of the proprietary funds in 2011, \$26 million (88.7%) was the net assets of the Central Service Fund. The Central Service Fund is used primarily to allocate the cost of movable assets (primarily furniture and equipment, computers, and vehicles) to the departments of the County to fund replacement of the assets. It is also used to distribute the costs of central services (primarily postage, printing and fleet maintenance parts and fuel charges) to departments of the county. Of the \$26 million net assets in the Central Services Fund at the end of 2011, \$7.4 million was invested in capital assets (net of accumulated depreciation) and approximately \$18.1 million (71.5%) was available to replace expiring movable assets in the future.

#### **Fiduciary Funds**

Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary Funds are not included in the Government-wide Financial Statements because the resources of these funds are not available to support Arapahoe County's programs or operations. Because the resources of these funds are not available to support Arapahoe County's programs and operations, they are not discussed in this Management Discussion & Analysis.

### **ANALYSIS OF CAPITAL ASSET AND LONG TERM DEBT ACTIVITY**

#### **Capital Assets**

Arapahoe County's investment in capital assets (net of accumulated depreciation) for its governmental activities was \$851.1 million as of December 31, 2010, and \$856.7 million as of December 31, 2011. This investment in capital assets includes land and land improvements, buildings, furniture and equipment, infrastructure, and construction in progress. The County's investment in capital assets increased \$5.6 million (0.7%) during fiscal year 2011. A summary of the County's capital assets (net of depreciation) is as follows:

**ARAPAHOE COUNTY, COLORADO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**December 31, 2011**

<b>Arapahoe County Government's Capital Assets</b> (Net of Depreciation)		
	Governmental Activities	
	2011	2010
Capital Assets Not Being Depreciated:		
Land	\$ 40,911,146	\$ 38,254,169
Easements	4,322,860	4,299,775
Right of Ways	309,332,747	309,327,866
Water Rights	51,616,042	51,616,042
Construction in Progress	12,342,682	7,542,677
Total Capital Assets Not Being Depreciated	418,525,477	411,040,529
Capital Assets Being Depreciated:		
Land Improvements	3,637,940	3,101,454
Buildings and Improvements	190,101,386	186,682,652
Furniture and Equipment	9,631,636	9,877,194
Infrastructure	234,761,362	240,379,647
Total Capital Assets Being Depreciated	438,132,324	440,040,947
Total Capital Assets	\$ 856,657,801	\$ 851,081,476

The only significant capital asset event occurred during fiscal year 2011 was the County's purchase of an eight building office complex located in a population center that is more centrally located and more easily accessible to serve all of the citizens of the County. County department service offices currently located in rented facilities and other space constrained locations were located into the office complex. The cost to purchase and build out the eight building office complex was approximately \$12.3 million.

Additional information on Arapahoe County capital assets can be found in the Notes to the Financial Statements located on pages C-24 and C-25 and C-35 of this annual report.

**Outstanding Long-Term Debt**

At the end of fiscal year 2011, Arapahoe County had two bond issues, two long-term note payables, two capital certificates of participation and five capital lease purchase agreements outstanding. The capital certificates of participation were issued by the Arapahoe County Building Finance Corporation.

<b>Arapahoe County</b> <b>Summary of Outstanding Debt</b>		
	Governmental Activities	
	2011	2010
Bonds	\$ 114,445,945	\$ 114,488,463
Certificates of Participation	43,876,948	47,936,133
Long-term Notes	39,872,693	40,934,625
Lease Purchase Agreements	17,371,307	15,955,489
Total Outstanding Debt	\$ 215,566,893	\$ 219,314,710

Arapahoe County paid off its \$7.2 million Energy Conservation Equipment Leases during 2011. The County also entered into a \$9.7 million lease agreement with Banc of America Public Capital Corp. to finance the eight building office complex purchase. The County's total debt decreased \$3.8 million.

Additional information about Arapahoe County's long-term debt can be found in Note 9: Changes in Long-Term Liabilities in the Notes to the Financial Statements pages C-40 to C-46 of this annual report.

## ARAPAHOE COUNTY, COLORADO

### MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

December 31, 2011

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#### DESCRIPTION OF CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS EXPECTED TO HAVE AN EFFECT ON ARAPAHOE COUNTY'S FINANCIAL POSITION AND OPERATIONS

##### Decisions

- **General Fund Assigned and Unassigned Fund Balance.** Arapahoe County has appropriated \$3.5 million of the 2011 General Fund assigned and unassigned fund balance of \$36,098,096 for spending in the 2012 fiscal year budget.
- **Open Space Sales Tax Extension.** Arapahoe County voters approved a 0.25% sales and use tax extension. This tax will be extended 10 years to Dec. 31, 2023.
- **Property Tax Mill Levy.** The total mill levy of the Arapahoe County government, not including the blended component units, was 15.949 mills in 2011 and 17.316 mills in 2012. This total mill levy increased 1.367 mills (8.6%) from 2011 to 2012. The mill levy for both years includes the permanent Tabor base of mill levy of 15.821 plus a taxpayer approved mill levy for Tabor exempt funds for developmental disabilities of 1.000 mill plus a mill levy adjustment for refunds and abatements granted in the prior tax year.

##### Economic Condition Indicators

- **Unemployment Rate** - The unemployment rate, not seasonably adjusted, for Arapahoe County was 8.2% for year-ended 2011, which is a decrease from the rate of 8.8% for the year-ended 2010. This rate compares favorably to the Denver-metro area's unemployment rate of 8.3% and the state's unemployment rate of 8.3 % for 2011.
- **Building Permits** – Arapahoe County issues building permits for the unincorporated area of the County. The number of new single family residence construction permits issued in 2011 decreased 57% from 218 permits issued in 2010 to 93 permits issued in 2011. The number of new multi-family residential construction permits decreased from 37 permits issued in 2010 to zero permits issued in 2011. The number of new non-residential construction permits increased 6.7 % from 193 permits in 2010 to 206 permits 2011.
- **Mortgage Foreclosures** – 3,960 mortgage foreclosures occurred in the County in 2011 compared to 5,500 in 2010.

#### REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Arapahoe County's finances for those with an interest in the government's financial activities. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Janet Kennedy, Director of Finance, 5334 South Prince Street, Littleton, CO 80120-1136, (303) 795-4620.

**Arapahoe County, Colorado**  
**Statement of Net Assets**  
**December 31, 2011**

	Primary Government	Component Units		
	Governmental Activities	E-911 Authority	Arapahoe County Airport Authority	Arapahoe County Water and Wastewater Authority
<b>Assets</b>				
Cash and investments	\$ 150,844,894	\$ 9,171,512	\$ 4,377,617	\$ 17,990,423
Accounts receivable	14,984,540	378,977	842,270	1,919,630
Property tax receivable, net	136,294,303	-	-	-
Note receivable	-	-	12,659	-
Due from other governments	1,899,342	-	-	-
Inventories	517,204	-	-	-
Prepays and pension assets	118,692	-	124,553	39,905
Deferred charges	3,880,140	-	-	906,714
Restricted cash and investments	36,584,681	-	1,606,871	6,709,859
Due from component unit	7,180,000	-	-	-
Non-depreciable capital assets	418,525,477	-	24,959,039	125,270,951
Depreciable capital assets	438,132,324	1,342,325	21,035,164	43,064,443
<b>Total capital assets</b>	<b>856,657,801</b>	<b>1,342,325</b>	<b>45,994,203</b>	<b>168,335,394</b>
<b>Total assets</b>	<b>1,208,961,597</b>	<b>10,892,814</b>	<b>52,958,173</b>	<b>195,901,925</b>
<b>Liabilities</b>				
Accounts payable and other current liabilities	30,811,286	15,936	447,675	1,196,042
Accrued interest payable	1,622,331	-	56,354	635,443
Due to other governments	214,013	-	-	-
Unearned revenue	147,890,249	-	3,765	-
Noncurrent liabilities:				
Long term debt due within one year	7,977,340	-	1,874,048	2,665,267
Long term debt due in more than one year	218,675,626	-	6,926,678	130,655,906
Net pension obligation	25,385,235	-	-	-
Estimated claims payable greater than one year	2,435,000	-	-	-
<b>Total liabilities</b>	<b>435,011,080</b>	<b>15,936</b>	<b>9,308,520</b>	<b>135,152,658</b>
<b>Net assets</b>				
Invested in capital assets net of related debt	642,290,143	1,342,325	37,102,390	40,899,135
Restricted for:				
TABOR reserve	5,761,232	-	-	-
Debt service	1,837,011	-	-	-
Cash in-lieu	433,362	-	-	-
Conservation	651,972	-	-	-
Open space	26,469,076	-	-	-
Other restrictions	2,539,216	-	1,606,871	-
Unrestricted	93,968,505	9,534,553	4,940,392	19,850,132
<b>Total net assets</b>	<b>\$ 773,950,517</b>	<b>\$ 10,876,878</b>	<b>\$ 43,649,653</b>	<b>\$ 60,749,267</b>

The notes to the financial statements are an integral part of this statement.

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

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government</b>				
General government	\$ 66,121,995	\$ 15,600,113	\$ 532,320	\$ 127,990
Public safety	76,142,197	25,957,155	4,335,027	-
Judicial services	12,223,389	-	-	-
Health and welfare	83,747,155	338,422	58,958,731	4,029
Highways and streets	27,133,757	361,674	8,680,840	582,094
Water and wastewater	3,517,485	-	-	-
Airport	365,938	-	-	-
Culture and recreation	14,261,422	368,133	164,769	495,200
Interest on long-term debt	11,495,570	-	-	-
<b>Total governmental activities</b>	<b>295,008,908</b>	<b>42,625,497</b>	<b>72,671,687</b>	<b>1,209,313</b>
<b>Component units</b>				
E-911	2,213,549	2,379,027	-	-
Arapahoe County Airport Authority	7,746,851	6,286,741	1,171,564	-
Arapahoe County Water and Wastewater Authority	19,767,528	17,327,857	-	3,469,314
<b>Total component units:</b>	<b>\$ 29,727,928</b>	<b>\$ 25,993,625</b>	<b>\$ 1,171,564</b>	<b>\$ 3,469,314</b>

**General revenue**

Property taxes  
Sales tax  
Other taxes  
Investment income  
Gain (loss) on sale of assets  
Build America Bonds credit  
Miscellaneous

Total general revenues

Change in net assets

Net assets - beginning

Net assets - ending

The notes to the financial statements are an integral part of this statement.

Net(Expense) Revenue and  
Changes in Net Assets

Primary Government Total	Component units		
	E-911 Authority	Arapahoe County Airport Authority	Arapahoe County Water and Wastewater Authority
\$ (49,861,572)			
(45,850,015)			
(12,223,389)			
(24,445,973)			
(17,509,149)			
(3,517,485)			
(365,938)			
(13,233,320)			
(11,495,570)			
<u>(178,502,411)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	165,478	-	-
-	-	(288,546)	-
-	-	-	1,029,643
<u>\$ -</u>	<u>\$ 165,478</u>	<u>\$ (288,546)</u>	<u>\$ 1,029,643</u>
134,792,665	-	-	-
17,568,252	-	-	-
7,819,588	-	-	-
2,337,311	145,169	78,689	78,550
-	-	84,953	(86,548)
1,158,381	-	-	2,014,866
8,741,330	-	-	-
<u>172,417,527</u>	<u>145,169</u>	<u>163,642</u>	<u>2,006,868</u>
(6,084,884)	310,647	(124,904)	3,036,511
<u>780,035,401</u>	<u>10,566,231</u>	<u>43,774,557</u>	<u>57,712,756</u>
<u>\$ 773,950,517</u>	<u>\$ 10,876,878</u>	<u>\$ 43,649,653</u>	<u>\$ 60,749,267</u>

**Arapahoe County, Colorado**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2011**

	General	Social Services	Open Spaces Sales Tax	Other Governmental
<b>Assets</b>				
Cash and investments	\$ 43,067,635	\$ 20,642,763	\$ -	\$ 61,869,099
Restricted cash and investments	62,831	-	31,217,588	5,304,262
Accounts receivable	3,201,288	1,985,098	2,987,877	6,544,093
Taxes receivable, net	94,548,630	11,542,111	-	30,203,562
Due from other funds	1,975,177	-	-	-
Prepaid items	28,289	23,791	-	66,612
Inventories	-	-	-	78,728
<b>Total assets</b>	<b>\$ 142,883,850</b>	<b>\$ 34,193,763</b>	<b>\$ 34,205,465</b>	<b>\$ 104,066,356</b>
<b>Liabilities and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 2,930,852	\$ 1,235,480	\$ 7,713,664	\$ 9,574,877
Accrued expenditures	3,634,196	1,157,236	22,725	535,494
Due to other governments	76,762	41,504	-	60
Due to other funds	-	-	-	1,975,177
Deferred revenues	94,581,688	21,755,964	-	32,361,165
<b>Total liabilities</b>	<b>101,223,498</b>	<b>24,190,184</b>	<b>7,736,389</b>	<b>44,446,773</b>
<b>Fund balances</b>				
Nonspendable	28,289	23,791	-	145,340
Restricted	5,533,967	-	26,469,076	7,311,157
Committed	-	-	-	36,424,167
Assigned	5,375,023	9,979,788	-	16,498,284
Unassigned	30,723,073	-	-	(759,365)
<b>Total fund balances</b>	<b>41,660,352</b>	<b>10,003,579</b>	<b>26,469,076</b>	<b>59,619,583</b>
<b>Total liabilities and fund balances</b>	<b>\$ 142,883,850</b>	<b>\$ 34,193,763</b>	<b>\$ 34,205,465</b>	<b>\$ 104,066,356</b>

The notes to the financial statements are an integral part of this statement.

Total  
Governmental

\$ 125,579,497  
36,584,681  
14,718,356  
136,294,303  
1,975,177  
118,692  
78,728  
\$ 315,349,434

\$ 21,454,873  
5,349,651  
118,326  
1,975,177  
148,698,817  
177,596,844

197,420  
39,314,200  
36,424,167  
31,853,095  
29,963,708  
137,752,590  
\$ 315,349,434

**Arapahoe County, Colorado**  
**Reconciliation of Total Governmental Fund Balances**  
**to the Statement of Net Assets**  
**December 31, 2011**

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

Total governmental fund balance	\$	137,752,590
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		849,217,184
Other assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		7,180,000
Other long-term assets are not available to pay current expenditures and, therefore, are deferred in the funds.		808,568
Internal service funds are used by management to charge the costs of insurance and other services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets		29,332,823
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		<u>(250,340,648)</u>
Net assets of governmental activities	\$	<u><u>773,950,517</u></u>

The notes to the financial statements are an integral part of this statement.

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**Arapahoe County, Colorado**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2011**

	General	Social Services	Open Spaces Sales Tax	Other Governmental
<b>Revenues</b>				
Taxes				
Property taxes	\$ 93,468,583	\$ 11,395,409	\$ -	\$ 29,928,674
Sales tax	-	-	17,568,252	-
Other taxes	5,721,304	707,369	-	1,390,914
Licenses and permits	4,277,675	-	-	348,667
Intergovernmental	3,050,319	34,064,768	20,532	36,778,710
Charges for services	37,192,684	37,371	90,470	2,607,088
Fines	576,033	-	-	1,611,341
Investment earnings	1,164,268	-	264,880	908,163
Interfund revenues and rentals	3,375,085	-	-	6,809
Repayment from comp unit-principal & interest	-	-	-	1,617,384
Developer contributions	-	-	-	306,191
Build America Bonds credit	-	-	-	1,158,381
Miscellaneous	2,287,038	347,765	33,511	421,641
Total revenue	<u>151,112,989</u>	<u>46,552,682</u>	<u>17,977,645</u>	<u>77,083,963</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	58,370,275	-	-	1,038,807
Public safety	60,342,406	-	-	11,914,694
Judicial services	12,099,113	-	-	-
Health and welfare	8,732,649	45,049,103	-	32,039,025
Highways and streets	-	-	-	19,904,997
Water and wastewater	-	-	-	101,224
Airport	-	-	-	850
Culture and recreation	-	-	14,358,939	715,759
Total current	<u>139,544,443</u>	<u>45,049,103</u>	<u>14,358,939</u>	<u>65,715,356</u>
<b>Capital</b>				
General government	167,057	-	-	17,840,042
Public safety	-	-	-	1,685,197
Health and welfare	39,607	-	-	34,532
Highways and streets	-	-	-	2,671,437
Culture and recreation	-	-	515,403	-
Total capital	<u>206,664</u>	<u>-</u>	<u>515,403</u>	<u>22,231,208</u>
<b>Debt</b>				
Principal	-	-	-	13,449,250
Interest	-	-	-	11,506,597
Debt issuance costs	-	-	-	48,121
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,003,968</u>
Total expenditures	<u>139,751,107</u>	<u>45,049,103</u>	<u>14,874,342</u>	<u>112,950,532</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,361,882</u>	<u>1,503,579</u>	<u>3,103,303</u>	<u>(35,866,569)</u>
<b>Other financing sources (uses)</b>				
Transfers in	12,556,164	-	-	36,922,042
Transfers out	(33,502,832)	(3,556,164)	(43,315)	(13,132,127)
Debt issued	-	-	-	9,650,000
Total other financing sources (uses)	<u>(20,946,668)</u>	<u>(3,556,164)</u>	<u>(43,315)</u>	<u>33,439,915</u>
Net change in fund balance	<u>(9,584,786)</u>	<u>(2,052,585)</u>	<u>3,059,988</u>	<u>(2,426,654)</u>
Fund balance - beginning	32,998,077	12,056,164	23,409,088	80,293,298
Prior period restatement	18,247,061	-	-	(18,247,061)
Beginning fund balance - restated	<u>51,245,138</u>	<u>12,056,164</u>	<u>23,409,088</u>	<u>62,046,237</u>
Fund balance - ending	<u>\$ 41,660,352</u>	<u>\$ 10,003,579</u>	<u>\$ 26,469,076</u>	<u>\$ 59,619,583</u>

The notes to the financial statements are an integral part of this statement.

Total  
Governmental

\$ 134,792,666  
17,568,252  
7,819,587  
4,626,342  
73,914,329  
39,927,613  
2,187,374  
2,337,311  
3,381,894  
1,617,384  
306,191  
1,158,381  
3,089,955  

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292,727,279

59,409,082  
72,257,100  
12,099,113  
85,820,777  
19,904,997  
101,224  
850  
15,074,698  

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264,667,841

18,007,099  
1,685,197  
74,139  
2,671,437  
515,403  

---

22,953,275

13,449,250  
11,506,597  
48,121  

---

25,003,968

312,625,084

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(19,897,805)

49,478,206  
(50,234,438)  
9,650,000  

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8,893,768

---

(11,004,037)

148,756,627

-  

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148,756,627

\$ 

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137,752,590

**Arapahoe County, Colorado**  
**Reconciliation of the Statement of Revenues**  
**Expenditures, and Changes in Fund Balances of Governmental Funds**  
**To the Statement of Activities**  
**For the Year Ended December 31, 2011**

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

Net change in fund balances - total governmental funds	\$ (11,004,037)
Governmental funds report capital outlays as expenditures. However, in the statements of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	5,585,804
The net effect of various miscellaneous transactions involving capital assets (i.e., sales trade-ins, and donations) is to increase net assets.	(316,970)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	808,568
The repayment of long-term debt consumes the current financial resources of governmental funds, however there is no effect on net assets.	13,449,250
Proceeds from borrowing increase the financial resources of the governmental funds but are not revenues to the government-wide financial statements.	(9,650,000)
Some revenues reported in the governmental funds have been reported in the statement of activities in prior periods.	(1,240,000)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(4,649,346)
Internal service funds are used by management to charge the costs of insurance and other services to individual funds.	<u>931,847</u>
Change in net assets of governmental activities.	<u><u>\$ (6,084,884)</u></u>

The notes to the financial statements are an integral part of this statement.

**Arapahoe County, Colorado**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Taxes				
Property taxes	\$ 95,580,103	\$ 95,580,103	\$ 93,468,583	\$ (2,111,520)
Other taxes	6,500,000	6,500,000	5,721,304	(778,696)
Licenses and permits	4,749,460	4,749,460	4,277,675	(471,785)
Intergovernmental	2,473,100	2,691,890	3,050,319	358,429
Charges for services	35,737,137	36,052,986	37,192,684	1,139,698
Fines	577,920	577,920	576,033	(1,887)
Investment earnings	4,900,500	4,900,500	1,164,268	(3,736,232)
Interfund revenues and rentals	2,647,078	2,647,078	3,375,085	728,007
Miscellaneous	671,985	685,166	2,287,038	1,601,872
<b>Total revenue</b>	<b>153,837,283</b>	<b>154,385,103</b>	<b>151,112,989</b>	<b>(3,272,114)</b>
<b>Expenditures</b>				
<b>Current</b>				
General government				
Administrative services	8,054,510	8,650,090	7,150,246	1,499,844
Assessor's Office	5,337,313	5,334,926	4,917,073	417,853
Board of County Commissioners	1,142,604	1,142,604	1,111,757	30,847
BOCC-Administration	598,725	598,725	534,211	64,514
Clerk and Recorder's Office	8,745,564	8,901,132	8,142,055	759,077
Communication Services Department	1,197,763	1,196,724	1,170,807	25,917
County Attorney	2,495,449	2,495,449	2,378,088	117,361
Facilities and Fleet Management	7,961,014	8,063,123	7,310,613	752,510
Finance	2,921,340	2,950,884	2,755,305	195,579
Human Resources	1,531,219	1,591,128	1,454,387	136,741
Information Technology	12,405,002	12,496,872	11,080,027	1,416,845
Office of Strategic Management	-	45,800	-	45,800
Public Works and Development	7,283,521	7,563,800	6,881,261	682,539
Treasurer's Office	1,947,162	1,947,162	1,805,856	141,306
<b>Total general government</b>	<b>61,621,186</b>	<b>62,978,419</b>	<b>56,691,686</b>	<b>6,286,733</b>
Public safety	62,039,811	62,913,621	60,342,406	2,571,215
Judicial services	12,099,176	12,099,176	12,099,113	63
Health and welfare	8,974,867	9,041,019	8,732,649	308,370
<b>Total current</b>	<b>144,735,040</b>	<b>147,032,235</b>	<b>137,865,854</b>	<b>9,166,381</b>
<b>Capital</b>				
Public safety	9,650	9,650	-	9,650
Health and welfare	-	-	39,607	(39,607)
<b>Total capital</b>	<b>9,650</b>	<b>9,650</b>	<b>39,607</b>	<b>(29,957)</b>
<b>Total expenditures</b>	<b>144,744,690</b>	<b>147,041,885</b>	<b>137,905,461</b>	<b>9,136,424</b>
Excess (deficiency) of revenues over (under) expenditures	9,092,593	7,343,218	13,207,528	5,864,310
<b>Other financing sources (uses)</b>				
Transfers in	-	12,556,164	12,556,164	-
Transfers out	(12,883,334)	(35,245,998)	(35,245,998)	-
<b>Total other financing sources (uses)</b>	<b>(12,883,334)</b>	<b>(22,689,834)</b>	<b>(22,689,834)</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>(3,790,741)</b>	<b>(15,346,616)</b>	<b>(9,482,306)</b>	<b>5,864,310</b>
Fund balance - beginning	32,998,077	32,998,077	32,998,077	-
<b>Fund balance - ending</b>	<b>\$ 29,207,336</b>	<b>\$ 17,651,461</b>	<b>\$ 23,515,771</b>	<b>\$ 5,864,310</b>

The notes to the financial statements are an integral part of this statement.

**Arapahoe County, Colorado**  
**Social Services**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Taxes				
Property taxes	\$ 11,658,931	\$ 11,658,931	\$ 11,395,409	\$ (263,522)
Other taxes	810,000	810,000	707,369	(102,631)
Intergovernmental	34,220,797	34,220,797	34,064,768	(156,029)
Charges for services	30,000	30,000	37,371	7,371
Miscellaneous	400,000	400,000	347,765	(52,235)
Total revenue	<u>47,119,728</u>	<u>47,119,728</u>	<u>46,552,682</u>	<u>(567,046)</u>
<b>Expenditures</b>				
<b>Current</b>				
Health and welfare	47,057,617	47,585,222	45,049,103	2,536,119
Total expenditures	<u>47,057,617</u>	<u>47,585,222</u>	<u>45,049,103</u>	<u>2,536,119</u>
Excess (deficiency) of revenues over (under) expenditures	<u>62,111</u>	<u>(465,494)</u>	<u>1,503,579</u>	<u>1,969,073</u>
<b>Other financing sources (uses)</b>				
Transfers out	<u>(14,591)</u>	<u>(3,570,755)</u>	<u>(3,556,164)</u>	<u>14,591</u>
Total other financing sources (uses)	<u>(14,591)</u>	<u>(3,570,755)</u>	<u>(3,556,164)</u>	<u>14,591</u>
Net change in fund balance	47,520	(4,036,249)	(2,052,585)	1,983,664
Fund balance-beginning	12,056,164	12,056,164	12,056,164	-
Fund balance - ending	<u>\$ 12,103,684</u>	<u>\$ 8,019,915</u>	<u>\$ 10,003,579</u>	<u>\$ 1,983,664</u>

The notes to the financial statements are an integral part of this statement.

**Arapahoe County, Colorado**  
**Open Spaces Sales Tax**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Sales tax	\$ 16,748,476	\$ 16,748,476	\$ 17,568,252	\$ 819,776
Intergovernmental	-	-	20,532	20,532
Charges for services	55,000	55,000	90,470	35,470
Investment earnings	600,000	600,000	264,880	(335,120)
Miscellaneous	-	-	33,511	33,511
Total revenue	<u>17,403,476</u>	<u>17,403,476</u>	<u>17,977,645</u>	<u>574,169</u>
<b>Expenditures</b>				
<b>Current</b>				
Culture and recreation	16,435,161	39,801,817	14,358,939	25,442,878
<b>Capital</b>				
Culture and recreation	925,000	967,432	515,403	452,029
Total expenditures	<u>17,360,161</u>	<u>40,769,249</u>	<u>14,874,342</u>	<u>25,894,907</u>
Excess (deficiency) of revenues over (under) expenditures	<u>43,315</u>	<u>(23,365,773)</u>	<u>3,103,303</u>	<u>26,469,076</u>
<b>Other financing sources (uses)</b>				
Transfers out	(43,315)	(43,315)	(43,315)	-
Total other financing sources (uses)	<u>(43,315)</u>	<u>(43,315)</u>	<u>(43,315)</u>	<u>-</u>
Net change in fund balance	-	(23,409,088)	3,059,988	26,469,076
Fund balance - beginning	23,409,088	23,409,088	23,409,088	-
Fund balance - ending	<u>\$ 23,409,088</u>	<u>\$ -</u>	<u>\$ 26,469,076</u>	<u>\$ 26,469,076</u>

The notes to the financial statements are an integral part of this statement.

**Arapahoe County Government  
Statement of Net Assets  
Proprietary Funds  
December 31, 2011**

	Governmental Activities Internal Service Funds
<b>Assets</b>	
Current assets	
Cash and investments	\$ 25,265,397
Accounts receivable	190,351
Inventory	438,476
Total current assets	25,894,224
 <b>Noncurrent assets</b>	
Capital assets	
Vehicles and equipment	30,884,739
Computer systems	8,694,979
Furniture and office equipment	107,751
Less: accumulated depreciation	(32,246,849)
Total noncurrent assets (net of accum. dep.)	7,440,620
Total assets	33,334,844
 <b>Liabilities</b>	
Current liabilities	
Accounts payable	924,983
Estimated claims payable	620,000
Flex benefits payable	22,038
Noncurrent claims payable	2,435,000
Total liabilities	4,002,021
 <b>Net assets</b>	
Invested in capital assets	7,440,620
Unrestricted	21,892,203
Total net assets	\$ 29,332,823

The notes to the financial statements are an integral part of this statement.

**Arapahoe County Government**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended December 31, 2011**

	Governmental Activities Internal Service Funds
<b>Operating revenues</b>	
Charges for sales and service	\$ 9,617,269
Total operating revenue	9,617,269
<b>Operating expenses</b>	
Cost of sales and services	5,494,282
Administration	330,594
Depreciation	3,766,192
Total operating expenses	9,591,068
Operating (loss)	26,201
<b>Nonoperating revenue (expenses)</b>	
Gain on sale of assets	149,414
Income before contributions and transfers	175,615
Transfers in	797,555
Transfers out	(41,323)
Change in net assets	931,847
Total net assets - beginning	28,400,976
Total net assets - ending	\$ 29,332,823

The notes to the financial statements are an integral part of this statement.

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

	Governmental Activities Internal Service Funds
	Funds
<b>Cash flows from operating activities</b>	
Cash received for interfund services provided	\$ 9,294,768
Cash payments for services and supplies	(5,127,436)
Net cash provided by operating activities	4,167,332
<b>Cash flows from noncapital financing activities</b>	
Transfers in from other funds	797,555
Transfers out to other funds	(41,323)
Net cash provided by non capital financing activities	756,232
<b>Cash flows from capital and related financing activities</b>	
Acquisition of property and equipment	(3,935,269)
Proceeds from sale of capital assets	250,335
Net cash used by capital and related financing activities	(3,684,934)
Net increase in cash and investments	1,238,630
Cash and investments, January 1, 2011	24,026,767
Cash and investments, December 31, 2011	\$ 25,265,397
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating (loss)	\$ 26,201
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	3,766,192
Donated Assets	(239,341)
Increase in accounts receivable	(83,160)
Increase in inventory	(59,699)
Increase in accounts payable	644,159
Increase in claims payable	123,000
Decrease in flex benefits payable	(10,020)
Total Adjustments	4,141,131
Net cash provided by operating activities	\$ 4,167,332

The notes to the financial statements are an integral part of this statement.

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

	Arapahoe County Retirement Trust	Agency Funds Total
<b>Assets</b>		
Cash and investments	\$ -	\$ 31,436,483
Restricted escrow		1,423,726
Investments:		
Money market funds and cash equivalents	1,881,464	-
Equity securities	42,157,386	-
Real estate funds	20,261,321	-
Fixed income securities	58,837,910	-
Hedge Fund	33,270,550	-
International Equity	59,618,561	-
Total cash and investments	216,027,192	32,860,209
Receivable:		
Dividends and interest	31	-
Property taxes receivable	-	599,691,774
Total assets	\$ 216,027,223	\$ 632,551,983
<b>Liabilities</b>		
Accounts payable	\$ 133,543	\$ -
Due to other governments	-	624,460,669
Other deposits payable	-	4,762,115
Warrants payable	-	3,329,199
Total liabilities	133,543	632,551,983
<b>Net Assets</b>		
Net assets held in trust for pension benefits	215,893,680	-
<b>Total Liabilities and Net Assets</b>	\$ 216,027,223	\$ 632,551,983

The notes to the financial statements are an integral part of this statement.

**Arapahoe County, Colorado**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**for the Year Ended December 31, 2011**

	Arapahoe County Retirement Trust
<b>ADDITIONS</b>	
Contributions	
Employer	\$ 6,890,012
Plan Members	6,876,724
Total Contributions	13,766,736
Investment Income	
Net Appreciation (Depreciation) in Fair Value of Investments	(6,470,805)
Interest and Dividends	2,932,935
Total Investment Income	(3,537,870)
Investment Expenses	(521,595)
Net Investment Income	(4,059,465)
Total Additions (Deletions)	9,707,271
<b>DEDUCTIONS</b>	
Benefits to Plan Members	13,905,905
Refund of Contributions	3,496,194
Administrative Expenses	437,604
Total Deductions	17,839,703
Change in Net Assets	(8,132,432)
Net Assets - Beginning of Year	224,026,112
Net Assets - End of Year	\$ 215,893,680

The notes to the financial statements are an integral part of this statement.

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**Arapahoe County, Colorado**  
**Notes to the Financial Statements**

**December 31, 2011**

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States (US GAAP) applicable to governmental entities. A summary of significant accounting policies of Arapahoe County, Colorado (the County) applied in the preparation of these financial statements follows.

**Financial Reporting Entity**

Arapahoe County was incorporated under the laws of the State of Colorado in 1902. A five-member elected Board of County Commissioners (BOCC) serves as the administrative and policy-making body of the County. Six additional elected officials govern specific functions within the County – Clerk & Recorder, Assessor, Treasurer, Coroner, District Attorney and the Sheriff. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the County's primary government. Each discretely presented component unit is reported in a separate column in the Government-wide Financial Statements (see note below for description) to emphasize that it is not, in substance, part of the primary government.

**Blended Component Units**

The County has the following component units blended into the primary government financial statements: the Arapahoe County Law Enforcement Authority, the Arapahoe County Retirement Trust Fund, the Arapahoe County Recreation District, the Arapahoe County Water and Waste Water Public Improvement District (PID), the Arapahoe County Building Finance Corporation, and the Arapahoe County Housing Authority.

**Arapahoe County Law Enforcement Authority** is a special district that provides law enforcement in the unincorporated areas of the County. The BOCC serves as the Board of the Arapahoe Law Enforcement Authority and therefore is able to impose its will on the operations of the Authority. The Authority is reported as a Special Revenue Fund.

**Arapahoe County Retirement Trust Fund** manages retirement benefits for County employees. The Retirement Fund is reported as a Pension Trust Fund.

**Arapahoe County Recreation District** provides for the operation, maintenance and improvements to parks and trails within the District. The BOCC serves as the entire board for the Recreation District and therefore makes all decisions controlling the District's activities and finances. The Recreation District is reported as a Capital Projects Fund.

**Arapahoe County Water and Wastewater Public Improvement District (PID)** was formed in November 2002. The electors in the new district also authorized the issuance of a maximum of \$165,000,000 in General Obligation Bonds to finance water and/or wastewater projects. The County Commissioners maintain control over operations and fiscal matters as they serve as the entire board of the PID. The County reports the Arapahoe County Water and Wastewater Public Improvement District (PID) as a Capital Projects Fund.

**Arapahoe County Building Finance Corporation** funds the construction of facilities that are leased to Arapahoe County Government for governmental use. The County Commissioners appoint all board members. No commissioners sit on the board. The activity of the building finance corporation is reflected in the Debt Service Fund.

**Arapahoe County Housing Authority** is a blended component unit with the same board as the County. It is referred to in this Comprehensive Annual Financial Report (CAFR) as the Community Development Fund, reported as a Special Revenue Fund. It provides housing assistance to low-income families.

# Arapahoe County, Colorado

## Notes to the Financial Statements

December 31, 2011

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All of these organizations are legally separate entities, but are part of the County financial reporting entity, because the governing bodies of the entities are substantively the same as the County and/or the entities provide services or benefits entirely or almost entirely to the County government.

### **Discretely Presented Component Units**

The Government-wide Financial Statements include financial data of the County's discretely presented component units. These units are reported in a separate column to emphasize that, while the BOCC does have the ability to impose its will on them, these entities remain separate from the primary government of Arapahoe County.

**Arapahoe County Airport Authority** – Three County Commissioners serve on the board of the Airport Authority. The Commissioners appoint two other members of the board. Together these five make up the full voting board of the Airport Authority. Douglas County BOCC appoints three other non-voting members to the board. Since the Airport Authority provides services for all citizens, not just the primary government, it is treated as a discretely presented component unit.

**Arapahoe County Water and Wastewater Authority** – The Board of County Commissioners appoints the seven members of the Board of Directors, which currently includes one County Commissioner as a member, but these boards are not substantively the same. The Authority has no statutory authority to levy any taxes to finance the issuance of general obligation debt or for general operations. The Board of County Commissioners, acting as the *ex officio* Board of Directors of the Arapahoe County Water and Wastewater Public Improvement District and pursuant to statute, has issued bonds and levied taxes to finance and build capital assets used by the Authority. The Authority provides utility services for citizens and businesses within the service area of the Authority. This component unit is separate and distinct from the Arapahoe County Water and Wastewater Public Improvement District (PID).

**E-911 Authority** - The County Commissioners appoint all five members of the Authority's board and therefore exercise significant fiscal control. None of the commissioners serve on this board. The Authority is a discrete component unit.

Complete financial reports are prepared for these component units with the exception of E-911 Authority. All financial information for these entities may be obtained at the following locations.

Arapahoe County Airport Authority  
7800 S. Peoria St.  
Englewood, CO 80112-4139

Arapahoe County Water and Wastewater Authority  
13031 E. Caley Avenue  
Englewood, CO 80111

E-911 Authority  
5334 S. Prince St.  
Littleton, CO 80120-1136

### **Government – Wide and Fund Financial Statements**

The Government-wide Financial Statements (e.g. the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

# Arapahoe County, Colorado

## Notes to the Financial Statements

December 31, 2011

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The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by the function's program revenues. A function's direct expenses are those that are clearly identifiable with the specific function or segment. A function's program revenues include charges to customers or applicants for goods and services, operating grants and contributions, and capital grants and contributions. Taxes and other revenues that are not properly included among function program revenues are reported as general revenues.

The effect of interfund activity has been eliminated from the Government-wide financial Statements. However, taxes and other charges between the functions of the government have not been eliminated. Elimination of these charges would distort the relationship of the functions' direct costs and program revenues reported in the Statement of Activities.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the Government-wide Financial Statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The Government-wide Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. The fiduciary funds are reported using the economic resource measurement focus on an accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grant awards and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Most grant reimbursements, property taxes, franchise taxes, permits, licenses, and interest associated with the current fiscal year are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. All other revenue items are considered to be measurable and available when received in cash by the County.

The County reports the following major governmental funds:

The **General Fund** is the County's primary operating fund. It accounts for all financial resources of the general government, except those that are properly accounted for in another fund.

The **Social Services Fund** is a special revenue fund that administers human services programs under state and federal regulations. This fund accounts for the financial and protective services provided to children, families, and elderly and disabled adults. The operations are funded with local property tax and other state and federal sources.

The **Open Space Fund** is a special revenue fund which accounts for the revenues received to from the 0.25% sales and use tax originally approved by the voters in 2003 for the acquisition, development, and maintenance of open space, trails, and parks. In 2011, the voters approved the extension of the program to 2023. Several

**Arapahoe County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2011**

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grants have been obtained for specific purposes in addition to monies contributed on joint projects by other entities. These monies are restricted by grant documents and contracts to be used solely for these projects.

Additionally, the County reports the following fund types:

**Internal Service Funds** that account for operations that provides services to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis. The internal service funds provide postage, oil and gas, vehicles and insurance, and provide funding for the replacement of movable fixed assets.

**Fiduciary Funds** reported by the County include an employee Retirement Trust Fund and Agency Funds.

Retirement Trust Fund – The County sponsors the Employee's Retirement Trust Fund (Trust or Plan) as a single employer defined benefit plan. All permanent, full-time employees of the County are required to become members of the plan.

Agency Funds - The County acts in a trustee capacity or as an agent on behalf of others for the agency funds. The Agency Funds are used to collect and remit taxes to other jurisdictions. The Public Trustee is an intermediary and recorder for foreclosures and releases of deeds of trust. The Inmate Sentencing Fund holds funds on behalf of inmates and is returned upon release.

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, are followed in both the Government-wide and Proprietary Fund Financial Statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the government's Internal Service Funds are charges to the entity for services. Operating expenses for Internal Service Funds include the administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Assets, Liabilities, Net Assets or Fund Balances**

**Cash**

All cash, within the Arapahoe County reporting entity, is deposited with the County Treasurer with the exception of cash held for third parties in fiduciary funds, cash held by paying agents in Internal Service Funds and cash held by certain discrete and blended component units. For the purpose of the cash flows statement, cash includes cash-on-hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The County maintains pooled cash and investments for all funds. Negative cash balances have been reclassified as interfund payables.

**Arapahoe County, Colorado**  
**Notes to the Financial Statements**

**December 31, 2011**

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**Investments**

Investments primarily consist of U.S. Treasury and agency obligations, corporate debt securities, and approved money market funds, all recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the plan with the assistance of a valuation service.

**Property Taxes**

Property taxes are not due and payable until after the assessment year has ended, and are not included in the budget or statement of revenues, expenditures, and fund balance of the assessment year. Property taxes are initially recorded as deferred revenue in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are collected.

Property taxes are levied on or before December 15th of each year and attach as an enforceable lien on the property on January 1 of the subsequent year. Taxes are payable in full on April 30th or in two installments on February 28th and June 15th. The County bills and collects its own property taxes and the taxes for various other entities. Collection and distribution of taxes to the various taxing entities is done by the 10th of every month following the month of collection by the Treasurer.

**Receivables/Payables**

All trade and property tax receivables are shown net of an allowance for uncollectibles. Property taxes receivable is shown net of an allowance for uncollectibles of 1%.

Balances that originate from current lending/borrowing arrangements between funds are referred to as "due to/from other funds." Advances are non-current lending/borrowing between funds. Advances between funds, as reported in the fund financial statements, are shown as nonspendable fund balance in applicable County funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Accounts payable are generally recorded when the obligation is incurred. Debt service and claims and judgments are recorded when they become due.

**Inventories and Prepaid Items**

Inventories of certain items are valued at cost using a weighted average method. The costs of inventories in all other governmental funds are recorded as expenditures when purchased rather than when consumed.

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

**Capital Assets**

Capital assets, which include land, buildings and improvements, furniture and equipment, construction in progress, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the Government-wide Financial Statements. Capital assets, other than infrastructure, are defined by the government as assets with an initial individual cost of \$5,000 or more. Such assets are recorded at historical cost. In the case of initial capitalization of general infrastructure assets the government chose to include all such items regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost

# Arapahoe County, Colorado

## Notes to the Financial Statements

December 31, 2011

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to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. In the case of donations the government values these capital assets at the estimated fair value of the item at the date of its donation.

Capital assets of the primary government, as well as the component units, are depreciated using the straight line method of depreciation over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
• Water Rights (Non-Tributary Only)	100
• Bridges	75
• Storm Drains	75
• Roads	40
• Buildings and Improvements	40
• Wells, Water and Sewer Mains	30
• Treatment Plants	30
• Traffic Signals	25
• Land Improvements	20
• Leasehold Improvements	20
• Furniture and Equipment	4-5
• Vehicles	3-5

### Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick leave benefits up to certain limits. There is also a policy whereby the government pays the employees, upon termination, for their allowed accumulated leave. Therefore, there is a liability on the government-wide financial statements for this unpaid accumulated leave. When the amount is actually paid upon termination the expenditure is recorded within the governmental fund.

The County also has contractual employment agreements with certain department heads. Some of these contracts contain separation agreements with compensation due at conclusion of the relationship.

### Long Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Assets. Long-term debt premiums and discounts are deferred and amortized over the term of the long-term debt. Long-term debt payable is reported net of the applicable unamortized premiums or discounts and losses on refunding. Long-term debt issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

# Arapahoe County, Colorado

## Notes to the Financial Statements

December 31, 2011

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### Fund Equity

Beginning with fiscal year 2011, the County implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. In the fund financial statements the following classifications describe the relative strength of the spending constraints.

- *Non-spendable fund balance* - The portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory) or is legally or contractually required to be maintained intact.
- *Restricted fund balance* - The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.
- *Committed fund balance* - The portion of fund balance constrained for specific purposes according to limitations imposed by the County's highest level of decision making authority, the Board of County Commissioners, prior to the end of the current fiscal year. The constraint may be removed or changed only through formal action (resolution) of the Board of County Commissioners.
- *Assigned fund balance* - The portion of fund balance set aside for planned or intended purposes. The intended use may be expressed by the Board of County Commissioners to assign funds to be used for a specific purpose. No authority has been granted beyond the Board of County Commissioners. Assigned fund balances in special revenue funds will also include any remaining fund balance that is not restricted or committed. This classification is necessary to indicate that those funds are, at a minimum intended to be used for the purpose of that particular fund.
- *Unassigned fund balance* - The residual portion of fund balance that does not meet any of the above criteria. The County will only report a positive unassigned fund balance in the General Fund.

If both restricted and unrestricted amounts of fund balance are available for use when an expenditure is incurred, it is County policy to use restricted amounts first. Unrestricted fund balance will be used in the following order; committed, assigned and unassigned.

For the year ended December 2011, the County discontinued reporting the Board Designated and the Building Maintenance funds as separate Special Revenue funds. Both of these funds are included in the General Fund per GASB Statement No. 54. As a result, the General Fund beginning fund balance was restated by \$18,247,061 to include the beginning fund balance of both the Board Designated and the Building Maintenance funds.

The Board of County Commissioners does have a formal fund balance reserve policy. This policy is adopted through resolution each year for the purpose of maintaining a satisfactory level of unappropriated fund balance reserves in order to insure a continued strong financial position within the County and to conform to the requirements of the Taxpayer's Bill of Rights. For this financial report the amount of the Board reserves that pertains to TABOR have been separated from the total and are considered Restricted per above. The remaining amount does not meet the GASB 54 requirements of a stabilization agreement. Instead, they are considered to be a minimum fund balance policy. This is considered an excellent financial practice but per GASB 54 these amounts are required to be reported as part of Unassigned Fund Balance in the General Fund and Assigned Fund Balance in any other funds. The amounts approved by the Board Policy, excluding the TABOR portion, and included in Fund Balance are as follows:

General Fund - \$11,201,700  
Social Services - \$1,666,075  
Arapahoe Law Enforcement Authority - \$881,780  
Road & Bridge - \$2,596,532

**Arapahoe County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2011**

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**Net Assets**

Net assets in the Government-wide Statement of Net Assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulators of other governments. All other net assets are reported as unrestricted.

The Other Restrictions line includes the total fund balance for special revenue funds that have limitations imposed.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates in the financial statements include the value of the hedge and real estate funds, which are only found with the pension trust fund. Significant estimates affecting the Pension Plan include the actuarial assumptions relating to investment rates of return and mortality tables. Actual results could differ from those estimates. There are significant estimates made in the other postemployment benefits calculations.

**Encumbrance Accounting**

The County uses encumbrance accounting as an extension of its budgetary scheme. Encumbrances are recorded when a purchase order or contract is issued. They are reduced when the related expenditure/expense is made. Encumbrances lapse at year-end but may be re-established in the subsequent year if the budget related to the encumbrance is approved by the Board of County Commissioners to be reappropriated to the subsequent year or if the subsequent year's budget is adequate to cover the amount of the rolled over encumbrance. The County does not restrict any fund balance for encumbrances unless those amounts are restricted for a specific purpose under GASB Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*.

**Arapahoe County, Colorado**

**Notes to the Financial Statements**

**December 31, 2011**

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**NOTE 2: 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 fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$250,340,648 difference are as follows:

Bonds and Certificates of Participation Payable	\$ 159,870,000
Less: Refunding Loss (to be amortized as interest expense)	(1,698,469)
Less: Net Bond Discount/Premium	151,362
Note Payable	38,867,715
Plus: Premium on Note Payable	1,004,978
Capital Leases Payable	17,371,307
Landfill - Post Closure Costs Payable	600,000
Compensated Absences	10,486,073
Total Long Term Debt	<u>226,652,966</u>
Deferred Charge on Issuance Costs (to be amortized over life of debt)	(3,880,140)
Accrued Interest Payable	1,622,331
Net Pension Obligation	25,385,235
Social Services Advance from State	<u>560,256</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities.	<u><u>\$ 250,340,648</u></u>

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.**

The government fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances-total 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 that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$5,585,804 difference are as follows:

Capital Outlay	\$ 22,953,275
Depreciation Expense	<u>(17,367,471)</u>
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$ 5,585,804</u></u>

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**Arapahoe County, Colorado**

**Notes to the Financial Statements**

**December 31, 2011**

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Another element of that reconciliation states that “the net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.” Details of the difference are as follows:

In the statement of activities, only the total net gain or loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of the capital assets sold.	\$ (446,926)
Developer contributions of capital assets increase net assets in the statement of activities, but do not appear in governmental funds because they are not financial resources.	<u>129,956</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities.	<u>\$ (316,970)</u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$(4,649,346) difference are as follows:

Compensated Absences Expense	211,680
Pension Expense	(3,871,702)
Landfill Expense	(600,000)
Accrued Interest Expense	62,460
Amortization Expense	<u>(451,784)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities.	<u>\$ (4,649,346)</u>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Earned but unavailable revenue	\$ 808,568
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Another element of that reconciliation states that “some revenues reported in the governmental funds have been reported in the statement of activities in prior periods.” The details of this difference are as follows:

Lease Purchase Payment from Airport Authority	\$ 1,240,000
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# Arapahoe County, Colorado

## Notes to the Financial Statements

December 31, 2011

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**NOTE 3: LEGAL COMPLIANCE - BUDGETS**

Budgets for the General, Special Revenue, Debt Service, and Capital Projects Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (US GAAP).

The budgets for the Proprietary Funds are not adopted on a basis consistent with accounting principles generally accepted in the United States of America (US GAAP), as capital outlay and debt service are budgeted as expenditures and bond proceeds, contributed capital and equity transfers are budgeted as revenues.

Arapahoe County utilizes the encumbrance method of recording commitments related to unperformed contracts for goods and services during the year. Due to the County's integrated accounting and budgetary control system, appropriations are considered to lapse at year-end. Related amounts are reappropriated in the following year.

On or before August 15th of each year, elected officers, directors and department heads submit revenue estimates and expenditure requests to the Budget Manager, the official charged with organizing an overall County budget for submission to the Board of County Commissioners. On or before August 25th of each year, the County Assessor submits the current total assessed valuations for all taxing entities in the County and the factors needed to compute the statutory property tax revenue limits. The Budget Manager then submits a balanced budget to the Board on or before October 15th.

The Board of County Commissioners posts and publishes notice that the budget has been received and is open for inspection by the public and notice of the date of the scheduled public hearing at which any elector of the County may register an objection to the proposed budget. The budget must be adopted by December 15<sup>th</sup> of each year.

All property tax mill levies must be certified by the Board of County Commissioners on or before December 22nd of each year. Prior to the beginning of the next fiscal year, the Board of County Commissioners enacts an appropriating resolution to approve the total budget and departmental expenditures. Expenditures for each fund may not legally exceed budgeted expenditures at the individual fund level. By County policy, expenditures in the General Fund cannot exceed the appropriated departmental level. Neither the Board of County Commissioners nor any County officers can expend money for any of the purposes set out in the appropriation resolution in excess of the amount appropriated. The Budget Manager may transfer budget amounts between line items as long as the total budget for the fund or General Fund department is not exceeded. Any revisions to the total appropriation of any fund must be approved by a supplemental appropriation resolution by the Board of County Commissioners. A few supplemental appropriation resolutions were enacted and filed with the Division of Local Government, State of Colorado. Supplemental appropriations for the current year have been approved by the Board of County Commissioners in the following year.

**Arapahoe County, Colorado**  
**Notes to the Financial Statements**

**December 31, 2011**

**NOTE 4: CASH, DEPOSITS, INVESTMENTS, AND RESTRICTED ASSETS**

A summary of Cash and Investments for the Primary Government and Fiduciary Funds, (excluding the Retirement Trust Fund – see Note 15) and discretely presented component units are as follows:

	<b>Primary Government</b>	<b>Discrete Component Units</b>	<b>Agency Fund</b>	<b>Total Reporting Entity</b>
Cash and Investments	\$ 150,844,894	\$ 31,539,552	\$ 31,436,483	\$ 213,820,929
Restricted Cash and Investments	36,584,681	8,316,730	1,423,726	46,325,137
<b>Total Cash and Investments</b>	<b>\$ 187,429,575</b>	<b>\$ 39,856,282</b>	<b>\$ 32,860,209</b>	<b>\$ 260,146,066</b>
Total Cash Deposits (including CD's)				\$ 67,993,349
Total Investments				192,152,717
<b>Total Cash Deposits and Investments: (Book Balance)</b>				<b>\$ 260,146,066</b>

Restricted Cash and Investments are recorded for the following purposes:

	<b>Primary Government</b>	<b>Discrete Component Units</b>	<b>Agency Fund</b>	<b>Total Reporting Entity</b>
Debt Reserves	\$ 1,602,360	\$ 8,285,859	\$ -	\$ 9,888,219
Debt Proceeds	3,082,574	-	-	3,082,574
Legal/Contractual Obligations	31,899,747	30,871	-	31,930,618
Public Trustee Statutory Reserve	-	-	1,423,726	1,423,726
<b>Total Restricted Cash and Investments</b>	<b>\$ 36,584,681</b>	<b>\$ 8,316,730</b>	<b>\$ 1,423,726</b>	<b>\$ 46,325,137</b>

**Deposits**

Colorado State Statutes, specifically the Public Deposit Protection Act (PDPA) of 1989, require all public monies to be deposited in financial institutions that have been designated as eligible public depositories. Eligible public depositories must pledge eligible collateral for any amounts in excess of the required Federal Deposit Insurance Corporation (FDIC) amount, as promulgated by the Colorado Division of Banking, having a market value in excess of 102% of the aggregate uninsured public deposits. At December 31, 2011, the County's carrying amount of cash deposits was \$38,448,922. Of the County's bank balances totaling \$47,965,975, \$38,240,591 was covered by FDIC and \$9,725,384 was collateralized under PDPA. The component units' carrying amount of deposits with banks was \$29,544,427 and the bank balance was \$20,552,310.

**Investments**

Significant portions of cash in the discretely presented component units and the agency funds are pooled with primary government cash and then invested in the most advantageous manner to the reporting entity as a whole. It is not possible to determine how much component unit cash was invested in a certain way. Therefore, this investment section is presented for the entire reporting entity, including the Agency Funds.

# Arapahoe County, Colorado

## Notes to the Financial Statements

December 31, 2011

### Authorized Investments

The County has adopted a formal investment policy that limits the County's investments to investments within the confines of the Colorado Revised Statutes, sections: 11-10.5-101, 24-75-601, 24-75-603, & 30-10-708. Investments authorized under these statutes include:

- Obligations of the United States and certain U.S. government agency securities and World Bank
- Certain international agency securities
- General obligation and revenue bonds of local government entities
- Bankers' acceptance of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools.

As of December 31, 2011, the County had the following investments:

<b>Investment Type</b>	<b>Maturity of 5 Years or Less</b>	<b>Maturity of 5 Years to 10 Years</b>	<b>Maturity of more than 10 Years</b>	<b>Total</b>
<b>Primary Government and Agency Funds:</b>				
JPMorgan US Govt Money Market Funds	\$ 75,957,000			\$ 75,957,000
COLOTRUST	27,469,991			27,469,991
Federal Home Loan Mortgage Corporation	22,179,724			22,179,724
Federal Home Loan Bank	17,906,402			17,906,402
Federal Farmers Credit Bank	10,889,815			10,889,815
Federal National Mortgage Association	6,711,740			6,711,740
Corporate Bonds	17,079,781			17,079,781
JPMC Repurchase Agreement	2,790,724			2,790,724
US Agency Strips & Coupons	289,793	142,939	186,593	619,325
Other Investments	236,360			236,360
<b>Total Primary Government and Agency Funds</b>	<b>\$ 181,511,330</b>	<b>\$ 142,939</b>	<b>\$ 186,593</b>	<b>\$ 181,840,862</b>
<b>Component Units:</b>				
COLOTRUST	\$ 8,409,767			\$ 8,409,767
Federal National Mortgage Association	1,566,000			1,566,000
U.S. Treasury Note	299,745			299,745
Other Investments	36,343			36,343
<b>Total Component Units</b>	<b>\$ 10,311,855</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,311,855</b>
<b>Total Investments</b>	<b>\$ 191,823,185</b>	<b>\$ 142,939</b>	<b>\$ 186,593</b>	<b>\$ 192,152,717</b>

# Arapahoe County, Colorado

## Notes to the Financial Statements

December 31, 2011

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As of December 31, 2011, the County had invested in the Colorado Local Government Liquid Asset Trust (the Trust); an investment vehicle established for local government entities in Colorado to pool surplus funds (Local Investment Pools). The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities, Federal Instrumentality Securities, Agency Securities, Collateralized Bank Deposits, Repurchase Agreements, and Tri-Party Repurchase Agreements. COLOTRUST PLUS+ may also invest in Commercial Paper that, at the time of purchase, is rated in its highest rating category by one or more nationally recognized statistical rating organizations that regularly rate such obligations, and highly-rated corporate bonds. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The designated custodial bank acts as safekeeping agent for the Trust's investment portfolios and serves, in accordance with the statutes of the State of Colorado, as the depository in connection with the direct investment and withdrawal mechanisms of the Trust. The custodian's internal records identify the investments owned by each pool investor. The investment pools are routinely monitored by the Colorado Division of Securities with regard to operations and investments. As of December 31, 2011, the County including component units had \$35,879,758 invested in COLOTRUST.

### Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. The local government investment pools, which includes the Colorado Local Government Liquid Asset Trust (Colotrust) are rated AAAM by Standard & Poor's. The other investments, and ratings thereon, held by the County include; United States Agency Strips (AA+ by Standard & Poor's), Federal Home Loan Bank Notes (AA+ by Standard & Poor's), Federal National Mortgage Association Notes (AA+ by Standard & Poor's), Federal Home Loan Mortgage Corporation Notes (AA+ by Standard & Poor's), Federal Farmers Credit Bank Notes (AA+ by Standard & Poor's), and Repurchase Agreements (A-1 by Standard & Poor's). \$11,457,999 of corporate bonds are rated AA+ by Standard & Poor's, \$3,036,345 of corporate bonds are rated AA- by Standard & Poor's and \$2,585,437 of corporate bonds are rated A+ by Standard & Poor's. The component unit's investment in United States Treasury Notes are rated AA+ by Standard & Poor's. In addition, the County had \$75,957,000 invested in the JPMorgan US Government money market funds which were not rated.

### Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's safekeeping bank must meet the following requirements under the County's investment policy; the purchase and sale of securities and repurchase agreements shall be settled on a delivery versus payment basis, ownership of all securities shall be perfected in the name of the County Treasurer, and sufficient evidence to title shall be consistent with modern investment, banking and commercial practices. At December 31, 2011, all of the County's investments are held in the name of the County.

### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County's investment policy maintains that the portfolio is to remain sufficiently liquid to meet all cash requirements that may be reasonably anticipated. One of the ways the County manages its exposure to interest rate risk is by laddering maturities evenly to provide continuous cash flow and liquidity needed for operations. The County's investment in repurchase agreements have a maturity date of one day. In accordance with its investment policy, the County's investments are limited to maturities not exceeding five years from the date of trade settlement. The US Agency Strips and Coupons with maturities in excess of five years totaling \$329,532 were purchased over 20 years ago and are considered immaterial.

**Arapahoe County, Colorado**  
**Notes to the Financial Statements**

**December 31, 2011**

**Concentrations Risk**

Concentration risk is the risk of loss attributed to the magnitude of the County's investments in a single issuer. The County's investment policy states that the County shall diversify its investments to avoid incurring unreasonable risks inherent in over-investment in specific instruments, individual financial institutions or maturities. The County seeks diversification to reduce overall portfolio risk while attaining market rates of return to enable the County to meet its anticipated cash requirements. More than 5% of the County's investments are concentrated in the following issuers:

<b>Investment</b>	<b>Fair Value</b>	<b>Percent of Investment Portfolio</b>
Federal Home Loan Mortgage Corporation	22,179,724	12%
Federal Home Loan Bank	17,906,402	10%
Federal Farmers Credit Bank	10,889,815	6%

**NOTE 5: INTERFUND RECEIVABLE AND PAYABLE BALANCES AND TRANSFERS**

Interfund receivable and payable balances arise due to short-term cash flow needs in certain non-major government funds. At December 31, 2011, the balances are as follows:

	<b>Due To</b>	<b>Due From</b>
General Fund	\$ 1,975,177	\$ -
Non Major Funds	-	1,975,177
<b>Total</b>	<b>\$ 1,975,177</b>	<b>\$ 1,975,177</b>

During 2011, the County transferred monies among various funds; the principal reason for the transfers was to support the ongoing operations of the receiving fund. The transfers between funds are as follows:

	<b>Transfers In</b>	<b>Transfers Out</b>
General Fund	\$ 12,556,164	\$ 33,502,832
Social Services	-	3,556,164
Open Space	-	43,315
Internal Service Funds	797,555	41,323
Non Major Funds	36,922,042	13,132,127
<b>Total</b>	<b>\$ 50,275,761</b>	<b>\$ 50,275,761</b>

**Arapahoe County, Colorado**  
**Notes to the Financial Statements**

**December 31, 2011**

**NOTE 6: CAPITAL ASSETS**

**Primary Government**

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 38,254,169	\$ 2,656,977	\$ -	\$ 40,911,146
Easements	4,299,775	23,085	-	4,322,860
Right of Ways	309,327,866	4,881	-	309,332,747
Water Rights	51,616,042	-	-	51,616,042
Construction in Progress	7,542,677	14,559,817	(9,759,812)	12,342,682
Total Capital Assets Not Being Depreciated	<u>411,040,529</u>	<u>17,244,760</u>	<u>(9,759,812)</u>	<u>418,525,477</u>
Capital Assets Being Depreciated:				
Land Improvements	4,077,566	780,179	-	4,857,745
Buildings	276,143,390	11,278,106	(98,300)	287,323,196
Furniture and Equipment	58,140,560	4,882,724	(4,933,468)	58,089,816
Infrastructure	336,062,595	2,831,335	(941,917)	337,952,013
Total Capital Assets Being Depreciated	<u>674,424,111</u>	<u>19,772,344</u>	<u>(5,973,685)</u>	<u>688,222,770</u>
Less Accumulated Depreciation:				
Land Improvements	(976,112)	(243,693)	-	(1,219,805)
Buildings	(89,460,738)	(7,841,555)	80,483	(97,221,810)
Furniture and Equipment	(48,263,367)	(5,022,656)	4,827,843	(48,458,180)
Infrastructure	(95,682,947)	(8,025,759)	518,055	(103,190,651)
Total Accumulated Depreciation	<u>(234,383,164)</u>	<u>(21,133,663)</u>	<u>5,426,381</u>	<u>(250,090,446)</u>
Total Capital Assets Being Depreciated, Net	<u>440,040,947</u>	<u>(1,361,319)</u>	<u>(547,304)</u>	<u>438,132,324</u>
Total Primary Government Capital Assets, Net	<u>\$ 851,081,476</u>	<u>\$ 15,883,441</u>	<u>\$ (10,307,116)</u>	<u>\$ 856,657,801</u>

Depreciation expense was charged to functions/programs of the primary government during the year ended December 31, 2011 as follows:

**Governmental Activities**

General Government	\$ 4,051,651
Public Safety	5,267,182
Health and Welfare	1,087,053
Highways and Streets	6,824,626
Water and Wastewater	3,334,878
Culture and Recreation	568,273
Total Governmental Activities Depreciation Expense	<u>\$ 21,133,663</u>

# Arapahoe County, Colorado

## Notes to the Financial Statements

December 31, 2011

### Discretely presented component units

Capital asset activity for the E-911 Authority for the year ended December 31, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 4,668,223	\$ 664,518	\$ -	\$ 5,332,741
Total Capital Assets Being Depreciated	4,668,223	664,518	-	5,332,741
Less Accumulated Depreciation:				
Furniture and Equipment	(3,040,076)	(950,340)	-	(3,990,416)
Total Accumulated Depreciation	(3,040,076)	(950,340)	-	(3,990,416)
<b>Total E-911 Capital Assets, Net</b>	<b>\$ 1,628,147</b>	<b>\$ (285,822)</b>	<b>\$ -</b>	<b>\$ 1,342,325</b>

Capital asset activity for the Arapahoe County Public Airport Authority for the year ended December 31, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business Activities</b>				
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 24,049,582	\$ 269,025	\$ -	\$ 24,318,607
Construction in Progress	229,628	1,930,092	1,519,288	640,432
Total Capital Assets Not Being Depreciated	24,279,210	2,199,117	1,519,288	24,959,039
Capital Assets Being Depreciated:				
Land Improvements	1,010,963	-	-	1,010,963
Buildings and Improvements	16,663,820	48,700	3,456	16,709,064
Runways and Access Roads	34,193,160	164,527	26,000	34,331,687
Furniture and Equipment	5,503,438	1,339,343	462,781	6,380,000
Total Capital Assets Being Depreciated	57,371,381	1,552,570	492,237	58,431,714
Less Accumulated Depreciation:				
Land Improvements	(465,958)	(25,262)	-	(491,220)
Buildings and Improvements	(13,375,211)	(402,694)	(1,729)	(13,776,176)
Runways and Access Roads	(16,907,622)	(2,689,721)	(7,800)	(19,589,543)
Furniture and Equipment	(3,470,603)	(531,790)	(462,782)	(3,539,611)
Total Accumulated Depreciation	(34,219,394)	(3,649,467)	(472,311)	(37,396,550)
<b>Total Capital Assets Being Depreciated, Net</b>	<b>23,151,987</b>	<b>(2,096,897)</b>	<b>19,926</b>	<b>21,035,164</b>
<b>Total Airport Authority Capital Assets, Net</b>	<b>\$ 47,431,197</b>	<b>\$ 102,220</b>	<b>\$ 1,539,214</b>	<b>\$ 45,994,203</b>

**Arapahoe County, Colorado**  
**Notes to the Financial Statements**

**December 31, 2011**

Capital Asset Activity for the Arapahoe County Water and Wastewater Authority for the year ended December 31, 2011, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 2,063,196	\$ -	\$ -	\$ 2,063,196
Construction in Progress	2,642,492	3,984,452	(4,821,018)	1,805,926
Total Capital Assets Not Being Depreciated	<u>4,705,688</u>	<u>3,984,452</u>	<u>(4,821,018)</u>	<u>3,869,122</u>
Other Capital Assets:				
Water System	38,789,373	5,522,539	(4,045,484)	40,266,428
Sewer System	13,572,440	1,787,779	(262,855)	15,097,364
Buildings, Equipments, and Projects	3,185,727	58,288	-	3,244,015
Total Other Capital Assets	<u>55,547,540</u>	<u>7,368,606</u>	<u>(4,308,339)</u>	<u>58,607,807</u>
Less Accumulated Depreciation:				
Water System	(4,667,205)	(1,531,494)	50,433	(6,148,266)
Sewer System	(7,125,677)	(574,830)	161,941	(7,538,566)
Buildings, Equipments, and Projects	(1,478,687)	(377,845)	-	(1,856,532)
Total Accumulated Depreciation	<u>(13,271,569)</u>	<u>(2,484,169)</u>	<u>212,374</u>	<u>(15,543,364)</u>
Water Rights	82,609,438	40,008,390		122,617,828
Less: Depletion	(1,146,620)	(69,379)	-	(1,215,999)
Net Water Rights	<u>81,462,818</u>	<u>39,939,011</u>	<u>-</u>	<u>121,401,829</u>
Total Business-Type Activities, Capital Assets, Net	<u>\$ 128,444,477</u>	<u>\$ 48,807,900</u>	<u>\$ (8,916,983)</u>	<u>\$ 168,335,394</u>

**NOTE 7: DEFERRED AND UNEARNED REVENUE**

Under both the accrual and modified accrual basis of accounting, revenue may be recognized only when earned. Therefore, the government-wide statement of net assets as well as governmental and enterprise funds defer revenue recognition in connection with resources that have been received as of year-end, but not yet earned. Assets recognized in connection with a transaction before the earnings process is complete are offset by a corresponding liability for unearned revenue.

Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized in the current period. Revenue must also be susceptible to accrual (i.e. measurable and available to finance expenditures of the current period). Governmental funds report deferred revenues in connection with receivables for revenues not considered available to liquidate liabilities of the current period. The County considers revenues available if they are collected within 60 days after year-end. At December 31, 2011, items considered unavailable to finance expenditures of the current fiscal period totaled \$808,568.

**Arapahoe County, Colorado**

**Notes to the Financial Statements**

**December 31, 2011**

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**NOTE 8: DEFICIT FUND BALANCES**

The Grant Fund and the Homeland Security Fund had deficit fund balances at December 31, 2011 of \$519,604 and \$159,899, respectively. The revenue to offset the deficit is currently reported as deferred revenue because it is unavailable but will be recognized as earned revenue as soon as the funds are collected.

**NOTE 9: CAPITAL COMMITMENTS**

The County has contractual commitments for capital construction projects, information technology and communication service projects, capital asset purchases, professional services, and rents and miscellaneous services as of December 31, 2011. These commitments have not been paid, nor recorded as a liability in the financial statements. The commitments are as follows:

<b>Commitment Type</b>	<b>Commitment Type Amount</b>
Capital Construction Project Contracts	\$ 8,278,122
Information Technology and Communications Contracts	52,021
Capital Asset Purchase Contracts	714,697
Professional Services Contracts	456,279
Rent and Miscellaneous Services Contracts	1,295,090
	<u>\$ 10,796,209</u>

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Developers contribute funds to the County to help pay for County infrastructure costs related to their developments. The contributions are recorded as revenue in the capital project funds. These infrastructure projects are usually completed after the contributions are received and recorded as revenue. The probability that the County will ultimately fail to complete a project for which a developer has contributed funds is remote and does not justify the recording of a liability in the financial statements. During 2011, \$306,191 has been contributed to the County by developers and recorded as revenue for which development improvement projects must be completed by the County in the future.

The following totals by major governmental fund and for minor governmental funds as a whole of the balances of significant encumbrances with a balance in excess of \$100,000 at December 31, 2011 are as follows:

General Fund	\$ 215,800
Open Space Sales Tax Fund	262,773
Non-Major Funds	<u>9,427,506</u>
Total Significant Encumbrances	<u>\$ 9,906,079</u>

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**Arapahoe County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2011**

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**NOTE 10: DEFERRED COMPENSATION PLANS**

The County offers its employees an opportunity to participate voluntarily in a deferred compensation plan. This plan, created in accordance with Internal Revenue Code Section 457, is maintained by a third party administrator, International City Management Association Retirement Corporation (ICMA-RC). The plan permits employees to defer a portion of their salary until future years. In 2011, employees could voluntarily elect to have amounts withheld from their compensation up to age of 50 of \$16,500 per year and above the age of 50 to \$22,000 per year. The withheld amounts are deposited to each participant's account, according to each participant's investment direction, making the plan funded. The deferred compensation balance is not available to employees until termination, retirement, death, or an unforeseeable emergency.

In accordance with GASB Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, the County established trusts to hold the assets of the plans' and modified the documents to state that the plan is "held in trust for the exclusive benefit of participants and their beneficiaries." As such, the plans' assets are not the property and right of the County, and therefore, are not reflected in the government-wide financial statements of the County.

**Arapahoe County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2011**

**NOTE 11: CHANGES IN LONG-TERM LIABILITIES**

Long-term liability activity for the year ended December 31, 2011 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
General Obligation Bonds Payable					
ACWWA PID 2002 A&B Bonds	\$ 59,265,000	\$ -	\$ 80,000	\$ 59,185,000	\$ 250,000
ACWWA PID 2009 A&B Bonds	56,075,000	-	-	56,075,000	-
Less - Deferred amounts for bond discounts on bonds payable	(851,537)	-	(37,482)	(814,055)	-
Total Bonds Payable	<u>114,488,463</u>	<u>-</u>	<u>42,518</u>	<u>114,445,945</u>	<u>250,000</u>
Note payable					
ACWWA PID -2005	26,270,000	-	-	26,270,000	-
ACWWA PID -2006	13,577,783	-	980,068	12,597,715	1,002,092
Plus - Deferred amounts related to bond premiums on notes payable	1,086,842	-	81,864	1,004,978	-
Total Notes Payable	<u>40,934,625</u>	<u>-</u>	<u>1,061,932</u>	<u>39,872,693</u>	<u>1,002,092</u>
Certificates of participation payable					
Judicial Complex Refunding	8,420,000	-	1,240,000	7,180,000	1,300,000
2006 Refunding of 2000 Building Project	40,345,000	-	2,915,000	37,430,000	3,035,000
Less: Deferred amounts for bond Discounts/Premiums	1,066,384	-	100,967	965,417	-
On Refunding	(1,895,251)	-	(196,782)	(1,698,469)	-
Total Certificates of Participation Payable	<u>47,936,133</u>	<u>-</u>	<u>4,059,185</u>	<u>43,876,948</u>	<u>4,335,000</u>
Capital leases					
Energy Conservation Equipment Schedule 001	3,999,408	-	3,999,408	-	-
Energy Conservation Equipment Schedule 002	3,207,278	-	3,207,278	-	-
Fairgrounds Event & Livestock Facility	1,359,652	-	253,142	1,106,510	262,206
Water Facility	389,151	-	60,493	328,658	64,224
Parkland	2,600,000	-	101,602	2,498,398	106,568
District Attorney Office Building	4,400,000	-	470,000	3,930,000	495,000
Lima Ridge	-	9,650,000	142,259	9,507,741	324,116
Total Capital Leases	<u>15,955,489</u>	<u>9,650,000</u>	<u>8,234,182</u>	<u>17,371,307</u>	<u>1,252,114</u>
Landfill - Post closure costs payable	-	600,000	-	600,000	100,000
Compensated absences	10,697,753	7,905,259	8,116,939	10,486,073	1,038,134
Total Long-term Liabilities	<u>\$ 230,012,463</u>	<u>\$ 18,155,259</u>	<u>\$ 21,514,756</u>	<u>\$ 226,652,966</u>	<u>\$ 7,977,340</u>

The Arapahoe County Water and Wastewater Public Improvement District (PID) Bonds are paid out of a Capital Projects Fund. All other General Long-Term Debt (except compensated absences) is paid out of Debt Service Funds. The County will liquidate compensated absences in the General, Social Services, Arapahoe Law Enforcement Authority District, Arapahoe/Douglas Works, Road & Bridge, Sheriff's Commissary, Housing and Community Development, Grant and Open Space Funds.

**Arapahoe County, Colorado**  
**Notes to the Financial Statements**

**December 31, 2011**

**Bonds**

**Arapahoe County Water and Wastewater Public Improvement District 2002 Series A & B Bonds**

On April 1, 2002, the Arapahoe County Water and Wastewater Public Improvement District Bonds Series 2002 were issued in the amount of \$63,870,000 with fixed interest rates between 3.00% and 5.75%. The bonds were issued to construct, install and acquire new water and wastewater improvements. Future debt payments are as follows:

<b>Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2012	\$ 250,000	\$ 3,074,294	\$ 3,324,294
2013	375,000	3,059,919	3,434,919
2014	570,000	3,038,356	3,608,356
2015	710,000	3,005,581	3,715,581
2016	935,000	2,964,756	3,899,756
2017-2021	7,915,000	13,798,481	21,713,481
2022-2026	15,455,000	10,965,719	26,420,719
2027-2031	26,110,000	6,032,894	32,142,894
2032	6,865,000	351,831	7,216,831
Total	<u>\$ 59,185,000</u>	<u>\$ 46,291,831</u>	<u>\$ 105,476,831</u>

**Arapahoe County Water and Wastewater Public Improvement District 2009 Series A & B Bonds**

On December 16, 2009, the Arapahoe County Water and Wastewater Public Improvement District 2009 Series A & B Bonds were issued in the amount of \$ 56,075,000 with fixed interest rates between 4.25% and 6.48%. The bonds were issued to finance the acquisition of water rights and to capitalize interest and the costs of issuing the bonds. Future debt payments are as follows:

<b>Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2012	\$ -	\$ 3,533,897	\$ 3,533,897
2013	-	3,533,898	3,533,898
2014	-	3,533,897	3,533,897
2015	-	3,533,898	3,533,898
2016	-	3,533,897	3,533,897
2017-2021	-	17,669,488	17,669,488
2022-2026	530,000	17,659,712	18,189,712
2027-2031	2,620,000	17,364,852	19,984,852
2032-2036	15,265,000	16,463,482	31,728,482
2037-2039	37,660,000	4,998,996	42,658,996
Total	<u>\$ 56,075,000</u>	<u>\$ 91,826,017</u>	<u>\$ 147,901,017</u>

**Arapahoe County, Colorado**  
**Notes to the Financial Statements**

**December 31, 2011**

**Notes Payable**

**Arapahoe County Water and Wastewater Public Improvement District 2005 Colorado Water Resources and Power Development Authority Long Term Note Payable**

The Arapahoe County Water and Wastewater Public Improvement District entered into a long term note payable with the Colorado Water Resources and Power Development Authority on November 1, 2005. The long term note financed the expansion of the capacity of the sewer treatment plant that serves the Arapahoe County Water and Wastewater District, a new lift station, force main, gravity sewer and an effluent return pipeline. The note was for \$26,270,000 with an average interest rate of 4.665%. Future note payments are as follows:

<b>Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2012	\$ -	\$ 1,297,906	\$ 1,297,906
2013	-	1,297,906	1,297,906
2014	-	1,297,906	1,297,906
2015	-	1,297,906	1,297,906
2016	-	1,297,906	1,297,906
2017-2021	-	6,489,530	6,489,530
2022-2026	2,495,000	6,213,691	8,708,691
2027-2031	-	5,943,750	5,943,750
2032-2035	23,775,000	3,604,750	27,379,750
<b>Total</b>	<b>\$ 26,270,000</b>	<b>\$ 28,741,251</b>	<b>\$ 55,011,251</b>

**Arapahoe County Water and Wastewater Public Improvement District 2006 Colorado Water Resources and Power Development Authority Drinking Water Fund Long Term Note Payable**

The Arapahoe County Water and Wastewater Public Improvement District entered into a long term note payable with the Colorado Water Resources and Power Development Authority on November 1, 2006. This long term note payable financed a joint water purification project being constructed with the Cottonwood Water and Sanitation District, including production wells, a pumping station and transmission pipelines. The note was for \$16,049,975 with an average interest rate of 4.075%.

<b>Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2012	\$ 1,002,092	\$ 444,932	\$ 1,447,024
2013	1,018,610	424,464	1,443,074
2014	1,040,632	401,346	1,441,978
2015	1,079,175	370,640	1,449,815
2016	1,106,706	338,796	1,445,502
2017-2021	5,990,520	1,240,011	7,230,531
2022	1,359,980	88,278	1,448,258
<b>Total</b>	<b>\$ 12,597,715</b>	<b>\$ 3,308,467</b>	<b>\$ 15,906,182</b>

**Arapahoe County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2011**

**Certificates of Participation**

All Certificates of Participation are recorded in the Arapahoe County Building Finance Corporation fund.

**Judicial Complex Refunding Certificates of Participation**

On September 3, 2002, the Judicial Complex Refunding Certificates of Participation were issued by the Arapahoe County Building Finance Corporation in the amount of \$15,760,000 with an average interest rate of 4.57% to refund the existing Certificates of Participation in the amount of \$14,850,000 for the purpose of lowering interest rates. The Certificates are secured by the County Judicial Complex and are an obligation of the County. The revenue source to pay the Certificates is outlined in an agreement with the Arapahoe County Airport Authority. In the event that the Airport Authority could not meet the payment schedule, the County would still need to make the payments on the Certificates to avoid a default. Future debt payments are as follows:

<b>Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2012	\$ 1,300,000	\$ 370,450	\$ 1,670,450
2013	1,360,000	308,700	1,668,700
2014	1,430,000	237,300	1,667,300
2015	1,505,000	162,225	1,667,225
2016	1,585,000	83,213	1,668,213
<b>Total</b>	<b>\$ 7,180,000</b>	<b>\$ 1,161,888</b>	<b>\$ 8,341,888</b>

**2006 Refunding Certificates of Participation – Advance Refunding**

On February 14, 2006, the Arapahoe County Building Finance Corporation issued \$50,945,000 in Refunding Certificates of Participation Series 2006 to purchase U.S. Government securities with an average interest rate of 4.2845%. These securities were placed in an irrevocable trust with an escrow agent to provide for the redemption of the Series 2000 Certificates of Participation.

Future debt payments are as follows:

<b>Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2012	\$ 3,035,000	\$ 1,559,575	\$ 4,594,575
2013	3,160,000	1,425,175	4,585,175
2014	3,315,000	1,283,300	4,598,300
2015	3,455,000	1,133,500	4,588,500
2016	3,625,000	973,063	4,598,063
2017-2021	20,840,000	2,262,425	23,102,425
<b>Total</b>	<b>\$ 37,430,000</b>	<b>\$ 8,637,038</b>	<b>\$ 46,067,038</b>

**Arapahoe County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2011**

**Capital Leases**

The following is an analysis of assets acquired through capital leases as of December 31, 2011:

**Arapahoe County Fairgrounds Event and Livestock Facility**

On November 2, 2005, the County entered into a lease purchase agreement with Chase Equipment Leasing, Incorporated for the purchase and installation of a Fairgrounds Event and Livestock Facility. Accordingly, the County capitalized \$2,500,000 for this facility in its fixed assets records. The gross asset purchased is \$2,500,000, the accumulated depreciation is \$336,131, and net book value of \$2,163,869.

The agreement was for \$2,500,000. The average interest rate is 3.549% per annum. Future lease payments are as follows:

Date	Principal	Interest	Total
2012	\$ 262,206	\$ 36,964	\$ 299,170
2013	271,594	27,576	299,170
2014	281,319	17,851	299,170
2015	291,391	7,779	299,170
Total	<u>\$ 1,106,510</u>	<u>\$ 90,170</u>	<u>\$ 1,196,680</u>

**Water Facilities at the Arapahoe County Fairgrounds-Pure Cycle Corporation**

The County entered into a lease purchase agreement with Pure Cycle Corporation on July 25, 2005, to finance, acquire, design, construct, operate and maintain certain water facilities located at the Arapahoe County Fairgrounds. The agreement required that the water facility constructed by Pure Cycle would be paid for with an initial cash payment of \$397,235 and a lease agreement for \$514,552 that was adjusted subsequent to a Water Court decision where the lease payments and future lease payments were modified and adjusted accordingly.

The County has capitalized the acquisition value of \$911,787 with accumulated depreciation of \$231,746, and net book value of \$680,041 in its fixed assets records.

The interest rate imposed on the renegotiated amount remains at 6% per annum, compounded monthly. The amortization period is 120 months. Future lease payments are as follows:

Date	Principal	Interest	Total
2012	\$ 64,224	\$ 17,972	\$ 82,196
2013	68,185	14,011	82,196
2014	72,390	9,806	82,196
2015	76,856	5,340	82,196
2016	47,003	944	47,947
Total	<u>\$ 328,658</u>	<u>\$ 48,073</u>	<u>\$ 376,731</u>

**Arapahoe County, Colorado**

**Notes to the Financial Statements**

**December 31, 2011**

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**Parkland Lease Purchase-Zions First National Bank**

The County entered into a lease purchase agreement with Zions First National Bank on November 14, 2007. The lease financed the purchase of park and open space site in the Dove Valley subdivision. The total purchase was \$3,234,376 of which \$2,600,000 was financed by the lease. This land purchase is not subject to depreciation.

The average interest rate is 4.829% per annum. The amortization period is 240 months. Future lease payments are as follows:

<b>Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2012	\$ 106,568	\$ 119,402	\$ 225,970
2013	111,778	114,192	225,970
2014	117,242	108,728	225,970
2015	122,973	102,997	225,970
2016	128,984	96,986	225,970
2017-2021	745,894	383,954	1,129,848
2022-2026	946,919	182,929	1,129,848
2027	218,040	7,930	225,970
Total	<u>\$ 2,498,398</u>	<u>\$ 1,117,118</u>	<u>\$ 3,615,516</u>

**District Attorney Office Building Lease Purchase**

The County entered into a lease agreement with JPMorgan Chase Bank, N.A. on September 17, 2008. The lease financed the purchase of the District Attorney Office Building located at 6450 South Revere Parkway, Englewood, Colorado. The total purchase was \$5,325,084 of which \$5,300,000 was financed by the lease. The gross asset amount that was purchased with lease proceeds is \$5,300,000, accumulated depreciation of \$361,594 with a net book value of \$4,938,406.

The average interest rate is 4.36% per annum. The amortization period is 120 months. Future lease payments are as follows:

<b>Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2012	\$ 495,000	\$ 166,007	\$ 661,007
2013	515,000	144,207	659,207
2014	535,000	121,535	656,535
2015	555,000	97,991	652,991
2016	585,000	73,466	658,466
2017-2018	1,245,000	68,561	1,313,561
Total	<u>\$ 3,930,000</u>	<u>\$ 671,767</u>	<u>\$ 4,601,767</u>

# Arapahoe County, Colorado

## Notes to the Financial Statements

December 31, 2011

### Lima Ridge Lease Purchase

The County entered into a lease agreement with Banc of America Public Capital Corp. on May 19, 2011. The lease financed the purchase of the Lima Ridge Professional Center located at 6924 South Lima Street, Centennial, Colorado. The total lease was \$9,650,000. The gross asset amount that was purchased with lease proceeds is \$9,650,000, accumulated depreciation of \$118,601 with a net book value of \$9,531,399.

The interest rate is 4.5% per annum. The amortization period is 360 months. Future lease payments are as follows:

Date	Principal	Interest	Total
2012	\$ 324,116	\$ 421,218	\$ 745,334
2013	339,006	406,328	745,334
2014	354,579	390,754	745,333
2015	370,869	374,465	745,334
2016	387,906	357,427	745,333
2017-2021	2,223,785	1,502,882	3,726,667
2022-2026	2,783,725	942,942	3,726,667
2027-2030	2,723,755	257,578	2,981,333
Total	\$ 9,507,741	\$ 4,653,594	\$ 14,161,335

### Landfill – Post-Closure Costs

The County previously owned and operated a landfill. The County did not estimate or accrue post-closure costs while the landfill was in operation. This landfill was closed in 1987 and is no longer in operation. The County shares remedial action costs with Waste Management Inc. The County pays 75% of the remedial costs. The County pays for all post-closure costs. Each year Waste Management bills the County when actual costs have been determined. The County's cost for the past year was \$96,961. When the landfill was closed in 1987 the State Department of Public Health and Environment placed the landfill on a 30 year monitoring program. After 30 years, provided all testing was satisfactory, the County would no longer be liable for ongoing monitoring costs. Discussions with the State have indicated that while it is not definite, there has been nothing yet to suggest that monitoring will be required after the initial 30 year period. That could change if circumstances warrant but it seems to be the best projection currently available. Costs have averaged just under \$100,000 annually for the last ten years. Discussions with Waste Management indicate that there is no additional balloon or one-time costs at the end of the monitoring period. Therefore, the best estimate of liability is \$600,000 with \$100,000 being payable within one year. That amount has been recorded as a long term liability on the government-wide financial statements as of 12/31/2011.

**Arapahoe County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2011**

**NOTE 12: DISCRETELY PRESENTED COMPONENT UNIT DEBT**

Details of the debt for each of the component units can be found in their individual financial statements. Following is a discussion of the debt that is particularly relevant to the relationship between the component unit and the Primary Government.

**Arapahoe County Airport Authority**

Long-term liability activity for the year ended December 31, 2011, is as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Capital Lease Payable	\$ 8,420,000	\$ -	\$ 1,240,000	\$ 7,180,000	\$ 1,300,000
Less: Deferral Amounts of Refunding	(2,537,463)	-	(428,867)	(2,108,596)	-
Note Payable	4,030,506	256,525	557,709	3,729,322	574,048
Total Long-Term Debt	<u>\$ 9,913,043</u>	<u>\$ 256,525</u>	<u>\$ 1,368,842</u>	<u>\$ 8,800,726</u>	<u>\$ 1,874,048</u>

**Capital Lease**

This capital lease is payable to Arapahoe County, Colorado, dated November 1, 1986, and renegotiated September 3, 2002, principal and interest due in varying semi-annual amounts through 2016. The capital lease bears a varying interest rate of 3.25% to 5.25%. Payments of principal and interest are due on a semiannual basis through 2016. This lease is secured by land. The total assets purchased with these capital lease funds is \$26,083,745. There are a number of covenants contained in the lease agreement. At December 31, 2011 the Authority believes it was in compliance with these restrictive covenants. Schedule of capital lease principal and interest payments are as follows:

<b>Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2012	1,300,000	370,450	\$ 1,670,450
2013	1,360,000	308,700	1,668,700
2014	1,430,000	237,300	1,667,300
2015	1,505,000	162,225	1,667,225
2016	1,585,000	83,213	1,668,213
Total	<u>\$ 7,180,000</u>	<u>\$ 1,161,888</u>	<u>\$ 8,341,888</u>

# Arapahoe County, Colorado

## Notes to the Financial Statements

December 31, 2011

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### Note Payable

In 2002, the Authority obtained a loan in the amount of \$400,000 from the Colorado Dept. of Transportation, (CDOT) for the east area drainage project. The note bears an interest at the rate of 2% and matures March 2012.

In 2007, the Authority obtained a loan in the amount of \$5,400,000 from the Colorado Department of Transportation (CDOT) for the purchase of land and a restrictive covenant on land. The loan bears interest at the rate of 3% on the unpaid balance, compounded annually. The Authority will make ten annual installments with the first payment made on October 4, 2008. The loan is secured by a security interest in the Authority's fuel tax refund revenue.

In 2011, the Authority obtained a loan in the amount of \$256,525 from Greenwood Plaza Partners, LLC, for the acquisition of property. The loan bears interest an interest the rate of 6% and matures in June 2016. The loan is secured by the acquired property.

Scheduled note principal and interest payments are as follows:

<b>Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2012	\$ 574,048	\$ 119,127	\$ 693,175
2013	546,310	102,335	648,645
2014	562,706	85,939	648,645
2015	579,596	69,049	648,645
2016	852,055	43,998	896,053
2017	614,607	18,438	633,045
Total	<u>\$ 3,729,322</u>	<u>\$ 438,886</u>	<u>\$ 4,168,208</u>

### Commitments and Contingencies-Rental Agreements

The Authority has operating rental agreements with the fixed base operators and subleases for rental of land and subleases for rental of land and buildings owned by the Authority. These agreements stipulate that upon termination, title of any leasehold improvements will pass to the Authority. The following is an estimate, by year, of minimum future rental revenue under these agreements:

2012	\$ 1,805,110
2013	1,825,155
2014	1,845,759
2015	1,877,168
2016	1,877,656
Thereafter	<u>167,606,223</u>
	<u>\$ 176,837,071</u>

# Arapahoe County, Colorado

## Notes to the Financial Statements

**December 31, 2011**

Revenues under these leases amounted to \$2,314,065 during 2011. Included in this amount is a percentage of revenue fees associated with these leases.

The Authority has entered into lease agreements with the FAA to lease approximately 2,100 square feet of the Authority's tower, and approximately 2,300 square feet of the Authority's administrative office building. The tower lease had an expiration date of July 9, 2006. The FAA did not exercise the option to purchase the tower. The lease was renegotiated in 2006 at an amount equivalent to the tower repairs and maintenance and expires September 30, 2015. The office space lease expired in 2010 and was renewed in 2011, and expires September 30, 2020. Rental income under these leases amounted to \$90,215 during 2011. The earning stream from this agreement is included in the amounts disclosed above.

### Defeased Debt

During 2002, the Authority, in conjunction with Arapahoe County, refunded Certificates of Participation totaling \$15,760,000. As a result, payments under the refunded capital leases are considered to be defeased, and the liability has been removed from the books. At December 31, 2011, the Authority's share of the amount of defeased debt outstanding is \$8,969,063.

### Arapahoe County Water and Wastewater Authority

#### Changes in Long-term debt

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

Business-Type Activities	Outstanding 1/1/2011	Additions	Reductions	Outstanding 12/31/2011	Amounts Due in One Year
Revenue Bonds, Series 2006	\$ 21,855,000	\$ -	\$ (575,000)	\$ 21,280,000	\$ 600,000
2006 premium	353,441	-	(22,090)	331,351	-
2006 refunding loss	(1,934,606)	-	113,800	(1,820,806)	-
Revenue Bonds, Series 2007	17,340,000	-	(450,000)	16,890,000	465,000
2007 refunding loss	(591,236)	-	34,779	(556,457)	-
Revenue Bonds, Series 2009A	91,545,000	-	-	91,545,000	-
Revenue Bonds, Series 2009B	5,625,000	-	(350,000)	5,275,000	1,540,000
2009 premium	90,995	-	(3,138)	87,857	-
Compensated absences	247,807	41,421	-	289,228	60,267
<b>Total</b>	<b>\$134,531,401</b>	<b>\$ 41,421</b>	<b>\$ (1,251,649)</b>	<b>\$133,321,173</b>	<b>\$ 2,665,267</b>

The net bonds payable are as follows:

Total revenue bonds outstanding at 12/31/11	\$ 134,990,000
Add: Premium	419,208
Less: refunding loss	<u>(2,377,263)</u>
Net revenue bonds outstanding at 12/31/11	133,031,945
Less current portion	<u>(2,605,000)</u>
Long-term portion	<u>\$ 130,426,945</u>

**Arapahoe County, Colorado**

**Notes to the Financial Statements**

**December 31, 2011**

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Over the years, ACWWA has issued revenue bonds with certain pledged revenues as collateral, certain debt coverage requirements and various covenants in which ACWWA's management believes that ACWWA is in compliance with.

	<u>Amount Pledged</u>	<u>Term of Commitment</u>
Utilities Revenue Bonds	\$280,125,083	2012-2040

**Series 2009A Revenue Bonds**

On December 8, 2009, ACWWA issued \$91,545,000, in Taxable Water and Wastewater Revenue Direct Pay Build America Bonds (BAB) with interest rates ranging from 3.61% to 6.68%. The revenue refunding and improvement bonds are due in annual principal and interest installments of \$5,516,894 to \$15,804,642 until December 2039. ACWWA is eligible to receive a 35% interest subsidy credit on its interest payments for these bonds subject to Section 6431 of the Internal Revenue Code. To receive BAB credits, ACWWA must file a Form 8038-CP between 45 and 90 days prior to the corresponding interest payment date. Such credits, if received by ACWWA, are required by the bond resolution to be deposited to the Build America Interest Account of the Build America Bond Fund. There is no assurance, however, that ACWWA will receive all or any of the BAB credits which it expects to receive. ACWWA will be required to pay interest subsidies in the amounts of \$2,014,866 and 1,930,913 during 2011 and 2010, respectfully.

**Series 2009B Revenue Bonds**

On December 8, 2009, ACWWA issued \$5,625,000 in water and wastewater revenue bonds with interest rates ranging from 2% to 2.5%. The revenue refunding and improvement bonds are due in annual principal and interest installments of \$121,960 to \$2,224,250 until December 2014.

**Series 2007 Revenue Refunding and Improvement Bonds**

On August 23, 2007, the Authority issued \$18,760,000, with a discount of \$70,654, in Water and Wastewater Revenue Refunding and Improvement Bonds with interest rates ranging from 4% to 5%. The revenue refunding bonds are due in average annual principal and interest installments of \$1,262,915 until December 2033

**Series 2006 Refunding Bonds**

On December 28, 2006, the Authority issued \$22,940,000 with a premium of \$441,801 in revenue bonds with interest rates ranging from 4% to 5%. The revenue refunding and improvement bonds are due in average annual principal and interest installments of \$1,550,265 until December 2033.

**Arapahoe County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2011**

**Outstanding Bonds**

Annual debt service requirements to amortize all obligations outstanding, as of December 31, 2011, are:

Year	Principal	Interest	Total
2012	\$ 2,605,000	\$ 7,625,310	\$ 10,230,310
2013	2,675,000	7,551,910	10,226,910
2014	3,320,000	7,472,297	10,792,297
2015	2,855,000	7,367,561	10,222,561
2016	2,945,000	7,264,297	10,209,297
2017-2021	16,435,000	34,157,908	50,592,908
2022-2026	19,930,000	29,717,369	49,647,369
2027-2031	24,585,000	23,745,915	48,330,915
2032-2036	30,625,000	15,830,730	46,455,730
2037-2040	29,015,000	4,401,786	33,416,786
Total	<u>\$134,990,000</u>	<u>\$145,135,083</u>	<u>\$280,125,083</u>

**NOTE 13: OPERATING LEASES**

The County leases office facilities under non-cancelable operating leases. The following is a summary of the County's operating leases:

City Center Market Place	
Future Maturities	
2012	86,838
2013	90,343
2014	93,959
2015	97,686
2016	49,789
	<u>\$ 418,615</u>

Rent expense for 2011 was \$279,450.

**Arapahoe County, Colorado**

**Notes to the Financial Statements**

**December 31, 2011**

**NOTE 14: SELF INSURANCE PLANS**

**Self Insurance Liability Plan** - In 1982, Arapahoe County established a self-insurance plan to provide liability and property coverage for County assets and operations. The plan is administered by the County. When appropriate, the County utilizes third-party consultants and attorneys to handle bodily injury claims and certain other claims. Excess insurance is maintained that limits the County's liability to certain levels depending on the nature of the claim. The estimate liability claims was determined by an actuarial analysis of current claims and an estimate of incurred but not reported (IBNR) claims at December 31, 2011. This plan is an internal service fund.

**Self Insurance Worker's Compensation Plan** – In 1990, the County established a self-insurance plan to pay losses from worker's compensation claims. The County administers the plan, however the County utilizes third-party consultants, attorneys and service providers in the administration of the plan. Excess insurance coverage is maintained to limit the loss of any individual claim. The plan assesses other funds for estimates of current claims based on historical claims. The estimated claim liability at December 31, 2011 was determined by an actuarial analysis. The actuarial analysis includes estimated costs of known claims and estimates of incurred but not reported (IBNR) claims. This plan is an internal service fund.

**Self Insurance Dental Plan** - This fund was originally established on January 1, 1986, and included both medical and dental plans. A decision was made in 1991 to discontinue the County plan for medical insurance effective January 1, 1992. The County continued the self-insured dental plan. Dental claims, as well as administrative costs, are paid directly out of this fund, which is funded by contributions made by the County and its employees. All claims are reviewed and approved for payment by Delta Dental, in accordance with their administrative services agreement with the County. The County's plan is fully self-insured with the County assuming all liability risks. The County is not a part of a public entity risk pool. The County estimates liabilities for unpaid claims through a combination of analyzing payments in subsequent years, historical trends, and industry guidelines. This plan is an internal service fund.

The County employs a full-time Risk Manager to oversee all aspects of the County's insurance needs and to assess the County's potential liabilities. The County's Human Resources Department administers the Self-Insurance Dental Plan. Changes in the balances of claims liabilities follow:

	Liability	Workers Comp	Dental	Total
Unpaid Claims, January 1, 2010	\$ 955,000	\$ 2,190,000	\$ 62,000	\$ 3,207,000
Incurred Claims (including IBNR)	218,792	1,025,032	1,227,899	2,471,723
Claim Payments	<u>(397,792)</u>	<u>(1,116,032)</u>	<u>(1,232,899)</u>	<u>(2,746,723)</u>
Unpaid Claims, December 31, 2010	776,000	2,099,000	57,000	2,932,000
Incurred Claims (including IBNR)	489,405	1,024,356	1,286,873	2,800,634
Claim Payments	<u>(535,405)</u>	<u>(863,356)</u>	<u>(1,278,873)</u>	<u>(2,677,634)</u>
Unpaid Claims, December 31, 2011	<u>\$ 730,000</u>	<u>\$ 2,260,000</u>	<u>\$ 65,000</u>	<u>\$ 3,055,000</u>
Claims Expected to be Paid in 2012	\$ 220,000	\$ 335,000	\$ 65,000	\$ 620,000
Claims Expected to be Paid after 2012	<u>510,000</u>	<u>1,925,000</u>	<u>-</u>	<u>2,435,000</u>
Unpaid Claims, December 31, 2011	<u>\$ 730,000</u>	<u>\$ 2,260,000</u>	<u>\$ 65,000</u>	<u>\$ 3,055,000</u>

Unpaid claim estimates do not include non-incremental claim adjustment expenses. Claims have not exceeded the County's insurance coverage for the previous three years.

# Arapahoe County, Colorado

## Notes to the Financial Statements

December 31, 2011

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**NOTE 15: RETIREMENT PLAN****Plan Description**

The Arapahoe County Retirement Plan (the Plan) is a single employer defined benefit pension plan established by the Arapahoe County Board of County Commissioners to provide pension benefits for its employees. The Plan is administered by the Arapahoe County Retirement Board consisting of five people: the Arapahoe County Treasurer, two Plan members elected by the Plan members, and two Arapahoe County citizens appointed by the Board of County Commissioners. The Plan issues a complete stand-alone set of financial statements that meet all the reporting requirements of GAAP. These financial statements are publicly available at the following address: Arapahoe County Retirement Plan, 6984 S. Lima Street, Suite B, Centennial, Colorado 80111.

**Plan Summary of Significant Accounting Policies**

The financial statements of the Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The government's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. All plan investments are reported at fair value. Securities traded on national or international exchanges are valued at the last reported sales price on the government's balance sheet date. Investments that do not have an established market value are reported at estimated fair value. The fair value of real estate investments is based on independent appraisals. Investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the Plan with the assistance of a valuation service. The custodian of the hedge fund determines the value of those investments.

**Funding Policy**

The contribution requirements of plan members are established by the Retirement Board in agreement with the Board of County Commissioners, which establishes the employer contribution. The employer must at least match the contribution of the employee. Both parties of this plan contribute the same percentage. In 2011, the contribution rate was 7.0% of covered payroll. For 2012, the rate has been increased to 7.5%.

**Annual Pension Cost and Net Pension Obligation – Three Year Trend Information**

	2011	2010	2009
Annual required contribution (ARC)	\$ 10,684,309	\$ 9,822,089	\$ 12,408,298
Interest on net pension obligation	1,613,515	1,396,515	946,616
Adjust to annual required contributions	(1,536,110)	(1,329,521)	(901,205)
Annual pension cost (APC)	10,761,714	9,889,083	12,453,709
Contributions made	(6,890,012)	(6,995,753)	(6,455,058)
Inc (Dec) in Net Pension Obligation	3,871,702	2,893,330	5,998,651
NPO beginning of year	21,513,533	18,620,203	12,651,552
NPO end of year	<u>\$ 25,385,235</u>	<u>\$ 21,513,533</u>	<u>\$ 18,620,203</u>
Percentage of APC Contributed	64.0%	70.7%	51.8%

The Net Pension Obligation is liquidated by the General Fund.

# Arapahoe County, Colorado

## Notes to the Financial Statements

December 31, 2011

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### Funded Status and Funding Progress

As of January 1, 2011, the most recent actuarial valuation date, the Plan was 73.8% funded. The actuarial accrued liability for benefits was \$336,226,280 and the actuarial value of assets was \$248,196,924, resulting in an unfunded actuarial accrued liability of \$88,029,356. The covered payroll (annual payroll of active employees covered by the plan) was \$100,055,914 and the ratio of unfunded actuarial accrued liability to covered payroll was 88.0%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

### Actuarial Methods and Assumptions

In the January 1, 2011 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 3.8% to 6.3% per year. A 2.5% rate of inflation was used in the calculations. No cost of living increases are included in the assumptions. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value over a five year period. The UAAL is being amortized on a level dollar method on an open basis over a 20 year amortization period.

### Investments

All investments and net appreciation in fair value of investments, interest, dividends for the years ended December 31, 2011, were obtained or derived from information supplied to the plan administrator and certified as complete and accurate by U.S Bank, the trustee of the Plan.

	<u>2011</u>
Total Investments	\$ 216,027,192
Dividend and Interest Receivable	31
Net Appreciation (Depreciation) in Fair Value of Investments	(6,470,805)
Interest and Dividend Income	2,932,935

The Retirement Board of the Plan has sole discretion over the investments of the Plan within the guidelines established by state statutes. The Plan contracts with investment managers to manage substantially all of the Plan's investments. U.S Bank holds the Plan's investments under a trust agreement with the Plan.

**Credit Risk** - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the Plan. Credit risk exposure is managed in accordance with investment guidelines as stated in the formal investment policy adopted by the plan. As per Section 24-54-112 of the Colorado Revised Statutes (C.R.S.), the Plan assets will be invested using the "Colorado Uniform Prudent Investor Act" found in the provisions of Part 3 of Article 1 of Title 15, C.R.S. The Plan assets shall be invested and managed as a prudent investor would, by considering the purposes, terms, distribution requirements and other circumstances. In satisfying this standard, all fiduciaries shall exercise reasonable care, skill and caution. Investment decisions should be evaluated within the context of the entire portfolio, rather than on an individual investment basis, and as part of an overall investment strategy having risk and return objectives reasonably suited to the Plan's purpose.

# Arapahoe County, Colorado

## Notes to the Financial Statements

December 31, 2011

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The following is a summary of the Plan's fixed income investments at December 31, 2011 with average credit ratings based on Standard & Poor's rating scale:

	<u>December 31, 2011</u>
Pacific Investment Management Company (PIMCO)	
Total return retirement fund - institutional	
class shares:	
Fair Value	\$29,248,270
Average rating of underlying investments	A+
JP Morgan	
Core Bond Fund	
Fair Value	\$29,589,640
Average rating	not rated
US Bank Money Market	
Fund #6	
Fair Value	\$1,881,464
Average rating	not rated

**Interest Rate Risk** - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Interest rate risk exposure is dictated by each manager's agreement. Each portfolio is managed in accordance with investment guidelines as stated in the Plan's investment policy. As of December 31, 2011, the Plan held the following fixed income investments. Modified duration is in years.

	<u>December 31, 2011</u>
PIMCO:	
Total return retirement fund - institutional	
class shares:	
Balance	\$29,248,270
Modified duration (in years)	7.0
JP Morgan	
Core Bond Fund	
Balance	\$29,589,640
Modified duration (in years)	4.4

Investments in money market funds of \$1,881,464 for December 31, 2011 have an average maturity of less than 122 days.

# Arapahoe County, Colorado

## Notes to the Financial Statements

December 31, 2011

**Custodial Credit Risk** - Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Plan has no formal policy for custodial credit risk. Certain externally managed pools participate in security lending transactions, repurchase agreements and over the counter transactions. These transactions may indirectly subject the Plan to the risk of loss due to nonperformance by the counterparty to the agreement.

**Concentration of Credit Risk** - Concentration of credit risk is the risk of loss attributed to the magnitude of the Plan's investment in a single issuer. The Plan does not have a policy that addresses limitations on the amount that can be invested in any one issuer. There is no formal policy for concentration of credit risk for the international equity and real estate investment managers.

The Plan uses the following asset allocation strategy to achieve the Plan's objectives. The target allocation is allowable under the plan and has been adopted by the Board. The percentages are based on the market value of the investments. The asset allocation strategy was last changed in April 2010 and is updated at various times as appropriate.

<u>Asset Class</u>	<u>Current Target</u>	<u>Allowable Range</u>
Domestic Equity	25%	20%-30%
International Equity	25%	20%-30%
Global Equity	10%	5%-15%
Total Equity	60%	50%-70%
Fixed Income	15%	10%-20%
Hedge Fund-of-Funds	15%	10%-20%
Real Estate	10%	5%-15%

The following presents investments that represent five percent or more of the Plan's net assets as of December 31, 2011:

	<u>2011</u>
Blackstone Alternative Asset Management	\$ 33,270,550
JPMorgan Chase Commingled Pension	29,589,640
PIMCO Total Return Fund	29,248,270
Vanguard FTSE All-World Fund	14,904,842
American Euro Pacific Growth Funds	13,815,959
UBS Realty Investors LLC	13,696,820
Mondrian Global Equity	11,150,715
T. Rowe Price Structured Research Common Trust	10,971,654

**Foreign Currency Risk** – Foreign currency risk is defined as any deposits or investments that are denominated in foreign currencies, which bear a potential risk of loss arising from changes in currency exchange rates. The plan has no direct holdings which give rise to foreign currency risk. However, some of the externally managed funds have investments which are denominated in foreign currencies.

# Arapahoe County, Colorado

## Notes to the Financial Statements

December 31, 2011

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**Liquidity Risk** – Certain investments, such as those in the hedge fund of funds and real estate funds may have limited transferability and restrictions on when investments may be redeemed.

**Off Balance Sheet Risk** – Through its holdings in externally managed investment pools, the plan's money managers have entered into various contracts which contain off balance sheet risk. These include: futures contracts, short sales, hedging and arbitrage transactions, option contracts, swap options and various swap contracts.

**Rates of Returns** – Certain investments contractually include specific investment returns to classes of investors which may not approximate the ownership percentages of these investments and may affect the timing and amount of investment returns of the plan.

### **NOTE 16: CONTINGENCIES**

The County is currently named in numerous lawsuits. In the opinion of the County Attorney, none of the current litigation is expected to result in a material liability or have a material impact on the County's financial position. The excess insurance coverage available in the self-insurance liability plan also limits potential liability for the County.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

### **NOTE 17: TAX SPENDING AND DEBT LIMITATIONS**

Colorado voters passed an Amendment to the State Constitution, Article X, Section 20 (TABOR), which contains several limitations, including revenue raising, reserve requirements, and election requirements.

The County's financial activity provides the basis for calculation of limitations adjusted for allowable increases tied to inflation and local growth of assessed value of new construction.

The Amendment excludes enterprises from its provisions. Enterprises are defined as government-owned businesses that are authorized to issue revenue bonds and that receive less than 10% of their annual revenue from all state and local governments combined. The County is of the opinion that the following component units are enterprises and, therefore, qualify for this exclusion: Arapahoe County Water & Wastewater Authority, Arapahoe County Public Airport Authority, and the Arapahoe County E-911 Authority.

Additionally, the Employee Flexible Benefit Fund, Self Insurance Dental Plan, Conservation Trust Fund, Employee Retirement Trust Fund, and the Treasurer's Agency Fund have been excluded from the compliance calculation. These funds have been excluded from the compliance calculation because these funds exist for the employees benefit, have been excluded from the calculation by the Amendment, or have been excluded by a Colorado Supreme Court decision.

Fiscal year spending is defined as "all expenditures and reserve increases except as to both, those for refunds made in the current or next fiscal year or those from gifts, federal funds, collections for another government, pension contributions by employees, and pension fund earnings, reserve transfers or expenditures, damage awards or property sales." In effect, it has been generally interpreted that fiscal year spending is non-exempt revenue. Calculations have been made that show that the County, and the non-exempt component units have not exceeded the fiscal year limits imposed by the Amendment.

# Arapahoe County, Colorado

## Notes to the Financial Statements

December 31, 2011

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The Amendment requires, with certain exceptions, voter approval prior to imposing new taxes, increasing tax rates, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government. The County levied 16.973 mills as the base mill levy in 1997, but in 1998 permanently reduced it to 15.821 mills.

The Law Enforcement Authority levied 4.982 mills in 2011 and 2010.

The Amendment requires that emergency reserves be established. These reserves must be at least three percent of fiscal year spending. Emergency reserves at or in excess of three percent of calculated fiscal year spending have been established and presented as a reservation of fund balance for the County and for the nonexempt component units. The Board of County Commissioners designates another 8.0% of the current year's initial adopted operational budget for emergency purposes.

Based upon Arapahoe County's interpretation of the above Amendment the County believes it falls within the TABOR limits for 2011.

### **NOTE 18: CONDUIT DEBT**

The Colorado County and Municipality Development Revenue Bond Act, Article 3, Title 29 of Colorado Revised Statutes, 1973, authorizes municipalities to finance one or more projects to promote industry, trade or other economic activity to further the economic health of the County. The Act further authorizes the County to enter into financial agreements with others to provide revenue to pay the bonds authorized and issued and to secure the payment of such bonds.

Periodically, under the above Act, the County issues industrial revenue bonds, single-family mortgage revenue bonds, multi-family mortgage revenue bonds, construction loan revenue bonds and special obligation revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of private, industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The County is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2011, the aggregate principal amount payable for the bonds is \$82,006,186.

### **NOTE 19: ACCOUNTING CHANGE**

GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions" enhances the usefulness, including the understandability, of governmental fund balance information. This statement provides more clearly defined categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. It also clarifies the existing governmental fund type definitions. For the year ended December 31, 2011, the County discontinued reporting the Board Designated and the Building Maintenance funds as separate Special Revenue funds and included these in the General Fund per GASB 54. As a result, the General Fund beginning fund balance was restated by \$18,247,061 to include the beginning fund balance for the Board Designated and the Building Maintenance funds.

Changes to the fund balance reporting categories are reflected in Note 1, Fund Equity.

**Arapahoe County, Colorado**

**Notes to the Financial Statements**

**December 31, 2011**

**NOTE 20: NONSPENDABLE, RESTRICTED, AND UNRESTRICTED FUND BALANCE**

Nonspendable, restricted, committed, and assigned fund balances of the Governmental Funds consist of the following:

**Major Special Revenue Funds**

	<u>General Fund</u>	<u>Social Services</u>	<u>Open Space Sales Tax</u>	<u>Other Governmental</u>	<u>Total</u>
<b>Fund Balances</b>					
<b>Nonspendable:</b>					
Inventory	\$ -	\$ -	\$ -	\$ 78,728	\$ 78,728
Prepaid expenditures	28,289	23,791	-	66,612	118,692
<b>Total Nonspendable</b>	<u>28,289</u>	<u>23,791</u>	<u>-</u>	<u>145,340</u>	<u>197,420</u>
<b>Restricted for:</b>					
TABOR	5,533,967	-	-	227,265	5,761,232
Conservation Trust	-	-	-	651,972	651,972
Developer Contributions	-	-	-	2,005,401	2,005,401
Debt Service	-	-	-	1,576,000	1,576,000
Park Development	-	-	-	433,362	433,362
Public Safety	-	-	-	122,446	122,446
Recording	-	-	-	411,369	411,369
Open Space, Parks and Trails	-	-	26,469,076	-	26,469,076
Water Projects - Debt Service	-	-	-	1,883,342	1,883,342
<b>Total Restricted</b>	<u>5,533,967</u>	<u>-</u>	<u>26,469,076</u>	<u>7,311,157</u>	<u>39,314,200</u>
<b>Committed to:</b>					
BOCC/Emergencies	-	-	-	713,106	713,106
Capital Projects/Replacements	-	-	-	15,220,366	15,220,366
Highways & Streets	-	-	-	16,074,048	16,074,048
Public Safety	-	-	-	405,606	405,606
Water Projects	-	-	-	4,011,041	4,011,041
<b>Total Committed</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,424,167</u>	<u>36,424,167</u>
<b>Assigned to:</b>					
General Government	192,226	-	-	-	192,226
Community Resources	15,978	-	-	-	15,978
Culture and Recreation	-	-	-	1,842,125	1,842,125
Debt Service	-	-	-	136,959	136,959
Facilities and Fleet	516,544	-	-	-	516,544
Human Services	-	9,979,788	-	-	9,979,788
Information Technology	83,139	-	-	-	83,139
Public Safety	425,844	-	-	8,964,560	9,390,404
Public Works	223,446	-	-	5,554,640	5,778,086
Recording	382,193	-	-	-	382,193
Subsequent Year Expenditures	3,535,653	-	-	-	3,535,653
<b>Total Assigned</b>	<u>5,375,023</u>	<u>9,979,788</u>	<u>-</u>	<u>16,498,284</u>	<u>31,853,095</u>
<b>Unassigned</b>	30,723,073	-	-	(759,365)	29,963,708
<b>Total Fund Balance</b>	<u>\$ 41,660,352</u>	<u>\$ 10,003,579</u>	<u>\$ 26,469,076</u>	<u>\$ 59,619,583</u>	<u>\$ 137,752,590</u>

**Arapahoe County, Colorado**

**Notes to the Financial Statements**

**December 31, 2011**

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**NOTE 21: EXPLANATION OF DIFFERENCES BETWEEN REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES) FOR THE GENERAL FUND BUDGETARY COMPARISON SCHEDULE AND THE GENERAL FUND AS REPORTED IN THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE.**

As part of the County's current year implementation of GASB Statement No. 54 (see Note 1, Fund Equity), certain special revenue funds reported in the previous year no longer qualify as special revenue funds, and have been combined with the General Fund for reporting purposes. In accordance with GASB Statement No. 41, Budgetary Comparison Schedules – Perspective Differences, the activity of such funds is not included in the General Fund budgetary comparison schedule. The following is a reconciliation of the General Fund budgetary comparison schedule to the General Fund as reported in the Statement of Revenues, Expenditures and Changes in Fund Balance for the year ended December 31, 2011.

**Revenues**

Actual amounts "revenues" from the General Fund budgetary comparison schedule	\$ 151,112,989
Adjustments:	
The County reports revenue of the Building Maintenance Fund as part of the General Fund for reporting purposes, in the Statement of Revenues, Expenditures and Changes in Fund Balance.	-
	<hr/>
Total General Fund revenues as reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance	<u>\$ 151,112,989</u>

**Expenditures**

Actual amounts "expenditures" from the General Fund budgetary comparison schedule	\$ 137,905,461
Adjustments:	
The County reports expenditures of the Building Maintenance Fund as part of the General Fund for reporting purposes, in the Statement of Revenues, Expenditures and Changes in Fund Balance.	1,845,646
	<hr/>
Total General Fund expenditures as reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance	<u>\$ 139,751,107</u>

**Other financing sources (uses)**

Actual amounts "other financing sources (uses)" from the General Fund budgetary comparison schedule	\$ (22,689,834)
Adjustments:	
The County reports other financing sources (uses) of the Building Maintenance Fund as part of the General Fund for reporting purposes, in the Statement of Revenues, Expenditures and Changes in Fund Balance.	1,743,166
	<hr/>
Total General Fund other financing sources (uses) as reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance	<u>\$ (20,946,668)</u>

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**Arapahoe County Retirement Plan  
Required Supplementary Schedule**

**Arapahoe County Retirement Plan  
Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (b)</b>	<b>Unfunded (Overfunded) (b-a)</b>	<b>Funded Ratio (%) (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll (%) (b-a/c)</b>
1/1/2009	207,669,753	305,587,064	97,917,311	68.0%	98,242,489	99.7%
1/1/2010	241,589,816	319,784,777	78,194,961	75.5%	100,258,835	78.0%
1/1/2011	248,196,924	336,226,280	88,029,356	73.8%	100,055,914	88.0%

<sup>1</sup> This schedule is based on the actuarial valuation as of 1/1/11.

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## **SUPPLEMENTARY INFORMATION**

Arapahoe County Department of Human Services  
EBT Authorization Schedule  
For Calendar Year 2011

Program	A <u>County EBT Authorizations per Whole Year Report</u>	B <u>County Share of Authorizations</u>	C <u>Expenditures By County Warrant</u>	D <u>County EBT Authorizations plus Expenditures by County Warrant (Col. A + Col. C)</u>	E <u>Total Expenditures (Col. B + Col. C)</u>
Colo Works (TANF)	\$ 8,225,804	\$ 1,510,256	\$ 6,498,421	14,724,225	8,008,677
Child Care Direct EBT	5,381,201	790,202		5,381,201	790,202
Child Care Administration			660,287	660,287	660,287
Child Care TANF Transfer	273,063		-	273,063	-
Child Welfare Administration 100%			2,568,401	2,568,401	2,568,401
Child Welfare Administration 80/20%			10,870,496	10,870,496	10,870,496
Child Welfare Residential Mental Health	4,814,768	965,984		4,814,768	965,984
Child Welfare Case Services	150,843	35,074	35,507	186,350	70,581
Child Welfare Out-of-Home (OOH)	5,383,321	1,097,836		5,383,321	1,097,836
Child Welfare Related Child Care	140,174	28,692	24,765	164,939	53,457
Child Welfare Subsidized Adoption	5,813,160	1,179,937		5,813,160	1,179,937
Child Welfare TANF Transfer to Core	60,187			60,187	-
Regular Administration			7,807,814	7,807,814	7,807,814
Non-Allocated Programs:					
Medicaid Administration			574,641	574,641	574,641
ARRA Child Support Enforcement Administration			(1,721)	(1,721)	(1,721)
ARRA Food Assistance Administration			182,070	182,070	182,070
Food Assistance Administration-Allocation			86,640	86,640	86,640
Food Assistance EBT Administration	40,000	40,000		40,000	40,000
Core Services:					
Mental Health	115,046	-		115,046	-
ADAD	441,419	314		441,419	314
SEA			21,332	21,332	21,332
Other FICF	1,065,659	6,489	(85,700)	979,959	(79,211)
80/20%	413,305	82,661	2,101,769	2,515,074	2,184,430
Low-Income Energy Assistance	3,336,125		437,071	3,773,196	437,071
Aid to Needy Disabled	750,972	150,194		750,972	150,194
Home Care Allowance	1,150,390	57,520		1,150,390	57,520
Old Age Pension	11,002,036		171,881	11,173,917	171,881
Food Assistance EBT & Fraud Administration	81,673,772		85,969	81,759,741	85,969
Food Assistance Job Search	(2,279)	(456)	843,237	840,958	842,781
Title XX Caseworker Training			9,523	9,523	9,523
IV-E Independent Living			188,026	188,026	188,026
County Wide Cost Allocation Plan Pass Thru			6,178,790	6,178,790	6,178,790
Audit Adjustments	(403)	403		(403)	403
Medicaid Collections	(1,013)	-	-	(1,013)	-
<b>Total Net EBT Authorizations/Subtotal</b>	<b>130,227,550</b>	<b>5,945,106</b>	<b>39,259,219</b>	<b>169,486,769</b>	<b>45,204,325</b>
<b>State Adjustments/ NON-EBT</b>				-	-
Child Welfare RTC/CHRP adjustments	454,820	89,623		454,820	89,623
IV-D Retained State Collections	(902,404)	(180,481)		(902,404)	(180,481)
Child Support Enforcement	90,223	98,921	5,259,396	5,349,619	5,358,317
Other Local Sources			730,733	730,733	730,733
Excess Parental Fees			736,583	736,583	736,583
<b>Grand Totals</b>	<b>\$ 129,870,189</b>	<b>\$ 5,953,169</b>	<b>\$ 45,985,931</b>	<b>\$ 175,856,120</b>	<b>\$ 51,939,100</b>
			<b>*** CONTROL TOTALS</b>	<b>175,856,120</b>	<b>48,605,267</b>
Differences noted:					
Net Increase to Total Expenditures due to accruals					(820,358)
Net decrease to Total Expenditures due to County Wide Cost Allocation Plan costs not recorded to Fund 11					(6,613,167)
Net increase to Total Expenditures due to county expenditures not recorded to County Financial Management System (CFMS)					145,505
Net increase to Total Expenditures due to Fund to Fund transfers not recorded to CFMS					3,556,164
Net decrease to Total Expenditures due to IV-D balance sheet items, and refunds					(68,789)
Net increase to Total Expenditures due to collection items recorded in revenue and not as offset to expenditure					466,812
<b>County Human Services Total</b>					<b>48,605,267</b>
A. Assistance payments authorized by the Arapahoe County Department of Human Services. These county authorizations are paid by the Colorado Department of Human Services via QUEST debit cards - Electronic Benefit Transfer. These amounts include EBT adjustments such as payment returns and collections. The amounts can be isolated in CFMS by adding up the account code sequences 65793-65799, 53940-53945 and 65788-65789.					
B. Net County Share of EBT authorizations. These amounts are settled monthly by a reduction of the Due To/From State settlement payment made to Arapahoe County at the end of the month following the period close. These amounts correspond to county share amounts of the EBT net authorizations paid (see A Above). Amounts can be isolated by adding up account code 11320 figures for EBT program and function code combinations.					
C. Expenditures made by county warrant or other county payment methods.					
D. This represents the total cost of the assistance programs that are administered by the Arapahoe County Department of Human Services.					
E. The amount is reconcilable to the expenditures on the Social Services Fund-Statement of Revenues, Expenditures and Changes in Fund Balance.					
*** Control figures for column D taken from the CFMS Expenditure/Revenue-Whole Year Report "total expenditure" column. For column E, the County SAP ZFAR Detail for expenditure accounts. Difference between Grand Total of column D and Control Total of Column D is due to rounding.					
Difference between Grand Total of column E and Control Total of column E is shown in Differences Noted.					

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County: Arapahoe
	YEAR ENDING : December 2011

This Information From The Records Of (example - City of \_ or County of ) Prepared By: Rhonda Robinson  
Phone: 720-874-6822

**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				

<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES</b>	<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES</b>
--	--

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	1,484,807
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	5,391,596
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations	3,223,727	b. Snow and ice removal	960,323
3. Other local imposts (from page 2)	6,084,935	c. Other	
4. Miscellaneous local receipts (from page 2)	46,446	d. Total (a. through c.)	960,323
5. Transfers from toll facilities		4. General administration & miscellaneous	1,021,875
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	871,137
a. Bonds - Original Issues		6. Total (1 through 5)	9,729,738
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	9,355,108	b. Redemption	
<b>B. Private Contributions</b>	573,468	c. Total (a. + b.)	0
<b>C. Receipts from State government (from page 2)</b>	7,088,981	2. Notes:	
<b>D. Receipts from Federal Government (from page 2)</b>	0	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	17,017,557	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	9,729,738

**IV. LOCAL HIGHWAY DEBT STATUS**  
(Show all entries at par)

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

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	66,296,842	17,017,557	9,729,738	73,584,661	0

**Notes and Comments:**

<b>LOCAL HIGHWAY FINANCE REPORT</b>		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2011	
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	5,734,319	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	350,616	g. Other Misc. Receipts	46,446
6. Total (1. through 5.)	350,616	h. Other	
c. Total (a. + b.)	6,084,935	i. Total (a. through h.)	46,446
	(Carry forward to page 1)		(Carry forward to page 1)
<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
<b>ITEM</b>	<b>AMOUNT</b>	<b>ITEM</b>	<b>AMOUNT</b>
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	6,796,323	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 Registration	292,658	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	292,658	g. Total (a. through f.)	
4. Total (1. + 2. + 3.f)	7,088,981	3. Total (1. + 2.g)	
			(Carry forward to page 1)
<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities		683,349	683,349
(2). Capacity Improvements		636,333	636,333
(3). System Preservation			0
(4). System Enhancement & Operation		165,125	165,125
(5). Total Construction (1) + (2) + (3) + (4)	0	1,484,807	1,484,807
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	1,484,807	1,484,807
			(Carry forward to page 1)
<b>Notes and Comments:</b>			

**Arapahoe County, Colorado**  
**Building Maintenance Administration**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Total revenue	-	-	-	-
<b>Expenditures</b>				
<b>Current</b>				
General government	2,072,166	2,450,117	1,678,589	771,528
<b>Capital</b>				
General government	-	-	167,057	(167,057)
Total expenditures	2,072,166	2,450,117	1,845,646	604,471
Excess (deficiency) of revenues over (under) expenditures	(2,072,166)	(2,450,117)	(1,845,646)	604,471
<b>Other financing sources (uses)</b>				
Transfers in	2,100,000	2,100,000	2,100,000	-
Transfers out	(356,834)	(356,834)	(356,834)	-
Total other financing sources (uses)	1,743,166	1,743,166	1,743,166	-
Net change in fund balance	(329,000)	(706,951)	(102,480)	604,471
Fund balance - beginning	1,325,781	1,325,781	1,325,781	-
Fund balance - ending	\$ 996,781	\$ 618,830	\$ 1,223,301	\$ 604,471

**Arapahoe County, Colorado**  
**Board Designated**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Total revenue	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balance - beginning	16,921,280	16,921,280	16,921,280	-
Fund balance - ending	\$ 16,921,280	\$ 16,921,280	\$ 16,921,280	\$ -

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## NONMAJOR GOVERNMENTAL FUNDS

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### SPECIAL REVENUE FUNDS

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

**Electronic Filing Technology Fund** – This fund, which began on September 1, 2002, is used to account for a surcharge on recording fees to be used by the Clerk and Recorder to acquire technology to accept electronic filings.

**Cash-In-Lieu Fund** – This fund is used to account for monies received in lieu of land to be dedicated for parks and other public purposes. Each land subdivider must provide to the County a minimum of 10% of the total gross acreage of the subdivision or a sum of money equal to a minimum of 10% of the current market value of the total zoned (but unimproved) land; or a combination of land or money equal to the total 10% requirement. All funds are limited to use for public improvements.

**Law Enforcement Authority Fund** – This fund is used to account for the operations of law enforcement services in the unincorporated area of Arapahoe County. Most of the financing is provided by property tax revenue.

**Arapahoe/Douglas Works! Fund** – This fund is used to account for the operations of various Workforce Investment Act and related grants, i.e., summer youth employment, adult training, displaced workers, veterans and related grants. Financing is mainly provided by federal grants and various other local sources.

**Road and Bridge Fund** – This fund is used to account for the maintenance and improvements of roads, bridges and transportation infrastructure within the County. The sources of funds mainly include local property taxes and the State Highway Users Fund (HUTF).

**Conservation Trust Fund** – This fund is used to account for the County share of the state lottery program. The monies may be expended only for the acquisition, development, and maintenance of parks, and other public recreational facilities.

**Contingent Fund** – This fund is used to account for the expenditure of monies set aside for emergencies. These funds can be authorized only for (1) an act of God; (2) use against public enemies; or (3) something “which could not have been reasonably foreseen at the time of adoption of the budget”. The expenditure resolution must be adopted by a 2/3 vote of the governing body and must clearly be an “emergency” use of the funds.

**Communications Network Replacement Fund** – This fund was established in 1994 by an intergovernmental agreement with the City of Greenwood Village. The purpose of the fund is to provide funding for a future replacement of the County Radio Communication System.

**Sheriff Commissary Fund** – This fund is used to account for operations of a commissary for prisoners at the detention center. It is funded by inmate purchases.

**Community Development Fund** – This fund is used to account for the Community Development Block Grant. The grant is used to improve housing conditions for low/moderate income people.

**Forfeited Property Fund** – This fund is used to account for funds received from drug related seizures. These funds must be used for the specific purpose of law enforcement activities.

## NONMAJOR GOVERNMENTAL FUNDS (continued)

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**Developmental Disabilities Fund** – This fund is used to account for monies received to purchase services for residents in Arapahoe County with developmental disabilities. It is funded by a 1.000 mill levy.

**Grants Fund** – This fund is used to account for monies received and used in administering various grants received by the County.

**Homeland Security Grant Fund** – This fund is used to account for the receipt and disbursement of grant funds distributed through the State of Colorado.

**Fair Fund** - This fund is to account for funds collected and disbursed for the operation of the Arapahoe County Fair.

### CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

**Capital Expenditure Fund** – This fund is used to account for the purchase and/or construction of major capital projects. Capital projects include, but are not limited to such items as major office remodeling, handicap improvements, building rehabilitation, roadway construction, communication systems construction, and purchase of property.

**Infrastructure Fund** – This fund is used to account for construction costs of various County road projects. Financing for the fund is provided from within the County, other governmental units, and developers. The revenue received for the projects is equal to the expenditures anticipated for that specific project. Most road construction projects are multi-year in nature and are reappropriated in the next fiscal year.

**Arapahoe County Recreation District Fund** – This fund is used to account for a district formed to provide recreational facilities. These facilities include a community park, an ecological park, a passive park, historical property and various trails. The District is located between I-25 and Smoky Hill Road and between I-225 and the Arapahoe-Douglas County Line. Financing is provided by property taxes, which are capped at 1.000 mill, and by intergovernmental agreements with the Parker Jordan and Dove Valley Metropolitan Districts.

**Arapahoe County Water and Wastewater Public Improvement District (PID) Fund** – The Arapahoe County Water and Wastewater Public Improvement District (PID) was formed in November 2002 to provide capital infrastructure funding for the district located in the south central part of the County. Taxpayers within the district voted to authorize the issuance of \$165,000,000 in general obligation debt for water and wastewater projects. The Board of County Commissioners serves as the *ex officio* Board of Directors.

**NONMAJOR GOVERNMENTAL FUNDS  
(continued)**

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**DEBT SERVICE FUNDS**

Debt Service Funds are used for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

**Equipment Lease Purchase Fund** – This fund is used to account for capital lease purchases. In 2011, the following leases were accounted for in this fund:

1. Fairgrounds Event and Livestock Facility Lease purchase agreement through Chase Equipment Leasing Incorporated in the amount of \$2,500,000 entered into in 2005 and maturing in 2015.
2. Fairgrounds Water Facility Lease purchase agreement with Purecycle Water in the amount of \$607,858 entered into in 2006 and maturing in 2016. This lease was renegotiated in 2007. The renegotiated lease amount was \$616,976 and will also mature in 2016.
3. Parkland lease purchase agreement with Zion National Bank in the amount of \$2,600,000 was entered into in November 2007 and matures in 2027.
4. District Attorney Office Building lease purchase agreement with JPMorgan Chase Bank, N.A. in the amount of \$5,300,000 entered into in 2008 and matures in 2018.
5. Lima Ridge lease purchase agreement with the Banc of America Public Capital Corp. in the amount of \$9,650,000 entered into in 2011 and matures in 2030.

**The Arapahoe County Building Finance Corporation Debt Service Fund** – This fund is used to account for the transactions related to the funding of the construction of facilities that are leased to Arapahoe County Government.

**Arapahoe County, Colorado  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2011**

	Nonmajor Special Revenue			
	Electronic Filing	Cash-In-Lieu	Law Enforc. Authority	Arapahoe/Doug. Works!
<b>Assets</b>				
Cash and investments	\$ 424,993	\$ 433,422	\$ 8,635,259	\$ -
Restricted cash and investments	-	-	-	-
Accounts receivable	594	-	60,917	1,501,877
Taxes receivable, net	-	-	4,802,714	-
Prepaid items	-	-	-	742
Inventories	-	-	-	-
Total assets	\$ 425,587	\$ 433,422	\$ 13,498,890	\$ 1,502,619
<b>Liabilities and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 14,218	\$ -	\$ 61,088	\$ 124,724
Accrued expenditures	-	-	209,249	166,078
Due to other governments	-	60	-	-
Due to other funds	-	-	-	723,232
Deferred revenues	-	-	4,802,714	488,585
Total liabilities	14,218	60	5,073,051	1,502,619
<b>Fund balances</b>				
Nonspendable	-	-	-	742
Restricted	411,369	433,362	192,486	-
Committed	-	-	-	-
Assigned	-	-	8,233,353	-
Unassigned	-	-	-	(742)
Total fund balances	411,369	433,362	8,425,839	-
Total liabilities and fund balances	\$ 425,587	\$ 433,422	\$ 13,498,890	\$ 1,502,619

Nonmajor Special Revenue

Road and Bridge	Conservation Trust	Contingent	Comm. Network Replacement	Sheriff's Commissary	Community Development
\$ 4,623,953	\$ 651,972	\$ 713,106	\$ 405,606	\$ 717,042	\$ 28,102
-	-	-	-	-	-
1,299,104	-	-	-	140,750	294,936
5,692,682	-	-	-	-	-
3,367	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 11,619,106</u>	<u>\$ 651,972</u>	<u>\$ 713,106</u>	<u>\$ 405,606</u>	<u>\$ 857,792</u>	<u>\$ 323,038</u>
\$ 316,071	\$ -	\$ -	\$ -	\$ 111,880	\$ 287,363
52,346	-	-	-	14,705	6,594
-	-	-	-	-	-
-	-	-	-	-	-
5,692,682	-	-	-	-	29,081
<u>6,061,099</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>126,585</u>	<u>323,038</u>
3,367	-	-	-	-	-
-	651,972	-	-	-	-
-	-	713,106	405,606	-	-
5,554,640	-	-	-	731,207	-
-	-	-	-	-	-
<u>5,558,007</u>	<u>651,972</u>	<u>713,106</u>	<u>405,606</u>	<u>731,207</u>	<u>-</u>
<u>\$ 11,619,106</u>	<u>\$ 651,972</u>	<u>\$ 713,106</u>	<u>\$ 405,606</u>	<u>\$ 857,792</u>	<u>\$ 323,038</u>

(continued)

**Arapahoe County, Colorado**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds (continued)**  
**December 31, 2011**

	Nonmajor Special Revenue			
	Forfeited Property	Developmental Disability	Grants	Homeland Security Grant
<b>Assets</b>				
Cash and investments	\$ 117,914	\$ 23,710	\$ -	\$ -
Restricted cash and investments	-	-	-	-
Accounts receivable	4,532	-	1,596,210	1,573,272
Taxes receivable, net	-	7,167,895	-	-
Prepaid items	-	-	392	-
Inventories	-	-	78,728	-
Total assets	\$ 122,446	\$ 7,191,605	\$ 1,675,330	\$ 1,573,272
<b>Liabilities and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 23,710	\$ 723,968	\$ 291,941
Accrued expenditures	-	-	72,343	7,064
Due to other governments	-	-	-	-
Due to other funds	-	-	321,598	930,347
Deferred revenues	-	7,167,895	1,077,025	503,819
Total liabilities	-	7,191,605	2,194,934	1,733,171
<b>Fund balances</b>				
Nonspendable	-	-	79,120	-
Restricted	122,446	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	(598,724)	(159,899)
Total fund balances	122,446	-	(519,604)	(159,899)
Total liabilities and fund balances	\$ 122,446	\$ 7,191,605	\$ 1,675,330	\$ 1,573,272

Nonmajor Special Revenue

Nonmajor Capital Projects

Nonmajor Special Revenue		Nonmajor Capital Projects				Arap. County Water and Wastewater PID
Fair	Total	Capital Expenditure	Infrastructure	Arap. County Rec. District		
\$ 130,185	\$ 16,905,264	\$ 15,021,144	\$ 24,038,787	\$ 1,771,768	\$ 4,016,339	\$ 1,883,344
-	-	1,818,557	-	-	-	-
-	6,472,192	-	64,506	4,995	-	-
-	17,663,291	4,467,224	-	838,536	7,234,511	-
-	4,501	-	-	-	-	-
-	78,728	-	-	-	-	-
<u>\$ 130,185</u>	<u>\$ 41,123,976</u>	<u>\$ 21,306,925</u>	<u>\$ 24,103,293</u>	<u>\$ 2,615,299</u>	<u>\$ 13,134,194</u>	
\$ 12,070	\$ 1,967,033	\$ 1,619,335	\$ 5,964,751	\$ 10,859	\$ 5,300	
-	528,379	-	-	7,115	-	-
-	60	-	-	-	-	-
-	1,975,177	-	-	-	-	-
-	19,761,801	4,467,224	59,093	838,536	7,234,511	-
<u>12,070</u>	<u>24,232,450</u>	<u>6,086,559</u>	<u>6,023,844</u>	<u>856,510</u>	<u>7,239,811</u>	
-	83,229	-	-	-	-	-
-	1,811,635	-	2,005,401	34,779	1,883,342	-
-	1,118,712	15,220,366	16,074,048	-	4,011,041	-
118,115	14,637,315	-	-	1,724,010	-	-
-	(759,365)	-	-	-	-	-
<u>118,115</u>	<u>16,891,526</u>	<u>15,220,366</u>	<u>18,079,449</u>	<u>1,758,789</u>	<u>5,894,383</u>	
<u>\$ 130,185</u>	<u>\$ 41,123,976</u>	<u>\$ 21,306,925</u>	<u>\$ 24,103,293</u>	<u>\$ 2,615,299</u>	<u>\$ 13,134,194</u>	

(continued)

**Arapahoe County, Colorado**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds (continued)**  
**December 31, 2011**

	Nonmajor Debt Service			
	Total	Equipment Lease Purchase	Arap. County Building Finance Corp.	Total
<b>Assets</b>				
Cash and investments	\$ 44,848,038	\$ 13,806	\$ 101,991	\$ 115,797
Restricted cash and investments	3,701,901	-	1,602,361	1,602,361
Accounts receivable	69,501	-	2,400	2,400
Taxes receivable, net	12,540,271	-	-	-
Prepaid items	-	62,111	-	62,111
Inventories	-	-	-	-
<b>Total assets</b>	<b>\$ 61,159,711</b>	<b>\$ 75,917</b>	<b>\$ 1,706,752</b>	<b>\$ 1,782,669</b>
<b>Liabilities and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 7,600,245	\$ 6,849	\$ 750	\$ 7,599
Accrued expenditures	7,115	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenues	12,599,364	-	-	-
<b>Total liabilities</b>	<b>20,206,724</b>	<b>6,849</b>	<b>750</b>	<b>7,599</b>
<b>Fund balances</b>				
Nonspendable	-	62,111	-	62,111
Restricted	3,923,522	-	1,576,000	1,576,000
Committed	35,305,455	-	-	-
Assigned	1,724,010	6,957	130,002	136,959
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>40,952,987</b>	<b>69,068</b>	<b>1,706,002</b>	<b>1,775,070</b>
<b>Total liabilities and fund balances</b>	<b>\$ 61,159,711</b>	<b>\$ 75,917</b>	<b>\$ 1,706,752</b>	<b>\$ 1,782,669</b>

Total  
Nonmajor  
Governmental

\$ 61,869,099  
5,304,262  
6,544,093  
30,203,562  
66,612  
78,728  

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\$ 104,066,356  

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\$ 9,574,877  
535,494  
60  
1,975,177  
32,361,165  

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44,446,773  

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145,340  
7,311,157  
36,424,167  
16,498,284  
(759,365)  

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59,619,583  

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\$ 104,066,356  

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**Arapahoe County, Colorado**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2011**

	Nonmajor Special Revenue			
	Electronic Filing	Cash-In-Lieu	Law Enforc. Authority	Arapahoe/Doug. Works!
<b>Revenues</b>				
Taxes				
Property taxes	\$ -	\$ -	\$ 5,139,663	\$ -
Other taxes	-	-	317,239	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	37,105	9,316,400
Charges for services	123,522	40,827	242,606	47,034
Fines	-	-	1,105,578	-
Investment earnings	-	-	153,414	-
Interfund revenues and rentals	-	-	-	6,809
Repayment from comp unit-principal & interest	-	-	-	-
Developer contributions	-	-	-	-
Build America Bonds credit	-	-	-	-
Miscellaneous	-	-	-	140,984
Total revenue	<u>123,522</u>	<u>40,827</u>	<u>6,995,605</u>	<u>9,511,227</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	282,412	-	-	-
Public safety	-	-	6,080,982	-
Health and welfare	-	-	-	9,510,727
Highways and streets	-	-	-	-
Water and wastewater	-	-	-	-
Airport	-	-	-	-
Culture and recreation	-	-	-	-
Total current	<u>282,412</u>	<u>-</u>	<u>6,080,982</u>	<u>9,510,727</u>
<b>Capital</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Highways and streets	-	-	-	-
Total capital	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Debt</b>				
Principal	-	-	-	-
Interest	-	-	-	-
Debt issuance costs	-	-	-	-
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>282,412</u>	<u>-</u>	<u>6,080,982</u>	<u>9,510,727</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(158,890)</u>	<u>40,827</u>	<u>914,623</u>	<u>500</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	(638,322)	(500)
Debt issued	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(638,322)</u>	<u>(500)</u>
Net change in fund balance	<u>(158,890)</u>	<u>40,827</u>	<u>276,301</u>	<u>-</u>
Beginning fund balance - restated	570,259	392,535	8,149,538	-
Fund balance - ending	<u>\$ 411,369</u>	<u>\$ 433,362</u>	<u>\$ 8,425,839</u>	<u>\$ -</u>

Nonmajor Special Revenue

Road and Bridge	Conservation Trust	Contingent	Comm. Network Replacement	Sheriff's Commissary	Community Development
\$ 5,647,177	\$ -	\$ -	\$ -	\$ -	\$ -
350,616	-	-	-	-	-
307,890	-	-	-	-	-
7,958,048	495,200	-	60,050	-	3,028,544
13,007	-	-	-	1,544,552	-
-	-	-	-	-	-
-	6,257	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
34,061	-	-	-	-	117,211
<u>14,310,799</u>	<u>501,457</u>	<u>-</u>	<u>60,050</u>	<u>1,544,552</u>	<u>3,145,755</u>
-	-	-	66,367	-	-
-	-	-	-	1,495,661	-
14,043,562	-	-	-	-	3,175,755
-	-	-	-	-	-
-	-	-	-	-	-
<u>14,043,562</u>	<u>-</u>	<u>-</u>	<u>66,367</u>	<u>1,495,661</u>	<u>3,175,755</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
14,043,562	-	-	66,367	1,495,661	3,175,755
267,237	501,457	-	(6,317)	48,891	(30,000)
-	-	-	32,950	-	30,000
(234,012)	(381,367)	-	-	(51,956)	-
-	-	-	-	-	-
<u>(234,012)</u>	<u>(381,367)</u>	<u>-</u>	<u>32,950</u>	<u>(51,956)</u>	<u>30,000</u>
33,225	120,090	-	26,633	(3,065)	-
5,524,782	531,882	713,106	378,973	734,272	-
<u>\$ 5,558,007</u>	<u>\$ 651,972</u>	<u>\$ 713,106</u>	<u>\$ 405,606</u>	<u>\$ 731,207</u>	<u>\$ -</u>

(continued)

**Arapahoe County, Colorado**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds (continued)**  
**For the Year Ended December 31, 2011**

	Nonmajor Special Revenue			
	Forfeited Property	Developmental Disability	Grant	Homeland Security Grant
<b>Revenues</b>				
Taxes				
Property taxes	\$ -	\$ 7,642,806	\$ -	\$ -
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	393	11,516,654	3,387,284
Charges for services	-	-	200,110	-
Fines	505,763	-	-	-
Investment earnings	2,111	-	802	-
Interfund revenues and rentals	-	-	-	-
Repayment from comp unit-principal & interest	-	-	-	-
Developer contributions	-	-	-	-
Build America Bonds credit	-	-	-	-
Miscellaneous	-	-	86,339	-
Total revenue	<u>507,874</u>	<u>7,643,199</u>	<u>11,803,905</u>	<u>3,387,284</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	-	-	45,913	-
Public safety	445,576	-	345,292	3,547,183
Health and welfare	-	7,647,121	11,704,246	-
Highways and streets	-	-	-	-
Water and wastewater	-	-	-	-
Airport	-	-	-	-
Culture and recreation	-	-	-	-
Total current	<u>445,576</u>	<u>7,647,121</u>	<u>12,095,451</u>	<u>3,547,183</u>
<b>Capital</b>				
General government	-	-	252,128	-
Public safety	-	-	-	-
Health and welfare	-	-	34,532	-
Highways and streets	-	-	-	-
Total capital	<u>-</u>	<u>-</u>	<u>286,660</u>	<u>-</u>
<b>Debt</b>				
Principal	-	-	-	-
Interest	-	-	-	-
Debt issuance costs	-	-	-	-
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>445,576</u>	<u>7,647,121</u>	<u>12,382,111</u>	<u>3,547,183</u>
Excess (deficiency) of revenues over (under) expenditures	<u>62,298</u>	<u>(3,922)</u>	<u>(578,206)</u>	<u>(159,899)</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Debt issued	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	62,298	(3,922)	(578,206)	(159,899)
Beginning fund balance - restated	60,148	3,922	58,602	-
Fund balance - ending	<u>\$ 122,446</u>	<u>\$ -</u>	<u>\$ (519,604)</u>	<u>\$ (159,899)</u>

Nonmajor Special Revenue

Nonmajor Capital Projects

Nonmajor Special Revenue		Nonmajor Capital Projects			
Fair	Total	Capital Expenditure	Infrastructure	Arap. County Rec. District	Arap. County Water and Wastewater PID
\$ -	\$ 18,429,646	\$ 4,432,008	\$ -	\$ 815,336	\$ 6,251,684
-	667,855	275,111	-	50,782	397,166
-	307,890	-	40,777	-	-
-	35,799,678	-	663,698	315,334	-
322,375	2,534,033	-	-	73,055	-
-	1,611,341	-	-	-	-
-	162,584	75,483	66,904	25,268	497,612
-	6,809	-	-	-	-
-	-	-	-	-	-
-	-	-	306,191	-	-
-	-	-	-	-	1,158,381
7,679	386,274	769	34,595	-	-
330,054	59,906,110	4,783,371	1,112,165	1,279,775	8,304,843
370,938	765,630	273,177	-	-	-
-	11,914,694	-	-	-	-
-	32,037,849	-	-	-	-
-	14,043,562	-	5,861,435	-	-
-	-	-	-	-	101,224
-	-	-	-	-	-
-	-	-	-	715,759	-
370,938	58,761,735	273,177	5,861,435	715,759	101,224
-	252,128	17,587,914	-	-	-
-	-	1,685,197	-	-	-
-	34,532	-	-	-	-
-	-	-	2,671,437	-	-
-	286,660	19,273,111	2,671,437	-	-
-	-	-	-	-	1,060,067
-	-	-	61,132	-	8,374,648
-	-	1,000	1,000	-	1,100
-	-	1,000	62,132	-	9,435,815
370,938	59,048,395	19,547,288	8,595,004	715,759	9,537,039
(40,884)	857,715	(14,763,917)	(7,482,839)	564,016	(1,232,196)
23,365	86,315	21,028,646	2,000,000	-	-
-	(1,306,157)	(2,000,000)	-	(225,970)	-
-	-	-	-	-	-
23,365	(1,219,842)	19,028,646	2,000,000	(225,970)	-
(17,519)	(362,127)	4,264,729	(5,482,839)	338,046	(1,232,196)
135,634	17,253,653	10,955,637	23,562,288	1,420,743	7,126,579
\$ 118,115	\$ 16,891,526	\$ 15,220,366	\$ 18,079,449	\$ 1,758,789	\$ 5,894,383

(continued)

**Arapahoe County, Colorado**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds (continued)**  
**For the Year Ended December 31, 2011**

	Nonmajor Debt Service			
	Total	Equipment Lease Purchase	Arap. County Building Finance Corp	Total
<b>Revenues</b>				
Taxes				
Property taxes	\$ 11,499,028	\$ -	\$ -	\$ -
Other taxes	723,059	-	-	-
Licenses and permits	40,777	-	-	-
Intergovernmental	979,032	-	-	-
Charges for services	73,055	-	-	-
Fines	-	-	-	-
Investment earnings	665,267	-	80,312	80,312
Interfund revenues and rentals	-	-	-	-
Repayment from comp unit-principal & interest	-	-	1,617,384	1,617,384
Developer contributions	306,191	-	-	-
Build America Bonds credit	1,158,381	-	-	-
Miscellaneous	35,364	-	3	3
Total revenue	<u>15,480,154</u>	<u>-</u>	<u>1,697,699</u>	<u>1,697,699</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	273,177	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	1,176	1,176
Highways and streets	5,861,435	-	-	-
Water and wastewater	101,224	-	-	-
Airport	-	-	850	850
Culture and recreation	715,759	-	-	-
Total current	<u>6,951,595</u>	<u>-</u>	<u>2,026</u>	<u>2,026</u>
<b>Capital</b>				
General government	17,587,914	-	-	-
Public safety	1,685,197	-	-	-
Health and welfare	-	-	-	-
Highways and streets	2,671,437	-	-	-
Total capital	<u>21,944,548</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Debt</b>				
Principal	1,060,067	8,234,183	4,155,000	12,389,183
Interest	8,435,780	962,892	2,107,925	3,070,817
Debt issuance costs	3,100	42,333	2,688	45,021
Total debt service	<u>9,498,947</u>	<u>9,239,408</u>	<u>6,265,613</u>	<u>15,505,021</u>
Total expenditures	<u>38,395,090</u>	<u>9,239,408</u>	<u>6,267,639</u>	<u>15,507,047</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(22,914,936)</u>	<u>(9,239,408)</u>	<u>(4,569,940)</u>	<u>(13,809,348)</u>
<b>Other financing sources (uses)</b>				
Transfers in	23,028,646	9,197,081	4,610,000	13,807,081
Transfers out	(2,225,970)	(9,600,000)	-	(9,600,000)
Debt issued	-	9,650,000	-	9,650,000
Total other financing sources (uses)	<u>20,802,676</u>	<u>9,247,081</u>	<u>4,610,000</u>	<u>13,857,081</u>
Net change in fund balance	<u>(2,112,260)</u>	<u>7,673</u>	<u>40,060</u>	<u>47,733</u>
Beginning fund balance - restated	43,065,247	61,395	1,665,942	1,727,337
Fund balance - ending	<u>\$ 40,952,987</u>	<u>\$ 69,068</u>	<u>\$ 1,706,002</u>	<u>\$ 1,775,070</u>

<u>Total Nonmajor Governmental</u>	
\$	29,928,674
	1,390,914
	348,667
	36,778,710
	2,607,088
	1,611,341
	908,163
	6,809
	1,617,384
	306,191
	1,158,381
	421,641
	<hr/>
	77,083,963
	<hr/>
	1,038,807
	11,914,694
	32,039,025
	19,904,997
	101,224
	850
	715,759
	<hr/>
	65,715,356
	<hr/>
	17,840,042
	1,685,197
	34,532
	2,671,437
	<hr/>
	22,231,208
	<hr/>
	13,449,250
	11,506,597
	48,121
	<hr/>
	25,003,968
	<hr/>
	112,950,532
	<hr/>
	(35,866,569)
	<hr/>
	36,922,042
	(13,132,127)
	9,650,000
	<hr/>
	33,439,915
	<hr/>
	(2,426,654)
	62,046,237
	<hr/>
\$	59,619,583
	<hr/>
	<hr/>

**Arapahoe County, Colorado**  
**Electronic Filing Technology**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
Revenues				
Charges for services	\$ 132,099	\$ 132,099	\$ 123,522	\$ (8,577)
Total revenue	<u>132,099</u>	<u>132,099</u>	<u>123,522</u>	<u>(8,577)</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	-	504,700	282,412	222,288
<b>Capital</b>				
General government	132,099	197,657	-	197,657
Total expenditures	<u>132,099</u>	<u>702,357</u>	<u>282,412</u>	<u>419,945</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(570,258)</u>	<u>(158,890)</u>	<u>411,368</u>
Fund balance - beginning	570,259	570,259	570,259	-
Fund balance - ending	<u>\$ 570,259</u>	<u>\$ 1</u>	<u>\$ 411,369</u>	<u>\$ 411,368</u>

**Arapahoe County, Colorado**  
**Cash-In-Lieu**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
Revenues				
Charges for services	\$ -	\$ 35,319	\$ 40,827	\$ 5,508
Total revenue	<u>-</u>	<u>35,319</u>	<u>40,827</u>	<u>5,508</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	338,265	426,264	-	426,264
Total expenditures	<u>338,265</u>	<u>426,264</u>	<u>-</u>	<u>426,264</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(338,265)</u>	<u>(390,945)</u>	<u>40,827</u>	<u>431,772</u>
Fund balance - beginning	<u>392,535</u>	<u>392,535</u>	<u>392,535</u>	<u>-</u>
Fund balance - ending	<u>\$ 54,270</u>	<u>\$ 1,590</u>	<u>\$ 433,362</u>	<u>\$ 431,772</u>

**Arapahoe County, Colorado**  
**Law Enforcement Authority District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Taxes				
Property taxes	\$ 5,272,900	\$ 5,272,900	\$ 5,139,663	\$ (133,237)
Other taxes	375,000	375,000	317,239	(57,761)
Intergovernmental	71,600	71,600	37,105	(34,495)
Charges for services	125,195	125,195	242,606	117,411
Fines	571,500	571,500	1,105,578	534,078
Investment earnings	-	-	153,414	153,414
Total revenue	<u>6,416,195</u>	<u>6,416,195</u>	<u>6,995,605</u>	<u>579,410</u>
<b>Expenditures</b>				
<b>Current</b>				
Public safety	6,242,146	6,263,857	6,080,982	182,875
Total expenditures	<u>6,242,146</u>	<u>6,263,857</u>	<u>6,080,982</u>	<u>182,875</u>
Excess (deficiency) of revenues over (under) expenditures	<u>174,049</u>	<u>152,338</u>	<u>914,623</u>	<u>762,285</u>
<b>Other financing sources (uses)</b>				
Transfers out	<u>(3,957)</u>	<u>(638,322)</u>	<u>(638,322)</u>	<u>-</u>
Total other financing sources (uses)	<u>(3,957)</u>	<u>(638,322)</u>	<u>(638,322)</u>	<u>-</u>
Net change in fund balance	170,092	(485,984)	276,301	762,285
Fund balance - beginning	<u>8,149,538</u>	<u>8,149,538</u>	<u>8,149,538</u>	<u>-</u>
Fund balance - ending	<u>\$ 8,319,630</u>	<u>\$ 7,663,554</u>	<u>\$ 8,425,839</u>	<u>\$ 762,285</u>

**Arapahoe County, Colorado**  
**Arapahoe / Douglas Works!**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Intergovernmental	\$ 11,154,353	\$ 11,154,353	\$ 9,316,400	\$ (1,837,953)
Charges for services	25,000	25,000	47,034	22,034
Interfund revenues and rentals	65,000	65,000	6,809	(58,191)
Miscellaneous	26,000	26,000	140,984	114,984
Total revenue	<u>11,270,353</u>	<u>11,270,353</u>	<u>9,511,227</u>	<u>(1,759,126)</u>
<b>Expenditures</b>				
<b>Current</b>				
Health and welfare	11,268,037	11,268,037	9,510,727	1,757,310
Total expenditures	<u>11,268,037</u>	<u>11,268,037</u>	<u>9,510,727</u>	<u>1,757,310</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,316</u>	<u>2,316</u>	<u>500</u>	<u>(1,816)</u>
<b>Other financing sources (uses)</b>				
Transfers out	<u>(2,316)</u>	<u>(2,316)</u>	<u>(500)</u>	<u>1,816</u>
Total other financing sources (uses)	<u>(2,316)</u>	<u>(2,316)</u>	<u>(500)</u>	<u>1,816</u>
Net change in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Arapahoe County, Colorado**  
**Road and Bridge**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Taxes				
Property taxes	\$ 5,778,910	\$ 5,778,910	\$ 5,647,177	\$ (131,733)
Other taxes	425,000	425,000	350,616	(74,384)
Licenses and permits	287,000	287,000	307,890	20,890
Intergovernmental	7,894,000	7,940,446	7,958,048	17,602
Charges for services	-	-	13,007	13,007
Miscellaneous	50,000	50,000	34,061	(15,939)
Total revenue	<u>14,434,910</u>	<u>14,481,356</u>	<u>14,310,799</u>	<u>(170,557)</u>
<b>Expenditures</b>				
<b>Current</b>				
Highways and streets	15,703,910	16,457,885	14,043,562	2,414,323
Total expenditures	<u>15,703,910</u>	<u>16,457,885</u>	<u>14,043,562</u>	<u>2,414,323</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,269,000)</u>	<u>(1,976,529)</u>	<u>267,237</u>	<u>2,243,766</u>
<b>Other financing sources (uses)</b>				
Transfers out	<u>(234,012)</u>	<u>(234,012)</u>	<u>(234,012)</u>	<u>-</u>
Total other financing sources (uses)	<u>(234,012)</u>	<u>(234,012)</u>	<u>(234,012)</u>	<u>-</u>
Net change in fund balance	<u>(1,503,012)</u>	<u>(2,210,541)</u>	<u>33,225</u>	<u>2,243,766</u>
Fund balance - beginning	<u>5,524,782</u>	<u>5,524,782</u>	<u>5,524,782</u>	<u>-</u>
Fund balance - ending	<u>\$ 4,021,770</u>	<u>\$ 3,314,241</u>	<u>\$ 5,558,007</u>	<u>\$ 2,243,766</u>

**Arapahoe County, Colorado  
Conservation Trust  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Intergovernmental	\$ 460,000	\$ 460,000	\$ 495,200	\$ 35,200
Investment earnings	-	-	6,257	6,257
Total revenue	<u>460,000</u>	<u>460,000</u>	<u>501,457</u>	<u>41,457</u>
<b>Expenditures</b>				
<b>Capital</b>				
Culture and recreation	-	531,882	-	531,882
Total expenditures	<u>-</u>	<u>531,882</u>	<u>-</u>	<u>531,882</u>
Excess (deficiency) of revenues over (under) expenditures	<u>460,000</u>	<u>(71,882)</u>	<u>501,457</u>	<u>573,339</u>
<b>Other financing sources (uses)</b>				
Transfers out	(381,367)	(381,367)	(381,367)	-
Total other financing sources (uses)	<u>(381,367)</u>	<u>(381,367)</u>	<u>(381,367)</u>	<u>-</u>
Net change in fund balance	78,633	(453,249)	120,090	573,339
Fund balance - beginning	531,882	531,882	531,882	-
Fund balance - ending	<u>\$ 610,515</u>	<u>\$ 78,633</u>	<u>\$ 651,972</u>	<u>\$ 573,339</u>

**Arapahoe County, Colorado**  
**Contingent**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
Revenues				
Total revenue	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>				
<b>Current</b>				
General government	713,106	713,106	-	713,106
Total expenditures	713,106	713,106	-	713,106
Excess (deficiency) of revenues over (under) expenditures	(713,106)	(713,106)	-	713,106
Fund balance - beginning	713,106	713,106	713,106	-
Fund balance - ending	\$ -	\$ -	\$ 713,106	\$ 713,106

**Arapahoe County, Colorado**  
**Communications Network Replacement**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Intergovernmental	\$ 53,150	\$ 53,150	\$ 60,050	\$ 6,900
Miscellaneous	-	52,000	-	(52,000)
Total revenue	<u>53,150</u>	<u>105,150</u>	<u>60,050</u>	<u>(45,100)</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	86,100	517,073	66,367	450,706
Total expenditures	<u>86,100</u>	<u>517,073</u>	<u>66,367</u>	<u>450,706</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(32,950)</u>	<u>(411,923)</u>	<u>(6,317)</u>	<u>405,606</u>
<b>Other financing sources (uses)</b>				
Transfers in	32,950	32,950	32,950	-
Total other financing sources (uses)	<u>32,950</u>	<u>32,950</u>	<u>32,950</u>	<u>-</u>
Net change in fund balance	-	(378,973)	26,633	405,606
Fund balance - beginning	378,973	378,973	378,973	-
Fund balance - ending	<u>\$ 378,973</u>	<u>\$ -</u>	<u>\$ 405,606</u>	<u>\$ 405,606</u>

**Arapahoe County, Colorado**  
**Sheriff's Commissary**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Charges for services	\$ 1,353,900	\$ 1,353,900	\$ 1,544,552	\$ 190,652
Total revenue	<u>1,353,900</u>	<u>1,353,900</u>	<u>1,544,552</u>	<u>190,652</u>
<b>Expenditures</b>				
<b>Current</b>				
Public safety	2,003,484	2,036,216	1,495,661	540,555
Total expenditures	<u>2,003,484</u>	<u>2,036,216</u>	<u>1,495,661</u>	<u>540,555</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(649,584)</u>	<u>(682,316)</u>	<u>48,891</u>	<u>731,207</u>
<b>Other financing sources (uses)</b>				
Transfers out	(205)	(51,956)	(51,956)	-
Total other financing sources (uses)	<u>(205)</u>	<u>(51,956)</u>	<u>(51,956)</u>	<u>-</u>
Net change in fund balance	<u>(649,789)</u>	<u>(734,272)</u>	<u>(3,065)</u>	<u>731,207</u>
Fund balance - beginning	734,272	734,272	734,272	-
Fund balance - ending	<u>\$ 84,483</u>	<u>\$ -</u>	<u>\$ 731,207</u>	<u>\$ 731,207</u>

**Arapahoe County, Colorado  
Community Development  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive/(Negative)
<b>Revenues</b>				
Intergovernmental	\$ 5,055,186	\$ 5,055,186	\$ 3,028,544	\$ (2,026,642)
Miscellaneous	244,010	244,010	117,211	(126,799)
Total revenue	<u>5,299,196</u>	<u>5,299,196</u>	<u>3,145,755</u>	<u>(2,153,441)</u>
<b>Expenditures</b>				
<b>Current</b>				
Health and welfare	5,329,196	5,329,196	3,175,755	2,153,441
Total expenditures	<u>5,329,196</u>	<u>5,329,196</u>	<u>3,175,755</u>	<u>2,153,441</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
<b>Other financing sources (uses)</b>				
Transfers in	30,000	30,000	30,000	-
Total other financing sources (uses)	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Arapahoe County, Colorado**  
**Forfeited Property**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Fines	\$ -	\$ 505,763	\$ 505,763	\$ -
Investment earnings	-	-	2,111	2,111
Total revenue	<u>-</u>	<u>505,763</u>	<u>507,874</u>	<u>2,111</u>
<b>Expenditures</b>				
<b>Current</b>				
Public safety	-	565,911	445,576	120,335
Total expenditures	<u>-</u>	<u>565,911</u>	<u>445,576</u>	<u>120,335</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(60,148)</u>	<u>62,298</u>	<u>122,446</u>
Fund balance - beginning	60,148	60,148	60,148	-
Fund balance - ending	<u>\$ 60,148</u>	<u>\$ -</u>	<u>\$ 122,446</u>	<u>\$ 122,446</u>

**Arapahoe County, Colorado**  
**Developmental Disability**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Taxes				
Property taxes	\$ 7,823,319	\$ 7,823,319	\$ 7,642,806	\$ (180,513)
Intergovernmental	-	-	393	393
Total revenue	<u>7,823,319</u>	<u>7,823,319</u>	<u>7,643,199</u>	<u>(180,120)</u>
<b>Expenditures</b>				
<b>Current</b>				
Health and welfare	7,823,319	7,827,241	7,647,121	180,120
Total expenditures	<u>7,823,319</u>	<u>7,827,241</u>	<u>7,647,121</u>	<u>180,120</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(3,922)</u>	<u>(3,922)</u>	<u>-</u>
Fund balance - beginning	3,922	3,922	3,922	-
Fund balance - ending	<u>\$ 3,922</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Arapahoe County, Colorado  
Grants  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive/(Negative)
<b>Revenues</b>				
Intergovernmental	\$ 12,250,774	\$ 13,478,697	\$ 11,516,654	\$ (1,962,043)
Charges for services	300,000	300,000	200,110	(99,890)
Investment earnings	-	-	802	802
Miscellaneous	10,000	368,319	86,339	(281,980)
Total revenue	<u>12,560,774</u>	<u>14,147,016</u>	<u>11,803,905</u>	<u>(2,343,111)</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	-	369,818	45,913	323,905
Public safety	-	410,164	345,292	64,872
Health and welfare	12,567,391	13,088,892	11,704,246	1,384,646
<b>Capital</b>				
General government	-	250,000	252,128	(2,128)
Health and welfare	-	34,759	34,532	227
Total expenditures	<u>12,567,391</u>	<u>14,153,633</u>	<u>12,382,111</u>	<u>1,771,522</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,617)</u>	<u>(6,617)</u>	<u>(578,206)</u>	<u>(571,589)</u>
<b>Other financing sources (uses)</b>				
Transfers out	(1,457)	(1,457)	-	1,457
Total other financing sources (uses)	<u>(1,457)</u>	<u>(1,457)</u>	<u>-</u>	<u>1,457</u>
Net change in fund balance	<u>(8,074)</u>	<u>(8,074)</u>	<u>(578,206)</u>	<u>(570,132)</u>
Fund balance - beginning	58,602	58,602	58,602	-
Fund balance - ending	<u>\$ 50,528</u>	<u>\$ 50,528</u>	<u>\$ (519,604)</u>	<u>\$ (570,132)</u>

**Arapahoe County, Colorado  
Homeland Security Grant  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 7,415,759	\$ 3,387,284	\$ (4,028,475)
Total revenue	<u>-</u>	<u>7,415,759</u>	<u>3,387,284</u>	<u>(4,028,475)</u>
<b>Expenditures</b>				
<b>Current</b>				
Public safety	-	7,415,759	3,547,183	3,868,576
Total expenditures	<u>-</u>	<u>7,415,759</u>	<u>3,547,183</u>	<u>3,868,576</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(159,899)</u>	<u>(159,899)</u>
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (159,899)</u>	<u>\$ (159,899)</u>

**Arapahoe County, Colorado**  
**Fair**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Charges for services	\$ 301,000	\$ 301,000	\$ 322,375	\$ 21,375
Miscellaneous	4,600	4,600	7,679	3,079
Total revenue	<u>305,600</u>	<u>305,600</u>	<u>330,054</u>	<u>24,454</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	353,025	394,031	370,938	23,093
Total expenditures	<u>353,025</u>	<u>394,031</u>	<u>370,938</u>	<u>23,093</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(47,425)</u>	<u>(88,431)</u>	<u>(40,884)</u>	<u>47,547</u>
<b>Other financing sources (uses)</b>				
Transfers in	35,000	23,365	23,365	-
Total other financing sources (uses)	<u>35,000</u>	<u>23,365</u>	<u>23,365</u>	<u>-</u>
Net change in fund balance	<u>(12,425)</u>	<u>(65,066)</u>	<u>(17,519)</u>	<u>47,547</u>
Fund balance - beginning	135,634	135,634	135,634	-
Fund balance - ending	<u>\$ 123,209</u>	<u>\$ 70,568</u>	<u>\$ 118,115</u>	<u>\$ 47,547</u>

**Arapahoe County, Colorado**  
**Capital Expenditure**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Taxes				
Property taxes	\$ 4,534,460	\$ 4,534,460	\$ 4,432,008	\$ (102,452)
Other taxes	325,000	325,000	275,111	(49,889)
Investment earnings	-	-	75,483	75,483
Miscellaneous	-	-	769	769
Total revenue	<u>4,859,460</u>	<u>4,859,460</u>	<u>4,783,371</u>	<u>(76,089)</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	68,017	238,154	274,177	(36,023)
<b>Capital</b>				
General government	7,310,750	30,990,589	17,587,914	13,402,675
Public safety	-	2,353,395	1,685,197	668,198
Total expenditures	<u>7,378,767</u>	<u>33,582,138</u>	<u>19,547,288</u>	<u>14,034,850</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,519,307)</u>	<u>(28,722,678)</u>	<u>(14,763,917)</u>	<u>13,958,761</u>
<b>Other financing sources (uses)</b>				
Transfers in	4,519,307	21,028,646	21,028,646	-
Transfers out	(2,000,000)	(2,000,000)	(2,000,000)	-
Total other financing sources (uses)	<u>2,519,307</u>	<u>19,028,646</u>	<u>19,028,646</u>	<u>-</u>
Net change in fund balance	-	(9,694,032)	4,264,729	13,958,761
Fund balance - beginning	10,955,637	10,955,637	10,955,637	-
Fund balance - ending	<u>\$ 10,955,637</u>	<u>\$ 1,261,605</u>	<u>\$ 15,220,366</u>	<u>\$ 13,958,761</u>

**Arapahoe County, Colorado  
Infrastructure  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive/(Negative)
<b>Revenues</b>				
Licenses and permits	\$ -	\$ -	\$ 40,777	\$ 40,777
Intergovernmental	-	2,079,975	663,698	(1,416,277)
Investment earnings	-	-	66,904	66,904
Developer contributions	-	315,854	306,191	(9,663)
Miscellaneous	-	8,626	34,595	25,969
Total revenue	<u>-</u>	<u>2,404,455</u>	<u>1,112,165</u>	<u>(1,292,290)</u>
<b>Expenditures</b>				
<b>Current</b>				
Highways and streets	-	19,841,347	5,861,435	13,979,912
<b>Capital</b>				
Highways and streets	2,000,000	5,305,029	2,671,437	2,633,592
<b>Debt</b>				
Interest	-	-	61,132	(61,132)
Debt issuance costs	-	-	1,000	(1,000)
Total expenditures	<u>2,000,000</u>	<u>25,146,376</u>	<u>8,595,004</u>	<u>16,551,372</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,000,000)</u>	<u>(22,741,921)</u>	<u>(7,482,839)</u>	<u>15,259,082</u>
<b>Other financing sources (uses)</b>				
Transfers in	2,000,000	2,000,000	2,000,000	-
Total other financing sources (uses)	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>
Net change in fund balance	-	(20,741,921)	(5,482,839)	15,259,082
Fund balance - beginning	23,562,288	23,562,288	23,562,288	-
Fund balance - ending	<u>\$ 23,562,288</u>	<u>\$ 2,820,367</u>	<u>\$ 18,079,449</u>	<u>\$ 15,259,082</u>

**Arapahoe County, Colorado**  
**Arapahoe County Recreation District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Taxes				
Property taxes	\$ 852,816	\$ 852,816	\$ 815,336	\$ (37,480)
Other taxes	55,000	55,000	50,782	(4,218)
Intergovernmental	225,000	225,000	315,334	90,334
Charges for services	26,500	26,500	73,055	46,555
Investment earnings	-	-	25,268	25,268
Total revenue	<u>1,159,316</u>	<u>1,159,316</u>	<u>1,279,775</u>	<u>120,459</u>
<b>Expenditures</b>				
<b>Current</b>				
Culture and recreation	1,024,255	1,024,255	715,759	308,496
<b>Capital</b>				
Culture and recreation	25,000	25,000	-	25,000
Total expenditures	<u>1,049,255</u>	<u>1,049,255</u>	<u>715,759</u>	<u>333,496</u>
Excess (deficiency) of revenues over (under) expenditures	<u>110,061</u>	<u>110,061</u>	<u>564,016</u>	<u>453,955</u>
<b>Other financing sources (uses)</b>				
Transfers out	<u>(225,970)</u>	<u>(225,970)</u>	<u>(225,970)</u>	<u>-</u>
Total other financing sources (uses)	<u>(225,970)</u>	<u>(225,970)</u>	<u>(225,970)</u>	<u>-</u>
Net change in fund balance	<u>(115,909)</u>	<u>(115,909)</u>	<u>338,046</u>	<u>453,955</u>
Fund balance - beginning	<u>1,420,743</u>	<u>1,420,743</u>	<u>1,420,743</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,304,834</u>	<u>\$ 1,304,834</u>	<u>\$ 1,758,789</u>	<u>\$ 453,955</u>

**Arapahoe County, Colorado**  
**Arapahoe County Water and Wastewater PID**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Taxes				
Property taxes	\$ 6,599,805	\$ 6,599,805	\$ 6,251,684	\$ (348,121)
Other taxes	420,000	420,000	397,166	(22,834)
Investment earnings	70,000	70,000	497,612	427,612
Build America Bonds credit	-	-	1,158,381	1,158,381
Total revenue	<u>7,089,805</u>	<u>7,089,805</u>	<u>8,304,843</u>	<u>1,215,038</u>
<b>Expenditures</b>				
<b>Current</b>				
Water and wastewater	101,597	101,597	101,224	373
<b>Capital</b>				
Water and wastewater	-	3,933,296	-	3,933,296
<b>Debt</b>				
Principal	1,060,067	1,060,067	1,060,067	-
Interest	7,216,269	7,216,269	8,374,648	(1,158,379)
Debt issuance costs	1,000	1,000	1,100	(100)
Total expenditures	<u>8,378,933</u>	<u>12,312,229</u>	<u>9,537,039</u>	<u>2,775,190</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,289,128)</u>	<u>(5,222,424)</u>	<u>(1,232,196)</u>	<u>3,990,228</u>
Net change in fund balance	<u>(1,289,128)</u>	<u>(5,222,424)</u>	<u>(1,232,196)</u>	<u>3,990,228</u>
Fund balance - beginning	7,126,579	7,126,579	7,126,579	-
Fund balance - ending	<u>\$ 5,837,451</u>	<u>\$ 1,904,155</u>	<u>\$ 5,894,383</u>	<u>\$ 3,990,228</u>

**Arapahoe County, Colorado**  
**Equipment Lease Purchase**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Total revenue	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>				
<b>Debt</b>				
Principal	1,709,011	8,345,886	8,234,183	111,703
Interest	620,785	851,195	962,892	(111,697)
Debt issuance costs	-	50,000	42,333	7,667
Total expenditures	<u>2,329,796</u>	<u>9,247,081</u>	<u>9,239,408</u>	<u>7,673</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,329,796)</u>	<u>(9,247,081)</u>	<u>(9,239,408)</u>	<u>7,673</u>
<b>Other financing sources (uses)</b>				
Transfers in	2,329,796	9,197,081	9,197,081	-
Transfers out	-	(9,600,000)	(9,600,000)	-
Debt issued	-	9,650,000	9,650,000	-
Total other financing sources (uses)	<u>2,329,796</u>	<u>9,247,081</u>	<u>9,247,081</u>	<u>-</u>
Net change in fund balance	-	-	7,673	7,673
Fund balance - beginning	61,395	61,395	61,395	-
Fund balance - ending	<u>\$ 61,395</u>	<u>\$ 61,395</u>	<u>\$ 69,068</u>	<u>\$ 7,673</u>

**Arapahoe County, Colorado**  
**Arapahoe County Building Finance Corporation**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Investment earnings	\$ 35,000	\$ 38,000	\$ 80,312	\$ 42,312
Repayment from comp unit-principal & interest	1,600,000	1,600,000	1,617,384	17,384
Miscellaneous	-	-	3	3
Total revenue	<u>1,635,000</u>	<u>1,638,000</u>	<u>1,697,699</u>	<u>59,699</u>
<b>Expenditures</b>				
<b>Current</b>				
Health and welfare	1,300	4,300	1,176	3,124
Airport	1,300	1,300	850	450
<b>Debt</b>				
Principal	4,155,000	4,155,000	4,155,000	-
Interest	2,107,925	2,107,925	2,107,925	-
Debt issuance costs	3,500	3,500	2,688	812
Total expenditures	<u>6,269,025</u>	<u>6,272,025</u>	<u>6,267,639</u>	<u>4,386</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,634,025)</u>	<u>(4,634,025)</u>	<u>(4,569,940)</u>	<u>64,085</u>
<b>Other financing sources (uses)</b>				
Transfers in	4,610,000	4,610,000	4,610,000	-
Total other financing sources (uses)	<u>4,610,000</u>	<u>4,610,000</u>	<u>4,610,000</u>	<u>-</u>
Net change in fund balance	<u>(24,025)</u>	<u>(24,025)</u>	<u>40,060</u>	<u>64,085</u>
Fund balance - beginning	1,665,942	1,665,942	1,665,942	-
Fund balance - ending	<u>\$ 1,641,917</u>	<u>\$ 1,641,917</u>	<u>\$ 1,706,002</u>	<u>\$ 64,085</u>

## PROPRIETARY FUNDS

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### INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County on a cost reimbursement basis.

**Central Services Fund** – This fund provides an internal service function to the County departments. It provides office supplies, materials, gas and oil, equipment and vehicles to the County for an intergovernmental fee.

**Self-Insurance Liability Fund** – This fund is used to account for the self-funded program that covers losses under our retention and claims for which there is no excess insurance coverage.

**Employee Flex Benefit Fund** – This fund allows employees to have a portion of their pre-tax salaries set aside in this fund to be used to reimburse the employee for qualified health or dependent care expenses. The costs are paid by interest earned on deposited and forfeited employee contributions.

**Workers Compensation Fund** – This fund is used to account for the self-funded program that collects worker compensation dollars from appropriate County funds and pays for the workers compensation losses in lieu of an outside agency.

**Self-Insured Fund – Dental** – This fund is used to account for the County's self-insured employee dental care plan, which is fully funded by premiums charged to employees and employer matching contributions.

**Arapahoe County Government  
Combining Statement of Net Assets  
Proprietary Funds  
December 31, 2011**

Governmental Activities - Internal Service Funds

	Central Service	Self Insurance Liability	Employee Flex Benefit	Worker's Compensation
<b>Assets</b>				
Current assets:				
Cash and investments	\$ 18,732,679	\$ 1,993,479	\$ 100,311	\$ 2,536,200
Accounts receivable	100,766	-	78,000	-
Inventory	438,476	-	-	-
Total current assets	<u>19,271,921</u>	<u>1,993,479</u>	<u>178,311</u>	<u>2,536,200</u>
Noncurrent assets:				
Capital assets:				
Vehicles and equipment	30,884,739	-	-	-
Computer systems	8,694,979	-	-	-
Furniture and office equipment	107,751	-	-	-
Less: accumulated depreciation	<u>(32,246,849)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total noncurrent assets (net of accum. dep.)	<u>7,440,620</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>26,712,541</u>	<u>1,993,479</u>	<u>178,311</u>	<u>2,536,200</u>
<b>Liabilities</b>				
Current liabilities				
Accounts payable	695,080	26,036	59,117	56,125
Estimated claims payable	-	220,000	-	335,000
Flex benefits payable	-	-	22,038	-
Noncurrent claims payable	-	510,000	-	1,925,000
Total liabilities	<u>695,080</u>	<u>756,036</u>	<u>81,155</u>	<u>2,316,125</u>
<b>Net assets</b>				
Invested in capital assets	7,440,620	-	-	-
Unrestricted	18,576,841	1,237,443	97,156	220,075
Total net assets	<u>\$ 26,017,461</u>	<u>\$ 1,237,443</u>	<u>\$ 97,156</u>	<u>\$ 220,075</u>

Self Insurance		Dental		Total	
\$	1,902,728	\$	25,265,397		
	11,585		190,351		
	-		438,476		
	<u>1,914,313</u>		<u>25,894,224</u>		
	-		30,884,739		
	-		8,694,979		
	-		107,751		
	-		<u>(32,246,849)</u>		
	-		7,440,620		
	<u>1,914,313</u>		<u>33,334,844</u>		
	88,625		924,983		
	65,000		620,000		
	-		22,038		
	-		<u>2,435,000</u>		
	<u>153,625</u>		<u>4,002,021</u>		
	-		7,440,620		
	<u>1,760,688</u>		<u>21,892,203</u>		
\$	<u><u>1,760,688</u></u>	\$	<u><u>29,332,823</u></u>		

**Arapahoe County Government**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended December 31, 2011**

	Governmental Activities - Internal Service Funds			
	Central Service	Self Insurance Liability	Employee Flex Benefit	Worker's Compensation
<b>Operating revenues</b>				
Charges for sales and service	\$ 5,312,325	\$ 378,998	\$ 855,280	\$ 1,340,147
Total operating revenue	<u>5,312,325</u>	<u>378,998</u>	<u>855,280</u>	<u>1,340,147</u>
<b>Operating expenses</b>				
Cost of sales and services	1,223,140	850,780	883,057	1,132,540
Administration	77,772	25,817	-	151,615
Depreciation	3,766,192	-	-	-
Total operating expenses	<u>5,067,104</u>	<u>876,597</u>	<u>883,057</u>	<u>1,284,155</u>
Operating income (loss)	<u>245,221</u>	<u>(497,599)</u>	<u>(27,777)</u>	<u>55,992</u>
<b>Nonoperating revenue</b>				
Gain on sale of assets	149,414	-	-	-
Income before contributions and transfers	<u>394,635</u>	<u>(497,599)</u>	<u>(27,777)</u>	<u>55,992</u>
Transfers in	725,418	-	30,000	-
Transfers out	-	(41,323)	-	-
Change in net assets	<u>1,120,053</u>	<u>(538,922)</u>	<u>2,223</u>	<u>55,992</u>
Total net assets - beginning	<u>24,897,408</u>	<u>1,776,365</u>	<u>94,933</u>	<u>164,083</u>
Total net assets - ending	<u>\$ 26,017,461</u>	<u>\$ 1,237,443</u>	<u>\$ 97,156</u>	<u>\$ 220,075</u>

Self Insurance Dental	Total
\$ 1,730,519	\$ 9,617,269
<u>1,730,519</u>	<u>9,617,269</u>
1,404,765	5,494,282
75,390	330,594
-	3,766,192
<u>1,480,155</u>	<u>9,591,068</u>
250,364	26,201
-	149,414
<u>250,364</u>	<u>175,615</u>
42,137	797,555
-	(41,323)
<u>292,501</u>	<u>931,847</u>
1,468,187	28,400,976
<u>\$ 1,760,688</u>	<u>\$ 29,332,823</u>

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

	<b>Governmental Activities - Internal Service Funds</b>			
	Central Services	Self Insurance Liability	Employee Flex Benefit	Worker's Compensation
<b>Cash flows from operating activities</b>				
Cash received for interfund services provided	\$ 4,991,609	\$ 378,998	\$ 855,280	\$ 1,340,147
Cash payments for services and supplies	(772,088)	(907,659)	(892,442)	(1,113,802)
Net cash provided (used) by operating activities	<u>4,219,521</u>	<u>(528,661)</u>	<u>(37,162)</u>	<u>226,345</u>
<b>Cash flows from noncapital financing activities</b>				
Transfers in from other funds	725,418	-	30,000	-
Transfers out to other funds	-	(41,323)	-	-
Net cash provided by non capital financing activities	<u>725,418</u>	<u>(41,323)</u>	<u>30,000</u>	<u>-</u>
<b>Cash flows from capital and related financing activities</b>				
Acquisition of property and equipment	(3,935,269)	-	-	-
Proceeds from sale of capital assets	250,335	-	-	-
Net cash (used) by capital and related financing activities	<u>(3,684,934)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash flows from investing activities</b>				
Interest received	-	-	-	-
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and investments	1,260,005	(569,984)	(7,162)	226,345
Cash and investments, January 1, 2011	<u>17,472,674</u>	<u>2,563,463</u>	<u>107,473</u>	<u>2,309,855</u>
Cash and investments, December 31, 2011	<u>\$ 18,732,679</u>	<u>\$ 1,993,479</u>	<u>\$ 100,311</u>	<u>\$ 2,536,200</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ 245,221	\$ (497,599)	\$ (27,777)	\$ 55,992
Adjustments to reconcile operating income to Net cash provided (used) by operating activities:				
Depreciation	3,766,192	-	-	-
Donated Assets	(239,341)	-	-	-
Decrease in accounts receivable	(81,375)	-	-	-
Decrease in inventory	(59,699)	-	-	-
Increase (decrease) in accounts payable	588,523	14,938	635	9,353
Increase (decrease) in claims payable	-	(46,000)	-	161,000
(Decrease) in flex benefits payable	-	-	(10,020)	-
Total adjustments	<u>3,974,300</u>	<u>(31,062)</u>	<u>(9,385)</u>	<u>170,353</u>
Net cash provided (used) by operating activities	<u>\$ 4,219,521</u>	<u>\$ (528,661)</u>	<u>\$ (37,162)</u>	<u>\$ 226,345</u>

Self Insurance Dental	Total
\$ 1,728,734 (1,441,445)	\$ 9,294,768 (5,127,436)
<u>287,289</u>	<u>4,167,332</u>
42,137 -	797,555 (41,323)
<u>42,137</u>	<u>756,232</u>
- -	(3,935,269) 250,335
<u>-</u>	<u>(3,684,934)</u>
<u>-</u> <u>-</u>	<u>-</u> <u>-</u>
329,426 1,573,302	1,238,630 24,026,767
<u>\$ 1,902,728</u>	<u>\$ 25,265,397</u>
\$ 250,364	\$ 26,201
- - (1,785) - 30,710 8,000 -	3,766,192 (239,341) (83,160) (59,699) 644,159 123,000 (10,020)
<u>36,925</u>	<u>4,141,131</u>
<u>\$ 287,289</u>	<u>\$ 4,167,332</u>

## FIDUCIARY FUNDS

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### AGENCY FUNDS

**Agency Fund - Treasurer** - Established to record transactions relating to assets held by the County in the capacity of trustee, custodian or agent for individuals, governmental entities and non-public organizations.

**Arapahoe County Public Trustee** - An intermediary and recorder for foreclosures and releases of deeds in the Arapahoe County area. Although the Public Trustee is appointed by the Governor, budgetary control over the office is exercised by Arapahoe County.

**Inmate Sentencing Fund** - Established to record transactions relating to cash held by the county on behalf of prison inmates. Funds are returned to inmates through alternative work release programs or completion of prison terms.

**Combining Statement of Changes in Assets and Liabilities  
Fiduciary Funds  
For the Year Ended December 31, 2011**

	<b>Agency Funds</b>			<b>Ending Balance 12/31/2011</b>
	<b>Beginning Balance 1/1/2011</b>	<b>Additions</b>	<b>Deletions</b>	
<b><u>TREASURER'S AGENCY FUND</u></b>				
<b>Assets</b>				
Cash and investments	\$ 27,969,335	\$ 14,517,165,903	\$ 14,514,545,555	\$ 30,589,683
Property taxes receivable	-	599,691,774	-	599,691,774
Total assets	<u>\$ 27,969,335</u>	<u>\$ 15,116,857,677</u>	<u>\$ 14,514,545,555</u>	<u>\$ 630,281,457</u>
<b>Liabilities</b>				
Due to other governments	\$ 21,003,722	\$ 2,043,414,018	\$ 1,441,380,797	\$ 623,036,943
Other deposits payable	3,232,163	5,234,794,734	5,234,111,582	3,915,315
Warrants payable	3,733,450	353,511,726	353,915,977	3,329,199
Total liabilities	<u>\$ 27,969,335</u>	<u>\$ 7,631,720,478</u>	<u>\$ 7,029,408,356</u>	<u>\$ 630,281,457</u>
<b><u>ARAPAHOE COUNTY PUBLIC TRUSTEE</u></b>				
<b>Assets</b>				
Cash and investments	\$ 921,169	\$ 71,038,128	\$ 71,244,240	\$ 715,057
Restricted escrow	1,453,483	1,518,713	1,548,470	1,423,726
Total assets	<u>\$ 2,374,652</u>	<u>\$ 72,556,841</u>	<u>\$ 72,792,710</u>	<u>\$ 2,138,783</u>
<b>Liabilities</b>				
Other deposits payable	\$ 921,169	\$ 71,038,128	\$ 71,244,240	\$ 715,057
Due to other governments	1,453,483	1,518,713	1,548,470	1,423,726
Total liabilities	<u>\$ 2,374,652</u>	<u>\$ 72,556,841</u>	<u>\$ 72,792,710</u>	<u>\$ 2,138,783</u>
<b><u>INMATE SENTENCING AGENCY FUND</u></b>				
<b>Assets</b>				
Cash and investments	\$ 211,708	\$ 115,086	\$ 195,051	\$ 131,743
Total assets	<u>\$ 211,708</u>	<u>\$ 115,086</u>	<u>\$ 195,051</u>	<u>\$ 131,743</u>
<b>Liabilities</b>				
Other deposits payable	\$ 211,708	\$ 115,086	\$ 195,051	\$ 131,743
Total liabilities	<u>\$ 211,708</u>	<u>\$ 115,086</u>	<u>\$ 195,051</u>	<u>\$ 131,743</u>
<b><u>TOTAL AGENCY FUNDS</u></b>				
<b>Assets</b>				
Cash and investments	\$ 29,102,212	\$ 14,588,319,117	\$ 14,585,984,846	\$ 31,436,483
Restricted escrow	1,453,483	1,518,713	1,548,470	1,423,726
Property taxes receivable	-	599,691,774	-	599,691,774
Total assets	<u>\$ 30,555,695</u>	<u>\$ 15,189,529,604</u>	<u>\$ 14,587,533,316</u>	<u>\$ 632,551,983</u>
<b>Liabilities</b>				
Due to other governments	\$ 22,457,205	\$ 2,044,932,731	\$ 1,442,929,267	\$ 624,460,669
Other deposits payable	4,365,040	5,305,947,948	5,305,550,873	4,762,115
Warrants payable	3,733,450	353,511,726	353,915,977	3,329,199
Total liabilities	<u>\$ 30,555,695</u>	<u>\$ 7,704,392,405</u>	<u>\$ 7,102,396,117</u>	<u>\$ 632,551,983</u>

Arapahoe County, Colorado  
E-911 Authority-Component Unit  
Governmental Funds Balance Sheet/Statement of Net Assets  
December 31, 2011

	General	Adjustments	Statement of Net Assets
<b>Assets</b>			
Cash	\$ 9,171,512	\$ -	\$ 9,171,512
Accounts receivable	378,977	-	378,977
Total current assets	<u>9,550,489</u>	<u>-</u>	<u>9,550,489</u>
Capital assets, depreciable	-	5,332,741	5,332,741
Less accumulated depreciation	-	(3,990,416)	(3,990,416)
Net capital assets	<u>-</u>	<u>1,342,325</u>	<u>1,342,325</u>
Total assets	<u>9,550,489</u>	<u>1,342,325</u>	<u>10,892,814</u>
<b>Liabilities and fund balance/net assets</b>			
<b>Liabilities</b>			
Accounts payable	15,936	-	15,936
Total liabilities	<u>15,936</u>	<u>-</u>	<u>15,936</u>
<b>Fund balances</b>			
Unreserved, undesignated	9,534,553	(9,534,553)	-
Total fund balance	<u>9,534,553</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>9,550,489</u>	<u>-</u>	<u>15,936</u>
<b>Net assets</b>			
Invested in capital assets net of related debt	-	1,342,325	1,342,325
Unrestricted	-	9,534,553	9,534,553
Total net assets	<u>\$ -</u>	<u>\$ 10,876,878</u>	<u>\$ 10,876,878</u>

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

Arapahoe County, Colorado  
 E-911 Authority- Component Unit  
 Statement of Governmental Fund Revenues  
 Expenditures, and Changes in Fund Balance/  
 Statement of Activities  
 For the Year Ended December 31, 2011

	General	Adjustments	Statement of Activities
Expenditures/expenses			
Governmental activities			
Public safety	\$ 1,263,209	-	\$ 1,263,209
Capital	664,518	(664,518)	-
Depreciation	-	950,340	950,340
Total expenditures/ expenses	1,927,727	285,822	2,213,549
Program revenues			
Charges for services	2,379,027	-	2,379,027
General revenues			
Interest earnings	145,169	-	145,169
Total revenues	2,524,196	-	2,524,196
Excess of revenues over expenditures	596,469	(596,469)	-
Changes in net assets	-	(310,647)	310,647
Fund balance/ net assets - beginning	8,938,084	-	10,566,231
Fund balance/ net assets - ending	\$ 9,534,553	-	\$ 10,876,878

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

**Arapahoe County, Colorado**  
**E-911 Authority - Component Unit**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance
	Original	Final		With Final Budget Positive/(Negative)
<b>Revenues</b>				
Charges for services	\$ 2,325,000	\$ 2,325,000	\$ 2,379,027	\$ 54,027
Investment earnings	100,000	100,000	145,169	45,169
Total revenues	<u>2,425,000</u>	<u>2,425,000</u>	<u>2,524,196</u>	<u>99,196</u>
<b>Expenditures</b>				
<b>Current</b>				
Public safety	3,390,420	2,910,420	1,263,209	1,647,211
<b>Capital</b>				
Public safety	200,000	680,000	664,518	15,482
Total expenditures	<u>3,590,420</u>	<u>3,590,420</u>	<u>1,927,727</u>	<u>1,662,693</u>
Excess of revenues over expenditures	(1,165,420)	(1,165,420)	596,469	1,761,889
Fund balance - beginning	8,938,084	8,938,084	8,938,084	-
Fund balance - ending	<u>\$ 7,772,664</u>	<u>\$ 7,772,664</u>	<u>\$ 9,534,553</u>	<u>\$ 1,761,889</u>

# Arapahoe County, Colorado

## Statistical Section Index

(Unaudited)

*This part of the Arapahoe County comprehensive annual financial report presents additional detailed information and a historical perspective to assist with understanding the financial statements, notes to the statements, and the required supplementary information about the County's economic condition.*

### Financial Trends

*These schedules contain trend information to assist the reader in understanding how the County's financial position has changed over time.*

Table 1	Net Assets by Component.....	E-2
Table 2	Changes in Net Assets.....	E-4
Table 3	Fund Balances, Governmental Funds.....	E-6
Table 4	Changes in Fund Balances, Governmental Funds.....	E-8

### Revenue Capacity

*These schedules contain information to assist the reader in assessing the County's most significant sources of revenue.*

Table 5	Assessed Value and Actual Value of Taxable Property .....	E-10
Table 6	Direct and Overlapping Property Tax Rates.....	E-12
Table 7	Principal Property Tax Payers.....	E-14
Table 8	Property Tax Levies and Collections .....	E-15

### Debt Capacity

*These schedules contain information to assist the reader in analyzing the County's current level of debt and the County's ability to issue debt in the future.*

Table 9	Ratios of Outstanding Debt .....	E-16
Table 10	Computation of Direct and Overlapping Debt.....	E-18
Table 11	Legal Debt Margin Information .....	E-21

### Demographic and Economic Information

*These schedules offer demographic and economic indicators to assist the reader in understanding the environment in which the County's financial activities take place.*

Table 12	Demographic and Economic Statistics .....	E-22
Table 13	Principal Employers.....	E-23

### Operating Information

*These schedules contain service and infrastructure indicators to assist the reader in ascertaining how the information in the County's financial statements relate to the services the County provides and the activities it performs.*

Table 14	Full-time Equivalent County Government Employees by Function/Program .....	E-24
Table 15	Operating Indicators by Function/Program.....	E-25
Table 16	Capital Assets Statistics by Function/Program.....	E-26

### Data Source:

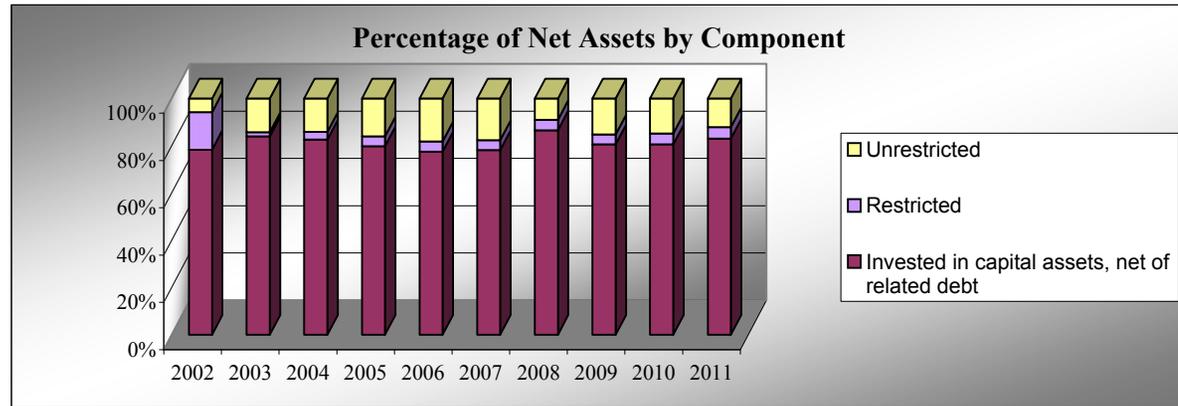
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement No. 34 in the calendar year 2002 therefore schedules presenting government-wide financial data do not precede that year.

**ARAPAHOE COUNTY, COLORADO**

**Net Assets by Component  
Last Ten Fiscal Years  
December 31, 2011**

**Table 1**

	<b>Fiscal Year</b>									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental Activities</b>										
Invested in capital assets, net of related debt	\$ 433,720,700	\$ 492,653,115	\$ 508,843,066	\$ 511,632,144	\$ 527,670,594	\$ 598,362,162	\$ 671,821,630	\$ 627,194,683	\$ 628,465,040	\$ 642,290,143
Restricted	88,706,206	10,529,815	20,473,808	26,366,686	29,162,660	32,165,309	33,953,349	32,785,071	35,276,618	37,691,869
Unrestricted	32,077,261	83,917,756	87,258,836	103,255,358	124,149,948	134,927,706	70,408,488	118,420,367	116,293,743	93,968,505
<b>Total governmental activities net assets</b>	<b>\$ 554,504,167</b>	<b>\$ 587,100,686</b>	<b>\$ 616,575,710</b>	<b>\$ 641,254,188</b>	<b>\$ 680,983,202</b>	<b>\$ 765,455,177</b>	<b>\$ 776,183,467</b>	<b>\$ 778,400,121</b>	<b>\$ 780,035,401</b>	<b>\$ 773,950,517</b>



Data Source:  
Applicable years' comprehensive annual financial report

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ARAPAHOE COUNTY, COLORADO

Table 2

Changes in Net Assets  
Last Ten Fiscal Years  
December 31, 2011

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>										
Governmental activities:										
General Government	\$ 65,523,336	\$ 58,438,742	\$ 62,518,202	\$ 59,820,890	\$ 57,700,314	\$ 63,300,479	\$ 64,476,171	\$ 70,545,770	\$ 65,620,965	\$ 66,121,995
Public Safety	56,928,062	59,161,145	60,518,504	63,539,291	67,080,316	71,309,677	73,524,951	76,796,036	75,458,627	76,142,197
Judicial Services	13,202,917	9,916,808	10,387,736	10,747,046	10,602,243	11,622,405	10,479,953	12,654,389	12,614,228	12,223,389
Health & Welfare	59,090,187	65,014,698	64,064,480	64,882,465	65,316,053	68,886,438	74,537,601	82,651,797	84,731,102	83,747,155
Highways & Streets	23,049,902	18,571,817	19,938,280	21,389,942	20,060,450	25,004,995	22,850,253	21,286,170	23,960,428	27,133,757
Water & Wastewater	754,895	1,047,314	1,095,717	1,372,651	2,208,123	1,675,251	1,833,715	1,712,077	3,273,817	3,517,485
Airport	2,153,515	364,888	364,888	364,888	364,888	374,688	365,538	365,538	365,552	365,938
Culture & Recreation	602,376	749,128	6,814,316	13,069,857	13,922,358	15,887,027	16,668,608	18,619,791	14,268,965	14,261,422
Interest on long-term debt	6,756,315	7,633,007	7,348,480	7,339,414	8,047,712	8,121,674	8,233,227	8,124,717	10,704,678	11,495,570
Total governmental activities expenses	<u>\$ 228,061,505</u>	<u>\$ 220,897,547</u>	<u>\$ 233,050,603</u>	<u>\$ 242,526,444</u>	<u>\$ 245,302,457</u>	<u>\$ 266,182,634</u>	<u>\$ 272,970,017</u>	<u>\$ 292,756,285</u>	<u>\$ 290,998,362</u>	<u>\$ 295,008,908</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for Services:										
General Government	\$ 39,094,596	\$ 43,846,900	\$ 44,545,871	\$ 28,024,828	\$ 27,655,416	\$ 26,745,753	\$ 24,227,058	\$ 23,745,686	\$ 23,430,054	\$ 15,600,113
Public Safety	4,550,951	4,384,751	4,175,224	21,571,124	22,630,096	23,628,766	24,272,267	24,543,218	25,121,132	25,957,155
Judicial Services	-	-	-	-	-	-	-	-	-	-
Health & Welfare	319,307	445,334	470,913	444,138	476,029	485,962	636,986	520,950	317,610	338,422
Highways & Streets	2,641,076	1,450,058	2,115,008	2,074,511	1,983,898	3,396,200	2,325,654	375,448	326,105	361,674
Water & Wastewater	-	-	-	500	-	-	-	-	-	-
Airport	-	-	-	-	-	-	-	-	-	-
Culture & Recreation	157,404	169,404	166,158	281,466	194,051	188,358	218,445	218,911	245,226	368,133
Operating Grants and Contributions:										
General Government	\$ 901,188	\$ 225,509	\$ 292,993	\$ 462,424	\$ 362,847	\$ 726,253	\$ 233,812	\$ 369,616	\$ 201,778	\$ 532,320
Public Safety	1,073,288	760,035	592,983	3,891,460	3,068,921	4,060,388	2,947,398	5,059,275	3,051,259	4,335,027
Judicial Services	3,162,331	-	-	-	-	-	-	-	-	-

Health & Welfare	38,368,371	43,595,483	39,777,911	41,787,067	44,288,002	45,916,061	49,692,183	57,471,628	59,500,186	58,958,731
Highways & Streets	8,495,907	6,788,227	9,640,030	8,376,773	13,926,298	10,267,441	7,370,732	10,388,780	11,287,372	8,680,840
Water & Wastewater	5,907,492	-	-	372,215	3,232,516	4,142,847	1,988,044	862,784	156,212	-
Airport	-	-	-	-	-	-	-	-	-	-
Culture & Recreation	30,856	66,939	76,958	27,599	425,228	26,119	181,278	169,959	186,963	164,769
Capital grants and Contributions:										
General Government	\$ -	\$ -	\$ -	\$ 110,250	\$ 1,175,424	\$ -	\$ 110,250	\$ -	\$ -	\$ 127,990
Public Safety	-	-	101,375	265,117	342,196	6,088	13,843	-	-	-
Judicial Services	-	-	-	-	-	-	-	-	-	-
Health & Welfare	-	-	-	-	-	20,341	2,323	3,479	4,094	4,029
Highways & Streets	25,549,312	32,450,033	18,243,885	14,488,068	4,400,241	61,862,505	4,047,852	6,062,121	418,888	582,094
Water & Wastewater	-	-	-	-	-	-	-	-	-	-
Airport	-	-	-	-	-	-	-	-	-	-
Culture & Recreation	379,023	413,365	429,154	441,443	699,329	532,286	534,992	503,927	478,713	495,200
Total governmental activities program revenues	<u>\$ 130,631,102</u>	<u>\$ 134,596,038</u>	<u>\$ 120,628,463</u>	<u>\$ 122,618,983</u>	<u>\$ 124,860,492</u>	<u>\$ 182,005,368</u>	<u>\$ 118,803,117</u>	<u>\$ 130,295,782</u>	<u>\$ 124,725,592</u>	<u>\$ 116,506,497</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities										
Total primary government net expense	\$ (97,430,403)	\$ (86,301,509)	\$ (112,422,140)	\$ (119,907,461)	\$ (120,441,965)	\$ (84,177,266)	\$ (154,166,900)	\$ (162,460,503)	\$ (166,272,770)	\$ (178,502,411)
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Property taxes	\$ 95,148,057	\$ 104,584,825	\$ 107,590,725	\$ 110,046,618	\$ 115,183,174	\$ 119,397,961	\$ 123,865,373	\$ 131,681,792	\$ 132,748,945	\$ 134,792,665
Sales taxes (1)	-	-	15,174,598	17,877,970	17,842,681	19,306,838	18,209,151	16,496,260	17,358,730	17,568,252
Other taxes	9,048,409	9,339,557	10,539,573	9,109,643	9,570,342	9,928,556	9,115,649	8,663,686	8,243,151	7,819,588
Investment income	5,959,027	2,621,307	4,318,676	5,558,907	11,246,283	15,866,207	13,437,760	5,832,261	3,672,457	2,337,311
Build america bonds credit	-	-	-	-	-	-	-	-	-	1,158,381
Miscellaneous	14,186,931	4,244,082	4,273,592	1,992,801	1,233,574	4,149,679	267,257	2,538,060	3,642,267	8,741,330
Gain (loss) on sale of assets	-	-	-	-	270,050	-	-	-	-	-
Total governmental activities	<u>\$ 124,342,424</u>	<u>\$ 120,789,771</u>	<u>\$ 141,897,164</u>	<u>\$ 144,585,939</u>	<u>\$ 155,346,104</u>	<u>\$ 168,649,241</u>	<u>\$ 164,895,190</u>	<u>\$ 165,212,059</u>	<u>\$ 165,665,550</u>	<u>\$ 172,417,527</u>
Extraordinary item	-	-	-	-	4,275,000	-	-	-	-	-
<b>Change in Net Assets</b>										
Governmental activities	\$ 26,912,021	\$ 34,488,262	\$ 29,475,024	\$ 24,678,478	\$ 39,179,139	\$ 84,471,975	\$ 10,728,290	\$ 2,751,556	\$ (607,220)	\$ (6,084,884)

Notes:

(1) Sales tax collection began in 2004

Data Source:

Applicable years' comprehensive annual financial report

**ARAPAHOE COUNTY, COLORADO**

**Table 3**

**Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
December 31, 2011**

	<b>Fiscal Year</b>									
	2002*	2003*	2004*	2005*	2006*	2007*	2008*	2009*	2010*	2011
<b>General Fund</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,289
Restricted	-	-	-	-	-	-	-	-	-	5,533,967
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	5,375,023
Unassigned	-	-	-	-	-	-	-	-	-	30,723,073
<b>Prior to 2011</b>										
Reserved	1,240,677	1,769,351	1,166,711	1,272,994	1,859,396	1,428,152	601,076	1,218,913	877,805	-
Unreserved	6,973,717	7,602,465	9,616,933	17,053,197	27,928,653	48,008,034	39,755,237	30,049,809	32,120,272	-
<b>Total General Fund</b>	<b>\$ 8,214,394</b>	<b>\$ 9,371,816</b>	<b>\$ 10,783,644</b>	<b>\$ 18,326,191</b>	<b>\$ 29,788,049</b>	<b>\$ 49,436,186</b>	<b>\$ 40,356,313</b>	<b>\$ 31,268,722</b>	<b>\$ 32,998,077</b>	<b>\$ 41,660,352</b>
<b>All Other Governmental Funds</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 169,131
Restricted	-	-	-	-	-	-	-	-	-	33,780,233
Committed	-	-	-	-	-	-	-	-	-	36,424,167
Assigned	-	-	-	-	-	-	-	-	-	26,478,072
Unassigned	-	-	-	-	-	-	-	-	-	(759,365)
<b>Prior to 2011</b>										
Reserved	53,918,779	45,918,732	36,718,121	55,168,150	61,566,777	52,079,074	34,663,632	77,470,501	24,760,710	-
Unreserved, reported in:										
Cash flow	9,979,243	23,078,423	-	-	-	-	-	-	-	-
Special revenue fund	27,567,769	30,767,300	47,684,879	65,122,484	69,234,684	62,829,567	64,267,115	64,814,855	62,820,027	-
Capital projects fund	14,399,591	2,275,302	24,290,047	26,824,853	22,362,294	22,277,400	35,361,313	35,299,241	28,177,813	-
<b>Total all other governmental funds</b>	<b>\$ 105,865,382</b>	<b>\$ 102,039,757</b>	<b>\$ 108,693,047</b>	<b>\$ 147,115,487</b>	<b>\$ 153,163,755</b>	<b>\$ 137,186,041</b>	<b>\$ 134,292,060</b>	<b>\$ 177,584,597</b>	<b>\$ 115,758,550</b>	<b>\$ 96,092,238</b>
<b>Total General and all other governmental funds</b>	<b>\$ 114,079,776</b>	<b>\$ 111,411,573</b>	<b>\$ 119,476,691</b>	<b>\$ 165,441,678</b>	<b>\$ 182,951,804</b>	<b>\$ 186,622,227</b>	<b>\$ 174,648,373</b>	<b>\$ 208,853,319</b>	<b>\$ 148,756,627</b>	<b>\$ 137,752,590</b>

\*Note: Due to Changes in the County's fund structure connected with the implementation of GASB 34, fund balance information is available back to 2002 only

\* Fund Balances for prior years not available in new fund balance breakdown per GASB 54.

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**ARAPAHOE COUNTY, COLORADO**

**Table 4**

**Changes in Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
December 31, 2011**

	<b>Fiscal Year</b>									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues</b>										
Taxes	\$ 104,196,466	\$ 113,924,381	\$ 133,304,896	\$ 137,034,229	\$ 142,596,196	\$ 148,633,355	\$ 152,910,622	\$ 156,841,739	\$ 158,350,822	\$ 160,180,505
Licenses and Permits	5,417,311	4,262,490	5,735,345	4,567,259	4,372,554	4,727,828	4,985,149	5,010,913	4,462,048	4,626,342
Intergovernmental	73,482,498	74,711,367	78,613,243	83,993,103	68,153,764	67,446,760	64,381,138	75,632,862	76,404,188	73,914,329
Charges for Services	20,500,472	22,959,637	21,007,016	21,042,576	47,357,627	46,865,997	41,715,069	39,538,768	39,949,208	39,927,613
Fines	1,507,214	1,093,343	639,077	785,472	808,757	938,603	1,256,099	1,455,525	1,770,420	2,187,374
Investment Earnings	5,958,886	2,621,254	4,318,675	5,558,907	11,246,281	15,866,208	13,437,761	5,832,262	3,672,457	2,337,311
Interfund Revenues and Rentals	2,435,524	2,261,953	2,314,416	2,313,077	2,689,473	3,407,789	2,647,830	2,863,123	2,629,159	3,381,894
Interest on Loan to Component Unit	1,642,691	1,589,643	1,585,696	1,583,945	1,596,898	1,560,383	1,579,686	1,595,034	1,595,759	1,617,384
Developer Contributions	-	-	-	-	1,071,547	163,630	295,749	585,425	-	306,191
Build America Bonds credit	-	-	-	-	-	-	-	-	-	1,158,381
Miscellaneous	4,473,996	6,313,565	5,390,856	2,188,342	789,859	3,048,831	1,245,054	2,931,773	3,902,719	3,089,955
<b>Total Revenues</b>	<b>\$ 219,615,058</b>	<b>\$ 229,737,633</b>	<b>\$ 252,909,220</b>	<b>\$ 259,066,910</b>	<b>\$ 280,682,956</b>	<b>\$ 292,659,384</b>	<b>\$ 284,454,157</b>	<b>\$ 292,287,424</b>	<b>\$ 292,736,780</b>	<b>\$ 292,727,279</b>
<b>Expenditures</b>										
General Government	\$ 54,590,820	\$ 55,592,430	\$ 59,021,795	\$ 56,683,458	\$ 58,883,500	\$ 59,119,225	\$ 62,002,254	\$ 60,274,976	\$ 60,680,392	\$ 59,409,082
Public Safety	51,658,252	53,471,694	55,067,036	58,825,264	63,285,652	66,225,968	69,733,643	72,770,225	71,572,143	72,257,100
Judicial Services	13,190,708	9,900,252	10,371,758	10,721,527	10,569,358	11,534,723	10,551,071	12,721,751	12,694,119	12,099,113
Health and Welfare	59,615,753	64,769,219	63,855,150	65,460,066	65,146,077	68,384,170	74,338,791	82,671,002	84,906,821	85,820,777
Highways and Streets	26,856,038	14,222,775	15,017,991	15,949,856	16,783,085	19,180,829	17,196,792	16,413,516	18,167,228	19,904,997
Water and Wastewater	90	82,154	53,612	84,478	884,654	80,522	76,053	579,638	602,474	101,224
Airport	1,500,000	-	-	-	-	9,800	650	650	664	850
Culture and Recreation	580,670	716,339	6,840,843	13,021,607	13,228,239	15,506,016	16,163,173	18,094,674	13,673,560	15,074,698
Capital Outlay	70,327,448	20,387,334	18,386,039	19,249,181	37,630,609	34,096,302	34,819,984	33,676,013	73,304,010	22,953,275
Debt Service										
Principal	3,379,219	6,020,183	7,149,738	7,204,173	5,503,094	7,832,487	7,819,177	6,277,470	6,559,486	13,449,250
Interest	6,392,001	8,570,944	7,365,208	7,093,843	7,106,442	8,041,596	8,132,886	8,079,409	10,119,632	11,506,597
Debt Issuance Costs	5,899,441	-	-	-	811,523	3,225	53,284	157,375	2,450	48,121
Intergovernmental transfer to Centennial	263,858	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 294,254,298</b>	<b>\$ 233,733,324</b>	<b>\$ 243,129,170</b>	<b>\$ 254,293,453</b>	<b>\$ 279,832,233</b>	<b>\$ 290,014,863</b>	<b>\$ 300,887,758</b>	<b>\$ 311,716,699</b>	<b>\$ 352,282,979</b>	<b>\$ 312,625,084</b>
Excess of revenues over (under) expenditures	\$ (74,639,240)	\$ (3,995,691)	\$ 9,780,050	\$ 4,773,457	\$ 850,723	\$ 2,644,521	\$ (16,433,601)	\$ (19,429,275)	\$ (59,546,199)	\$ (19,897,805)
<b>Other Financing Sources (Uses)</b>										
Transfers In	\$ 29,522,725	\$ 14,782,721	\$ 15,801,245	\$ 11,185,836	\$ 16,045,208	\$ 29,598,579	\$ 34,089,983	\$ 29,288,252	\$ 18,325,661	\$ 49,478,206
Transfers Out	(29,950,725)	(15,969,134)	(17,516,176)	(11,937,188)	(17,415,030)	(31,441,287)	(35,040,486)	(31,332,360)	(18,876,154)	(50,234,438)
Debt issued	-	-	-	-	-	-	-	-	-	9,650,000

Capital Leases	2,871,745	288,040	-	13,028,205	-	-	-	-	-	-	-
Capital Contributions	3,164,865	-	-	110,250	-	-	110,250	(396,671)	-	-	-
Sale of Capital Assets	971,240	1,665,605	-	1,614,355	-	-	-	-	-	-	-
Payment to Bond Agent	(15,490,407)	-	-	-	(54,529,516)	(517)	-	-	-	-	-
Debt Issued	15,760,000	-	-	27,190,071	51,552,858	2,600,000	5,300,000	56,075,000	-	-	-
Refunding Bonds Issued	63,870,000	-	-	-	-	-	-	-	-	-	-
Premium (discount) on Bonds	(659,667)	-	-	-	1,706,086	-	-	-	-	-	-
Long-term Notes Payable	-	-	-	-	16,049,975	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>\$ 70,059,776</b>	<b>\$ 767,232</b>	<b>\$ (1,714,931)</b>	<b>\$ 41,191,529</b>	<b>\$ 13,409,581</b>	<b>\$ 756,775</b>	<b>\$ 4,459,747</b>	<b>\$ 53,634,221</b>	<b>\$ (550,493)</b>	<b>\$ 8,893,768</b>	
Extraordinary item	-	-	-	-	4,275,000	-	-	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>\$ (4,579,464)</b>	<b>\$ (3,228,459)</b>	<b>\$ 8,065,119</b>	<b>\$ 45,964,986</b>	<b>\$ 18,535,304</b>	<b>\$ 3,401,296</b>	<b>\$ (11,973,854)</b>	<b>\$ 34,204,946</b>	<b>\$ (60,096,692)</b>	<b>\$ (11,004,037)</b>	
Debt service as a percentage of noncapital expenditures	6.99%	6.83%	6.45%	6.08%	5.54%	6.20%	6.02%	5.00%	5.98%	8.63%	

Data Source:  
Applicable years' comprehensive annual financial report

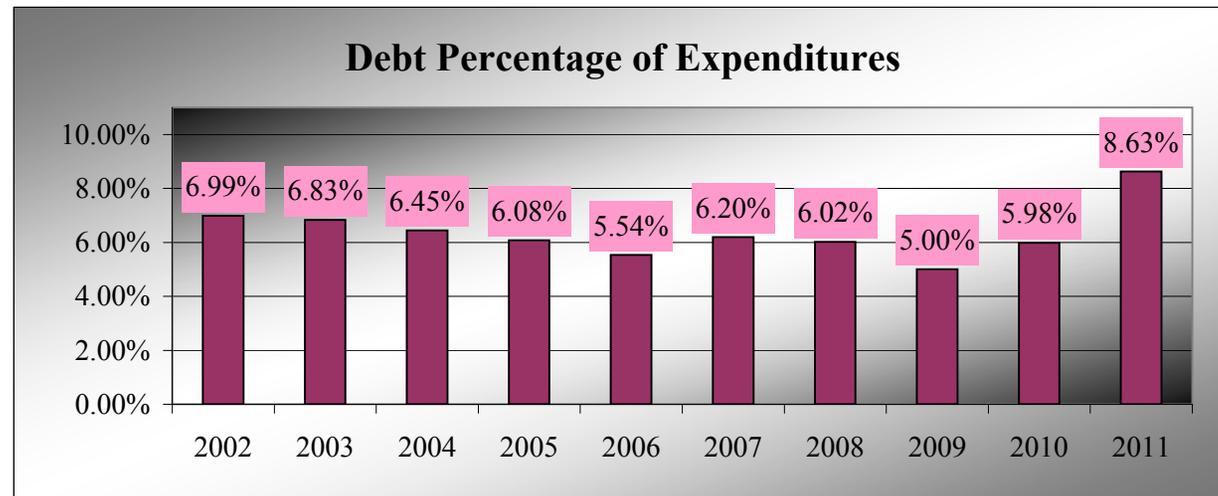


Table 5

ARAPAHOE COUNTY, COLORADO

Assessed Value and Actual Value of Taxable Property  
Last Ten Fiscal Years  
December 31, 2011

<b>Fiscal Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Vacant</b>	<b>Agricultural</b>
2002	\$ 3,389,682,930	\$ 2,675,292,910	\$ 56,490,250	\$ 267,901,970	\$ 7,772,540
2003	3,443,470,550	2,551,708,600	46,622,300	246,271,900	8,569,130
2004	3,525,011,050	2,579,353,950	39,778,480	243,086,960	9,316,020
2005	3,693,248,930	2,510,113,510	38,435,840	253,854,830	9,110,590
2006	3,793,083,480	2,553,086,780	36,574,210	249,054,490	9,343,150
2007	4,149,223,900	2,881,577,130	38,006,330	291,633,820	10,099,980
2008	4,234,534,700	2,907,703,660	37,189,710	262,746,280	10,269,220
2009	3,954,383,160	3,360,045,380	38,952,380	256,206,470	10,747,100
2010	3,987,486,080	3,352,504,060	33,931,360	235,853,770	10,890,300
2011	3,775,269,790	2,995,807,840	31,667,580	219,167,970	12,033,580

Data Source:  
Arapahoe county assessor's office

Other Natural Resources	State Assessed	Tax-Exempt Property	Total Taxable Assessed Value	Total Taxable Actual Value	Total Direct Tax rate
\$ 4,504,100	\$ 316,122,110	\$ 583,042,100	\$ 6,717,766,810	\$ 48,511,866,775	22.692
4,209,220	289,365,900	612,743,630	6,590,217,600	54,103,554,508	22.679
4,845,650	266,765,100	846,509,190	6,668,157,210	55,113,869,001	25.038
5,849,760	283,819,500	946,964,840	6,794,432,960	57,080,798,063	25.333
6,941,710	272,494,000	972,509,970	6,920,577,820	58,423,210,708	25.958
6,487,460	309,434,800	1,035,456,060	7,686,463,420	64,311,406,839	25.013
6,135,760	329,180,700	1,057,226,880	7,787,760,030	65,438,081,973	25.418
7,589,600	334,020,900	1,258,930,570	7,961,944,990	63,482,961,616	25.437
5,210,150	342,934,700	1,263,684,890	7,968,810,420	63,812,923,092	25.800
6,624,610	387,517,800	1,293,261,390	7,428,089,170	60,010,542,511	27.279

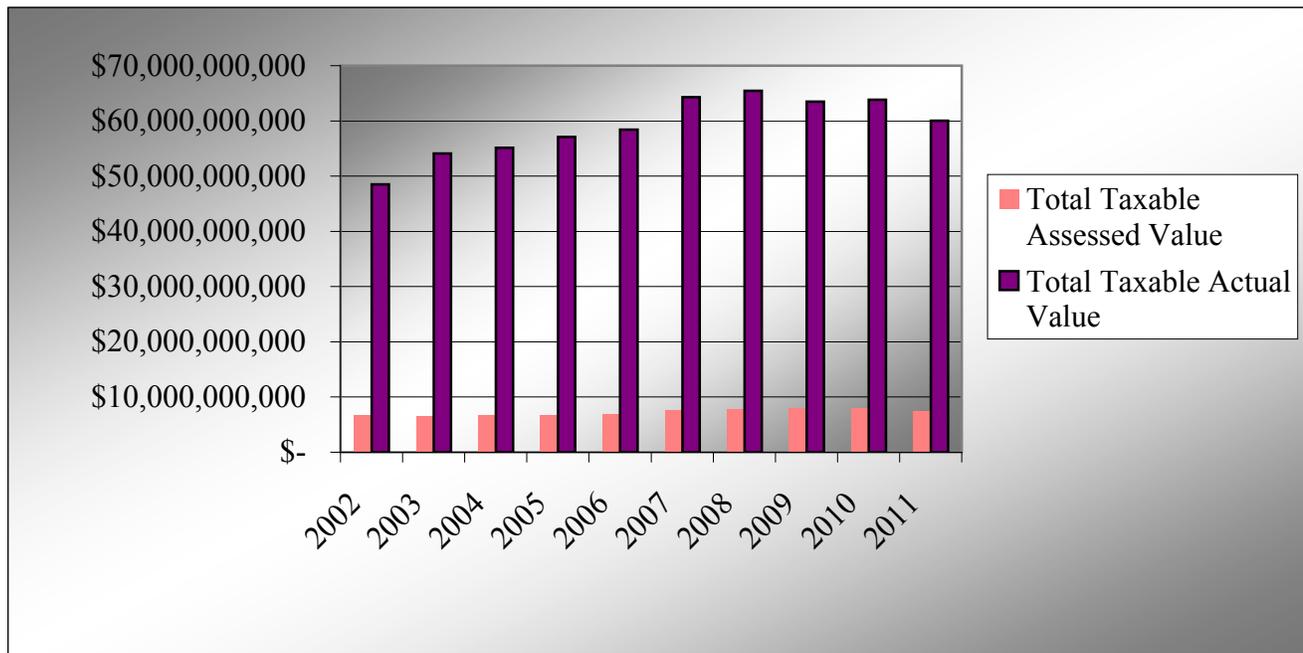


Table 6

**ARAPAHOE COUNTY, COLORADO**  
**Direct and Overlapping Property Tax Rates**  
**(rate per \$1,000 of assessed value)**  
**Last Ten Fiscal Years**  
**December 31, 2011**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>County Direct Rates</b>					
General	9.960	9.960	11.030	11.631	11.998
Special Revenue	4.068	4.042	4.110	3.820	4.085
L.E.A.D. & Library	8.664	8.677	9.898	9.882	9.875
Total direct rate	22.692	22.679	25.038	25.333	25.958
<b>City &amp; Town Rates</b>					
Aurora	12.193	11.409	11.161	11.079	10.867
Bennett	11.950	11.950	11.950	11.950	11.950
Bow-Mar	14.342	15.224	14.737	15.420	16.378
Centennial	4.982	4.996	5.015	5.031	5.031
Cherry Hills	7.300	7.300	7.300	7.300	13.117
Columbine	9.517	9.567	10.086	10.403	10.918
Deer Trail	13.615	13.999	15.004	15.905	15.745
Englewood	7.438	7.770	8.310	8.320	8.400
Foxfield	3.910	30.541	27.232	28.054	27.167
Glendale	8.420	8.420	8.420	14.920	18.670
Greenwood Village	2.932	2.932	2.932	2.932	2.932
Littleton	6.662	6.662	6.662	6.662	6.662
Sheridan	5.453	5.453	7.896	7.963	8.145
<b>School Districts</b>					
Aurora	49.978	49.825	47.964	47.003	45.745
Bennett	29.272	30.121	30.072	37.903	34.156
Byers	44.688	44.844	44.560	36.451	33.910
Cherry Creek	46.889	47.331	49.654	51.132	51.129
Deer Trail	33.689	34.187	33.121	33.000	30.169
Englewood	38.842	39.485	39.431	44.419	40.354
Littleton	41.290	45.380	45.304	50.515	48.907
Sheridan	42.150	43.580	40.836	40.634	39.419
Strasburg	52.441	52.821	51.676	49.666	50.631
<b>Special Districts</b>	.027-70.0	.026-84.148	.027-76.5	.027-90.0	.027-90.0

Data Source:  
Assessor's abstract of assessments and levies

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>County Direct Rates</b>					
General	11.398	11.756	11.875	12.124	13.270
Special Revenue	3.819	3.853	3.797	3.825	4.046
L.E.A.D. & Library	9.796	9.809	9.765	9.851	9.963
Total direct rate	25.013	25.418	25.437	25.800	27.279
<b>City &amp; Town Rates</b>					
Aurora	10.701	10.664	10.494	10.595	10.653
Bennett	11.950	11.950	11.950	11.950	11.950
Bow-Mar	13.901	14.493	14.729	15.309	16.956
Centennial	4.958	5.054	5.047	5.077	5.120
Cherry Hills	13.117	13.402	13.402	13.402	13.295
Columbine	9.810	8.950	9.161	9.331	9.352
Deer Trail	16.573	17.104	17.104	17.104	17.104
Englewood	8.173	7.827	7.911	8.010	7.621
Foxfield	23.728	21.471	21.865	21.865	23.238
Glendale	18.670	18.670	18.670	18.670	18.670
Greenwood Village	2.932	2.932	2.932	2.932	2.932
Littleton	6.662	6.662	6.662	6.662	6.662
Sheridan	7.981	8.042	7.921	7.994	8.078
<b>School Districts</b>					
Aurora	45.530	53.248	53.455	53.919	54.159
Bennett	34.246	35.724	33.381	33.363	33.427
Byers	33.603	32.607	32.52	32.305	33.148
Cherry Creek	47.397	49.569	48.825	50.947	54.367
Deer Trail	27.432	27.355	27.342	27.319	27.293
Englewood	37.211	37.195	37.199	37.495	45.858
Littleton	46.791	46.650	46.081	55.389	57.530
Sheridan	38.294	37.794	37.627	37.891	38.764
Strasburg	50.631	50.738	49.335	46.458	42.494
<b>Special Districts</b>	.028-90.0	.029-90.0	.030-90.0	.030-90.0	.030-90.0

ARAPAHOE COUNTY, COLORADO

Table 7

Principal Property Tax Payers  
Current Year and Ten Years Ago  
December 31, 2011

<u>Taxpayer</u>	<u>2011</u>			<u>2002</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total County Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total County Taxable Assessed Value</u>
Xcel Energy	\$ 97,489,640	1	1.31%	\$ 73,502,250	2	-
Qwest	93,210,200	2	1.25%	131,855,700	1	2.01%
Verizon Wireless	60,822,430	3	0.82%	-		-
Columbia HealthOne LLC	43,500,010	4	0.59%	35,699,010	3	0.54%
Greenwood Property Corp	28,420,000	5	0.38%	29,000,000	4	0.44%
Property Colorado OBJLW	18,415,000	6	0.25%	20,880,000	5	0.32%
National Digital Television	14,572,100	7	0.20%	-		-
Palazzo Verdi LLC	11,507,470	8	0.15%	-		-
Weingarten/Miller Aurora II	11,388,310	9	0.15%	-		-
5251 DTC Parkway LLC	11,223,000	10	0.15%	-		-
EOP-Quadrant LLC	-		-	13,050,000	6	0.20%
EOP-Millennium LLC	-		-	12,470,010	7	0.19%
Galleria Acquisition Inc	-		-	12,179,990	8	0.19%
Anemone Properties Assoc	-		-	11,600,010	9	0.18%
Trinet Realty Investors V Inc	-		-	11,455,000	10	0.17%
<b>Total</b>	<b>\$ 390,548,160</b>		<b>5.26%</b>	<b>\$ 351,691,970</b>		<b>4.24%</b>

Data Source:  
Assessor's tax roll

**ARAPAHOE COUNTY, COLORADO**

**Table 8**

**Property Tax Levies and Collections  
Last Ten Fiscal Years  
December 31, 2011**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Total Taxes Collected*	Percentage of Levy
2002	\$ 88,317,015	\$ 87,552,162	99.1%	\$ 81,000	\$ 87,633,162	99.2%
2003	92,861,237	91,096,873	98.1%	160,000	91,256,873	98.3%
2004	98,720,931	98,424,768	99.7%	239,000	98,663,768	99.9%
2005	101,846,177	101,642,485	99.8%	203,000	101,845,485	100.0%
2006	103,601,298	101,425,671	97.9%	215,000	101,640,671	98.1%
2007	110,093,640	109,873,453	99.8%	219,000	110,092,453	100.0%
2008	115,983,061	115,751,095	99.8%	230,000	115,981,095	100.0%
2009	120,721,049	120,238,165	99.6%	245,000	120,483,165	99.8%
2010	123,574,755	123,204,031	99.7%	360,000	123,564,031	100.0%
2011	125,349,303	125,098,604	99.8%	-	125,098,604	99.8%

Data Sources: Arapahoe county treasurer's office  
Assessor's abstract of assessment and levies  
Arapahoe county annual budget

Note: The difference between the total taxes collected shown on this schedule and the property taxes recorded on the Government Wide Statement of Activities, page C-2 and C-3, is that the Statement of Activities line item for property taxes includes interest on current tax and property taxes collected on two blended component units not included above (Arapahoe Law Enforcement Authority and the Arapahoe County Recreation District).

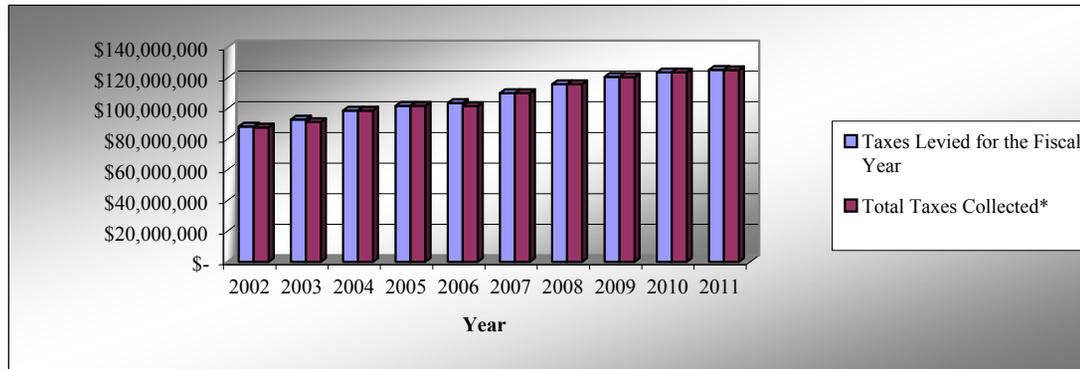


Table 9

## ARAPAHOE COUNTY, COLORADO

**Ratios of Outstanding Debt  
Last Ten Fiscal Years  
December 31, 2011**

<b>Fiscal Year</b>	<b>Total Bonds Payable(1)</b>	<b>Total Notes Payable(1)</b>	<b>Total Certificates of Participation Payable(1)</b>	<b>Total Capital Leases(1)</b>	<b>Total Primary Government(1)</b>	<b>Percentage of Personal Income(2)</b>	<b>Percentage of Actual Value of Taxable Property(3)</b>	<b>Total Outstanding Debt Per Capita</b>
2002	\$ 72,583,334	-	\$ 73,664,815	\$ 6,487,011	\$ 152,735,160	0.70%	2.27%	\$ 303.76
2003	70,157,647	-	71,684,118	5,196,238	147,038,003	0.63%	2.23%	285.40
2004	67,671,960	-	68,673,421	3,621,498	139,966,879	0.57%	2.10%	266.90
2005	65,121,273	27,190,071	65,537,724	15,210,528	173,059,596	0.69%	2.55%	325.46
2006	62,505,586	43,697,934	65,229,722	14,130,291	185,563,533	0.69%	2.68%	341.71
2007	60,819,899	42,815,966	59,701,439	15,175,838	178,513,142	0.63%	2.32%	320.78
2008	59,064,130	42,108,191	55,939,276	18,944,343	176,055,940	0.62%	2.26%	308.74
2009	114,775,779	41,232,834	52,017,113	17,489,736	225,515,462	0.78%	2.83%	395.47
2010	114,488,463	40,934,625	47,936,133	15,955,489	219,314,710	0.75%	2.75%	379.14
2011	114,445,945	39,872,693	43,876,948	17,371,307	215,566,893	0.78%	2.90%	370.30

## Data Sources:

- (1) Applicable years' comprehensive annual financial report
- (2) Estimates obtained from the state of colorado department of local affairs
- (3) Arapahoe county assessor's office

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Table 10

**ARAPAHOE COUNTY, COLORADO**  
**Computation of Direct and Overlapping Debt**  
**December 31, 2011**

<u>Governmental Unit</u>	<u>General Obligation Debt Outstanding</u>	<u>Percentage Applicable to County</u>	<u>County Share of Direct and Overlapping Debt</u>
<b>Cities &amp; Towns:</b>			
City of Aurora	\$ 16,065,000	80.00%	\$ 17,038,350
Town of Bow Mar	260,000	67.00%	224,450
City of Englewood	15,175,000	100.00%	15,360,000
City of Sheridan	775,000	100.00%	915,000
Town of Foxfield	1,410,000	100.00%	1,610,000
<b>Total cities &amp; towns</b>			<b>\$ 35,147,800</b>
<b>School Districts:</b>			
Englewood	\$ 66,591,986	100.00%	\$ 21,601,188
Sheridan	10,902,002	100.00%	19,810,000
Cherry Creek	466,660,000	100.00%	497,115,000
Littleton	83,985,000	100.00%	83,985,000
Aurora	395,593,545	67.00%	265,047,675
Bennett	8,975,000	50.00%	4,487,500
Strasburg	9,875,000	19.60%	1,935,500
<b>Total school districts</b>			<b>\$ 893,981,863</b>
<b>Special Districts:</b>			
Adonea Metro District #2	\$ 16,865,000	100.00%	\$ 16,865,000
Antelope Water System General Improvement	2,795,000	100.00%	2,795,000
Arapahoe Estates Water	575,193	100.00%	575,193
Arapahoe Lake Public Park	675,000	100.00%	675,000
Arapahoe Park & Recreation	11,790,000	100.00%	11,790,000
Arapahoe Water & Wastewater Public Improvement	154,127,716	99.99%	154,112,303
Antelope Hills General Improvement	2,110,000	100.00%	2,110,000
Aurora Centretech Metro	17,535,000	100.00%	17,535,000
Aspen Grove Business Improvement	8,810,000	100.00%	8,810,000
Beacon Point Metropolitan District	17,000,000	100.00%	17,000,000
Centennial Downs Metro	11,495,000	100.00%	11,495,000
Centennial 25 Metro	1,440,000	100.00%	1,440,000
Cherry Creek Racquet Club Gen Impv Dist	660,000	81.00%	534,600
Cherry Creek Vista Metro Rec & Park Dist A	1,767,538	100.00%	1,767,538
Cherry Creek Vista Metro Rec & Park Dist B	4,408,813	100.00%	4,408,813

Cherry Hills Heights Water & San District	206,516	100.00%	206,516
Cornerstar Metro District	36,095,000	100.00%	36,095,000
Columbia Metro	1,220,000	100.00%	1,220,000
Copperleaf Metro District #2	26,875,000	100.00%	26,875,000
Columbine Water & Sanitation	144,912	100.00%	144,912
Conservatory Metro	24,315,000	100.00%	24,315,000
Cross Creek Metro District #2	10,130,000	100.00%	10,130,000
Dove Valley Metro	50,510,000	100.00%	50,510,000
Dove Valley Metro District Bonds	41,780,000	100.00%	41,780,000
Eagle Bend Metro District #2	35,245,000	100.00%	35,245,000
Eagle's Nest Metro District	1,711,000	100.00%	1,711,000
East Quincy Highlands Metro	3,220,000	100.00%	3,220,000
East Smoky Hill Metro District #1	3,990,000	100.00%	3,990,000
East Smoky Hill Metro District #2	8,170,000	100.00%	8,170,000
East Valley Metro	468,449	100.00%	468,449
Estancia Metro District	4,110,000	100.00%	4,110,000
Fiddler's Green Business Impv District	59,075,000	100.00%	59,075,000
Fitzsimons Village Metro District #1	19,820,000	100.00%	19,820,000
Foxfield Metropolitan District #1	1,580,000	100.00%	1,580,000
Galleria Metro	5,575,000	100.00%	5,575,000
Greenwood Metro District Bonds	3,085,000	90.00%	2,776,500
Goldsmith Metro Blk K	5,120,000	100.00%	5,120,000
Goodman Metro	4,160,000	100.00%	4,400,000
Heritage Greens Metro	3,785,000	100.00%	3,785,000
Heather Gardens Metro	9,760,000	100.00%	9,760,000
High Plains Metro	23,675,000	100.00%	23,675,000
Heather Ridge Metro District #1	5,694,750	100.00%	5,694,750
Highline Business Improvement	3,725,000	100.00%	3,725,000
Highline Glen Metro	180,000	100.00%	180,000
Hills at Cherry Creek Metro	1,625,000	100.00%	1,625,000
Inverness Water & Sanitation District	21,315,000	67.50%	14,387,625
Inverness Metro Improvement District	2,315,000	68.00%	1,574,200
Landmark Metro	550,000	100.00%	885,000
Liverpool Metro*	3,760,000	100.00%	3,685,000
Marin Metro	30,485,000	100.00%	30,485,000
Meadow Hills Country Club Gid	480,000	80.00%	480,000
Murphy Creek Metro District No.3	27,600,000	100.00%	27,600,000
Tallgrass Metropolitan District	17,635,000	100.00%	17,635,000
Panorama Metro	7,205,000	100.00%	7,205,000
Parker Jordan Metro	11,685,000	100.00%	11,685,000
Parker Jordan Metro District Bonds Only	4,190,000	100.00%	4,190,000
Peoria Park GID	365,000	80.00%	292,000
Pier Point 7 GID	2,600,000	80.00%	2,080,000
Piney Creek Village Metro	6,380,000	100.00%	6,380,000
Pioneer Hills Metro	3,230,000	100.00%	3,230,000
Polo Reserve Metro	1,060,000	100.00%	1,060,000

Table 10

ARAPAHOE COUNTY, COLORADO

Computation of Direct and Overlapping Debt  
December 31, 2011  
(Continued)

<u>Governmental Unit</u>	<u>General Obligation Debt Outstanding</u>	<u>Percentage Applicable to County</u>	<u>County Share of Direct and Overlapping Debt</u>
Sable Altura Fire Protection	4,975,000	90.00%	4,477,500
Saddle Rock Metro	10,770,000	100.00%	10,770,000
Saddle Rock South Metro District #2	4,580,000	100.00%	4,580,000
Saddle Rock South Metro District #3	4,100,000	100.00%	4,100,000
Saddle Rock South Metro District #4	7,675,000	100.00%	7,675,000
Serenity Ridge Metro District #2	6,710,000	100.00%	6,710,000
Sorrel Ranch Metro	14,285,000	100.00%	14,285,000
Southgate At Centennial Metro District	455,000	100.00%	455,000
Southglenn Metro District	74,150,000	100.00%	74,150,000
Southpark Metro	980,000	96.00%	940,800
Southlands Metro District #1	56,725,000	100.00%	56,725,000
Southlands Metro District #2	2,295,000	100.00%	2,295,000
Southshore Metro District #2	9,970,000	100.00%	9,970,000
South Suburban Rec/Park District	23,505,000	22.00%	5,171,100
Sterling Hills Metro	1,580,000	100.00%	1,580,000
Sterling Hills West Metro	14,330,000	100.00%	14,580,000
Sundance Hills Metro District	1,223,520	100.00%	891,355
Tallyn's Reach Metro District #2	5,484,000	100.00%	6,087,000
Tallyn's Reach Metro District #3	18,370,000	100.00%	19,095,000
Tollgate Crossing Metro District #2	14,340,225	100.00%	14,579,880
Traditions Metro District #2	11,673,208	100.00%	10,614,051
Wheatlands Metro District #2	24,586,000	100.00%	24,684,000
Willow Trace Metro	9,400,000	100.00%	9,555,000
<b>Total special districts</b>			<b>\$ 1,083,720,085</b>
<b>Subtotal, overlapping debt</b>			<b>\$ 2,012,849,748</b>
<b>Total direct debt</b>			<b>-</b>
<b>Total direct and overlapping debt</b>			<b>\$ 2,012,849,748</b>

Source: Arapahoe County Finance Department

Note: Overlapping Debt is the proportionate share of the debts of local jurisdictions located wholly or in part within the limits of Arapahoe County. The amount of debt applicable to Arapahoe County is computed by:

- (a) determining what percentage of the total assessed value of the overlapping jurisdiction lies within the limits of Arapahoe County, and
- (b) applying this percentage to the total general obligation debt of the overlapping jurisdiction.

**ARAPAHOE COUNTY, COLORADO**

**Legal Debt Margin Information  
Last Nine Fiscal Years  
December 31, 2011**

**Table 11**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Assessed Value of Property	\$ 6,679,052,920	\$ 6,552,161,630	\$ 6,630,189,550	\$ 6,920,577,820	\$ 7,686,463,510	\$ 7,798,433,580	\$ 7,959,760,080	\$ 7,963,447,430	\$ 7,428,001,820
Statutory Debt Limit 3% (1)	200,371,588	196,564,849	198,905,687	207,617,335	230,593,905	233,953,007	238,792,802	238,903,423	222,840,055
Amount of Debt Applicable to Debt Limit									
General Obligation Bonds	-	-	-	-	-	-	-	-	-
Less: Resources Restricted to Paying Principal	-	-	-	-	-	-	-	-	-
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<u>\$ 200,371,588</u>	<u>\$ 196,564,849</u>	<u>\$ 198,905,687</u>	<u>\$ 207,617,335</u>	<u>\$ 230,593,905</u>	<u>\$ 233,953,007</u>	<u>\$ 238,792,802</u>	<u>\$ 238,903,423</u>	<u>\$ 222,840,055</u>
Total net debt as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%

**Notes:**

Prior years used Assessed Values at 1.5% per statute and are not comparable.

**Data Source:**

Assessor's abstract of assessments and levies

Table 12

## ARAPAHOE COUNTY, COLORADO

## Demographic and Economic Statistics

Last Ten Fiscal Years

December 31, 2011

Year	Population (1)		Households (1)	
	Arapahoe County	Seven County Denver Metro	Total	Average Size
2002	502,814	2,550,300	205,650	2.55
2003	515,206	2,538,574	201,662	2.53
2004	524,414	2,596,827	206,034	2.52
2005	531,741	2,643,965	209,275	2.53
2006	543,033	2,696,579	214,423	2.50
2007	556,481	2,762,367	218,627	2.51
2008	562,009	2,788,765	232,647	2.53
2009	570,235	2,883,583	233,627	2.53
2010	574,929	2,868,771	238,904	2.53
2011	582,106	2,830,173	*	*

Year	Per Capita Income (2)	Total Personal Income(2) in thousands	Median Age (1)	School Enrollment (4)	Unemployment Rate (3)
2002	43,109	21,675,808	34.2	109,252	5.7%
2003	45,013	23,190,967	34.5	110,160	5.7%
2004	46,645	24,461,291	34.5	110,241	5.6%
2005	47,039	25,012,564	34.5	111,603	5.0%
2006	49,458	26,857,326	34.5	112,785	5.0%
2007	50,947	28,351,037	36.1	114,617	4.3%
2008	50,727	28,509,030	36.2	116,251	5.0%
2009	48,480	27,644,992	36.5	117,158	7.3%
2010	47,704	27,426,356	36.8	120,315	8.8%
2011	*	*	36.0	121,503	7.9%

## Data Source:

- (1) Figures for 1999-2002 Colorado Division of Local Government, Demographic Section.  
 Figures 2003-2008 Denver Regional Council of Governments.  
 Figures 2009-2010 estimates obtained from the State of Colorado Department of Local Affairs  
 \*2011 data not available at the time this report went to print

## Notes:

- (1) April 25, 2012 new estimates for 2010 other population data not revised at the time report went to print
- (2) U.S. Bureau of Economic Analysis.  
 \* 2011 data not available at the time this report went to print  
 \*April 25, 2012 revised Per capita and Personal Income in thousands estimates for 2010
- (3) Colorado Department of Labor and Employment
- (4) Colorado Department of Education - Public & Non-Public School Enrollment

ARAPAHOE COUNTY, COLORADO

Table 13

Principal Employers  
Current Year and Ten Years Ago  
December 31, 2011

<u>Employer</u>	2011			2002		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Cherry Creek School District	7,800	1	2.81%	7,375	1	2.65%
Adams Arapahoe Aurora Schools	5,500	2	1.98%	4,325	2	1.55%
City of Aurora	3,325	3	1.20%	3,275	3	1.17%
Littleton School District	2,200	4	0.79%	2,500	4	0.90%
Raytheon Company	2,200	5	0.79%	1,800	8	0.65%
Qwest	2,100	6	0.76%	-		0.00%
Arapahoe County	1,950	7	0.70%	1,725	9	0.62%
Columbia HCA Of Denver	1,850	8	0.67%	2,075	6	0.74%
Echosphere	1,700	9	0.61%	2,025	7	0.73%
ADT Security Systems Inc	1,600	10	0.58%	1,500	10	0.54%
Great West Life & Annuity Ins	-		0.00%	2,300	5	0.83%
Total	30,225		10.87%	28,900		10.37%

Data Source:  
Colorado department of labor & employment

**ARAPAHOE COUNTY, COLORADO**

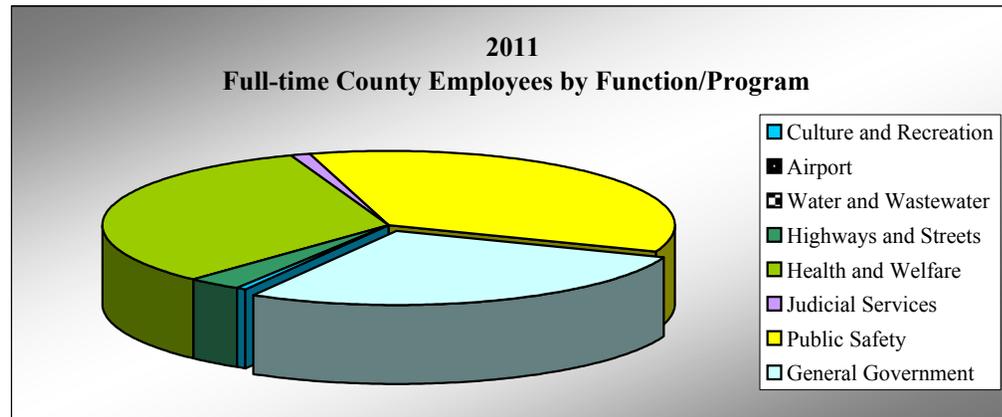
**Table 14**

**Full-time Equivalent County Employees by Function/Program  
Last Ten Fiscal Years (1)  
December 31, 2011**

<u>Function/Program</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Culture and Recreation	-	-	4.50	4.50	5.00	8.50	8.50	9.50	9.50	10.50
Airport	-	-	-	-	-	-	-	-	-	-
Water and Wastewater	7.00	7.00	9.30	9.30	8.80	-	-	-	-	-
Highways and Streets	73.50	73.50	74.50	74.50	74.50	74.50	77.00	61.00	61.00	61.00
Health and Welfare	468.75	492.75	477.25	503.25	514.75	578.50	589.25	605.00	626.50	640.50
Judicial Services	18.50	18.50	18.50	18.50	19.30	22.50	22.50	22.50	22.50	21.50
Public Safety	627.50	631.50	637.25	643.50	647.00	660.50	694.50	695.50	701.50	699.50
General Government	548.50	553.50	555.00	558.00	558.00	563.25	562.75	552.75	549.75	541.93
<b>Total</b>	<b>1,743.75</b>	<b>1,776.75</b>	<b>1,776.30</b>	<b>1,811.55</b>	<b>1,827.35</b>	<b>1,909.75</b>	<b>1,954.50</b>	<b>1,946.25</b>	<b>1,970.75</b>	<b>1,974.93</b>

(1) Notes:  
Prior years data was not available

Data Source:  
Arapahoe county finance department



**ARAPAHOE COUNTY, COLORADO**

**Table 15**

**Operating Indicators by Function/Program  
Last Nine Fiscal Years (1)  
December 31, 2011**

<b>Function/Program</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>General Government</b>									
Motor vehicle renewals	332,401	340,174	349,725	354,498	369,244	380,117	392,907	404,155	409,597
Registered voters ( active & inactive)	334,648	364,385	324,442	331,097	309,390	344,559	338,785	347,495	353,274
Voter turnout	108,440	234,725	126,484	171,920	78,247	268,671	247,297	273,435	235,042
<b>Public Safety (2)</b>									
Criminals arrested and put in jail	2,000	2,380	2,546	13,449	7,106	7,374	6,987	6,609	6,356
DUI arrests	600	800	825	573	559	492	618	412	478
Traffic violaters stopped and cited	5,500	6,500	7,000	69,217	27,444	32,825	50,797	53,089	48,364
Number of E-911 calls	38,254	53,200	54,800	60,563	63,132	62,186	63,138	70,696	74,042
<b>Judicial Services (2)</b>									
Felony cases filed	3,545	3,710	3,420	238	3,029	1,976	1,812	1,796	1,675
Misdemeanor cases filed	28,860	23,296	25,913	2,119	2,196	5,050	4,923	4,640	4,309
<b>Health and Welfare</b>									
Total annual cases of Food Assistance	96,707	109,658	113,886	118,020	116,125	124,656	168,630	212,297	259,346
<b>Highways and Streets</b>									
Sweeping pass miles	2,522	2,468	3,114	4,448	2,387	2,919	5,437	6,729	4,173
Finished concrete curb & gutter (linear feet)	1,810	6,150	4,679	2,180	1,079	1,895	4,147	5,178	3,365
Tons of asphalt applied	26,333	29,015	24,403	22,405	22,825	1,483	4,767	10,666	8,191
<b>Culture &amp; Recreation</b>									
Number of building permits issued	3,030	3,055	2,815	2,277	2,633	2,104	4,868	3,235	2,003

(1) Notes:

Prior years data was not available.

Figures for years 2003-2005 are estimates from the Budget Department. Actual data was not available.

Data Source:

Various arapahoe county departments

**ARAPAHOE COUNTY, COLORADO**

**Table 16**

**Capital Asset Statistics by Function/Program  
Last Six Fiscal Years (1)  
December 31, 2011**

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>Fiscal Year 2011</u>
<b>General Government</b>						
Square footage of buildings	277,005	272,788	272,788	358,302	351,747	582,529
Voting machines	1,275	1,275	1,263	1,393	1,322	1,364
<b>Public Safety</b>						
Square footage of detention center	291,955	291,955	291,955	293,108	293,108	293,108
Square footage of other buildings	129,867	121,588	121,588	174,136	162,338	173,481
Number of patrol vehicles	138	135	133	158	144	151
<b>Judicial Services</b>						
Square footage of buildings	251,115	201,167	201,167	296,973	249,714	253,573
<b>Health and Welfare</b>						
Square footage of buildings	44,865	167,660	167,660	250,166	232,905	222,023
<b>Highways and Streets</b>						
Total centerline miles of county roads	518	529	533	541	541	542
Paved lane miles	959	999	1,024	1,075	1,084	1,090
Unpaved lane miles	525	527	516	492	481	479
<b>Culture and Recreation</b>						
Number of parks	6	6	6	6	10	10
Total Open Space and Parks Acreage	447	798	1,097	1,097	4,393.7	4,394

(1) Notes:

Prior years data was not available.

2009 recalculated measurements using standard measurements by BOMA  
(Building Owners and Managers Assn)

Data Sources:

Various arapahoe county departments

Colorado department of transportation