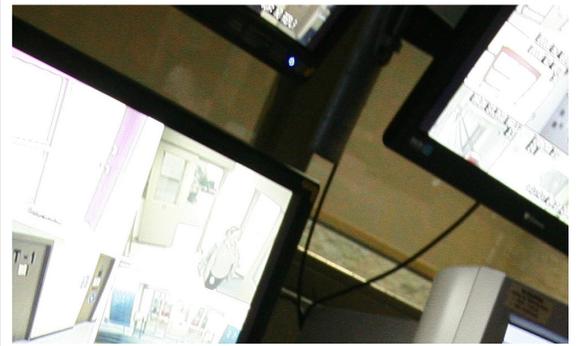


ARAPAHOE COUNTY COLORADO

# 2010

## Comprehensive Annual Financial Report

YEAR ENDED DECEMBER 31, 2010



Prepared by the 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**

In accordance with the Americans with Disabilities Act, this material is available in alternative formats upon request. Please contact the Finance Department at 5334 S. Prince Street, Littleton, Colorado, 80120-1136, by telephone at (303) 795-4620, by e-mail at [Finance@co.arapahoe.co.us](mailto:Finance@co.arapahoe.co.us), or by TDD at (303) 795-4644 for assistance.

# 2010 Comprehensive Annual Financial Report

YEAR ENDED DECEMBER 31, 2010



## 2010 CAFR ACKNOWLEDGEMENTS

### BOARD OF COUNTY COMMISSIONERS

Susan Beckman ..... District 1  
 Nancy A. Sharpe ..... District 2, Chair Pro Tem  
 Rod Bockenfeld ..... District 3, Chair  
 Nancy Jackson ..... District 4  
 Frank Weddig ..... 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  
 Michael Navratil ..... Accountant II  
 Sandra Gronquist ..... Accountant II  
 Tammy Smith ..... Accounting Coordinator  
 Zada Cunningham ..... Sales Tax Analyst  
 Ann Jagow ..... SAP Functional Administrator  
 Jon Rajewich ..... SAP Functional Administrator  
 Mary Lokatys ..... Office Manager

### INFORMATION TECHNOLOGY

Scott McCandless .. SAP Database Administrator

### COMMUNICATION SERVICES

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



Prepared by the Arapahoe County  
 Department of Finance  
 5334 South Prince Street  
 Littleton, Colorado 80120-1136  
[www.co.arapahoe.co.us](http://www.co.arapahoe.co.us)



**ARAPAHOE COUNTY, COLORADO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED DECEMBER 31, 2010**

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June 17, 2011

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

JANET J. KENNEDY, CPA  
Director

## TRANSMITTAL

The Comprehensive Annual Financial Report of Arapahoe County, Colorado, for the fiscal year ended December 31, 2010, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the management of Arapahoe County (hereafter referred to as the County). 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 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 Eide Bailly 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 for the fiscal year ended December 31, 2010, are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion that Arapahoe County's financial statements for the fiscal year ended December 31, 2010 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GASB requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Arapahoe County's MD&A can be found immediately following the report of the independent auditors.

## 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 590,000. 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 300 local improvement and service districts within the County.

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

A five-member Board of County Commissioners (BOCC) governs Arapahoe County. The Commissioners work 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:

Susan Beckman .....	District 1
Nancy Sharpe (Chair Pro Tem) .....	District 2
Rod Bockenfeld (Chair) .....	District 3
Nancy Jackson .....	District 4
Frank Weddig .....	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.

Six other elected officials also serve the County:

Corbin Saktol .....	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

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

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.

### **ECONOMIC ENVIRONMENT**

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 expanding since mid-2009 and was forecast to be 2.9% for 2010 and 3.3% for 2011. 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 7.8% by the end of 2010, still lower than the national average. Further contraction or very low levels of activity were seen for residential and nonresidential construction in 2010 before beginning a very slow recovery in 2011. Colorado's more diverse economy during this recession has allowed a milder downturn than other states or for the State when compared with earlier recessions. 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.

- Controlling growth in operating expenditures without significant impacts to service levels
- Structurally balancing the General Fund operating budget
- Preserving the investment in County staff
- Preparing for the anticipated downturn in the 2011 property tax assessment
- Continuing the County's capital program through the use of one-time funds

For 2011 the County has planned on \$9.3 million in capital improvements. \$1.65 million has been budgeted for the expansion of the lobby at the Judicial Facility. Another \$1.2 million has been budgeted for a replacement or upgrade to the Human Resources/ Payroll Management System. Another \$2.0 million will be spent on various infrastructure projects.

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

### **SIGNIFICANT ISSUES**

#### **Continuation of the County's Performance Management Initiatives**

A major effort for the County during 2010 was the continuation of the development of a strategic planning and performance management system. Align Arapahoe is a proactive countywide strategic planning and management system designed to boost performance and efficiency and help Arapahoe County meet today's priorities and tomorrow's challenges by helping the County prioritize and align its activities to its mission, vision and values. It is the plan to have Align Arapahoe become key in guiding priorities for developing future budgets.

#### **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 2011 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 budget for 2011 shows an increase of \$1.8 million over the 2010 level. The economy, through local growth in new construction and inflation, plays a large role in the amount of property tax revenue the County can collect and retain in a given year as a result of legal constraints. For 2011, an increase in inflation is offsetting declining growth in new construction and results in smaller growth in property taxes compared to prior years.

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 an 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.

#### **The Taxpayers' Bill of Rights (TABOR)**

The County continues to be restricted by the Colorado State Constitution provision limiting annual revenue growth for property taxes. This law, more commonly known as the Taxpayers' Bill of Rights (TABOR), is included in Article X, Section 20 of the state constitution and limits the County's property tax revenue growth to the sum of the estimated local inflation rate plus the new construction growth rate in the previous calendar year. The impact on the budget of this growth limitation is that the County may not be able to retain all of the property tax revenue that is collected.

### **AWARDS AND ACKNOWLEDGMENT**

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, 2009. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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-two consecutive years (fiscal years ended 1987 – 2009). We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA.

I would like to express my appreciation to the Accounting Manager, Steve Oliver, Sr. Accountant Lynn Obremski and the department accountants and analysts Michael Navratil, Tammy Smith, Dennis Palamet, Sandra Gronquist, Amber Skaggs, 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, Debbie McCarty and Scott McCandless also deserve recognition for their outstanding work in managing the County's financial system (SAP) as well as extracting the data and developing the format for the financial statements. 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, 2009

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



A stylized, handwritten signature in black ink.

President

A stylized, handwritten signature in black ink.

Executive Director

# ARAPAHOE COUNTY, COLORADO

## LIST OF PRINCIPAL OFFICERS

---

### Board of County Commissioners

---

Susan Beckman ..... District 1  
Nancy A. Sharpe ..... District 2, Chair Pro Tem  
Rod Bockenfeld ..... District 3, Chair  
Nancy Jackson ..... District 4  
Frank Weddig ..... District 5

### Other Elected Officials

---

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

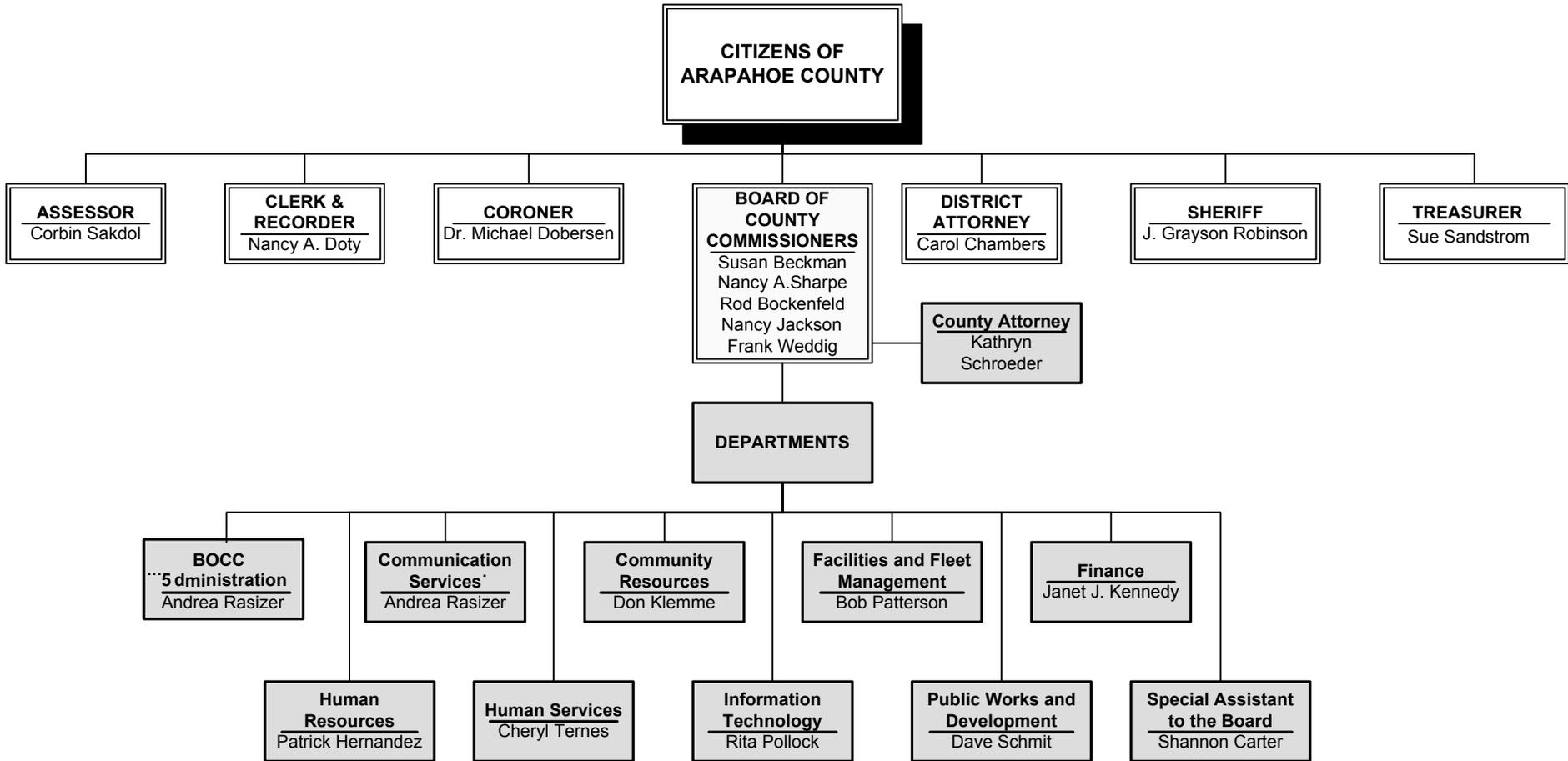
### Department Directors

---

Andrea Rasizer ..... BOCC Administration and Communication Services  
Don Klemme ..... Community Resources  
Kathryn Schroeder ..... County Attorney  
Robert M. Patterson ..... Facilities and Fleet Management  
Janet J. Kennedy ..... Finance  
Patrick Hernandez ..... Human Resources  
Cheryl Ternes ..... Human Services  
Rita Pollock ..... Information Technology  
Dave Schmit ..... Public Works & Development  
Shannon Carter ..... Special Assistant to the Board

---

# ARAPAHOE COUNTY GOVERNMENT ORGANIZATIONAL CHART





## INDEPENDENT AUDITORS' 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 aggregate remaining fund information of Arapahoe County, Colorado, as of and for the year ended December 31, 2010 which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Arapahoe 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 Arapahoe County Public Airport Authority, a discretely presented component unit of Arapahoe County, for the year ended December 31, 2010, which reflects total assets of \$53,987,861 and total operating revenues of \$5,769,517. These financial statements were audited by another auditor whose report expressed an unqualified opinion on the financial statements, and has been furnished to us, and our opinion on the governmental activities, the business activities, the aggregate discretely presented component units, insofar as it relates to the amounts included for the Arapahoe County Airport component unit for the year ended December 31, 2010, is based solely on the report of the other auditor.

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

As discussed in Note 18 to the financial statements, the County has restated beginning net assets in the Statement of Activities to reflect a \$2.24 million addition for easements that were acquired in prior years in conformity with GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*.

In our opinion, 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, the aggregate remaining fund information of Arapahoe County, Colorado, as of December 31, 2010, 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 Space 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 17, 2011 on our consideration of Arapahoe County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on page B-3 and the pension disclosures on page C-58 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Arapahoe County's basic financial statements. The introductory section, supplementary information required by the Colorado Department of Human Services, combining and individual fund financial statements, Local Highway Finance Report and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and budgetary schedules, supplementary information required by the Colorado Department of Human Services, and Local Highway Finance Report have been subjected to the auditing procedures applied in the audit of the financial statements and in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section, statistical tables and continuing disclosures 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.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Greenwood Village, CO  
June 17, 2011

**ARAPAHOE COUNTY, COLORADO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**DECEMBER 31, 2010**

---

**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, 2010. 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 local 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 local 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

## ARAPAHOE COUNTY, COLORADO

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

December 31, 2010

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purpose local 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 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 local 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 components 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

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 cash and other financial resources and 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 of the responsible officials of the government. Such information may be useful in evaluating a government's near-term financing and appropriation related requirements.

## ARAPAHOE COUNTY, COLORADO

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

December 31, 2010

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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-six individual governmental funds. Information is presented separately in the Fund Financial Statements for the General Fund, Social Services Fund, Open Space Fund, and Arapahoe County Water and Wastewater Public Improvement District (PID) 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-two 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-38 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. 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

## ARAPAHOE COUNTY, COLORADO

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

December 31, 2010

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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-39 to D-45 in the Combining Financial Statements and Schedules section of this annual report.

Arapahoe County does not have any enterprise funds.

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 own 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 agencies 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-46 and D-47 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-18 and C-19 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-55 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-38 in the Combining Financial Statements and Schedules Section of this annual report.

**ARAPAHOE COUNTY, COLORADO**

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

**December 31, 2010**

**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 2010 and 2009.

	<b>2010</b>	<b>2009</b>
<b>Assets</b>		
Current and Other Assets	\$ 354,943,309	\$ 420,850,766
Capital Assets	851,081,476	793,290,731
Total Assets	<u>1,206,024,785</u>	<u>1,214,141,497</u>
<b>Liabilities</b>		
Current and Other Liabilities	172,134,388	179,161,977
Long-term Liabilities	253,854,996	256,579,399
Total Liabilities	<u>425,989,384</u>	<u>435,741,376</u>
<b>Net Assets</b>		
Invested in Capital Assets, Net of Related Debt	628,465,040	627,194,683
Restricted	35,276,618	32,785,071
Unrestricted	116,293,743	118,420,367
Total Net Assets	<u>\$ 780,035,401</u>	<u>\$ 778,400,121</u>

**Condensed Statement of Activities**

The following table provides a condensed comparative presentation of Arapahoe County's Government-wide Statement of Activities for 2010 and 2009.

	<b>2010</b>	<b>2009</b>
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 49,440,127	\$ 49,404,213
Operating Grants and Contributions	74,383,770	73,787,140
Capital Grants and Contributions	901,695	6,569,527
General Revenues:		
Property Taxes	132,748,945	131,681,792
Sales Tax	17,358,730	16,496,260
Other Taxes	8,243,151	8,663,686
Investment Income	3,672,457	5,832,261
Other Revenues	3,642,267	2,538,060
Total Revenues	<u>290,391,142</u>	<u>294,972,939</u>
<b>Expenses</b>		
General Government	65,620,965	70,545,770
Public Safety	75,458,627	76,796,036
Judicial Services	12,614,228	12,654,389
Health & Welfare	84,731,102	82,651,797
Highway & Streets	23,960,428	21,286,170
Water & Wastewater	3,273,817	1,712,077
Airport	365,552	365,538
Culture & Recreation	14,268,965	18,619,791
Interest on Long-term Debt	10,704,678	8,124,717
Total Expenses	<u>290,998,362</u>	<u>292,756,285</u>
<b>Increase (Decrease) in Net Assets</b>	<u>(607,220)</u>	<u>2,216,654</u>
<b>Net Assets - January 1</b>	778,400,121	776,183,467
<b>Net Assets - January 1 Restated</b>	780,642,621	
<b>Net Assets - December 31</b>	<u>\$ 780,035,401</u>	<u>\$ 778,400,121</u>

## ARAPAHOE COUNTY, COLORADO

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

December 31, 2010

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

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

Net assets, the amount by which a government's assets exceed its liabilities, are generally accepted as the primary indicator of a government's financial position. Increasing net assets from one year to the next indicate an improvement in a government's financial position, while decreasing net assets from one year to the next indicate deterioration in a government's financial position. As of December 31, 2010 and 2009, Arapahoe County's primary government assets exceeded liabilities by \$780 million and \$778.4 million respectively indicating that the net assets of the primary government (total assets less total liabilities) increased \$1.6 million. This \$1.6 million increase in net assets from December 31, 2009 to December 31, 2010 is composed of a decrease in Current and Other Assets of \$65.9 million (15.7%), an increase in Capital Assets of \$57.8 million (7.3%), and a decrease in liabilities of \$9.7 million (2.2%) from 2009 to 2010. This \$1.6 million increase in net assets indicates that Arapahoe County's financial condition slightly improved during 2010. In addition, the County implemented GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, during 2010 which caused a \$2.2 million re-statement in beginning net assets.

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), \$628.5 million (80.7% of net assets ) in 2010 and \$627.2 million (80.6% of net assets) in 2009, 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 \$35.3 million (4.5% of net assets) in 2010 and \$32.8 million (4.0% of net assets) in 2009 of the County's net assets 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, \$116.3 million (14.9% of net assets) in 2010 and \$118.4 million (15.2% of net assets) in 2009 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 2010 decreased \$0.94 million from the balance in unrestricted net assets at the end of 2009.

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

The primary indicator used to assess the health of a government's operations is whether revenues exceed expenses for the fiscal year. The fact that revenues did not exceed expenses for the fiscal year demonstrates that the government's capacity to fund the services it is required to provide to its citizens on an ongoing basis was slightly diminished during 2010. Government-wide revenues for Arapahoe County were less than expenses by \$0.6 million (0.2% of expenses) during fiscal year 2010 while government-wide revenues for 2009 exceeded expenses by \$2.2 million, (0.8% of expenses). The County's slightly diminished capacity to fund the services it is required to provide to its citizens on an ongoing basis occurred during the recessionary conditions existing in the United States.

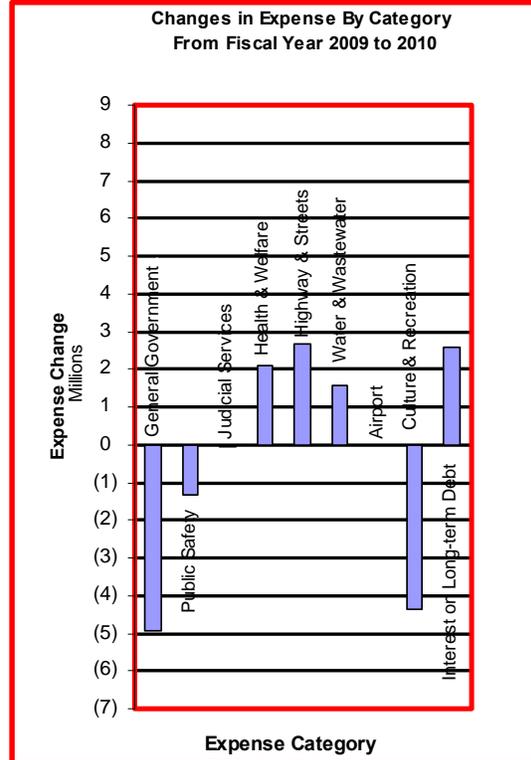
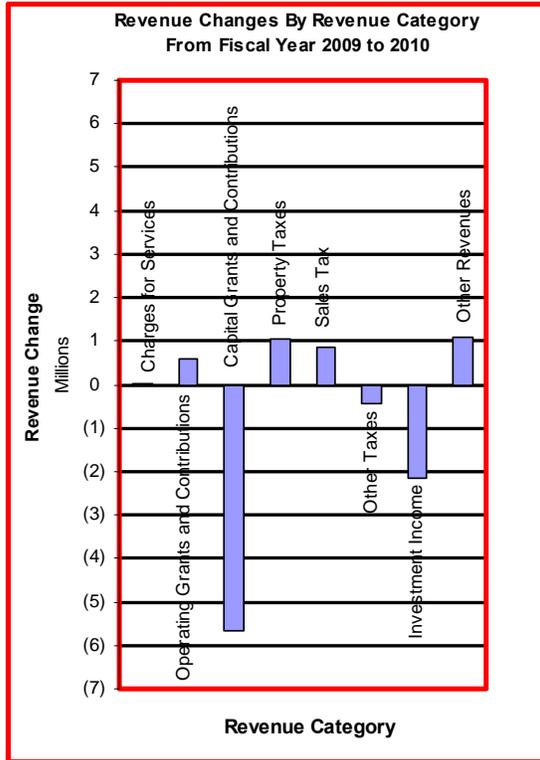
Revenues in the Government-wide Statement of Activities for 2010 decreased \$4.6 million (1.6%) from revenues for 2009 while expenses in the Government-wide Statement of Activities for 2010 decreased \$1.8 million (0.6%) from expenditures for 2009.

ARAPAHOE COUNTY, COLORADO

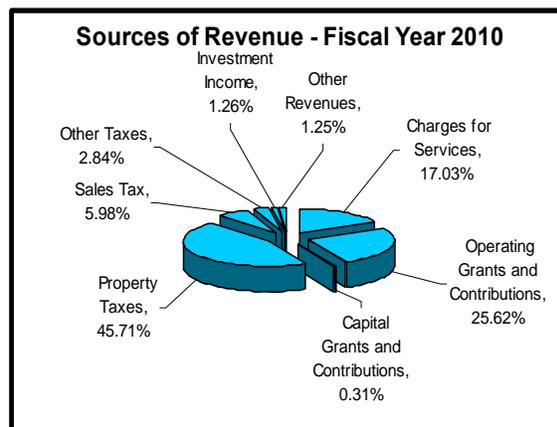
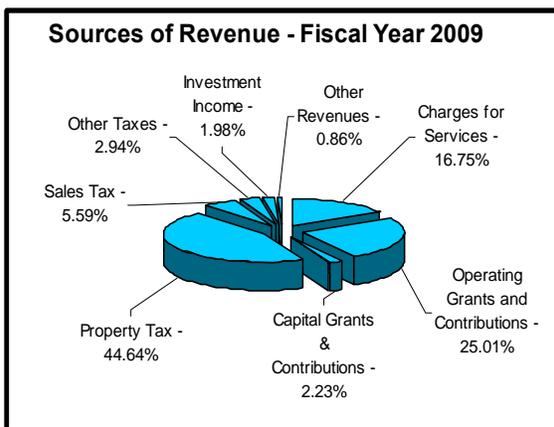
MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2010

The changes from fiscal year 2009 to 2010 in the individual revenue and expense categories used in the condensed comparative Government-wide Statement of Activities are presented in the following bar charts:



A comparison of the component sources of revenue used in the condensed comparative Government-wide Statement of Activities for 2009 and 2010 is presented in the following pie charts:



The County received less donated assets in 2010 than in 2009. Donated assets decreased from approximately \$5 million in 2009 to approximately \$0.2 million in 2010, a decrease of approximately \$4.8

## ARAPAHOE COUNTY, COLORADO

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

December 31, 2010

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million. Donated assets included roads, road improvements, and right of ways and complement the revenues of the County because the donated assets provide service (utility) to the citizens of the County.

Two revenue line items in the condensed comparative Government-wide Statement of Activities for the primary government had notable changes in their balance from fiscal year 2009 to 2010.

The two revenue line items that experienced notable changes were:

- Capital Grants and Contributions – Capital Grants and Contributions revenue decreased \$5.6 million (86%) from \$6.6 million in 2009 to \$0.9 million in 2010. The decrease was primarily caused by a significant decrease in donated assets and developer contributions received by the Arapahoe County Public Works department in 2010. Donated assets declined from \$5.0 million in 2009 to \$.2 million in 2010 and developer contribution decreased from \$1 million in 2009 to \$.2 million in 2010.
- Investment Income – Investment Income declined \$2.1 million (37%) from \$5.8 million in 2009 to \$3.7 million in 2010. This \$2.1 million decrease relates to the substantial decline in interest rates that occurred during 2009 and 2010. The severe decreases in the interest rates over the last two years for fixed income market instruments, the only investment instruments in which the County is only allowed to invest, were primarily caused by the reactions of the markets and Federal Reserve Bank to the prolonged recessionary period currently being experienced throughout the world. 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 began.

The sources of revenue as a percentage of the total county revenue for the primary government varied only slightly from fiscal year 2009 to 2010. The largest variance was a 1.9% decrease in the percentage of Capital Grants and Contributions. From 2009 to 2010.

Two expense lines in the condensed comparative Government-wide Statement of Activities for the primary government had notable changes in their balance from fiscal year 2009 to 2010.

The two expense line items that experienced notable changes were:

- Culture and Recreation – Culture and recreation line item expenses decreased \$4.4 million (23.4%) from \$18.6 million in 2009 to \$14.3 million in 2010. This decrease is explained by the fact that two large contributions were made to the municipalities of Glendale and Aurora in 2009. In 2009, approximately \$3.8 million was contributed to the City of Glendale for the Infinity Park project and approximately \$1 million was contributed to the City of Aurora for improvement projects along the Highline Canal within the city's borders.
- Interest on Long-term Debt – Interest on Long-term Debt increased by \$2.6 million (31.8%) from 2009 to 2010. This increase was the result of the first year of interest paid in 2010 on \$56 million of long-term bonds issued in December 2009 by the Arapahoe County Water and Wastewater Public Improvement District.

Expenditures 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 expenditure overruns and revenue short falls.

## ARAPAHOE COUNTY, COLORADO

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

December 31, 2010

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#### 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 and provide 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.

##### Governmental Funds

Governmental Fund Financial Statements focus on the current financial resources, cash and near-cash assets reduced by short-term debt 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. This information is useful in assessing the County's current financial resource requirements. In particular, the unreserved fund balance may serve as a useful measure of a government's net resources available for future spending at the end of the fiscal year.

The total ending fund balance of the County's governmental funds was \$148.8 million at the end of fiscal year 2010 and \$208.9 million at the end of fiscal year 2009. Approximately \$123.1 million (82.7%) at the end of fiscal year 2010 and \$130.2 million (62%) at the end of fiscal year 2009 was unreserved fund balance. This unreserved fund balance is available for new spending in the following fiscal year in accordance with the special regulations, restrictions or limitations that define each specific fund. The remainder of the total governmental funds ending fund balance was reserved and was not available for new spending in the following fiscal year because it is committed for the following purposes:

- Prepaid items - \$0.05 million in 2010 and \$0.06 million in 2009
- Inventory - \$0.06 million in 2010 and \$ 0.06 million in 2009
- Encumbrances - \$15 million in 2010 and \$14.5 million in 2009
- A state-constitution mandated Tabor Reserve – \$5.6 million in 2010 and \$5.9 million in 2009
- Completion of capital projects - Zero in 2010 and \$19.8 million in 2009
- Repayment of debt – \$4.9 million in 2010 and \$38.4 million in 2009

The total ending fund balance of the County's governmental funds decreased approximately \$60.1 million (28%) from \$208.9 to \$148.8 million from 2009 to 2010. The unreserved fund balance decreased by \$7 million (5%) from \$130.1 million in 2009 to \$123.1 million in 2010 decreasing the amount available for new spending in the following fiscal year. The analysis of the fund balances of the governmental funds indicates the County's financial liquidity and short-term financial position declined from fiscal year 2009 to fiscal year 2010.

At the end of fiscal year 2010, the following four major governmental funds were included in the Fund Financial Statements:

- General Fund
- Social Services Fund
- Open Space Sales Tax
- Arapahoe County Water and Wastewater Fund (PID)

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

**ARAPAHOE COUNTY, COLORADO**

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

**December 31, 2010**

**General Fund**

This fund is the primary operating fund of the Arapahoe County Government. The general fund is used to account for all activities that are not accounted for in another fund. The General Fund fund balance was \$33 million as of December 31, 2010 and \$31.3 million as of December 31, 2009. Of these amounts, \$1.5 million in 2010 and \$1.2 million in 2009, were reserved for commitments on current contracts and prepaid items. The remaining \$31.5 million (95.5%) in 2010 and \$30.1 million (96%) in 2009 were unreserved and available for spending in future years. The General Fund unreserved fund balance increased by \$1.4 million (4.7%) from 2009 to 2010. This increase in the General Fund unreserved fund balance included a planned use \$2.05 million of 2009 ending fund balance in 2010.

As a measure of the General Fund's ability to meet its financing and revenue generation needs, it is useful to compare the unreserved fund balance at the end of fiscal year 2010 to the budgeted total program expenditures and transfers for the fund for 2011, the following fiscal year. The unreserved fund balance of the General Fund at the end of fiscal year 2010, \$31.5 million, less the budgeted use of this fund balance in 2011, \$3.8 million, is \$27.7 million which represented 17.6% of the adopted budget for General Fund total program expenditures and transfers for 2011, \$157.6 million. This indicates that approximately a 82% combination of budgeted revenue short falls and expenditures over budgeted expenditures could be sustained during 2011 before the liquidity of the fund is compromised and use of the maintained required liquidity reserves are required to be used.

The County's budget is prepared according to Colorado statutes. The most significant budgeted fund is the General Fund. The following is a budget variance analysis for the General Fund for 2010:

General Fund Budget Variance Analysis					
	Original Budget	Budget Amendments	Final Budget	Actual	Variance Positive (Negative)
Fund Balance - January 1, 2010	31,268,722		31,268,722	31,268,722	
Revenues and Other Financing Sources	154,061,750	3,515,798	157,577,548	153,738,039	(3,839,509)
Expenditures and Other Financing Uses	157,812,199	2,971,693	160,783,892	152,008,684	8,775,208
Fund Balance - December 31, 2010	<u>27,518,273</u>	<u>544,105</u>	<u>28,062,378</u>	<u>32,998,077</u>	

In fiscal year 2010, the Board of County Commissioners originally appropriated a total of \$157.8 million for General Fund expenditures and other financing uses. This appropriated total was amended to \$160.8 million in the final budget, an increase of \$3 million (1.9%). The Board of County Commissioner's also originally estimated \$154.1 million of General Fund revenues and other financing sources for 2010. This estimate was revised to \$157.6 million in the final budget, an increase of \$3.5 million (2.2%). Actual General Fund revenues and other financing sources of \$153.7 million were lower than the General Fund final budgeted revenues and other financing sources final budget, \$157.6 million, by \$3.9 million (a 2% negative variance). Actual General Fund expenditures and other financing uses of \$152 million were less than the General Fund final appropriated expenditures and other financing uses of \$160.8 million by \$8.8 million (a 5% positive variance).

The only large General Fund budget to actual negative variances that occurred during 2010 was a budgetary shortfall in Investment Earnings of \$4.4 million based on an Investment Earnings budget of \$6.9 million and actual earned investment earnings of \$2.5 million.

Actual investment earnings of \$2.5 million fell short of the General Fund Investment Earning budget of \$6.9 million by \$4.4 million (63%) 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 began.

## ARAPAHOE COUNTY, COLORADO

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

December 31, 2010

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There were no note worthy changes in the General Program actual expenditures from 2009 to 2010. Total program expenditures in the General Fund increased by \$0.6 million (0.4%) from \$140.4 million in fiscal year 2009 to \$141 million in fiscal year 2010. General government program expenditures increased \$0.3 million (0.5%), public safety expenditures increased by \$0.1 million (.001%), health and welfare program expenditures increased by \$0.2 million (2.2%), and judicial services expenditures nominally decreased.

General Fund actual revenues decreased \$0.4 million (0.2%) from \$151.3 million in 2009 to \$150.9 million in 2010. Property taxes increased \$0.5 million (0.5%) from fiscal year 2009 to 2010. The County's mill levy for the General Fund property taxes was 11.756 mills in 2009 and 11.875 in 2010. Other taxes decreased \$0.3 million from \$6.3 million to \$6.0 million (4.7%) from fiscal year 2009 to 2010. Other taxes primarily consist of the County's portion of state auto ownership taxes.

Investment income of the General Fund decreased 43%, from \$4.4 million in 2009 to \$2.5 million in 2010. Market conditions for fixed income instruments, to which County investments are limited, continued to decline during 2010, thus, causing the decline in interest rates and, therefore, investment performance.

All other General Fund revenue sources, licenses and permits, intergovernmental revenues, charges for services, fines, interfund revenues and rentals, and miscellaneous income increased 2.4% from 2009 to 2010. None of the individual increases or decreases within these revenue categories were considered significant and are 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 increased \$0.5 million (4.3%) from \$11.6 million at the end of fiscal year 2009 to \$12.1 million at the end of 2010. Only \$553,461 of the \$12.1 million fund balance was reserved at the end of fiscal year 2010. 95.5% of the \$12.1 million fund balance was remaining and available for future expenditures.

The unreserved fund balance of the Social Services Fund at the end of fiscal year 2010, approximately \$11.5 million represented approximately 24.4% of the \$47.1 million adopted budget for the Social Services Fund total program expenditures and transfers for 2011.

Revenues increased by approximately \$0.8 million (1.6%) from 48.1 million in 2009 to 48.9 million in 2010. The Human Services Department was funded approximately 74% from State and Federal grant monies and 26% by County property and other taxes in 2010 and in 2009. 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 increased \$0.7 (1.5%) million from approximately \$45 million in 2009 to approximately \$45.7 million in 2010. 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 2010, payments made by Arapahoe County for community assistance programs in the County increased by 1.6% while payments authorized by Arapahoe County for community assistance programs paid by the State of Colorado in the County increased by 17%.

#### **Open Space Fund**

This fund was established to collect and preserve open space in the County. The total fund balance decreased \$0.3 million from 2009 to 2010. The fund balance is reserved for encumbrances in the amount of \$0.7 million with the remaining \$22.7 million available for future use as outlined by the resolution

## ARAPAHOE COUNTY, COLORADO

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

December 31, 2010

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establishing the fund. The fund collected approximately \$17.4 million in sales tax and received \$0.7 million in investment income during 2010. Other revenue sources were nominal in 2010.

The fund expended \$18.6 million through grants, share back proceeds payment to incorporated municipalities and capital construction expenditures.

Revenues and expenditures for 2010 remained consistent with 2009 activity.

#### **Arapahoe County Water and Wastewater Public Improvement District (PID)**

The PID fund balance decreased by \$54.4 million from \$61.5 million to \$7.1 million from fiscal year 2009 to 2010. This decrease in the fund balance from 2009 to 2010 was primarily due to the purchase of water rights costing approximately \$51 million and the completion of the last major capital construction project funded by the issuance of long-term debt, the water treatment plant, during 2010. At the end of 2010, the proceeds from outstanding debt issues have been expended to purchase or build the capital assets for which the long-term debt was issued.

Property tax and other miscellaneous revenues of \$6.6 million in 2010 approximately equaled the debt service expenditures for 2010 of \$7.9 million. Real estate property tax revenues and other personal property tax revenues are primarily used for funding debt service expenditures in the PID. Any excess revenues can be used for the purchase or construction of capital assets. Long term debt has been, and probably will be in the future, the primary funding source of capital construction project costs in the PID.

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

The total fund balance of the combined non-major governmental funds increased by approximately \$0.2 million (0.2%); from \$73 million in 2009 to \$73.2 million in 2010.

The nominal \$0.2 million increase was the net result of the change of the classification of two governmental funds, having a total fund balance of \$7.9 million at the end of 2009, classified as major funds in the financial statements in 2009 being reclassified as non-major funds in 2010 and a net decrease of total non-major fund balances in 2010 of \$7.7 million.

The reclassification of the Road & Bridge Fund, with a \$6 million ending fund balance in 2009, and the Arapahoe County Building Finance Corporation Fund, with a \$1.9 ending fund balance in 2009, from major funds to non-major funds in the 2010 County financial statements increased the total non-major funds fund balance in 2010 by \$7.9 million.

The net decrease in the total fund balances of non-major funds of \$7.7 million in 2010 was primarily caused by decreases in the Capital Expenditure Fund and the Infrastructure Fund fund balances in 2010 of approximately \$4.4 million and \$2.0 million respectively. The decreases in each of these funds were caused large capital outlay expenditures in 2010 that were funded by transfers from the General Fund in 2009.

#### **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. 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

**ARAPAHOE COUNTY, COLORADO**

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

**December 31, 2010**

Dental Self-Insurance Fund. The net assets for the County's internal service funds increased \$0.6 million (2.1%) from \$27.8 million to \$28.4 million from fiscal year 2009 to 2010.

Of the \$28.4 million of the total net assets of the proprietary funds in 2010, \$24.9 million (87.6%) were 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 \$24.9 million net assets in the Central Services Fund at the end of 2010, \$7.1 million was invested in capital assets (net of accumulated depreciation); \$0.4 million in inventory and approximately \$17.4 million (70%) was available to replace expiring movable assets and inventories 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 \$793.3 million as of December 31, 2009, and \$851.1 million as of December 31, 2010. 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 \$57.8 million (7.3%) during fiscal year 2010. Moreover, the County implemented GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, which required a change in the treatment of intangible assets.

A summary of the County's capital assets (net of depreciation) is as follows:

<b>Arapahoe County Government's Capital Assets</b>		
(Net of Depreciation)		
	Governmental Activities	
	2010	2009
Capital Assets Not Being Depreciated:		
Land	\$ 38,254,169	\$ 34,843,167
Easements	4,299,775	-
Right of Ways	309,327,866	308,667,196
Water Rights	51,616,042	-
Construction in Progress	7,542,677	36,198,571
Total Capital Assets Not Being Depreciated	411,040,529	379,708,934
Capital Assets Being Depreciated:		
Land Improvements	3,101,454	3,299,854
Buildings and Improvements	186,682,652	157,551,950
Furniture and Equipment	9,877,194	12,406,312
Infrastructure	240,379,647	240,323,681
Total Capital Assets Not Being Depreciated	440,040,947	413,581,797
Total Capital Assets	\$ 851,081,476	\$ 793,290,731

**ARAPAHOE COUNTY, COLORADO**

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

**December 31, 2010**

The following significant capital asset events occurred during fiscal year 2010:

- Water rights were purchased by the Arapahoe County Water & Wastewater Public Improvement District for approximately \$51.5 million.
- Land was purchased for approximately \$4.4 million as an addition to Arapahoe County Open Space Program.
- Easements were purchased for approximately \$1.1 million as part of the Arapahoe County Open Space Program.
- Approximately \$15.9 million was spent on capital construction projects related to building, facilities and the County's infrastructure during 2010.

Additional information on Arapahoe County capital assets can be found in the Notes to the Financial Statements located on pages C-24 and 25 and C-34 through C-36 of this annual report.

**Outstanding Long-Term Debt**

At the end of fiscal year 2010, Arapahoe County had two bond issues, two long-term note payables, three capital certificates of participation and six capital lease purchase agreements outstanding. The capital certificates of participation were issued by the Arapahoe County Building Finance Corporation.

<b>Arapahoe County Summary of Outstanding Debt</b>		
	Governmental Activities	
	2010	2009
Bonds	114,488,463	114,775,779
Certificates of Participation	47,936,133	\$ 52,017,113
Long-term Notes	40,934,625	41,232,834
Lease Purchases	15,955,489	17,489,736
<b>Total Outstanding Debt</b>	<b>219,314,710</b>	<b>\$ 225,515,462</b>

Arapahoe County decreased its total debt by \$6.2 million during 2010.

No significant long term debt activity occurred for Arapahoe County during 2010.

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-38 to C-44 of this annual report.

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

**Decisions**

- **General Fund Unreserved Fund Balance.** Arapahoe County has appropriated \$3.8 million of the 2010 General Fund unreserved fund balance of \$32,120,272 for spending in the 2011 fiscal year budget.
- **Property Tax Mill Levy.** The total County mill levy for property taxes including the mill levies for blended component units increased 1.753 mills (4.6%) from 38.149 mills for 2010 to 39.902 mills for 2011.
- **Capital Improvement Program.** The 2011 Capital Improvement Program (CIP) will provide funding for capital projects in the amount of \$9.3 million. These monies will help the County

ARAPAHOE COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

December 31, 2010

provide for its facility, infrastructure, and major technology needs including security enhancements at the County judicial complex, the replacement of the human resources/payroll management software, and the construction of a driver training track. The detail of these projects is provided in the following table:

<b>Capital Improvement Program</b>	
<b>Project</b>	<b>2011</b>
Judicial Facility Lobby Expansion and Elevator	\$ 1,650,000
Human Resources Management System	1,200,000
Case Management System	950,000
Sheriff Training Track and Parking Lot	900,000
CentrePoint Lobby Remodel	769,000
Judicial Parking Lot Expansion & Improvements	550,000
Evaporative Coolers Replacement Pods 1,3,4,6	500,000
Altura Plaza Remodel	410,500
Mill East Parking Lot Administration Building	128,000
Website Redesign & Content Mgmt. System	100,000
Judicial Complex X-Ray Equipment Upgrade	77,250
Peoria Shops ADA Improvements	76,000
Transfer for Infrastructure Project Funding	2,000,000
<b>Total Capital Improvement Program</b>	<b>\$ 9,310,750</b>

**Economic Condition Indicators**

- **Unemployment Rate** - The unemployment rate, not seasonably adjusted, for Arapahoe County was 8.8% for year-ended 2010, which is an increase from the rate of 8.2% for the year-ended 2009. This rate compares favorably to the Denver-metro area's unemployment rate of 9.0% and the state's unemployment rate of 8.9 % for 2010.
- **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 2010 increased 140.% from 91 permits issued in 2009 to 218 permits issued in 2010, while the number of new multi-family residential construction permits decreased 80% from 351 permits issued in 2009 to 37 permits issued in 2010. The number of new non-residential construction permits slightly increased 16.7 % from 2009 to 2010.
- **Mortgage Foreclosures** - Mortgage foreclosures in 2010 reached 5,500 compared to 6,243 in 2009.

**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) 795-4598.

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**Arapahoe County, Colorado**  
**Statement of Net Assets**  
**December 31, 2010**

	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	\$ 155,451,565	\$ 8,617,876	\$ 3,918,802	\$ 31,507,658
Accounts receivable	13,965,230	370,125	864,504	2,036,631
Property tax receivable	134,747,059	-	-	-
Note receivable	-	-	38,804	-
Due from other governments	10,498,817	-	-	-
Inventories	446,133	-	-	-
Prepays and pension assets	54,572	-	122,775	173,727
Deferred charges	4,280,491	-	-	975,894
Restricted cash and investments	35,499,442	-	1,611,779	35,537,029
Non-depreciable capital assets	411,040,529	-	24,279,210	86,168,596
Depreciable capital assets	440,040,947	1,628,147	23,151,987	42,275,881
<b>Total capital assets</b>	<b>851,081,476</b>	<b>1,628,147</b>	<b>47,431,197</b>	<b>128,444,477</b>
<b>Total assets</b>	<b>1,206,024,785</b>	<b>10,616,148</b>	<b>53,987,861</b>	<b>198,675,416</b>
<b>Liabilities</b>				
Accounts payable and other current liabilities	22,704,276	49,917	219,965	6,431,259
Accrued interest payable	1,684,791	-	65,327	-
Due to other governments	613,700	-	-	-
Unearned revenue	147,131,621	-	3,644	-
Noncurrent liabilities:				
Long term debt due within one year	7,880,086	-	1,797,524	1,459,254
Long term debt due in more than one year	222,132,377	-	8,126,844	133,072,147
Net pension obligation	21,513,533	-	-	-
Estimated claims payable greater than one year	2,329,000	-	-	-
<b>Total liabilities</b>	<b>425,989,384</b>	<b>49,917</b>	<b>10,213,304</b>	<b>140,962,660</b>
<b>Net assets</b>				
Invested in capital assets net of related debt	628,465,040	1,628,147	37,456,168	20,014,284
Restricted for:				
TABOR reserve	5,599,649	-	-	-
Debt service	4,769,283	-	-	-
Cash in-lieu fund	392,535	-	-	-
Conservation trust fund	531,882	-	-	-
Open space fund	23,409,088	-	-	-
Other restrictions	574,181	-	1,611,779	-
Unrestricted	116,293,743	8,938,084	4,706,610	37,698,472
<b>Total net assets</b>	<b>\$ 780,035,401</b>	<b>\$ 10,566,231</b>	<b>\$ 43,774,557</b>	<b>\$ 57,712,756</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, 2010**

Program Revenues

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government</b>				
General government	\$ 65,620,965	\$ 23,430,054	\$ 201,778	\$ -
Public safety	75,458,627	25,121,132	3,051,259	-
Judicial services	12,614,228	-	-	-
Health and welfare	84,731,102	317,610	59,500,186	4,094
Highways and streets	23,960,428	326,105	11,287,372	418,888
Water and wastewater	3,273,817	-	156,212	-
Airport	365,552	-	-	-
Culture and recreation	14,268,965	245,226	186,963	478,713
Interest on long-term debt	10,704,678	-	-	-
<b>Total governmental activities</b>	<b>290,998,362</b>	<b>49,440,127</b>	<b>74,383,770</b>	<b>901,695</b>
<b>Component units</b>				
E-911	1,932,689	2,292,392	-	-
Arapahoe County Airport Authority	7,317,700	5,773,314	447,334	-
Arapahoe County Water and Wastewater Authority	18,696,544	15,294,613	-	3,098,473
<b>Total component units:</b>	<b>\$ 27,946,933</b>	<b>\$ 23,360,319</b>	<b>\$ 447,334</b>	<b>\$ 3,098,473</b>

**General revenue**

Property taxes  
Sales tax  
Other taxes  
Investment income  
Gain (loss) on sale of assets  
Miscellaneous  
Total general revenues  
Change in net assets  
Net assets - beginning  
Net assets - restated  
Net assets - ending

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
\$ (41,989,133)			
(47,286,236)			
(12,614,228)			
(24,909,212)			
(11,928,063)			
(3,117,605)			
(365,552)			
(13,358,063)			
(10,704,678)			
<u>(166,272,770)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	359,703	-	-
-	-	(1,097,052)	-
-	-	-	(303,458)
<u>\$ -</u>	<u>\$ 359,703</u>	<u>\$ (1,097,052)</u>	<u>\$ (303,458)</u>
132,748,945	-	-	-
17,358,730	-	-	-
8,243,151	-	-	-
3,672,457	250,146	94,256	148,293
-	-	14,487	(243,210)
3,642,267	14	-	-
<u>165,665,550</u>	<u>250,160</u>	<u>108,743</u>	<u>(94,917)</u>
(607,220)	609,863	(988,309)	(398,375)
778,400,121	9,956,368	44,762,866	58,111,131
780,642,621	-	-	-
<u>\$ 780,035,401</u>	<u>\$ 10,566,231</u>	<u>\$ 43,774,557</u>	<u>\$ 57,712,756</u>

**Arapahoe County, Colorado**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2010**

	General	Social Services	Open Space Sales Tax	Arap. County Water and Wastewater PID
<b>Assets</b>				
Cash and investments	\$ 32,355,954	\$ 22,938,360	\$ -	\$ 3,893,117
Restricted cash and investments	45,132	-	29,239,407	3,301,726
Accounts receivable	3,991,526	2,139,586	2,895,376	-
Taxes receivable	92,872,952	11,484,047	-	6,500,715
Due from other funds	2,007,395	-	-	-
Prepaid items	23,108	25,856	-	-
Inventories	-	-	-	-
<b>Total assets</b>	<b>\$ 131,296,067</b>	<b>\$ 36,587,849</b>	<b>\$ 32,134,783</b>	<b>\$ 13,695,558</b>
<b>Liabilities and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 2,117,483	\$ 1,697,753	\$ 8,712,072	\$ 68,264
Accrued expenditures	2,950,253	834,218	13,623	-
Due to other governments	868	52,576	-	-
Due to other funds	-	-	-	-
Deferred revenues	93,229,386	21,947,138	-	6,500,715
<b>Total liabilities</b>	<b>98,297,990</b>	<b>24,531,685</b>	<b>8,725,695</b>	<b>6,568,979</b>
<b>Fund balances</b>				
Reserve for prepaid items	23,108	25,856	-	-
Reserved for encumbrances	854,697	527,605	739,362	-
Reserved for inventories	-	-	-	-
Reserved for TABOR	-	-	-	-
Reserved for debt service	-	-	-	3,193,283
Unreserved - designated for:				
Subsequent year's expenditures				
General fund	613,544	-	-	-
Special revenue fund	-	-	22,669,726	-
Capital projects fund	-	-	-	3,933,296
Unreserved, undesignated, reported in:				
General fund	31,506,728	-	-	-
Special revenue fund	-	11,502,703	-	-
Capital projects fund	-	-	-	-
<b>Total fund balances</b>	<b>32,998,077</b>	<b>12,056,164</b>	<b>23,409,088</b>	<b>7,126,579</b>
<b>Total liabilities and fund balances</b>	<b>\$ 131,296,067</b>	<b>\$ 36,587,849</b>	<b>\$ 32,134,783</b>	<b>\$ 13,695,558</b>

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

Other Governmental	Total Governmental
\$ 72,237,367	\$ 131,424,798
2,913,177	35,499,442
4,902,973	13,929,461
23,889,345	134,747,059
-	2,007,395
5,608	54,572
67,357	67,357
<u>\$ 104,015,827</u>	<u>\$ 317,730,084</u>

\$ 3,010,633	\$ 15,606,205
376,698	4,174,792
-	53,444
2,007,395	2,007,395
25,454,382	147,131,621
<u>30,849,108</u>	<u>168,973,457</u>

4,866	53,830
12,884,542	15,006,206
58,210	58,210
5,599,649	5,599,649
1,727,337	4,920,620

-	613,544
1,397,366	24,067,092
18,775,687	22,708,983

-	31,506,728
27,250,232	38,752,935
5,468,830	5,468,830
<u>73,166,719</u>	<u>148,756,627</u>
<u>\$ 104,015,827</u>	<u>\$ 317,730,084</u>

**Arapahoe County, Colorado**  
**Reconciliation of Total Governmental Fund Balances**  
**to the Statement of Net Assets**  
**December 31, 2010**

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

Total governmental fund balance	\$ 148,756,627
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	843,948,350
Other assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	8,420,000
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	28,400,976
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(249,490,552)</u>
Net assets of governmental activities	<u><u>\$ 780,035,401</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, 2010**

	General	Social Services	Open Space Sales Tax	Arap. County Water and Wastewater PID
<b>Revenues</b>				
Taxes				
Property taxes	\$ 91,437,321	\$ 11,362,136	\$ -	\$ 5,933,156
Sales tax	-	-	17,358,730	-
Other taxes	6,026,775	749,089	-	393,386
Licenses and permits	4,140,448	140	-	-
Intergovernmental	3,138,526	36,437,292	73,509	156,212
Charges for services	37,365,017	34,186	-	-
Fines	597,036	-	-	-
Investment earnings	2,519,869	-	734,022	94,522
Interfund revenues and rentals	2,580,269	-	-	-
Interest on loan to component unit	-	-	-	-
Miscellaneous	3,101,589	335,461	11,615	-
Total revenue	<u>150,906,850</u>	<u>48,918,304</u>	<u>18,177,876</u>	<u>6,577,276</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	58,093,441	-	-	-
Public safety	61,310,905	-	-	-
Judicial services	12,694,119	-	-	-
Health and welfare	8,935,954	45,659,506	-	-
Highways and streets	-	-	-	-
Water and wastewater	-	-	-	602,474
Airport	-	-	-	-
Culture and recreation	-	-	12,987,986	-
Total current	<u>141,034,419</u>	<u>45,659,506</u>	<u>12,987,986</u>	<u>602,474</u>
<b>Capital</b>				
General government	-	-	-	-
Public safety	62,620	-	-	-
Health and welfare	-	-	-	-
Highways and streets	-	-	-	-
Water and wastewater	-	-	-	52,335,942
Culture and recreation	-	-	5,576,326	-
Total capital	<u>62,620</u>	<u>-</u>	<u>5,576,326</u>	<u>52,335,942</u>
<b>Debt</b>				
Principal	-	-	-	825,240
Interest	-	-	-	7,148,969
Debt issuance costs	-	-	-	-
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,974,209</u>
Total expenditures	<u>141,097,039</u>	<u>45,659,506</u>	<u>18,564,312</u>	<u>60,912,625</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,809,811</u>	<u>3,258,798</u>	<u>(386,436)</u>	<u>(54,335,349)</u>
<b>Other financing sources (uses)</b>				
Transfers in	2,831,189	17,379	117,991	-
Transfers out	(10,911,645)	(2,832,189)	(246)	-
Total other financing sources (uses)	<u>(8,080,456)</u>	<u>(2,814,810)</u>	<u>117,745</u>	<u>-</u>
Net change in fund balance	1,729,355	443,988	(268,691)	(54,335,349)
Fund balance - beginning	31,268,722	11,612,176	23,677,779	61,461,928
Fund balance - ending	<u>\$ 32,998,077</u>	<u>\$ 12,056,164</u>	<u>\$ 23,409,088</u>	<u>\$ 7,126,579</u>

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

Other Governmental	Total Governmental
\$ 24,016,331	\$ 132,748,944
-	17,358,730
1,073,898	8,243,148
321,460	4,462,048
36,598,649	76,404,188
2,550,005	39,949,208
1,173,384	1,770,420
324,044	3,672,457
48,890	2,629,159
1,595,759	1,595,759
454,054	3,902,719
<u>68,156,474</u>	<u>292,736,780</u>
2,586,951	60,680,392
10,261,238	71,572,143
-	12,694,119
30,311,361	84,906,821
18,167,228	18,167,228
-	602,474
664	664
685,574	13,673,560
<u>62,013,016</u>	<u>262,297,401</u>
10,696,765	10,696,765
160,764	223,384
39,045	39,045
4,432,548	4,432,548
-	52,335,942
-	5,576,326
<u>15,329,122</u>	<u>73,304,010</u>
5,734,246	6,559,486
2,970,663	10,119,632
2,450	2,450
<u>8,707,359</u>	<u>16,681,568</u>
<u>86,049,497</u>	<u>352,282,979</u>
<u>(17,893,023)</u>	<u>(59,546,199)</u>
15,359,102	18,325,661
(5,132,074)	(18,876,154)
<u>10,227,028</u>	<u>(550,493)</u>
(7,665,995)	(60,096,692)
80,832,714	208,853,319
<u>\$ 73,166,719</u>	<u>\$ 148,756,627</u>

**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, 2010**

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

Net change in fund balances - total governmental funds	\$ (60,096,692)
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.	57,266,171
The net effect of various miscellaneous transactions involving capital assets (i.e., sales trade-ins, and donations) is to increase net assets.	174,960
The repayment of long-term debt consumes the current financial resources of governmental funds, however there is no effect on net assets.	6,559,487
Some revenues reported in the governmental funds have been reported in the statement of activities in prior periods.	(1,208,000)
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.	(3,867,266)
Internal service funds are used by management to charge the costs of insurance and other services to individual funds.	<u>564,120</u>
Change in net assets of governmental activities.	<u><u>\$ (607,220)</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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Taxes				
Property taxes	\$ 92,662,877	\$ 92,662,877	\$ 91,437,321	\$ (1,225,556)
Other taxes	7,100,000	7,100,000	6,026,775	(1,073,225)
Licenses and permits	4,762,660	4,762,660	4,140,448	(622,212)
Intergovernmental	2,272,600	2,323,926	3,138,526	814,600
Charges for services	36,481,174	36,589,374	37,365,017	775,643
Fines	614,770	614,770	597,036	(17,734)
Investment earnings	6,900,500	6,900,500	2,519,869	(4,380,631)
Interfund revenues and rentals	2,667,619	2,657,934	2,580,269	(77,665)
Miscellaneous	599,550	1,134,318	3,101,589	1,967,271
Total revenue	<u>154,061,750</u>	<u>154,746,359</u>	<u>150,906,850</u>	<u>(3,839,509)</u>
<b>Expenditures</b>				
<b>Current</b>				
General government				
Administrative services	6,940,438	7,277,833	5,740,790	1,537,043
Assessor's Office	5,371,924	5,373,118	4,975,276	397,842
Board of County Commissioners	1,149,360	1,163,360	1,112,624	50,736
BOCC-Administration	634,333	634,333	574,636	59,697
Clerk and Recorder's Office	10,997,348	11,135,805	9,350,294	1,785,511
Communication Services Department	1,247,650	1,269,380	1,125,992	143,388
County Attorney	2,424,627	2,496,477	2,376,224	120,253
Facilities and Fleet Management	8,090,591	8,149,682	7,714,569	435,113
Finance	2,955,827	2,979,159	2,834,259	144,900
Human Resources	1,599,734	1,629,035	1,451,589	177,446
Information Technology	12,266,338	12,427,344	11,682,691	744,653
Public Works and Development	7,721,781	8,000,642	7,329,220	671,422
Treasurer's Office	1,981,389	1,981,389	1,825,277	156,112
Total general government	<u>63,381,340</u>	<u>64,517,557</u>	<u>58,093,441</u>	<u>6,424,116</u>
Public safety	62,479,438	62,917,747	61,310,905	1,606,842
Judicial services	12,694,119	12,694,119	12,694,119	-
Health and welfare	9,378,319	9,563,831	8,935,954	627,877
Total current	<u>147,933,216</u>	<u>149,693,254</u>	<u>141,034,419</u>	<u>8,658,835</u>
<b>Capital</b>				
General government	18,000	-	-	-
Public safety	9,650	178,993	62,620	116,373
Total capital	<u>27,650</u>	<u>178,993</u>	<u>62,620</u>	<u>116,373</u>
Total expenditures	<u>147,960,866</u>	<u>149,872,247</u>	<u>141,097,039</u>	<u>8,775,208</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,100,884</u>	<u>4,874,112</u>	<u>9,809,811</u>	<u>4,935,699</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	2,831,189	2,831,189	-
Transfers out	(9,851,333)	(10,911,645)	(10,911,645)	-
Total other financing sources (uses)	<u>(9,851,333)</u>	<u>(8,080,456)</u>	<u>(8,080,456)</u>	<u>-</u>
Net change in fund balance	(3,750,449)	(3,206,344)	1,729,355	4,935,699
Fund balance - beginning	31,268,722	31,268,722	31,268,722	-
Fund balance - ending	<u>\$ 27,518,273</u>	<u>\$ 28,062,378</u>	<u>\$ 32,998,077</u>	<u>\$ 4,935,699</u>

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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Taxes				
Property taxes	\$ 11,517,137	\$ 11,517,137	\$ 11,362,136	\$ (155,001)
Other taxes	903,000	903,000	749,089	(153,911)
Intergovernmental	34,962,672	35,310,714	36,437,292	1,126,578
Charges for services	38,000	38,000	34,186	(3,814)
Miscellaneous	408,000	408,000	335,601	(72,399)
Total revenue	<u>47,828,809</u>	<u>48,176,851</u>	<u>48,918,304</u>	<u>741,453</u>
<b>Expenditures</b>				
<b>Current</b>				
Health and welfare	47,427,793	47,793,214	45,659,506	2,133,708
Total expenditures	<u>47,427,793</u>	<u>47,793,214</u>	<u>45,659,506</u>	<u>2,133,708</u>
Excess (deficiency) of revenues over (under) expenditures	<u>401,016</u>	<u>383,637</u>	<u>3,258,798</u>	<u>2,875,161</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	17,379	17,379	-
Transfers out	(14,591)	(2,845,780)	(2,832,189)	13,591
Total other financing sources (uses)	<u>(14,591)</u>	<u>(2,828,401)</u>	<u>(2,814,810)</u>	<u>13,591</u>
Net change in fund balance	386,425	(2,444,764)	443,988	2,888,752
Fund balance-beginning	11,612,176	11,612,176	11,612,176	-
Fund balance - ending	<u>\$ 11,998,601</u>	<u>\$ 9,167,412</u>	<u>\$ 12,056,164</u>	<u>\$ 2,888,752</u>

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

**Arapahoe County, Colorado**  
**Open Space Sales Tax**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Sales tax	\$ 17,199,888	\$ 17,199,888	\$ 17,358,730	\$ 158,842
Intergovernmental	-	-	73,509	73,509
Investment earnings	400,000	400,000	734,022	334,022
Miscellaneous	-	-	11,615	11,615
Total revenue	<u>17,599,888</u>	<u>17,599,888</u>	<u>18,177,876</u>	<u>577,988</u>
<b>Expenditures</b>				
<b>Current</b>				
Culture and recreation	15,333,182	38,960,806	12,987,986	25,972,820
<b>Capital</b>				
Culture and recreation	2,266,460	2,434,606	5,576,326	(3,141,720)
Total expenditures	<u>17,599,642</u>	<u>41,395,412</u>	<u>18,564,312</u>	<u>22,831,100</u>
Excess (deficiency) of revenues over (under) expenditures	<u>246</u>	<u>(23,795,524)</u>	<u>(386,436)</u>	<u>23,409,088</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	117,991	117,991	-
Transfers out	(246)	(246)	(246)	-
Total other financing sources (uses)	<u>(246)</u>	<u>117,745</u>	<u>117,745</u>	<u>-</u>
Net change in fund balance	-	(23,677,779)	(268,691)	23,409,088
Fund balance - beginning	<u>23,677,779</u>	<u>23,677,779</u>	<u>23,677,779</u>	<u>-</u>
Fund balance - ending	<u>\$ 23,677,779</u>	<u>\$ -</u>	<u>\$ 23,409,088</u>	<u>\$ 23,409,088</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, 2010**

	Governmental Activities Internal Service Funds
<b>Assets</b>	
Current assets	
Cash and investments	\$ 24,026,767
Accounts receivable	107,191
Inventory	378,777
Total current assets	24,512,735
<b>Noncurrent assets</b>	
Capital assets	
Vehicles and equipment	29,123,736
Computer systems	10,410,644
Furniture and office equipment	107,751
Less: accumulated depreciation	(32,509,008)
Total noncurrent assets (net of accum. dep.)	7,133,123
Total assets	31,645,858
<b>Liabilities</b>	
Current liabilities	
Accounts payable	280,824
Estimated claims payable	603,000
Flex benefits payable	32,058
Noncurrent claims payable	2,329,000
Total liabilities	3,244,882
<b>Net assets</b>	
Invested in capital assets	7,133,123
Unrestricted	21,267,853
Total net assets	\$ 28,400,976

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, 2010**

	Governmental Activities Internal Service Funds
<b>Operating revenues</b>	
Charges for sales and service	\$ 9,310,859
Total operating revenue	9,310,859
<b>Operating expenses</b>	
Cost of sales and services	5,253,592
Administration	201,322
Depreciation	4,121,109
Total operating expenses	9,576,023
Operating (loss)	(265,164)
<b>Nonoperating revenue (expenses)</b>	
Gain on sale of assets	278,791
Income before contributions and transfers	13,627
Transfers in	570,808
Transfers out	(20,315)
Change in net assets	564,120
Total net assets - beginning	27,836,856
Total net assets - ending	\$ 28,400,976

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, 2010**

	Governmental Activities Internal Service Funds
<b>Cash flows from operating activities</b>	
Cash received for interfund services provided	\$ 9,281,668
Cash payments for services and supplies	(5,974,878)
Net cash provided by operating activities	3,306,790
<b>Cash flows from noncapital financing activities</b>	
Transfers in from other funds	570,808
Transfers out to other funds	(20,315)
Net cash provided by non capital financing activities	550,493
<b>Cash flows from capital and related financing activities</b>	
Acquisition of property and equipment	(2,228,412)
Proceeds from sale of capital assets	278,791
Net cash used by capital and related financing activities	(1,949,621)
<b>Cash flows from investing activities</b>	
Interest received	-
Net cash provided by investing activities	-
Net increase in cash and investments	1,907,662
Cash and investments, January 1, 2010	22,119,105
Cash and investments, December 31, 2010	\$ 24,026,767
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating (loss)	\$ (265,164)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	4,121,109
Donated Asset	-
Increase in accounts receivable	(29,191)
Increase in inventory	(24,311)
Decrease in accounts payable	(219,775)
Increase in claims payable	(275,000)
Decrease in flex benefits payable	(878)
Total Adjustments	3,571,954
Net cash provided by operating activities	\$ 3,306,790

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, 2010**

	Arapahoe County Retirement Trust	Agency Funds Total
<b>Assets</b>		
Cash and investments	\$ -	\$ 29,102,212
Restricted escrow		1,453,483
Investments:		
Money market funds and cash equivalents	3,108,516	-
Equity securities	48,690,326	-
Real estate investments	19,206,991	-
Fixed income securities	49,307,227	-
Hedge funds	32,303,442	-
Foreign investments	71,552,384	-
Total cash and investments	224,168,886	30,555,695
Receivable:		
Dividends and interest	8,295	
Due from Arapahoe County	23,582	-
Total assets	\$ 224,200,763	\$ 30,555,695
<b>Liabilities</b>		
Accounts payable	\$ 174,651	\$ -
Due to other governments	-	22,457,205
Other deposits payable	-	4,365,040
Warrants payable	-	3,733,450
Total liabilities	174,651	30,555,695
<b>Net Assets</b>		
Net assets held in trust for pension benefits	224,026,112	-
<b>Total Liabilities and Net Assets</b>	\$ 224,200,763	\$ 30,555,695

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, 2010**

	Arapahoe County Retirement Trust
<b>ADDITIONS</b>	
Contributions	
Employer	\$ 6,995,753
Plan Members	7,057,620
Total Contributions	14,053,373
Investment Income	
Net Appreciation (Depreciation) in Fair Value of Investments	17,173,729
Interest and Dividends	1,879,931
Total Investment Income	19,053,660
Investment Expenses	(605,445)
Net Investment Income	18,448,215
Total Additions (Deletions)	32,501,588
 <b>DEDUCTIONS</b>	
Benefits to Plan Members	12,528,932
Refund of Contributions	2,083,653
Administrative Expenses	340,056
Total Deductions	14,952,641
Change in Net Assets	17,548,947
Net Assets - Beginning of Year	206,477,165
Net Assets - End of Year	\$ 224,026,112

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, 2010**

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

**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) governs the County. 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 Wastewater Public Improvement District, (PID), the Arapahoe County Building Finance Corporation, and the Arapahoe County Housing Authority.

The **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.

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

The **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.

The **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.

The **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.

The **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.

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.

# Arapahoe County, Colorado

## Notes to the Financial Statements

December 31, 2010

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### **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.

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

# Arapahoe County, Colorado

## Notes to the Financial Statements

December 31, 2010

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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 used to account 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 **Arapahoe County Water and Wastewater Public Improvement District (PID)** is used to account for the construction, with the related debt, of water and sewer lines and facilities within the District.

The **Open Space Fund** is used to account for the collection and disbursement of the sales and use tax, which is restricted for the preservation of Open Space.

# Arapahoe County, Colorado

## Notes to the Financial Statements

December 31, 2010

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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 Equity**

#### **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.

#### **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

## Arapahoe County, Colorado

### Notes to the Financial Statements

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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 offset by a fund balance reserve account 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 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.

# Arapahoe County, Colorado

## Notes to the Financial Statements

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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.

### Deferred Revenues

In the fund financial statements, deferred revenues are resource inflows that do not yet meet the criteria for revenue recognition. Unearned amounts are always reported as deferred revenue. In governmental funds, earned amounts also are reported as deferred revenue until they are available to liquidate liabilities of the current period.

### 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 and issuance costs 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.

# Arapahoe County, Colorado

## Notes to the Financial Statements

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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.

### **Fund Equity**

In the fund financial statements, reserved fund balances indicate that a portion of fund equity is not available for appropriation, as in the case of reserves for prepaid expenses, inventories, or a portion of fund equity legally segregated for a specific future use, as in the case of payment of pension benefits, payment of debt service or restrictions made by a donor on use of a gift. The accompanying financial statements include fund balances reserved for all these purposes.

Designated fund balances indicate tentative plans for the future use of fund balances. The subsequent year designations are uses of fund balance in the subsequent year budget. The undesignated fund balance is the portion of the fund balance is available for appropriations in future periods.

### **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.

### **Reclassifications**

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

### **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. 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.

**Arapahoe County, Colorado**  
**Notes to the Financial Statements**  
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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 \$249,490,552 difference are as follows:

Bonds and Certificates of Participation Payable	\$ 164,105,000
Less: Refunding Loss (to be amortized as interest expense)	(1,895,251)
Less: Bond Discount (to be amortized as interest expense)	214,847
Note Payable	39,847,783
Plus: Premium on Note Payable	1,086,842
Capital Leases Payable	15,955,489
Compensated Absences	10,697,753
Total Long Term Debt	230,012,463
Deferred Charge on Issuance Costs (to be amortized over life of debt)	(4,280,491)
Accrued Interest Payable	1,684,791
Net Pension Obligation	21,513,533
Social Services Advance from State	560,256
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities.	\$ 249,490,552

**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 \$57,266,171 difference are as follows:

**Arapahoe County, Colorado**  
**Notes to the Financial Statements**  
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Capital Outlay	\$ 73,304,010
Depreciation Expense	<u>(16,037,839)</u>
Net adjustment to increase net changes in fund balances- total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 57,266,171</u>

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.” A detail of the difference is as follows:

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>\$ 174,960</u>
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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 \$(3,867,266) difference are as follows:

Compensated Absences Expense	(87,019)
Pension Expense	(2,893,330)
Accrued Interest Expense	(303,713)
Amortization Expense	<u>(583,204)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities.	<u>\$ (3,867,266)</u>

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	\$ 1,135,000
Final Payment for SCFD Settlement	73,000
Total	<u>\$ 1,208,000</u>

# Arapahoe County, Colorado

## Notes to the Financial Statements

December 31, 2010

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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. Outstanding encumbrances at year-end are recorded as a reservation of fund balance.

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, 2010**

**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 14) and discrete 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	\$ 155,451,565	\$ 44,044,336	\$ 30,555,695	\$ 230,051,596
Restricted Cash and Investments	35,499,442	37,148,808	-	72,648,250
<b>Total Cash and Investments</b>	<b>\$ 190,951,007</b>	<b>\$ 81,193,144</b>	<b>\$ 30,555,695</b>	<b>\$ 302,699,846</b>
Total Cash Deposits (including CD's)				\$ 129,585,968
Total Investments				173,113,878
<b>Total Cash Deposits and Investments: (Book Balance)</b>				<b>\$ 302,699,846</b>

Restricted Cash is recorded for the following purposes:

Debt Reserves	\$ 1,592,945
Debt Proceeds	4,038,064
Legal/Contractual obligations	29,868,433
<b>Total Restricted Cash</b>	<b>\$ 35,499,442</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. Of the bank balances totaling \$58,860,552, \$44,167,526 was covered by FDIC and \$14,693,026 was covered by PDPA.

**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, 2010

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### Credit Risk

The County has adopted a formal investment policy that limits the County's investments to investments within the confines of Sections 24-75-601.1 and 30-10-708 of the Colorado Revised Statutes. Investments authorized under these statutes include:

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Banker's 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.

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 Treasury Notes and Strips (AAA by Standard & Poor's), United States Agency Strips (AAA by Standard & Poor's), Federal Home Loan Bank Notes (AAA by Standard & Poor's), Federal National Mortgage Association Notes (AAA by Standard & Poor's), Federal Home Loan Mortgage Corporation Notes (AAA by Standard & Poor's), Guaranteed Investment Contracts (Not Rated), and Repurchase Agreements (Not Rated). In addition, the County had \$20,405,074 invested in various money market funds which were not rated.

### Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of County Commissioners. The Board of County Commissioners has authorized the County Treasurer to invest no more than ten percent (10%) of the County's assets for periods greater than five (5) years but not exceeding ten (10) years. The ten percent (10%) shall be calculated as a percentage of the one-year average of assets held in the prior year. The one-year average of investments held in the prior year amounted to \$201,076,840.

**Arapahoe County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2010**

As of December 31, 2010, the County had the following investments:

<b>Investment</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>
COLOTRUST	\$ 23,587,456			\$ 23,587,456
Federal Farmers Credit Bank	47,423,770			47,423,770
Federal National Mortgage Association	39,475,272			39,475,272
Federal Home Loan Mortgage Corporation	24,867,416			24,867,416
Federal Home Loan Bank	12,464,888			12,464,888
Corporate	4,144,004			4,144,004
Various Money Market Funds	20,405,074			20,405,074
Investment Strips	253,732	128,267	163,999	545,998
Other Investments	200,000			200,000
<b>Total Investments</b>	<b>\$ 172,821,612</b>	<b>\$ 128,267</b>	<b>\$ 163,999</b>	<b>\$ 173,113,878</b>

As of December 31, 2010, 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 State Securities Commissioner administers and enforces all State statutes governing the Trust. 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 organizations which regularly rate such obligations. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. As of December 31, 2010, the County had \$23,587,456 invested in COLOTRUST.

**Arapahoe County, Colorado**

**Notes to the Financial Statements**

**December 31, 2010**

**Concentrations Risk**

The County has a policy that directs the Treasurer to diversify assets held in cash and pooled investments to minimize the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. The policy does not specify specific limits. 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 Farmers Credit Bank	\$ 47,423,770	27%
Federal National Mortgage Association	39,475,272	23%
Federal Home Loan Mortgage Corporation	24,867,416	14%
COLOTRUST	23,587,456	14%
Various Money Market Funds	20,405,074	12%
Federal Home Loan Bank	12,464,888	7%

**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, 2010, the balances are as follows:

	<b>Due To</b>	<b>Due From</b>
General Fund	\$ 2,007,395	\$ -
Non Major Funds	-	2,007,395
<b>Total</b>	<b>\$ 2,007,395</b>	<b>\$ 2,007,395</b>

During 2010, 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	\$ 2,831,189	\$ 10,911,645
Social Services	17,379	2,832,189
Open Space	117,991	246
Internal Service Funds	570,808	20,315
Non Major Funds	15,359,102	5,132,074
<b>Total</b>	<b>\$ 18,896,469</b>	<b>\$ 18,896,469</b>

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

**December 31, 2010**

**NOTE 6: CAPITAL ASSETS**

**Primary Government**

Capital asset activity for the Arapahoe County primary government for the year ended December 31, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 34,843,167	\$ 3,411,002	\$ -	\$ 38,254,169
Easements	2,242,500	2,057,275	-	4,299,775
Right of Ways	308,667,196	660,670	-	309,327,866
Water Rights	-	51,616,042	-	51,616,042
Construction in Progress	36,198,571	8,499,385	(37,155,279)	7,542,677
Total Capital Assets Not Being Depreciated	<u>381,951,434</u>	<u>66,244,374</u>	<u>(37,155,279)</u>	<u>411,040,529</u>
Capital Assets Being Depreciated:				
Land Improvements	4,077,566	-	-	4,077,566
Buildings	240,445,418	35,697,972	-	276,143,390
Furniture and Equipment	56,607,866	2,781,710	(1,249,016)	58,140,560
Infrastructure	327,923,994	8,138,601	-	336,062,595
Total Capital Assets Being Depreciated	<u>629,054,844</u>	<u>46,618,283</u>	<u>(1,249,016)</u>	<u>674,424,111</u>
Less Accumulated Depreciation:				
Land Improvements	(777,712)	(198,400)	-	(976,112)
Buildings	(82,893,467)	(6,466,665)	(100,606)	(89,460,738)
Furniture and Equipment	(44,201,553)	(5,300,003)	1,238,189	(48,263,367)
Infrastructure	(87,600,315)	(7,797,371)	(285,261)	(95,682,947)
Total Accumulated Depreciation	<u>(215,473,047)</u>	<u>(19,762,439)</u>	<u>852,322</u>	<u>(234,383,164)</u>
Total Capital Assets Being Depreciated, Net	<u>413,581,797</u>	<u>26,855,844</u>	<u>(396,694)</u>	<u>440,040,947</u>
Total Primary Government Capital Assets, Net	<u>\$ 795,533,231</u>	<u>\$ 93,100,218</u>	<u>\$ (37,551,973)</u>	<u>\$ 851,081,476</u>

Depreciation expense was charged to functions/programs of the primary government during the year ended December 31, 2010 as follows:

**Governmental Activities**

General Government	\$ 3,412,074
Public Safety	5,307,195
Health and Welfare	1,111,329
Highways and Streets	6,777,088
Water and Wastewater	2,591,061
Culture and Recreation	563,692
Total Governmental Activities Depreciation Expense	<u>\$ 19,762,439</u>

**Arapahoe County, Colorado**

**Notes to the Financial Statements**

**December 31, 2010**

**Discretely presented component units**

Capital asset activity for the E-911 Authority for the year ended December 31, 2010 was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental Activities:</b>				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 4,260,688	\$ 407,535	\$ -	\$ 4,668,223
Total Capital Assets Being Depreciated	<u>4,260,688</u>	<u>407,535</u>	<u>-</u>	<u>4,668,223</u>
Less Accumulated Depreciation:				
Furniture and Equipment	<u>(2,165,556)</u>	<u>(874,520)</u>	<u>-</u>	<u>(3,040,076)</u>
Total Accumulated Depreciation	<u>(2,165,556)</u>	<u>(874,520)</u>	<u>-</u>	<u>(3,040,076)</u>
Total E-911 Capital Assets, Net	<u>\$ 2,095,132</u>	<u>\$ (466,985)</u>	<u>\$ -</u>	<u>\$ 1,628,147</u>

Capital asset activity for the Arapahoe County Public Airport Authority for the year ended December 31, 2010 was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Business Activities</b>				
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 23,669,170	\$ 380,412	\$ -	\$ 24,049,582
Construction in Progress	<u>8,049,171</u>	<u>648,522</u>	<u>8,468,065</u>	<u>229,628</u>
Total Capital Assets Not Being Depreciated	<u>31,718,341</u>	<u>1,028,934</u>	<u>8,468,065</u>	<u>24,279,210</u>
Capital Assets Being Depreciated:				
Land Improvements	1,010,963	-	-	1,010,963
Buildings and Improvements	15,296,461	1,667,462	300,103	16,663,820
Runways and Access Roads	27,694,301	6,498,859	-	34,193,160
Furniture and Equipment	<u>5,398,757</u>	<u>250,498</u>	<u>145,817</u>	<u>5,503,438</u>
Total Capital Assets Being Depreciated	<u>49,400,482</u>	<u>8,416,819</u>	<u>445,920</u>	<u>57,371,381</u>
Less Accumulated Depreciation:				
Land Improvements	(440,696)	(25,262)	-	(465,958)
Buildings and Improvements	(13,328,888)	(346,426)	(300,103)	(13,375,211)
Runways and Access Roads	(14,548,186)	(2,359,436)	-	(16,907,622)
Furniture and Equipment	<u>(3,098,390)</u>	<u>(517,451)</u>	<u>(145,238)</u>	<u>(3,470,603)</u>
Total Accumulated Depreciation	<u>(31,416,160)</u>	<u>(3,248,575)</u>	<u>(445,341)</u>	<u>(34,219,394)</u>
Total Capital Assets Being Depreciated, Net	<u>17,984,322</u>	<u>5,168,244</u>	<u>579</u>	<u>23,151,987</u>
Total Airport Authority Capital Assets, Net	<u>\$ 49,702,663</u>	<u>\$ 6,197,178</u>	<u>\$ 8,468,644</u>	<u>\$ 47,431,197</u>

# Arapahoe County, Colorado

## Notes to the Financial Statements

**December 31, 2010**

Capital Asset Activity for the Arapahoe County Water and Wastewater Authority for the year ended December 31, 2010, 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	2,035,241	24,430,513	(23,823,262)	2,642,492
<b>Total Capital Assets Not Being Depreciated</b>	<b>4,098,437</b>	<b>24,430,513</b>	<b>(23,823,262)</b>	<b>4,705,688</b>
Other Capital Assets:				
Water System	15,500,092	23,313,946	(24,665)	38,789,373
Sewer System	13,423,303	166,769	(17,632)	13,572,440
Stormwater System	1,203,504	358,691	(1,562,195)	-
Buildings, Equipments, and Projects	2,959,305	231,986	(5,564)	3,185,727
<b>Total Other Capital Assets</b>	<b>33,086,204</b>	<b>24,071,392</b>	<b>(1,610,056)</b>	<b>55,547,540</b>
Less Accumulated Depreciation:				
Water System	(3,790,884)	(976,838)	100,517	(4,667,205)
Sewer System	(6,496,189)	(657,803)	28,315	(7,125,677)
Stormwater System	(321,380)	(40,182)	361,562	-
Buildings, Equipments, and Projects	(789,013)	(327,523)	(362,151)	(1,478,687)
<b>Total Accumulated Depreciation</b>	<b>(11,397,466)</b>	<b>(2,002,346)</b>	<b>128,243</b>	<b>(13,271,569)</b>
Water Rights	66,033,372	68,236,001	(51,659,935)	82,609,438
Less: Depletion	(1,076,677)	(69,943)	-	(1,146,620)
<b>Net Water Rights</b>	<b>64,956,695</b>	<b>68,166,058</b>	<b>(51,659,935)</b>	<b>81,462,818</b>
<b>Total Business-Type Activities, Capital Assets, Net</b>	<b>\$ 90,743,870</b>	<b>\$ 114,665,617</b>	<b>\$ (76,965,010)</b>	<b>\$ 128,444,477</b>

### NOTE 7: CAPITAL COMMITMENTS

The County has contractual commitments for capital construction projects, information technology and communication service projects, capital asset purchases, rents and miscellaneous services, and professional services. As of December 31, 2010, these commitments have not been paid or recorded as a liability in the financial statements. The amounts of these commitments are as follow:

<b>Commitment Type</b>	<b>Commitment Type Amount</b>
Capital Construction Project Contracts	\$ 9,648,311
Information Technology and Communications Contracts	1,875,394
Capital Asset Purchase Contracts	580,915
Miscellaneous Services and Rent Contracts	499,739
Professional Services Contracts	312,872
	<b>\$ 12,917,231</b>

# Arapahoe County, Colorado

## Notes to the Financial Statements

December 31, 2010

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**NOTE 8: 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 2010, 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 participants 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 no longer 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, 2010**

**NOTE 9: CHANGES IN LONG-TERM LIABILITIES**

Long-term liability activity for the year ended December 31, 2010 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
General Obligation Bonds Payable					
ACWWA PID 2002 A&B Bonds	\$ 59,870,000	\$ -	\$ 605,000	\$ 59,265,000	\$ 80,000
ACWWA PID 2009 A&B Bonds	56,075,000	-	-	56,075,000	-
Less - Deferred amounts for bond discounts on bonds payable	(1,169,221)	-	(317,684)	(851,537)	-
Total Bonds Payable	<u>114,775,779</u>	<u>-</u>	<u>287,316</u>	<u>114,488,463</u>	<u>80,000</u>
Note payable					
ACWWA PID -2005	26,270,000	-	-	26,270,000	-
ACWWA PID -2006	13,798,022	-	220,239	13,577,783	980,067
Plus - Deferred amounts related to bond premiums on notes payable	1,164,812	-	77,970	1,086,842	-
Total Notes Payable	<u>41,232,834</u>	<u>-</u>	<u>298,209</u>	<u>40,934,625</u>	<u>980,067</u>
Certificates of participation payable					
Judicial Complex Refunding	9,605,000	-	1,185,000	8,420,000	1,240,000
Recreational Facility	210,000	-	210,000	-	-
2006 Refunding of 2000 Building Project	43,150,000	-	2,805,000	40,345,000	2,915,000
Less: Deferred amounts for bond Discounts/Premiums	1,144,149	-	77,765	1,066,384	-
On Refunding	(2,092,036)	-	(196,785)	(1,895,251)	-
Total Certificates of Participation Payable	<u>52,017,113</u>	<u>-</u>	<u>4,080,980</u>	<u>47,936,133</u>	<u>4,155,000</u>
Capital leases					
Energy Conservation Equipment Schedule 001	4,440,484	-	441,076	3,999,408	474,856
Energy Conservation Equipment Schedule 002	3,544,078	-	336,800	3,207,278	348,917
Fairgrounds Event & Livestock Facility	1,604,044	-	244,392	1,359,652	253,142
Water Facility	446,130	-	56,979	389,151	60,492
Parkland	2,600,000	-	-	2,600,000	101,602
District Attorney Office Building	4,855,000	-	455,000	4,400,000	470,000
Total Capital Leases	<u>17,489,736</u>	<u>-</u>	<u>1,534,247</u>	<u>15,955,489</u>	<u>1,709,009</u>
Compensated absences	10,610,734	9,586,810	9,499,791	10,697,753	956,010
Total Long-term Liabilities	<u>\$ 236,126,196</u>	<u>\$ 9,586,810</u>	<u>\$ 15,700,543</u>	<u>\$ 230,012,463</u>	<u>\$ 7,880,086</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.

**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:

**Arapahoe County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2010**

<b>Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2011	\$ 80,000	\$ 3,077,894	\$ 3,157,894
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
2016-2020	6,745,000	14,177,194	20,922,194
2021-2025	13,735,000	11,670,544	25,405,544
2026-2030	23,665,000	7,240,944	30,905,944
2031-2032	13,135,000	1,025,000	14,160,000
Total	<u>\$ 59,265,000</u>	<u>\$ 49,369,726</u>	<u>\$ 108,634,726</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>
2011	\$ -	\$ 3,533,898	\$ 3,533,898
2012	-	3,533,898	3,533,898
2013	-	3,533,898	3,533,898
2014	-	3,533,898	3,533,898
2015	-	3,533,898	3,533,898
2016-2020	-	17,669,487	17,669,487
2021-2025	230,000	17,669,487	17,899,487
2026-2030	2,240,000	17,462,300	19,702,300
2031-2035	5,135,000	16,749,298	21,884,298
2036-2039	48,470,000	8,139,852	56,609,852
Total	<u>\$ 56,075,000</u>	<u>\$ 95,359,914</u>	<u>\$ 151,434,914</u>

**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:

**Arapahoe County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2010**

<b>Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2011	\$ -	\$ 1,297,906	\$ 1,297,906
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
2016-2020	-	6,489,530	6,489,530
2021-2025	2,495,000	6,322,847	8,817,847
2026-2030	-	5,943,750	5,943,750
2031-2035	23,775,000	4,793,500	28,568,500
Total	<u>\$ 26,270,000</u>	<u>\$ 30,039,157</u>	<u>\$56,309,157</u>

**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>
2011	\$ 980,068	\$ 464,952	\$ 1,445,020
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
2016-2020	5,808,824	1,420,411	7,229,235
2021-2022	2,648,382	246,674	2,895,056
Total	<u>\$ 13,577,783</u>	<u>\$ 3,773,419</u>	<u>\$ 17,351,202</u>

**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

# Arapahoe County, Colorado

## Notes to the Financial Statements

December 31, 2010

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>
2011	\$ 1,240,000	\$ 429,350	\$ 1,669,350
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>\$ 8,420,000</u>	<u>\$ 1,591,238</u>	<u>\$ 10,011,238</u>

### Recreational Facility Lease Purchase

On May 2, 1996, the Arapahoe County Recreation District issued \$2,290,000 in Refunding Certificates of Participation; Series 1996 with an average interest rate of 5.23% to advance refund \$1,900,000 of outstanding Certificates of Participation, Series 1990 with an average interest rate of 7.46%. The last payment was made in 2010.

### 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. The balance of the outstanding defeased debt as of December 31, 2010 is \$40,345,000.

Future debt payments are as follows:

<b>Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2011	\$ 2,915,000	\$ 1,678,575	\$ 4,593,575
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
2016-2020	19,915,000	3,139,938	23,054,938
2021	4,550,000	95,550	4,645,550
Total	<u>\$ 40,345,000</u>	<u>\$ 10,315,613</u>	<u>\$ 50,660,613</u>

**Arapahoe County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2010**

**Capital Leases**

The following is an analysis of assets acquired through capital leases (as of December 31, 2010):

**Energy Conservation Equipment**

The County entered into a lease purchase agreement with Citimortgage, Incorporated for the purchase and installation of energy conserving equipment on November 18, 2005. This lease purchase agreement is comprised of two separate agreements identified as Schedules Number 1 and 2. The original amounts of these lease agreements are for \$5,892,870 and \$4,635,335 respectively. In 2008, residual amounts remaining in the construction trust accounts were applied to outstanding principal balances and future lease payments were adjusted accordingly.

The County capitalized a total of \$9,572,529 for these energy conservation projects.

The interest rate averages 3.54% per annum. Future lease payments are as follows.

**Energy Conservation Lease Purchase-Schedule No. 1**

<b>Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2011	\$ 474,856	\$ 133,946	\$ 608,802
2012	413,314	117,989	531,303
2013	434,234	103,157	537,391
2014	464,890	87,291	552,181
2015	497,036	70,317	567,353
2016-2019	1,715,078	98,251	1,813,329
<b>Total</b>	<b>\$ 3,999,408</b>	<b>\$ 610,951</b>	<b>\$ 4,610,359</b>

**Energy Conservation Lease Purchase Schedule No. 2**

<b>Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2011	\$ 348,917	\$ 107,913	\$ 456,830
2012	361,472	95,358	456,830
2013	374,478	82,352	456,830
2014	387,951	68,879	456,830
2015	401,910	54,920	456,830
2016-2019	1,332,550	76,009	1,408,559
<b>Total</b>	<b>\$ 3,207,278</b>	<b>\$ 485,431</b>	<b>\$ 3,692,709</b>

**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.

## Arapahoe County, Colorado

### Notes to the Financial Statements

December 31, 2010

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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
2011	\$ 253,142	\$ 46,028	\$ 299,170
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>\$ 1,359,652</u>	<u>\$ 136,198</u>	<u>\$ 1,495,850</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 site. The agreement required that the water facility constructed by Pure Cycle would be paid for in the following manner. The County made initial cash payment of \$397,235, entered into a lease payment agreement for \$607,858 and, further, the County would convey rights to groundwater with an estimated value of \$240,075. In 2008 the value of these groundwater rights was settled in a Water Court decision and the lease payments and future lease payments were modified and adjusted accordingly.

The County has capitalized \$857,947 for this water facility 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
2011	\$ 60,492	\$ 21,704	\$ 82,196
2012	64,224	17,972	82,196
2013	68,185	14,011	82,196
2014	72,391	9,805	82,196
2015	76,856	5,340	82,196
2016	47,003	944	47,947
Total	<u>\$ 389,151</u>	<u>\$ 69,776</u>	<u>\$ 458,927</u>

#### 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.

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

**Arapahoe County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2010**

<b>Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2011	\$ 101,602	\$ 124,368	\$ 225,970
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
2016-2020	711,131	418,716	1,129,847
2021-2025	902,787	227,060	1,129,847
2026-2027	425,919	26,022	451,941
Total	<u>\$ 2,600,000</u>	<u>\$ 1,241,485</u>	<u>\$ 3,841,485</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 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>
2011	\$ 470,000	\$ 186,826	\$ 656,826
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
2016-2018	1,830,000	142,027	1,972,027
Total	<u>\$4,400,000</u>	<u>\$ 858,593</u>	<u>\$ 5,258,593</u>

**NOTE 10: 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, 2010, is as follows:

**Arapahoe County, Colorado**

**Notes to the Financial Statements**

**December 31, 2010**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Capital Lease Payable	\$ 9,605,000	\$ -	\$ 1,185,000	\$ 8,420,000	\$ 1,240,000
Less: Deferral Amounts of Refunding	(2,966,330)	-	(428,867)	(2,537,463)	-
Note Payable	4,572,201	-	541,695	4,030,506	557,524
Total Long-Term Debt	<u>\$ 11,210,871</u>	<u>\$ -</u>	<u>\$ 1,297,828</u>	<u>\$ 9,913,043</u>	<u>\$ 1,797,524</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, 2010 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>
2011	\$ 1,240,000	\$ 429,350	\$ 1,669,350
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>\$ 8,420,000</u>	<u>\$ 1,591,238</u>	<u>\$ 10,011,238</u>

**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 shall bear interest at the rate of 3% on the unpaid balance, compounded annually. The Authority will make ten annual installments with the first payment made October 4, 2008. The loan is secured by a security interest in the Authority's fuel tax refund revenue.

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

**December 31, 2010**

Scheduled note principal and interest payments are as follows:

Date	Principal	Interest	Total
2011	\$ 557,524	\$ 120,051	\$ 677,575
2012	573,822	103,753	677,575
2013	546,070	86,975	633,045
2014	562,452	70,593	633,045
2015	579,326	53,719	633,045
2016-2017	<u>1,211,312</u>	<u>54,777</u>	<u>1,266,089</u>
Total	<u>\$ 4,030,506</u>	<u>\$ 489,868</u>	<u>\$ 4,520,374</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:

2011	\$ 1,772,603
2012	1,804,793
2013	1,825,029
2014	1,845,597
2015	1,876,971
Thereafter	<u>169,655,396</u>
	<u>\$ 178,780,389</u>

Revenues under these leases amounted to \$2,271,794 during 2010.

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 at an amount equivalent to the tower repairs and maintenance. The office space lease is renewable in 2011. Rental income under this lease amounted to \$89,635 during 2010. The earning stream from this agreement is included in the minimum future rental revenue.

**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 as defeased, and the liability has been removed from the books. At December 31, 2010 the Authority's share of the amount of defeased debt outstanding is \$10,762,875.

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

**December 31, 2010**

**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, 2010:

Business-Type Activities	Outstanding 1/1/2010	Additions	Reductions	Outstanding 12/31/2010	Amounts Due in One Year
Revenue Bonds, Series 2006	\$ 22,410,000	\$ -	\$ (555,000)	\$ 21,855,000	\$ 575,000
2006 premium	375,531	-	(22,090)	353,441	-
2006 refunding loss	(2,048,406)	-	113,800	(1,934,606)	-
Revenue Bonds, Series 2007	17,770,000	-	(430,000)	17,340,000	450,000
2007 refunding loss	(626,015)	-	34,779	(591,236)	-
Revenue Bonds, Series 2009A	91,545,000	-	-	91,545,000	350,000
Revenue Bonds, Series 2009B	5,625,000	-	-	5,625,000	-
2009 premium	94,133	-	(3,138)	90,995	-
Compensated absences	262,808	225,757	(240,758)	247,807	84,254
<b>Total</b>	<b><u>\$135,408,051</u></b>	<b><u>\$ 225,757</u></b>	<b><u>\$ (1,102,407)</u></b>	<b><u>\$134,531,401</u></b>	<b><u>\$ 1,459,254</u></b>

The net bonds payable are as follows:

Total revenue bonds outstanding at 12/31/10	\$ 136,365,000
Add: Premium	444,436
Less: refunding loss	<u>(2,525,842)</u>
Net revenue bonds outstanding at 12/31/10	134,283,594
Less current portion	<u>(1,375,000)</u>
Long-term portion	<u><u>\$ 132,908,594</u></u>

Principal and interest payments related to the Authority's revenue bonds leases are financed from income derived from the operation of the water and wastewater systems.

Over the years, ACWWA has issued revenue bonds with pledged revenues as collateral. The revenue bonds have been issued as utilities revenue bonds. These bonds were issued to finance various construction projects within the enterprise fund, with the pledged revenue coming from the enterprise fund.

	<u>Amount Pledged</u>	<u>Term of Commitment</u>
Utilities Revenue Bonds	\$289,173,392	2010-2039

For 2010, the ratio of pledged revenue recognized to total principal and interest paid was 58%. The total pledged revenue is not estimable in comparison to pledged debt in that revenues are uncertain as to future amounts. However, the debt coverage requirement (1.25%) for each issue must be met or the bonds will be in default. In 2010 the debt covenant will be met after ACWWA transfers \$250,000 from the capitalized interest account to the reserve account which is allowable per management and their financial advisor. This transfer was made in March 2011.

# Arapahoe County, Colorado

## Notes to the Financial Statements

December 31, 2010

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### 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 on the 2009A bonds regardless of whether BAB payments are received. In 2010 ACWWA received \$1,930,913 interest subsidy.

### Series 2009B Revenue Bonds

On December 8, 2009, ACWWA issued \$5,625,000 in water and wastewater revenue bonds with interest rates ranging from 2.00% to 2.50%. The revenue refunding and improvement bonds are due in annual principal and interest installments of \$121,960 to \$2,224,250 until December 2014.

### Outstanding Bonds

Annual debt service requirements to amortize all obligations outstanding, as of December 31, 2010, are:

Year	Principal	Interest	Total
2011	\$ 1,375,000	\$ 7,673,310	\$ 9,048,310
2012	2,605,000	7,625,310	10,230,310
2013	2,675,000	7,551,910	10,226,910
2014	3,320,000	7,472,298	10,792,298
2015	2,855,000	7,367,560	10,222,560
2016-2020	15,845,000	34,902,685	50,747,685
2021-2025	19,145,000	30,720,411	49,865,411
2026-2030	23,550,000	25,072,327	48,622,327
2031-2035	29,320,000	17,637,705	46,957,705
2036-2040	35,675,000	6,784,876	42,459,876
Total	<u>\$136,365,000</u>	<u>\$152,808,392</u>	<u>\$289,173,392</u>

### 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. The bonds were issued to advance refund \$8,405,000 of outstanding revenue bond series 2003C with variable interest rates. Funds were placed in an escrow trust account that will be used to meet remaining payment requirements. As a result, the 2003C series bond is considered to be defeased and is not included in the Authority's financial statements. The balance of the defeased debt was paid off in 2007.

**Arapahoe County, Colorado**

**Notes to the Financial Statements**

**December 31, 2010**

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$707,720, refunding loss. This difference is being charged through the year 2027 using the effective-interest method. The balance of the refunding loss is \$591,236 as of December 31, 2010. The advance refunding resulted in a net economic gain (difference between the present values of the old and new debt service payments) of \$3,172,311.

**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. The bonds were issued to advance refund \$23,095,000 of outstanding revenue bonds series 2003A and 2003B with variable interest rates. As a result, the 2003A and 2003B Series bonds are considered to be defeased and the liability for those bonds has been removed from the Authority's statement of net assets. The balance of the defeased debt was paid off in 2007.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$2,263,859, refunding loss. This difference, reported as a deduction from bonds payable, is being charged to operations through the year 2027 using the effective-interest method. The balance of refunding loss is \$1,934,606 as of December 31, 2010. The advance refunding resulted in a net economic gain (difference between the present values of the old and new debt service payments) of \$1,139,814.

The compensated absences liability will be paid from the fund from which the employees' salaries are paid, normally the enterprise fund.

**NOTE 11: OPERATING LEASES**

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

<u>City Center Market Place</u>	
Future Maturities	
2011	44,504
	<u>\$ 44,504</u>
<u>5500 So. Quebec Street, Suite 175</u>	
Future Maturities	
2011	580,884
2012	596,203
2013	611,526
2014	626,844
2015	52,343
	<u>\$ 2,467,800</u>

Rent expense for 2010 was \$652,624.

**Arapahoe County, Colorado**

**Notes to the Financial Statements**

**December 31, 2010**

**NOTE 12: 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, 2010. 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, 2010 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, 2009	\$ 971,000	\$ 1,805,000	\$ 42,000	\$ 2,818,000
Incurred Claims (including IBNR)	247,484	1,146,029	1,377,170	2,770,683
Claim Payments	<u>(263,484)</u>	<u>(761,029)</u>	<u>(1,357,170)</u>	<u>(2,381,683)</u>
Unpaid Claims, December 31, 2009	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	<u>\$ 776,000</u>	<u>\$ 2,099,000</u>	<u>\$ 57,000</u>	<u>\$ 2,932,000</u>
Claims Expected to be Paid in 2011	\$ 235,000	\$ 311,000	\$ 57,000	\$ 603,000
Claims Expected to be Paid after 2011	<u>541,000</u>	<u>1,788,000</u>	<u>-</u>	<u>2,329,000</u>
Unpaid Claims, December 31, 2010	<u>\$ 776,000</u>	<u>\$ 2,099,000</u>	<u>\$ 57,000</u>	<u>\$ 2,932,000</u>

Unpaid claim estimates do not include non-incremental claim adjustment expenses.

**Arapahoe County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2010**

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Claims have not exceeded the County's insurance coverage for the previous three years.

**NOTE 13: 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, 5334 S. Prince St., Littleton, Colorado 80120-1136.

**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 2009, the contribution rate was 6.5% of covered payroll. For 2010, the rate increased to 7.0%.

**Arapahoe County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2010**

**Funded Status and Funding Progress**

	2010	2009	2008
Annual required contribution (ARC)	\$ 9,822,089	\$ 12,408,298	\$ 8,924,396
Interest on net pension obligation	1,396,515	946,616	738,777
Adjust to annual required contributions	(1,329,521)	(901,205)	(703,336)
Annual pension cost (APC)	9,889,083	12,453,709	8,959,837
Contributions made	(6,995,753)	(6,455,058)	(6,188,651)
Inc (Dec) in Net Pension Obligation	2,893,330	5,998,651	2,771,186
NPO beginning of year	18,620,203	12,621,552	9,850,366
NPO end of year	<u>\$ 21,513,533</u>	<u>\$ 18,620,203</u>	<u>\$ 12,621,552</u>
Percentage of APC Contributed	70.7%	51.8%	69.1%

As of January 1, 2010, the most recent actuarial valuation date, the Plan was 68% funded. The actuarial accrued liability for benefits was \$319,784,777 and the actuarial value of assets was \$241,589,816, resulting in an unfunded actuarial accrued liability of \$78,194,961. The covered payroll (annual payroll of active employees covered by the plan) was \$100,258,835 and the ratio of unfunded actuarial accrued liability to covered payroll was 78.0%.

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, 2010 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 as a level percentage of projected payroll on an open basis over a 20 year amortization period.

**Plan Assets**

The following presents investments that represent five percent or more of the Plan's net assets as of December 31, 2010 and 2009:

# Arapahoe County, Colorado

## Notes to the Financial Statements

December 31, 2010

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	<u>2010</u>	<u>2009</u>
Blackstone Alternative Asset Management	\$ 32,303,442	\$ 29,927,719
JPMorgan Chase Commingled Pension	24,718,843	14,836,128
PIMCO Total Return Fund	24,588,384	14,712,649
Vanguard FTSE All-World Fund	20,338,462	-
American Euro Pacific Growth Funds	15,936,469	-
T. Rowe Price Structured Research Common Trust	12,621,876	23,022,915
UBS Realty Investors LLC	12,608,065	11,274,853
Eaton Vance Large Cap Value Fund	12,366,291	11,201,871
Loomis-Sayles Small-Mid Cap	12,194,448	-
Wellington Opportunity Growth	12,126,667	-
Artio-Global Equity Fund	11,970,834	10,373,502
Mondrian Global Equity	11,613,119	
Eberdeen Emerging Funds	11,478,014	
Artisan International Institutional Shares Fund	-	21,329,111
Bernstein Int. Value Delaware Bus TR	-	20,965,310

### **NOTE 14: 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 15: 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.

# Arapahoe County, Colorado

## Notes to the Financial Statements

December 31, 2010

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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.

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 2010 and 2009.

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 years 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 2010.

### **NOTE 16: LANDFILL**

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 \$86,214. The County is only funding this liability on a "pay-as-you-go" basis. Substantially all remediation costs for the landfill have been paid. The required term to monitor the landfill is not known and a long-term liability is not recorded. The County's current liability was determined to be immaterial and not recorded.

### **NOTE 17: 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.

Revenue bond financing, as authorized by this Act, does not constitute the pledging of credit for a private corporation and does not subject the County to the debt, contract or liability of a private corporation. Accordingly, the bonds are not reflected in the records or financial statements of the County.

**Arapahoe County, Colorado**

**Notes to the Financial Statements**

**December 31, 2010**

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The amount outstanding at December 31, 2010 in total is approximately \$65,450,686. Individual issues are as follows:

- Adjustable Rate Industrial Development Revenue Refunding Bonds, (Denver Jetcenter, Inc. Project) Series 1997; \$3,500,000 Dated September 1, 1997 - refunded original 1983 issue of \$3,500,000. Amount outstanding December 31, 2010, \$3,500,000.
- Convertible GNMA Collateralized Single Family Mortgage Refunding Revenue Bond, Series 1997; \$4,195,002 Dated December 1, 1997 – refunded original August 1, 1988, issue of \$25,000,000. Amount outstanding December 31, 2010, \$158,447.
- Adjustable Rate Revenue (Excelsior Youth Centers, Inc), Series 2001; \$5,200,000 Dated March 1, 2001. Amount outstanding December 31, 2010, \$2,355,000.
- Adjustable Rate Industrial Development Revenue Bonds, (Cottrell Printing Company, Inc. Project) Series 1999; \$3,975,000 Dated August 3, 1999. Amount outstanding December 31, 2010, approximately \$3,130,000.
- Variable Rate Demand Multifamily Rental Housing Revenue Refunding Bonds (Hunter’s Run Project) Series 2001; \$25,600,000 Dated August 1, 2001. Amount outstanding December 31, 2010, \$25,600,000.
- Variable Rate Multifamily Housing Revenue Refunding Bonds (Highline Oaks Apartment Project) Series 2002; \$7,100,000 Dated July 25, 2002. Amount outstanding December 31, 2010, approximately \$7,100,000.
- Variable Rate Multifamily Housing Revenue Bonds (Centennial East Apartments Project Phase II) Series 2000; \$4,660,000 Dated January 1, 2001 Amount outstanding December 31, 2010, approximately \$4,585,000.
- Variable Rate Multifamily Housing Development Revenue Bonds (Reserve at South Creek Apartments Project) Series 2000; \$14,125,000 Dated June 1, 2000. Amount outstanding December 31, 2010 approximately \$13,475,000.
- Revenue Bonds (Arapahoe/Douglas Mental Health Network Project) Series 2004, \$6,000,000 dated May 5, 2004. Amount outstanding December 31, 2010, approximately \$5,547,239.

**NOTE 18: RESTATEMENT OF NET ASSETS**

The County has adopted the requirements of GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, for easements acquired in prior years. This change is reported as a cumulative effect of a change in accounting principle in the amount of \$2.24 million and is reflected as a restatement of beginning net assets in the Statement of Activities. The restatement is shown as follows:

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Net Assets - Beginning	\$ 778,400,121
Prior Years Easements	<u>2,242,500</u>
Net Assets - Beginning, Restated	<u><u>\$ 780,642,621</u></u>

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**Arapahoe County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2010**

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**NOTE 19: SUBSEQUENT EVENTS**

On April 18, 2011 the County purchased land and eight buildings at Lima Plaza for \$4.5 million. These buildings will be remodeled and improved so that by late in 2011 staff from several departments can move into the new facilities. The staff that will occupy Lima Plaza is currently occupying leased spaces. On May 19, 2011 the County closed on a financing arrangement with Banc of America Public Capital Corp to provide funding of \$9.65 million. The amount of funding in excess of the \$4.5 million used for the purchase will be used for the remodel project. The debt will be serviced through monthly payments of \$62,112 beginning July 1, 2011 and ending December 1, 2030 with a 4.5% interest rate.

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**REQUIRED SUPPLEMENTAL  
INFORMATION**

**Arapahoe County Retirement Plan  
Required Supplemental Schedules**

**Schedule of Contributions from the Employer**

	<u>Year ended December 31,</u>					
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>Annual contributions</b>	\$6,995,753	\$6,455,058	\$6,188,651	\$5,847,228	\$5,127,586	\$4,736,887
<b>Annual required contributions</b>	\$9,822,089	\$12,408,298	\$8,924,369	\$8,393,081	\$7,853,983	\$7,608,309
<b>Contributions as a percent of annual required contributions</b>	71.2%	52.0%	69.3%	69.7%	65.0%	62.0%

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

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded (Overfunded)	Funded Ratio (%)	Covered Payroll	UAAL as a Percentage of Covered Payroll (%)
	(a)	(b)	(b-a)	(a/b)	(c)	(b-a/c)
1/1/2006	184,740,932	228,029,274	43,288,342	81.0%	82,413,819	52.5%
1/1/2007	203,380,043	254,096,172	50,716,129	80.0%	87,793,057	57.8%
1/1/2008	229,898,148	281,233,693	51,335,545	81.7%	94,903,465	54.1%
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%

<sup>1</sup> This schedule is based on the actuarial valuation as of 1/1/10.

\* Prior to January 1, 2006, the Plan utilized the aggregate cost method which does not develop an actuarial liability or unfunded actuarial liability. A schedule of funding progress is not required for the aggregate cost method.

**SUPPLEMENTAL INFORMATION**  
**REQUIRED BY THE**  
**STATE OF COLORADO**

Arapahoe County Department of Human Services  
EBT Authorization Schedule  
For Calendar Year 2010

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)	\$ 7,584,358	\$ 1,581,212	\$ 6,748,832	14,333,190	8,330,044
Child Care Direct EBT	7,034,298	772,558		7,034,298	772,558
Child Care Administration			679,931	679,931	679,931
Child Care TANF Transfer	389,216		684,926	1,074,142	684,926
Child Welfare Administration 100%			2,649,209	2,649,209	2,649,209
Child Welfare Administration 80/20%			10,541,902	10,541,902	10,541,902
Child Welfare Residential Mental Health	5,339,522	999,739		5,339,522	999,739
Child Welfare Case Services	202,538	42,177	24,777	227,315	66,954
Child Welfare Out-of-Home (OOH)	4,869,546	940,065		4,869,546	940,065
Child Welfare Related Child Care	287,264	57,453	16,176	303,440	73,629
Child Welfare Subsidized Adoption	5,972,346	1,143,453		5,972,346	1,143,453
Regular Administration			7,482,040	7,482,040	7,482,040
Non-Allocated Programs:				-	-
Medicaid Administration			428,242	428,242	428,242
ARRA Child Support Enforcement Administration			2,058,325	2,058,325	2,058,325
ARRA Child Care Direct EBT	1,632,059			1,632,059	-
ARRA Food Assistance Administration			96,476	96,476	96,476
Department of Defense Food Assistance Administration			130,299	130,299	130,299
Food Assistance EBT Administration	37,010	37,010		37,010	37,010
Core Services:				-	-
Mental Health	170,080	-		170,080	-
ADAD	496,309	140		496,309	140
SEA			19,697	19,697	19,697
Other FICF	1,258,929	23,432	90,261	1,349,190	113,693
80/20%	491,499	98,299	2,057,514	2,549,013	2,155,813
Low-Income Energy Assistance	4,498,347		475,334	4,973,681	475,334
Aid to the Blind	80	16		80	16
Aid to Needy Disabled	947,898	189,580		947,898	189,580
Home Care Allowance	1,156,469	57,823		1,156,469	57,823
Old Age Pension	13,971,488		202,118	14,173,606	202,118
Food Assistance EBT & Fraud Administration	72,554,076		60,994	72,615,070	60,994
Food Assistance Job Search	2,279	456	528,303	530,582	528,759
Title XX Caseworker Training			9,286	9,286	9,286
CHP+			1,528	1,528	1,528
IV-E Independent Living			155,220	155,220	155,220
County Wide Cost Allocation Plan Pass Thru			5,982,767	5,982,767	5,982,767
Audit Adjustments	(1,679)	1,679		(1,679)	1,679
Medicaid Collections	(4,641)	-	-	(4,641)	-
<b>Total Net EBT Authorizations/Subtotal</b>	<b>128,889,291</b>	<b>5,945,092</b>	<b>41,124,157</b>	<b>170,013,448</b>	<b>47,069,249</b>
<b>State Adjustments/ NON-EBT</b>				-	-
Child Welfare RTC/CHRP adjustments	566,895	114,720		566,895	114,720
IV-D Retained State Collections	(919,387)	(183,877)		(919,387)	(183,877)
Child Support Enforcement	311,753	319,105	3,070,109	3,381,862	3,389,214
Other Local Sources			345,699	345,699	345,699
Excess Parental Fees			258,085	258,085	258,085
<b>Grand Totals</b>	<b>\$ 128,848,552</b>	<b>\$ 6,195,040</b>	<b>\$ 44,798,050</b>	<b>\$ 173,646,602</b>	<b>\$ 50,993,090</b>
			*** CONTROL TOTALS	<b>173,646,602</b>	<b>48,491,444</b>
Differences noted:					
Net Increase to Total Expenditures due to accruals					638,292
Net decrease to Total Expenditures due to County Wide Cost Allocation Plan costs not recorded to Fund 11					(6,431,090)
Net increase to Total Expenditures due to county expenditures not recorded to County Financial Management System (CFMS)					303,031
Net increase to Total Expenditures due to Fund to Fund transfers not recorded to CFMS					2,832,189
Net decrease to Total Expenditures due to IV-D balance sheet items, and refunds					(288,986)
Net increase to Total Expenditures due to collection items recorded in revenue and not as offset to expenditure					444,918
<b>County Human Services Total</b>					<b>48,491,444</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.					
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).					
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 G/L 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.

**LOCAL HIGHWAY FINANCE REPORT**

City or County:  
Arapahoe  
YEAR ENDING :  
December 2010

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				

**II. RECEIPTS FOR ROAD AND STREET PURPOSES**

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

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)	4,382,139
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	5,859,385
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	360,077
2. General fund appropriations	3,313,373	b. Snow and ice removal	843,800
3. Other local imposts (from page 2)	6,141,991	c. Other	
4. Miscellaneous local receipts (from page 2)	10,191	d. Total (a. through c.)	1,203,877
5. Transfers from toll facilities		4. General administration & miscellaneous	996,254
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	1,049,841
a. Bonds - Original Issues		6. Total (1 through 5)	13,491,496
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)	9,465,556	b. Redemption	
<b>B. Private Contributions</b>	185,556	c. Total (a. + b.)	0
<b>C. Receipts from State government (from page 2)</b>	8,153,406	2. Notes:	
<b>D. Receipts from Federal Government (from page 2)</b>	594,495	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	18,399,012	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>	13,491,496

**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
	61,389,326	18,399,012	13,491,496	66,296,842	0

Notes and Comments:

<b>LOCAL HIGHWAY FINANCE REPORT</b>		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2010	
<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	5,766,433	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	375,558	g. Other Misc. Receipts	10,191
6. Total (1. through 5.)	375,558	h. Other	
c. Total (a. + b.)	6,141,991	i. Total (a. through h.)	10,191
	(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	7,865,614	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor vehicle registrations	287,792	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	594,495
f. Total (a. through e.)	287,792	g. Total (a. through f.)	594,495
4. Total (1. + 2. + 3.f)	8,153,406	3. Total (1. + 2.g)	
			(Carry forward to page 1)
		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		2,151,979	2,151,979
(2). Capacity Improvements		2,170,244	2,170,244
(3). System Preservation			0
(4). System Enhancement & Operation		59,916	59,916
(5). Total Construction (1) + (2) + (3) + (4)		0	4,382,139
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)		0	4,382,139
			(Carry forward to page 1)
<b>Notes and Comments:</b>			

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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.

**Board Designated Fund** - This fund is used to accumulate the County operating capital reserve as designated by the Board of County Commissioners.

## 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.

**Building Maintenance Administration Fund** – This fund is to account for funds obtained and disbursed to maintain County buildings.

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

### 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** 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** is used as a fund that accounts 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.

**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 2010, 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. Energy Conservation Equipment Lease purchase agreements with Citimortgage, Incorporated. Schedule 001 is in the amount of \$5,892,870 and Schedule 002 is in the amount of \$4,635,335. Both schedules were entered into in 2005 and mature in 2019.
3. 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.
4. 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.
5. 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 maturing in 2018.

**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 the Arapahoe County Government.

**Arapahoe County, Colorado  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2010**

Nonmajor Special Revenue

	Electronic Filing	Cash-In-Lieu	Law Enforc. Authority	Arapahoe/Doug. Works!
<b>Assets</b>				
Cash and investments	\$ 569,703	\$ 392,535	\$ 8,261,423	\$ -
Restricted cash and investments	-	-	-	-
Accounts receivable	556	-	110,224	1,414,971
Taxes receivable	-	-	5,193,806	-
Prepaid items	-	-	-	742
Inventories	-	-	-	-
<b>Total assets</b>	<b>\$ 570,259</b>	<b>\$ 392,535</b>	<b>\$ 13,565,453</b>	<b>\$ 1,415,713</b>
<b>Liabilities and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	-	-	64,863	21,028
Accrued expenditures	-	-	157,246	114,253
Due to other funds	-	-	-	1,017,835
Deferred revenues	-	-	5,193,806	262,597
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>5,415,915</b>	<b>1,415,713</b>
<b>Fund balances</b>				
Reserved for prepaid items	-	-	-	-
Reserved for encumbrances	507,701	-	21,711	-
Reserved for inventories	-	-	-	-
Reserved for TABOR	-	-	196,851	-
Reserved for debt service	-	-	-	-
Unreserved - designated for:				
Subsequent year's expenditures	62,558	52,680	-	-
Unreserved, undesignated	-	339,855	7,930,976	-
<b>Total fund balances</b>	<b>570,259</b>	<b>392,535</b>	<b>8,149,538</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 570,259</b>	<b>\$ 392,535</b>	<b>\$ 13,565,453</b>	<b>\$ 1,415,713</b>

Nonmajor Special Revenue

Road and Bridge	Conservation Trust	Contingent	Comm. Network Replacement	Sheriff's Commissary	Community Development
\$ 5,046,296	\$ 531,882	\$ 713,106	\$ 347,545	\$ 864,386	\$ 92
-	-	-	-	-	-
990,078	-	-	33,405	27,546	109,409
5,692,226	-	-	-	-	-
4,474	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 11,733,074</u>	<u>\$ 531,882</u>	<u>\$ 713,106</u>	<u>\$ 380,950</u>	<u>\$ 891,932</u>	<u>\$ 109,501</u>
\$ 476,032	\$ -	\$ -	\$ 1,977	\$ 147,392	\$ 92,969
40,034	-	-	-	10,268	7,110
-	-	-	-	-	-
5,692,226	-	-	-	-	9,422
<u>6,208,292</u>	<u>-</u>	<u>-</u>	<u>1,977</u>	<u>157,660</u>	<u>109,501</u>
4,474	-	-	-	-	-
673,861	-	-	-	3,061	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
33,668	531,882	-	378,973	81,423	-
4,812,779	-	713,106	-	649,788	-
<u>5,524,782</u>	<u>531,882</u>	<u>713,106</u>	<u>378,973</u>	<u>734,272</u>	<u>-</u>
<u>\$ 11,733,074</u>	<u>\$ 531,882</u>	<u>\$ 713,106</u>	<u>\$ 380,950</u>	<u>\$ 891,932</u>	<u>\$ 109,501</u>

(continued)

**Arapahoe County, Colorado**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds (continued)**  
**December 31, 2010**

Nonmajor Special Revenue

	Forfeited Property	Board Designated	Developmental Disability	Grants
<b>Assets</b>				
Cash and investments	\$ 57,120	\$ 16,921,280	\$ 126,313	\$ 356,303
Restricted cash and investments	-	-	-	-
Accounts receivable	3,028	-	-	731,600
Taxes receivable	-	-	7,705,969	-
Prepaid items	-	-	-	392
Inventories	-	-	-	67,357
<b>Total assets</b>	<b>\$ 60,148</b>	<b>\$ 16,921,280</b>	<b>\$ 7,832,282</b>	<b>\$ 1,155,652</b>
<b>Liabilities and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	-	-	122,391	647,067
Accrued expenditures	-	-	-	41,978
Due to other funds	-	-	-	-
Deferred revenues	-	-	7,705,969	408,005
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>7,828,360</b>	<b>1,097,050</b>
<b>Fund balances</b>				
Reserved for prepaid items	-	-	-	392
Reserved for encumbrances	-	-	-	-
Reserved for inventories	-	-	-	58,210
Reserved for TABOR	-	5,368,913	-	-
Reserved for debt service	-	-	-	-
Unreserved - designated for:				
Subsequent year's expenditures	60,148	-	3,922	-
Unreserved, undesignated	-	11,552,367	-	-
<b>Total fund balances</b>	<b>60,148</b>	<b>16,921,280</b>	<b>3,922</b>	<b>58,602</b>
<b>Total liabilities and fund balances</b>	<b>\$ 60,148</b>	<b>\$ 16,921,280</b>	<b>\$ 7,832,282</b>	<b>\$ 1,155,652</b>

Nonmajor Special Revenue

Nonmajor Capital Projects

Nonmajor Special Revenue				Nonmajor Capital Projects	
Homeland Security Grant	Building Maintenance Administration	Fairgrounds	Total	Capital Expenditure	Infrastructure
\$ -	\$ 1,521,630	\$ 135,650	\$ 35,845,264	\$ 10,770,646	\$ 24,056,758
-	-	-	-	545,998	774,582
1,464,461	2,078	-	4,887,356	-	15,617
-	-	-	18,592,001	4,466,443	-
-	-	-	5,608	-	-
-	-	-	67,357	-	-
<u>\$ 1,464,461</u>	<u>\$ 1,523,708</u>	<u>\$ 135,650</u>	<u>\$ 59,397,586</u>	<u>\$ 15,783,087</u>	<u>\$ 24,846,957</u>
\$ 137,234	\$ 197,927	\$ 16	\$ 1,908,896	\$ 361,007	\$ 737,323
-	-	-	370,889	-	-
989,560	-	-	2,007,395	-	-
337,667	-	-	19,609,692	4,466,443	547,346
<u>1,464,461</u>	<u>197,927</u>	<u>16</u>	<u>23,896,872</u>	<u>4,827,450</u>	<u>1,284,669</u>
-	-	-	4,866	-	-
-	17,942	-	1,224,276	350,732	11,309,534
-	-	-	58,210	-	-
-	-	-	5,565,764	-	-
-	-	-	-	-	-
-	139,471	52,641	1,397,366	9,343,300	9,432,387
-	1,168,368	82,993	27,250,232	1,261,605	2,820,367
-	<u>1,325,781</u>	<u>135,634</u>	<u>35,500,714</u>	<u>10,955,637</u>	<u>23,562,288</u>
<u>\$ 1,464,461</u>	<u>\$ 1,523,708</u>	<u>\$ 135,650</u>	<u>\$ 59,397,586</u>	<u>\$ 15,783,087</u>	<u>\$ 24,846,957</u>

(continued)

**Arapahoe County, Colorado**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds (continued)**  
**December 31, 2010**

	Nonmajor Capital Projects		Nonmajor Debt Service	
	Arap. County Rec. District	Total	Equipment Lease Purchase	Arap. County Building Finance Corp.
<b>Assets</b>				
Cash and investments	\$ 1,427,351	\$ 36,254,755	\$ 61,395	\$ 75,953
Restricted cash and investments	-	1,320,580	-	1,592,597
Accounts receivable	-	15,617	-	-
Taxes receivable	830,901	5,297,344	-	-
Prepaid items	-	-	-	-
Inventories	-	-	-	-
<b>Total assets</b>	<b>\$ 2,258,252</b>	<b>\$ 42,888,296</b>	<b>\$ 61,395</b>	<b>\$ 1,668,550</b>
<b>Liabilities and fund balances</b>				
Liabilities				
Accounts payable	\$ 799	\$ 1,099,129	\$ -	\$ 2,608
Accrued expenditures	5,809	5,809	-	-
Due to other funds	-	-	-	-
Deferred revenues	830,901	5,844,690	-	-
<b>Total liabilities</b>	<b>837,509</b>	<b>6,949,628</b>	<b>-</b>	<b>2,608</b>
Fund balances				
Reserved for prepaid items	-	-	-	-
Reserved for encumbrances	-	11,660,266	-	-
Reserved for inventories	-	-	-	-
Reserved for TABOR	33,885	33,885	-	-
Reserved for debt service	-	-	61,395	1,665,942
Unreserved - designated for:				
Subsequent year's expenditures	-	18,775,687	-	-
Unreserved, undesignated	1,386,858	5,468,830	-	-
<b>Total fund balances</b>	<b>1,420,743</b>	<b>35,938,668</b>	<b>61,395</b>	<b>1,665,942</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,258,252</b>	<b>\$ 42,888,296</b>	<b>\$ 61,395</b>	<b>\$ 1,668,550</b>

		Total	
		Total	Nonmajor Governmental
\$	137,348	\$	72,237,367
	1,592,597		2,913,177
	-		4,902,973
	-		23,889,345
	-		5,608
	-		67,357
\$	1,729,945	\$	104,015,827
<hr/>			
\$	2,608	\$	3,010,633
	-		376,698
	-		2,007,395
	-		25,454,382
	2,608		30,849,108
<hr/>			
	-		4,866
	-		12,884,542
	-		58,210
	-		5,599,649
	1,727,337		1,727,337
	-		20,173,053
	-		32,719,062
	1,727,337		73,166,719
\$	1,729,945	\$	104,015,827

**Arapahoe County, Colorado**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2010**

Nonmajor Special Revenue

	Electronic Filing	Cash-In-Lieu	Law Enforc. Authority	Arapahoe/Doug. Works!
<b>Revenues</b>				
Taxes				
Property taxes	\$ -	\$ -	\$ 5,305,800	\$ -
Other taxes	-	-	349,747	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	39,198	10,157,751
Charges for services	130,821	52,680	227,817	92,413
Fines	-	-	1,153,439	-
Investment earnings	-	-	-	-
Interfund revenues and rentals	-	-	-	48,890
Interest on loan to component unit	-	-	-	-
Miscellaneous	-	-	62	11,875
Total revenue	<u>130,821</u>	<u>52,680</u>	<u>7,076,063</u>	<u>10,310,929</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	52,742	-	-	-
Public safety	-	-	5,965,720	-
Health and welfare	-	-	-	10,313,335
Highways and streets	-	-	-	-
Airport	-	-	-	-
Culture and recreation	-	-	-	-
Total current	<u>52,742</u>	<u>-</u>	<u>5,965,720</u>	<u>10,313,335</u>
<b>Capital</b>				
General government	161,115	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Highways and streets	-	-	-	-
Total capital	<u>161,115</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>213,857</u>	<u>-</u>	<u>5,965,720</u>	<u>10,313,335</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(83,036)</u>	<u>52,680</u>	<u>1,110,343</u>	<u>(2,406)</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	2,744	2,406
Transfers out	-	-	(1,651,831)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,649,087)</u>	<u>2,406</u>
Net change in fund balance	(83,036)	52,680	(538,744)	-
Fund balance - beginning	653,295	339,855	8,688,282	-
Fund balance - ending	<u>\$ 570,259</u>	<u>\$ 392,535</u>	<u>\$ 8,149,538</u>	<u>\$ -</u>

Nonmajor Special Revenue

Road and Bridge	Conservation Trust	Contingent	Comm. Network Replacement	Sheriff's Commissary	Community Development
\$ 5,691,038	\$ -	\$ -	\$ -	\$ -	\$ -
375,558	-	-	-	-	-
321,460	-	-	-	-	-
7,875,806	478,713	-	70,550	-	1,376,912
4,050	-	-	-	1,362,672	-
-	7,886	-	-	-	35
-	-	-	-	-	-
-	-	-	-	-	-
33,014	-	-	-	591	121,414
<u>14,300,926</u>	<u>486,599</u>	<u>-</u>	<u>70,550</u>	<u>1,363,263</u>	<u>1,498,361</u>
-	-	-	50,959	-	-
-	-	-	-	1,982,279	-
14,689,912	-	-	-	-	1,528,440
-	-	-	-	-	-
<u>14,689,912</u>	<u>-</u>	<u>-</u>	<u>50,959</u>	<u>1,982,279</u>	<u>1,528,440</u>
-	-	-	39,610	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	39,610	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>14,689,912</u>	<u>-</u>	<u>-</u>	<u>90,569</u>	<u>1,982,279</u>	<u>1,528,440</u>
(388,986)	486,599	-	(20,019)	(619,016)	(30,079)
2,579	-	-	30,775	145	30,079
(43,552)	(381,367)	-	-	(205)	-
<u>(40,973)</u>	<u>(381,367)</u>	<u>-</u>	<u>30,775</u>	<u>(60)</u>	<u>30,079</u>
(429,959)	105,232	-	10,756	(619,076)	-
5,954,741	426,650	713,106	368,217	1,353,348	-
<u>\$ 5,524,782</u>	<u>\$ 531,882</u>	<u>\$ 713,106</u>	<u>\$ 378,973</u>	<u>\$ 734,272</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, 2010**

	Nonmajor Special Revenue			
	Forfeited Property	Board Designated	Developmental Disability	Grant
<b>Revenues</b>				
Taxes				
Property taxes	\$ -	\$ -	\$ 7,742,463	\$ -
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	439	10,885,975
Charges for services	-	-	-	230,344
Fines	19,945	-	-	-
Investment earnings	1,924	-	-	-
Interfund revenues and rentals	-	-	-	-
Interest on loan to component unit	-	-	-	-
Miscellaneous	-	-	-	19,249
Total revenue	<u>21,869</u>	<u>-</u>	<u>7,742,902</u>	<u>11,135,568</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	-	-	-	13,183
Public safety	-	-	-	304,105
Health and welfare	-	-	7,742,902	10,722,265
Highways and streets	-	-	-	-
Airport	-	-	-	-
Culture and recreation	-	-	-	-
Total current	<u>-</u>	<u>-</u>	<u>7,742,902</u>	<u>11,039,553</u>
<b>Capital</b>				
General government	-	-	-	-
Public safety	11,000	-	-	54,446
Health and welfare	-	-	-	39,045
Highways and streets	-	-	-	-
Total capital	<u>11,000</u>	<u>-</u>	<u>-</u>	<u>93,491</u>
<b>Debt</b>				
Principal	-	-	-	-
Interest	-	-	-	-
Debt issuance costs	-	-	-	-
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>11,000</u>	<u>-</u>	<u>7,742,902</u>	<u>11,133,044</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,869</u>	<u>-</u>	<u>-</u>	<u>2,524</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	98,887	-	1,661
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>98,887</u>	<u>-</u>	<u>1,661</u>
Net change in fund balance	10,869	98,887	-	4,185
Fund balance - beginning	49,279	16,822,393	3,922	54,417
Fund balance - ending	<u>\$ 60,148</u>	<u>\$ 16,921,280</u>	<u>\$ 3,922</u>	<u>\$ 58,602</u>

Nonmajor Special Revenue				Nonmajor Capital	
Homeland Security Grant	Building Maintenance Administration	Fairgrounds	Total	Capital Expenditure	Infrastructure
\$ -	\$ -	\$ -	\$ 18,739,301	\$ 4,470,040	\$ -
-	-	-	725,305	294,861	-
-	-	-	321,460	-	-
2,009,046	-	-	32,894,390	-	3,411,567
-	-	394,835	2,495,632	-	-
-	-	-	1,173,384	-	-
-	-	-	9,845	44,257	159,116
-	-	-	48,890	-	-
-	-	-	-	-	-
-	-	13,587	199,792	8,074	244,528
<u>2,009,046</u>	<u>-</u>	<u>408,422</u>	<u>56,607,999</u>	<u>4,817,232</u>	<u>3,815,211</u>
-	1,918,873	333,968	2,369,725	217,226	-
2,009,134	-	-	10,261,238	-	-
-	-	-	30,306,942	-	-
-	-	-	14,689,912	-	3,477,316
-	-	-	-	-	-
<u>2,009,134</u>	<u>1,918,873</u>	<u>333,968</u>	<u>57,627,817</u>	<u>217,226</u>	<u>3,477,316</u>
-	-	-	200,725	10,496,040	-
-	-	-	65,446	95,318	-
-	-	-	39,045	-	-
-	-	-	-	-	4,432,548
<u>-</u>	<u>-</u>	<u>-</u>	<u>305,216</u>	<u>10,591,358</u>	<u>4,432,548</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,009,134</u>	<u>1,918,873</u>	<u>333,968</u>	<u>57,933,033</u>	<u>10,808,584</u>	<u>7,909,864</u>
(88)	(1,918,873)	74,454	(1,325,034)	(5,991,352)	(4,094,653)
88	2,100,000	61,180	2,330,544	3,665,532	2,100,000
-	(284,037)	(107,452)	(2,468,444)	(2,100,000)	-
<u>88</u>	<u>1,815,963</u>	<u>(46,272)</u>	<u>(137,900)</u>	<u>1,565,532</u>	<u>2,100,000</u>
-	(102,910)	28,182	(1,462,934)	(4,425,820)	(1,994,653)
-	1,428,691	107,452	36,963,648	15,381,457	25,556,941
<u>\$ -</u>	<u>\$ 1,325,781</u>	<u>\$ 135,634</u>	<u>\$ 35,500,714</u>	<u>\$ 10,955,637</u>	<u>\$ 23,562,288</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, 2010**

	Nonmajor Capital		Nonmajor Debt Service	
	Arap. County Rec. District	Total	Equipment Lease Purchase	Arap. County Building Finance Corp
<b>Revenues</b>				
Taxes				
Property taxes	\$ 806,990	\$ 5,277,030	\$ -	\$ -
Other taxes	53,732	348,593	-	-
Licenses and permits	-	-	-	-
Intergovernmental	292,692	3,704,259	-	-
Charges for services	54,373	54,373	-	-
Fines	-	-	-	-
Investment earnings	-	203,373	-	110,826
Interfund revenues and rentals	-	-	-	-
Interest on loan to component unit	-	-	-	1,595,759
Miscellaneous	1,660	254,262	-	-
Total revenue	1,209,447	9,841,890	-	1,706,585
<b>Expenditures</b>				
<b>Current</b>				
General government	-	217,226	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	4,419
Highways and streets	-	3,477,316	-	-
Airport	-	-	-	664
Culture and recreation	684,274	684,274	-	1,300
Total current	684,274	4,378,816	-	6,383
<b>Capital</b>				
General government	-	10,496,040	-	-
Public safety	-	95,318	-	-
Health and welfare	-	-	-	-
Highways and streets	-	4,432,548	-	-
Total capital	-	15,023,906	-	-
<b>Debt</b>				
Principal	-	-	1,534,246	4,200,000
Interest	-	-	682,451	2,288,212
Debt issuance costs	-	-	-	2,450
Total debt service	-	-	2,216,697	6,490,662
Total expenditures	684,274	19,402,722	2,216,697	6,497,045
Excess (deficiency) of revenues over (under) expenditures	525,173	(9,560,832)	(2,216,697)	(4,790,460)
<b>Other financing sources (uses)</b>				
Transfers in	218,722	5,984,254	2,217,404	4,826,900
Transfers out	(344,930)	(2,444,930)	-	(218,700)
Total other financing sources (uses)	(126,208)	3,539,324	2,217,404	4,608,200
Net change in fund balance	398,965	(6,021,508)	707	(182,260)
Fund balance - beginning	1,021,778	41,960,176	60,688	1,848,202
Fund balance - ending	\$ 1,420,743	\$ 35,938,668	\$ 61,395	\$ 1,665,942

	Total		Nonmajor Governmental
Total			
\$ -	\$ 24,016,331		
-	1,073,898		
-	321,460		
-	36,598,649		
-	2,550,005		
-	1,173,384		
110,826	324,044		
-	48,890		
1,595,759	1,595,759		
-	454,054		
<u>1,706,585</u>	<u>68,156,474</u>		
-	2,586,951		
-	10,261,238		
4,416	30,311,361		
-	18,167,228		
664	664		
1,300	685,574		
<u>6,380</u>	<u>62,013,016</u>		
-	10,696,765		
-	160,764		
-	39,045		
-	4,432,548		
<u>-</u>	<u>15,329,122</u>		
5,734,246	5,734,246		
2,970,663	2,970,663		
2,450	2,450		
<u>8,707,359</u>	<u>8,707,359</u>		
8,713,739	86,049,497		
<u>(7,007,154)</u>	<u>(17,893,023)</u>		
7,044,304	15,359,102		
(218,700)	(5,132,074)		
<u>6,825,604</u>	<u>10,227,028</u>		
(181,550)	(7,665,995)		
1,908,887	80,832,714		
<u>\$ 1,727,337</u>	<u>\$ 73,166,719</u>		

**Arapahoe County, Colorado**  
**Electronic Filing Technology**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
Revenues				
Charges for services	\$ 132,099	\$ 132,099	\$ 130,821	\$ (1,278)
Total revenue	<u>132,099</u>	<u>132,099</u>	<u>130,821</u>	<u>(1,278)</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	-	552,056	52,742	499,314
<b>Capital</b>				
General government	132,099	233,338	161,115	72,223
Total expenditures	<u>132,099</u>	<u>785,394</u>	<u>213,857</u>	<u>571,537</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(653,295)</u>	<u>(83,036)</u>	<u>570,259</u>
Fund balance - beginning	653,295	653,295	653,295	-
Fund balance - ending	<u>\$ 653,295</u>	<u>\$ -</u>	<u>\$ 570,259</u>	<u>\$ 570,259</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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
Revenues				
Charges for services	\$ -	\$ 52,680	\$ 52,680	\$ -
Total revenue	<u>-</u>	<u>52,680</u>	<u>52,680</u>	<u>-</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	166,788	390,945	-	390,945
Total expenditures	<u>166,788</u>	<u>390,945</u>	<u>-</u>	<u>390,945</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(166,788)</u>	<u>(338,265)</u>	<u>52,680</u>	<u>390,945</u>
Fund balance - beginning	<u>339,855</u>	<u>339,855</u>	<u>339,855</u>	<u>-</u>
Fund balance - ending	<u>\$ 173,067</u>	<u>\$ 1,590</u>	<u>\$ 392,535</u>	<u>\$ 390,945</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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Taxes				
Property taxes	\$ 5,393,390	\$ 5,393,390	\$ 5,305,800	\$ (87,590)
Other taxes	400,000	400,000	349,747	(50,253)
Intergovernmental	71,600	71,600	39,198	(32,402)
Charges for services	125,195	125,195	227,817	102,622
Fines	571,500	571,500	1,153,439	581,939
Miscellaneous	-	-	62	62
Total revenue	<u>6,561,685</u>	<u>6,561,685</u>	<u>7,076,063</u>	<u>514,378</u>
<b>Expenditures</b>				
<b>Current</b>				
Public safety	6,168,056	6,180,564	5,965,720	214,844
Total expenditures	<u>6,168,056</u>	<u>6,180,564</u>	<u>5,965,720</u>	<u>214,844</u>
Excess (deficiency) of revenues over (under) expenditures	<u>393,629</u>	<u>381,121</u>	<u>1,110,343</u>	<u>729,222</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	2,744	2,744	-
Transfers out	(51,831)	(1,651,831)	(1,651,831)	-
Total other financing sources (uses)	<u>(51,831)</u>	<u>(1,649,087)</u>	<u>(1,649,087)</u>	<u>-</u>
Net change in fund balance	341,798	(1,267,966)	(538,744)	729,222
Fund balance - beginning	8,688,282	8,688,282	8,688,282	-
Fund balance - ending	<u>\$ 9,030,080</u>	<u>\$ 7,420,316</u>	<u>\$ 8,149,538</u>	<u>\$ 729,222</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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Intergovernmental	\$ 12,416,039	\$ 13,146,629	\$ 10,157,751	\$ (2,988,878)
Charges for services	775,000	775,000	92,413	(682,587)
Interfund revenues and rentals	65,000	65,000	48,890	(16,110)
Miscellaneous	26,000	26,000	11,875	(14,125)
Total revenue	<u>13,282,039</u>	<u>14,012,629</u>	<u>10,310,929</u>	<u>(3,701,700)</u>
<b>Expenditures</b>				
<b>Current</b>				
Health and welfare	13,279,723	14,012,719	10,313,335	3,699,384
Total expenditures	<u>13,279,723</u>	<u>14,012,719</u>	<u>10,313,335</u>	<u>3,699,384</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,316</u>	<u>(90)</u>	<u>(2,406)</u>	<u>(2,316)</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	2,406	2,406	-
Transfers out	(2,316)	(2,316)	-	2,316
Total other financing sources (uses)	<u>(2,316)</u>	<u>90</u>	<u>2,406</u>	<u>2,316</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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Taxes				
Property taxes	\$ 5,774,175	\$ 5,774,175	\$ 5,691,038	\$ (83,137)
Other taxes	518,000	518,000	375,558	(142,442)
Licenses and permits	255,000	287,000	321,460	34,460
Intergovernmental	8,105,000	8,105,000	7,875,806	(229,194)
Charges for services	-	-	4,050	4,050
Miscellaneous	50,000	50,000	33,014	(16,986)
Total revenue	<u>14,702,175</u>	<u>14,734,175</u>	<u>14,300,926</u>	<u>(433,249)</u>
<b>Expenditures</b>				
<b>Current</b>				
Highways and streets	14,881,627	15,740,110	14,689,912	1,050,198
Total expenditures	<u>14,881,627</u>	<u>15,740,110</u>	<u>14,689,912</u>	<u>1,050,198</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(179,452)</u>	<u>(1,005,935)</u>	<u>(388,986)</u>	<u>616,949</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	2,579	2,579	-
Transfers out	(43,552)	(43,552)	(43,552)	-
Total other financing sources (uses)	<u>(43,552)</u>	<u>(40,973)</u>	<u>(40,973)</u>	<u>-</u>
Net change in fund balance	<u>(223,004)</u>	<u>(1,046,908)</u>	<u>(429,959)</u>	<u>616,949</u>
Fund balance - beginning	5,954,741	5,954,741	5,954,741	-
Fund balance - ending	<u>\$ 5,731,737</u>	<u>\$ 4,907,833</u>	<u>\$ 5,524,782</u>	<u>\$ 616,949</u>

**Arapahoe County, Colorado  
Conservation Trust  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive/(Negative)
<b>Revenues</b>				
Intergovernmental	\$ 510,000	\$ 510,000	\$ 478,713	\$ (31,287)
Investment earnings	-	-	7,886	7,886
Total revenue	<u>510,000</u>	<u>510,000</u>	<u>486,599</u>	<u>(23,401)</u>
<b>Expenditures</b>				
<b>Capital</b>				
Culture and recreation	-	426,650	-	426,650
Total expenditures	<u>-</u>	<u>426,650</u>	<u>-</u>	<u>426,650</u>
Excess (deficiency) of revenues over (under) expenditures	<u>510,000</u>	<u>83,350</u>	<u>486,599</u>	<u>403,249</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	128,633	(298,017)	105,232	403,249
Fund balance - beginning	426,650	426,650	426,650	-
Fund balance - ending	<u>\$ 555,283</u>	<u>\$ 128,633</u>	<u>\$ 531,882</u>	<u>\$ 403,249</u>

**Arapahoe County, Colorado**  
**Contingent**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2010**

	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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Intergovernmental	\$ 53,150	\$ 53,150	\$ 70,550	\$ 17,400
Total revenue	<u>53,150</u>	<u>53,150</u>	<u>70,550</u>	<u>17,400</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	83,925	452,142	50,959	401,183
<b>Capital</b>				
General government	-	-	39,610	(39,610)
Total expenditures	<u>83,925</u>	<u>452,142</u>	<u>90,569</u>	<u>361,573</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(30,775)</u>	<u>(398,992)</u>	<u>(20,019)</u>	<u>378,973</u>
<b>Other financing sources (uses)</b>				
Transfers in	30,775	30,775	30,775	-
Total other financing sources (uses)	<u>30,775</u>	<u>30,775</u>	<u>30,775</u>	<u>-</u>
Net change in fund balance	-	(368,217)	10,756	378,973
Fund balance - beginning	368,217	368,217	368,217	-
Fund balance - ending	<u>\$ 368,217</u>	<u>\$ -</u>	<u>\$ 378,973</u>	<u>\$ 378,973</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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Charges for services	\$ 1,353,900	\$ 1,353,900	\$ 1,362,672	\$ 8,772
Miscellaneous	-	-	591	591
Total revenue	<u>1,353,900</u>	<u>1,353,900</u>	<u>1,363,263</u>	<u>9,363</u>
<b>Expenditures</b>				
<b>Current</b>				
Public safety	2,008,628	2,707,188	1,982,279	724,909
Total expenditures	<u>2,008,628</u>	<u>2,707,188</u>	<u>1,982,279</u>	<u>724,909</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(654,728)</u>	<u>(1,353,288)</u>	<u>(619,016)</u>	<u>734,272</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	145	145	-
Transfers out	(205)	(205)	(205)	-
Total other financing sources (uses)	<u>(205)</u>	<u>(60)</u>	<u>(60)</u>	<u>-</u>
Net change in fund balance	<u>(654,933)</u>	<u>(1,353,348)</u>	<u>(619,076)</u>	<u>734,272</u>
Fund balance - beginning	1,353,348	1,353,348	1,353,348	-
Fund balance - ending	<u>\$ 698,415</u>	<u>\$ -</u>	<u>\$ 734,272</u>	<u>\$ 734,272</u>

**Arapahoe County, Colorado  
Community Development  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Intergovernmental	\$ 4,651,786	\$ 4,651,786	\$ 1,376,912	\$ (3,274,874)
Investment earnings	-	-	35	35
Miscellaneous	160,000	160,000	121,414	(38,586)
Total revenue	<u>4,811,786</u>	<u>4,811,786</u>	<u>1,498,361</u>	<u>(3,313,425)</u>
<b>Expenditures</b>				
<b>Current</b>				
Health and welfare	4,841,786	4,841,865	1,528,440	3,313,425
Total expenditures	<u>4,841,786</u>	<u>4,841,865</u>	<u>1,528,440</u>	<u>3,313,425</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(30,000)</u>	<u>(30,079)</u>	<u>(30,079)</u>	<u>-</u>
<b>Other financing sources (uses)</b>				
Transfers in	30,000	30,079	30,079	-
Total other financing sources (uses)	<u>30,000</u>	<u>30,079</u>	<u>30,079</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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Fines	\$ -	\$ -	\$ 19,945	\$ 19,945
Investment earnings	-	-	1,924	1,924
Total revenue	<u>-</u>	<u>-</u>	<u>21,869</u>	<u>21,869</u>
<b>Expenditures</b>				
<b>Current</b>				
Public safety	-	49,279	-	49,279
<b>Capital</b>				
Public safety	-	-	11,000	(11,000)
Total expenditures	<u>-</u>	<u>49,279</u>	<u>11,000</u>	<u>38,279</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(49,279)</u>	<u>10,869</u>	<u>60,148</u>
Fund balance - beginning	49,279	49,279	49,279	-
Fund balance - ending	<u>\$ 49,279</u>	<u>\$ -</u>	<u>\$ 60,148</u>	<u>\$ 60,148</u>

**Arapahoe County, Colorado**  
**Board Designated**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2010**

	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	-	-	-	-
<b>Other financing sources (uses)</b>				
Transfers in	98,887	98,887	98,887	-
Total other financing sources (uses)	98,887	98,887	98,887	-
Net change in fund balance	98,887	98,887	98,887	-
Fund balance - beginning	16,822,393	16,822,393	16,822,393	-
Fund balance - ending	\$ 16,921,280	\$ 16,921,280	\$ 16,921,280	\$ -

**Arapahoe County, Colorado**  
**Developmental Disability**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Taxes				
Property taxes	\$ 7,851,311	\$ 7,851,311	\$ 7,742,463	\$ (108,848)
Intergovernmental	-	-	439	439
Total revenue	<u>7,851,311</u>	<u>7,851,311</u>	<u>7,742,902</u>	<u>(108,409)</u>
<b>Expenditures</b>				
<b>Current</b>				
Health and welfare	7,851,311	7,855,233	7,742,902	112,331
Total expenditures	<u>7,851,311</u>	<u>7,855,233</u>	<u>7,742,902</u>	<u>112,331</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(3,922)</u>	<u>-</u>	<u>3,922</u>
Fund balance - beginning	3,922	3,922	3,922	-
Fund balance - ending	<u>\$ 3,922</u>	<u>\$ -</u>	<u>\$ 3,922</u>	<u>\$ 3,922</u>

**Arapahoe County, Colorado**  
**Grants**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
				Positive/(Negative)
<b>Revenues</b>				
Intergovernmental	\$ 13,280,152	\$ 15,232,400	\$ 10,885,975	\$ (4,346,425)
Charges for services	175,000	175,000	230,344	55,344
Miscellaneous	-	94,849	19,249	(75,600)
<b>Total revenue</b>	<u>13,455,152</u>	<u>15,502,249</u>	<u>11,135,568</u>	<u>(4,366,681)</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	-	383,000	13,183	369,817
Public safety	-	359,997	304,105	55,892
Health and welfare	13,402,135	14,358,943	10,722,265	3,636,678
<b>Capital</b>				
General government	-	250,000	-	250,000
Public safety	-	67,500	54,446	13,054
Health and welfare	57,560	89,013	39,045	49,968
<b>Total expenditures</b>	<u>13,459,695</u>	<u>15,508,453</u>	<u>11,133,044</u>	<u>4,375,409</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,543)</u>	<u>(6,204)</u>	<u>2,524</u>	<u>8,728</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	1,661	1,661	-
Transfers out	(1,457)	(1,457)	-	1,457
<b>Total other financing sources (uses)</b>	<u>(1,457)</u>	<u>204</u>	<u>1,661</u>	<u>1,457</u>
<b>Net change in fund balance</b>	<u>(6,000)</u>	<u>(6,000)</u>	<u>4,185</u>	<u>10,185</u>
Fund balance - beginning	54,417	54,417	54,417	-
Fund balance - ending	<u>\$ 48,417</u>	<u>\$ 48,417</u>	<u>\$ 58,602</u>	<u>\$ 10,185</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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 6,399,949	\$ 2,009,046	\$ (4,390,903)
Total revenue	-	6,399,949	2,009,046	(4,390,903)
<b>Expenditures</b>				
<b>Current</b>				
Public safety	-	6,400,037	2,009,134	4,390,903
Total expenditures	-	6,400,037	2,009,134	4,390,903
Excess (deficiency) of revenues over (under) expenditures	-	(88)	(88)	-
<b>Other financing sources (uses)</b>				
Transfers in	-	88	88	-
Total other financing sources (uses)	-	88	88	-
Net change in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

**Arapahoe County, Colorado**  
**Building Maintenance Administration**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Total revenue	-	-	-	-
<b>Expenditures</b>				
<b>Current</b>				
General government	1,879,094	2,243,941	1,918,873	325,068
Total expenditures	1,879,094	2,243,941	1,918,873	325,068
Excess (deficiency) of revenues over (under) expenditures	(1,879,094)	(2,243,941)	(1,918,873)	325,068
<b>Other financing sources (uses)</b>				
Transfers in	2,100,000	2,100,000	2,100,000	-
Transfers out	(284,037)	(284,037)	(284,037)	-
Total other financing sources (uses)	1,815,963	1,815,963	1,815,963	-
Net change in fund balance	(63,131)	(427,978)	(102,910)	325,068
Fund balance - beginning	1,428,691	1,428,691	1,428,691	-
Fund balance - ending	\$ 1,365,560	\$ 1,000,713	\$ 1,325,781	\$ 325,068

**Arapahoe County, Colorado**  
**Fairgrounds**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Charges for services	\$ 356,000	\$ 356,000	\$ 394,835	\$ 38,835
Miscellaneous	4,600	4,600	13,587	8,987
Total revenue	<u>360,600</u>	<u>360,600</u>	<u>408,422</u>	<u>47,822</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	359,525	380,705	333,968	46,737
Total expenditures	<u>359,525</u>	<u>380,705</u>	<u>333,968</u>	<u>46,737</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,075</u>	<u>(20,105)</u>	<u>74,454</u>	<u>94,559</u>
<b>Other financing sources (uses)</b>				
Transfers in	40,000	61,180	61,180	-
Transfers out	-	(107,452)	(107,452)	-
Total other financing sources (uses)	<u>40,000</u>	<u>(46,272)</u>	<u>(46,272)</u>	<u>-</u>
Net change in fund balance	41,075	(66,377)	28,182	94,559
Fund balance - beginning	107,452	107,452	107,452	-
Fund balance - ending	<u>\$ 148,527</u>	<u>\$ 41,075</u>	<u>\$ 135,634</u>	<u>\$ 94,559</u>

**Arapahoe County, Colorado**  
**Capital Expenditure**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Taxes				
Property taxes	\$ 4,533,507	\$ 4,533,507	\$ 4,470,040	\$ (63,467)
Other taxes	375,000	375,000	294,861	(80,139)
Investment earnings	-	-	44,257	44,257
Miscellaneous	-	-	8,074	8,074
Total revenue	<u>4,908,507</u>	<u>4,908,507</u>	<u>4,817,232</u>	<u>(91,275)</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	160,593	443,286	217,226	226,060
<b>Capital</b>				
General government	3,897,183	18,450,074	10,496,040	7,954,034
Public safety	102,000	2,559,444	95,318	2,464,126
Total expenditures	<u>4,159,776</u>	<u>21,452,804</u>	<u>10,808,584</u>	<u>10,644,220</u>
Excess (deficiency) of revenues over (under) expenditures	<u>748,731</u>	<u>(16,544,297)</u>	<u>(5,991,352)</u>	<u>10,552,945</u>
<b>Other financing sources (uses)</b>				
Transfers in	1,351,269	3,665,532	3,665,532	-
Transfers out	(2,100,000)	(2,100,000)	(2,100,000)	-
Total other financing sources (uses)	<u>(748,731)</u>	<u>1,565,532</u>	<u>1,565,532</u>	<u>-</u>
Net change in fund balance	-	(14,978,765)	(4,425,820)	10,552,945
Fund balance - beginning	15,381,457	15,381,457	15,381,457	-
Fund balance - ending	<u>\$ 15,381,457</u>	<u>\$ 402,692</u>	<u>\$ 10,955,637</u>	<u>\$ 10,552,945</u>

**Arapahoe County, Colorado  
Infrastructure  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive/(Negative)
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 528,479	\$ 3,411,567	\$ 2,883,088
Investment earnings	-	-	159,116	159,116
Miscellaneous	-	1,888,056	244,528	(1,643,528)
Total revenue	<u>-</u>	<u>2,416,535</u>	<u>3,815,211</u>	<u>1,398,676</u>
<b>Expenditures</b>				
<b>Current</b>				
Highways and streets	-	21,436,284	3,477,316	17,958,968
<b>Capital</b>				
Highways and streets	2,100,000	6,300,000	4,432,548	1,867,452
Total expenditures	<u>2,100,000</u>	<u>27,736,284</u>	<u>7,909,864</u>	<u>19,826,420</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,100,000)</u>	<u>(25,319,749)</u>	<u>(4,094,653)</u>	<u>21,225,096</u>
<b>Other financing sources (uses)</b>				
Transfers in	2,100,000	2,100,000	2,100,000	-
Total other financing sources (uses)	<u>2,100,000</u>	<u>2,100,000</u>	<u>2,100,000</u>	<u>-</u>
Net change in fund balance	-	(23,219,749)	(1,994,653)	21,225,096
Fund balance - beginning	25,556,941	25,556,941	25,556,941	-
Fund balance - ending	<u>\$ 25,556,946</u>	<u>\$ 2,337,192</u>	<u>\$ 23,562,288</u>	<u>\$ 21,225,096</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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Taxes				
Property taxes	\$ 829,708	\$ 829,708	\$ 806,990	\$ (22,718)
Other taxes	63,000	63,000	53,732	(9,268)
Intergovernmental	210,300	210,300	292,692	82,392
Charges for services	26,500	26,500	54,373	27,873
Miscellaneous	-	-	1,660	1,660
Total revenue	<u>1,129,508</u>	<u>1,129,508</u>	<u>1,209,447</u>	<u>79,939</u>
<b>Expenditures</b>				
<b>Current</b>				
Culture and recreation	881,318	895,474	684,274	211,200
<b>Capital</b>				
Culture and recreation	70,000	70,000	-	70,000
Total expenditures	<u>951,318</u>	<u>965,474</u>	<u>684,274</u>	<u>281,200</u>
Excess (deficiency) of revenues over (under) expenditures	<u>178,190</u>	<u>164,034</u>	<u>525,173</u>	<u>361,139</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	218,722	218,722	-
Transfers out	(344,930)	(344,930)	(344,930)	-
Total other financing sources (uses)	<u>(344,930)</u>	<u>(126,208)</u>	<u>(126,208)</u>	<u>-</u>
Net change in fund balance	<u>(166,740)</u>	<u>37,826</u>	<u>398,965</u>	<u>361,139</u>
Fund balance - beginning	<u>1,021,778</u>	<u>1,021,778</u>	<u>1,021,778</u>	<u>-</u>
Fund balance - ending	<u>\$ 855,038</u>	<u>\$ 1,059,604</u>	<u>\$ 1,420,743</u>	<u>\$ 361,139</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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Taxes				
Property taxes	\$ 6,072,204	\$ 6,072,204	\$ 5,933,156	\$ (139,048)
Other taxes	430,000	430,000	393,386	(36,614)
Intergovernmental	-	-	156,212	156,212
Investment earnings	115,000	115,000	94,522	(20,478)
Total revenue	<u>6,617,204</u>	<u>6,617,204</u>	<u>6,577,276</u>	<u>(39,928)</u>
<b>Expenditures</b>				
<b>Current</b>				
Water and wastewater	92,383	4,091,322	602,474	3,488,848
<b>Capital</b>				
Water and wastewater	-	56,652,175	52,335,942	4,316,233
<b>Debt</b>				
Principal	825,240	825,240	825,240	-
Interest	5,044,076	5,044,076	7,148,969	(2,104,893)
Debt issuance costs	129,400	129,400	-	129,400
Total expenditures	<u>6,091,099</u>	<u>66,742,213</u>	<u>60,912,625</u>	<u>5,829,588</u>
Excess (deficiency) of revenues over (under) expenditures	<u>526,105</u>	<u>(60,125,009)</u>	<u>(54,335,349)</u>	<u>5,789,660</u>
Net change in fund balance	526,105	(60,125,009)	(54,335,349)	5,789,660
Fund balance - beginning	61,461,928	61,461,928	61,461,928	-
Fund balance - ending	<u>\$ 61,988,033</u>	<u>\$ 1,336,919</u>	<u>\$ 7,126,579</u>	<u>\$ 5,789,660</u>

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

**Arapahoe County, Colorado  
Equipment Lease Purchase  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Total revenue	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>				
<b>Current</b>				
Culture and recreation	650	650	-	650
<b>Debt</b>				
Principal	1,534,247	1,534,247	1,534,246	1
Interest	682,507	682,507	682,451	56
Total expenditures	2,217,404	2,217,404	2,216,697	707
Excess (deficiency) of revenues over (under) expenditures	(2,217,404)	(2,217,404)	(2,216,697)	707
<b>Other financing sources (uses)</b>				
Transfers in	2,217,404	2,217,404	2,217,404	-
Total other financing sources (uses)	2,217,404	2,217,404	2,217,404	-
Net change in fund balance	-	-	707	707
Fund balance - beginning	60,688	60,688	60,688	-
Fund balance - ending	\$ 60,688	\$ 60,688	\$ 61,395	\$ 707

**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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
<b>Revenues</b>				
Investment earnings	\$ 70,000	\$ 70,000	\$ 110,826	\$ 40,826
Interest on loan to component unit	1,600,000	1,600,000	1,595,759	(4,241)
Total revenue	<u>1,670,000</u>	<u>1,670,000</u>	<u>1,706,585</u>	<u>36,585</u>
<b>Expenditures</b>				
<b>Current</b>				
Health and welfare	2,000	6,000	4,419	1,581
Airport	650	650	664	(14)
Culture and recreation	650	650	1,300	(650)
<b>Debt</b>				
Principal	4,200,000	4,200,000	4,200,000	-
Interest	2,288,213	2,288,213	2,288,212	1
Debt issuance costs	3,000	5,000	2,450	2,550
Total expenditures	<u>6,494,513</u>	<u>6,500,513</u>	<u>6,497,045</u>	<u>3,468</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,824,513)</u>	<u>(4,830,513)</u>	<u>(4,790,460)</u>	<u>40,053</u>
<b>Other financing sources (uses)</b>				
Transfers in	4,820,900	4,826,900	4,826,900	-
Transfers out	-	(218,700)	(218,700)	-
Total other financing sources (uses)	<u>4,820,900</u>	<u>4,608,200</u>	<u>4,608,200</u>	<u>-</u>
Net change in fund balance	<u>(3,613)</u>	<u>(222,313)</u>	<u>(182,260)</u>	<u>40,053</u>
Fund balance - beginning	1,848,202	1,848,202	1,848,202	-
Fund balance - ending	<u>\$ 1,844,589</u>	<u>\$ 1,625,889</u>	<u>\$ 1,665,942</u>	<u>\$ 40,053</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, 2010**

	Governmental Activities - Internal Service Funds			
	Central Service	Self Insurance Liability	Employee Flex Benefit	Worker's Compensation
<b>Assets</b>				
Current assets:				
Cash and investments	\$ 17,472,674	\$ 2,563,463	\$ 107,473	\$ 2,309,855
Accounts receivable	19,391	-	78,000	-
Inventory	378,777	-	-	-
Total current assets	<u>17,870,842</u>	<u>2,563,463</u>	<u>185,473</u>	<u>2,309,855</u>
Noncurrent assets:				
Capital assets:				
Vehicles and equipment	29,123,736	-	-	-
Computer systems	10,410,644	-	-	-
Furniture and office equipment	107,751	-	-	-
Less: accumulated depreciation	<u>(32,509,008)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total noncurrent assets (net of accum. dep.)	<u>7,133,123</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>25,003,965</u>	<u>2,563,463</u>	<u>185,473</u>	<u>2,309,855</u>
<b>Liabilities</b>				
Current liabilities				
Accounts payable	106,557	11,098	58,482	46,772
Estimated claims payable	-	235,000	-	311,000
Flex benefits payable	-	-	32,058	-
Noncurrent claims payable	-	541,000	-	1,788,000
Total liabilities	<u>106,557</u>	<u>787,098</u>	<u>90,540</u>	<u>2,145,772</u>
<b>Net assets</b>				
Invested in capital assets	7,133,123	-	-	-
Unrestricted	17,764,285	1,776,365	94,933	164,083
Total net assets	<u>\$ 24,897,408</u>	<u>\$ 1,776,365</u>	<u>\$ 94,933</u>	<u>\$ 164,083</u>

Self Insurance Dental	Total
\$ 1,573,302	\$ 24,026,767
9,800	107,191
-	378,777
<u>1,583,102</u>	<u>24,512,735</u>
-	29,123,736
-	10,410,644
-	107,751
-	<u>(32,509,008)</u>
-	7,133,123
<u>1,583,102</u>	<u>31,645,858</u>
57,915	280,824
57,000	603,000
-	32,058
-	2,329,000
<u>114,915</u>	<u>3,244,882</u>
-	7,133,123
1,468,187	21,267,853
<u>\$ 1,468,187</u>	<u>\$ 28,400,976</u>

**Arapahoe County Government**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended December 31, 2010**

	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	\$ 5,167,472	\$ 354,448	\$ 967,720	\$ 1,334,240
Total operating revenue	<u>5,167,472</u>	<u>354,448</u>	<u>967,720</u>	<u>1,334,240</u>
<b>Operating expenses</b>				
Cost of sales and services	1,046,714	572,840	998,323	1,180,027
Administration	81	10,691	-	190,550
Depreciation	4,121,109	-	-	-
Total operating expenses	<u>5,167,904</u>	<u>583,531</u>	<u>998,323</u>	<u>1,370,577</u>
Operating income (loss)	<u>(432)</u>	<u>(229,083)</u>	<u>(30,603)</u>	<u>(36,337)</u>
<b>Nonoperating revenue</b>				
Gain on sale of assets	278,791	-	-	-
Income before contributions and transfers	<u>278,359</u>	<u>(229,083)</u>	<u>(30,603)</u>	<u>(36,337)</u>
Transfers in	399,555	-	30,000	-
Transfers out	(20,315)	-	-	-
Change in net assets	<u>657,599</u>	<u>(229,083)</u>	<u>(603)</u>	<u>(36,337)</u>
Total net assets - beginning	<u>24,239,809</u>	<u>2,005,448</u>	<u>95,536</u>	<u>200,420</u>
Total net assets - ending	<u>\$ 24,897,408</u>	<u>\$ 1,776,365</u>	<u>\$ 94,933</u>	<u>\$ 164,083</u>

Self Insurance Dental	Total
\$ 1,486,979	\$ 9,310,859
<u>1,486,979</u>	<u>9,310,859</u>
1,455,688	5,253,592
-	201,322
-	4,121,109
<u>1,455,688</u>	<u>9,576,023</u>
31,291	(265,164)
-	278,791
<u>31,291</u>	<u>13,627</u>
141,253	570,808
-	(20,315)
<u>172,544</u>	<u>564,120</u>
1,295,643	27,836,856
<u>\$ 1,468,187</u>	<u>\$ 28,400,976</u>

**Arapahoe County, Colorado**  
**Combining Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2010**

	<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	\$ 5,148,081	\$ 354,448	\$ 967,720	\$ 1,334,240
Cash payments for services and supplies	(1,309,369)	(757,840)	(977,918)	(1,473,864)
Net cash provided (used) by operating activities	<u>3,838,712</u>	<u>(403,392)</u>	<u>(10,198)</u>	<u>(139,624)</u>
<b>Cash flows from noncapital financing activities</b>				
Transfers in from other funds	399,555	-	30,000	-
Transfers out to other funds	(20,315)	-	-	-
Net cash provided by non capital financing activities	<u>379,240</u>	<u>-</u>	<u>30,000</u>	<u>-</u>
<b>Cash flows from capital and related financing activities</b>				
Acquisition of property and equipment	(2,228,412)	-	-	-
Proceeds from sale of capital assets	278,791	-	-	-
Net cash (used) by capital and related financing activities	<u>(1,949,621)</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	2,268,331	(403,392)	19,802	(139,624)
Cash and investments, January 1, 2010	15,204,343	2,966,855	87,671	2,449,479
Cash and investments, December 31, 2010	<u>\$ 17,472,674</u>	<u>\$ 2,563,463</u>	<u>\$ 107,473</u>	<u>\$ 2,309,855</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ (432)	\$ (229,083)	\$ (30,603)	\$ (36,337)
Adjustments to reconcile operating income to Net cash provided (used) by operating activities:				
Depreciation	4,121,109	-	-	-
Decrease in accounts receivable	(19,391)	-	-	-
Decrease in inventory	(24,311)	-	-	-
Increase (decrease) in accounts payable	(238,263)	4,691	21,283	(12,287)
Increase (decrease) in claims payable	-	(179,000)	-	(91,000)
(Decrease) in flex benefits payable	-	-	(878)	-
Total adjustments	<u>3,839,144</u>	<u>(174,309)</u>	<u>20,405</u>	<u>(103,287)</u>
Net cash provided (used) by operating activities	<u>\$ 3,838,712</u>	<u>\$ (403,392)</u>	<u>\$ (10,198)</u>	<u>\$ (139,624)</u>

Self Insurance Dental	Total
\$ 1,477,179 (1,455,887)	\$ 9,281,668 (5,974,878)
<u>21,292</u>	<u>3,306,790</u>
141,253 -	570,808 (20,315)
<u>141,253</u>	<u>550,493</u>
- -	(2,228,412) 278,791
<u>-</u>	<u>(1,949,621)</u>
- -	- -
162,545 1,410,757	1,907,662 22,119,105
<u>\$ 1,573,302</u>	<u>\$ 24,026,767</u>
\$ 31,291	\$ (265,164)
- (9,800) - 4,801 (5,000) -	4,121,109 (29,191) (24,311) (219,775) (275,000) (878)
<u>(9,999)</u>	<u>3,571,954</u>
<u>\$ 21,292</u>	<u>\$ 3,306,790</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, 2010**

	<b>Agency Funds</b>			<b>Ending Balance 12/31/2010</b>
	<b>Beginning Balance 1/1/2010</b>	<b>Additions</b>	<b>Deletions</b>	
<b><u>TREASURER'S AGENCY FUND</u></b>				
<b>Assets</b>				
Cash and investments	\$ 28,946,714	\$ 11,071,680,749	\$ 11,072,658,128	\$ 27,969,335
Total assets	<u>\$ 28,946,714</u>	<u>\$ 11,071,680,749</u>	<u>\$ 11,072,658,128</u>	<u>\$ 27,969,335</u>
<b>Liabilities</b>				
Due to other governments	\$ 19,892,692	\$ 1,409,669,933	\$ 1,408,558,903	\$ 21,003,722
Other deposits payable	5,317,061	5,642,317,165	5,644,402,063	3,232,163
Warrants payable	3,736,961	166,621,004	166,624,515	3,733,450
Total liabilities	<u>\$ 28,946,714</u>	<u>\$ 7,218,608,102</u>	<u>\$ 7,219,585,481</u>	<u>\$ 27,969,335</u>
<b><u>ARAPAHOE COUNTY PUBLIC TRUSTEE</u></b>				
<b>Assets</b>				
Cash and investments	\$ 612,245	\$ 84,306,368	\$ 83,997,444	\$ 921,169
Restricted escrow	1,469,332	1,935,028	1,950,877	1,453,483
Total assets	<u>\$ 2,081,577</u>	<u>\$ 86,241,396</u>	<u>\$ 85,948,321</u>	<u>\$ 2,374,652</u>
<b>Liabilities</b>				
Other deposits payable	\$ 612,245	\$ 84,306,368	\$ 83,997,444	\$ 921,169
Due to other governments	1,469,332	1,935,028	1,950,877	1,453,483
Total liabilities	<u>\$ 2,081,577</u>	<u>\$ 86,241,396</u>	<u>\$ 85,948,321</u>	<u>\$ 2,374,652</u>
<b><u>INMATE SENTENCING AGENCY FUND</u></b>				
<b>Assets</b>				
Cash and investments	\$ 122,446	\$ 172,332	\$ 83,070	\$ 211,708
Total assets	<u>\$ 122,446</u>	<u>\$ 172,332</u>	<u>\$ 83,070</u>	<u>\$ 211,708</u>
<b>Liabilities</b>				
Other deposits payable	\$ 122,446	\$ 172,332	\$ 83,070	\$ 211,708
Total liabilities	<u>\$ 122,446</u>	<u>\$ 172,332</u>	<u>\$ 83,070</u>	<u>\$ 211,708</u>
<b><u>TOTAL AGENCY FUNDS</u></b>				
<b>Assets</b>				
Cash and investments	\$ 29,681,405	\$ 11,156,159,449	\$ 11,156,738,642	\$ 29,102,212
Restricted escrow	1,469,332	1,935,028	1,950,877	1,453,483
Total assets	<u>\$ 31,150,737</u>	<u>\$ 11,158,094,477</u>	<u>\$ 11,158,689,519</u>	<u>\$ 30,555,695</u>
<b>Liabilities</b>				
Due to other governments	\$ 21,362,024	\$ 1,411,604,961	\$ 1,410,509,780	\$ 22,457,205
Other deposits payable	6,051,752	5,726,795,865	5,728,482,577	4,365,040
Warrants payable	3,736,961	166,621,004	166,624,515	3,733,450
Total liabilities	<u>\$ 31,150,737</u>	<u>\$ 7,305,021,830</u>	<u>\$ 7,305,616,872</u>	<u>\$ 30,555,695</u>

Arapahoe County, Colorado  
E-911 Authority-Component Unit  
Governmental Funds Balance Sheet/Statement of Net Assets  
December 31, 2010

	General	Adjustments	Statement of Net Assets
Assets			
Cash	\$ 8,617,876	\$ -	\$ 8,617,876
Accounts receivable	370,125	-	370,125
Total current assets	<u>8,988,001</u>	<u>-</u>	<u>8,988,001</u>
Capital assets, depreciable	-	4,668,223	4,668,223
Less accumulated depreciation	-	(3,040,076)	(3,040,076)
Net capital assets	<u>-</u>	<u>1,628,147</u>	<u>1,628,147</u>
Total assets	<u>8,988,001</u>	<u>1,628,147</u>	<u>10,616,148</u>
Liabilities and fund balance/net assets			
Liabilities			
Accounts payable	49,917	-	49,917
Total liabilities	<u>49,917</u>	<u>-</u>	<u>49,917</u>
Fund balances			
Unreserved, undesignated	8,938,083	(8,938,083)	-
Total fund balance	<u>8,938,083</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>8,988,000</u>	<u>-</u>	<u>49,917</u>
Net assets			
Invested in capital assets net of related debt	-	1,628,147	1,628,147
Unrestricted	-	8,938,084	8,938,084
Total net assets	<u>\$ -</u>	<u>\$ 10,566,231</u>	<u>\$ 10,566,231</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, 2010

Expenditures/expenses	<u>General</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Governmental activities			
Public safety	\$ 1,058,169	-	\$ 1,058,169
Capital	407,535	(407,535)	-
Depreciation	-	874,520	874,520
Total expenditures/ expenses	<u>1,465,704</u>	<u>466,985</u>	<u>1,932,689</u>
Program revenues			
Charges for services	<u>2,292,392</u>	-	<u>2,292,392</u>
General revenues			
Interest earnings	250,146	-	250,146
Miscellaneous	<u>14</u>	-	<u>14</u>
Total General Revenues	<u>250,160</u>	<u>-</u>	<u>250,160</u>
Total revenues	<u>2,542,552</u>	<u>-</u>	<u>2,542,552</u>
Excess of revenues over expenditures	1,076,848	(1,076,848)	-
Changes in net assets	-	(609,863)	609,863
Fund balance/ net assets- beginning	<u>9,956,368</u>	-	<u>9,956,368</u>
Fund balance/ net assets- ending	<u>\$ 11,033,216</u>	<u>-</u>	<u>\$ 10,566,231</u>

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, 2010**

	Budgeted Amounts		Actual	Variance
	Original	Final		With Final Budget
				Positive/(Negative)
<b>Revenues</b>				
Charges for services	\$ 2,325,000	\$ 2,325,000	\$ 2,292,392	\$ (32,608)
Investment earnings	100,000	100,000	250,146	150,146
Miscellaneous	-	-	14	14
Total revenues	<u>2,425,000</u>	<u>2,425,000</u>	<u>2,542,552</u>	<u>117,552</u>
<b>Expenditures</b>				
<b>Current</b>				
Public safety	1,835,142	1,835,142	1,058,169	776,973
<b>Capital</b>				
Public safety	1,105,500	1,105,500	407,535	697,965
Total expenditures	<u>2,940,642</u>	<u>2,940,642</u>	<u>1,465,704</u>	<u>1,474,938</u>
Excess of revenues over expenditures	(515,642)	(515,642)	1,076,848	1,592,490
Fund balance - beginning	7,861,236	7,861,236	7,861,236	-
Fund balance - ending	<u>\$ 7,345,594</u>	<u>\$ 7,345,594</u>	<u>\$ 8,938,084</u>	<u>\$ 1,592,490</u>

# Arapahoe County, Colorado

## Statistical Section Index

*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
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### Revenue Capacity

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

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Table 6	Direct and Overlapping Property Tax Rates.....	E-12
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### 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.*

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### 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.*

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### 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.*

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### Data Source:

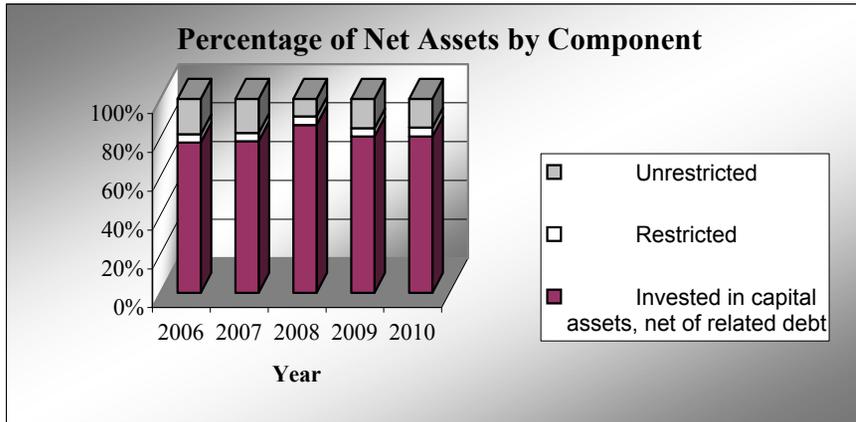
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement No. 34 in the calendar year 2002 therefore schedules presenting government-wide financial data do not precede that year.

**ARAPAHOE COUNTY, COLORADO**

**Net Assets by Component  
Last Nine Fiscal Years  
December 31, 2010**

**Table 1**

	<b>Fiscal Year</b>								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<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
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
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
<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>



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ARAPAHOE COUNTY, COLORADO

Table 2

Changes in Net Assets  
Last Eight Fiscal Years  
December 31, 2010

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<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
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
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
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
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
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
Airport	2,153,515	364,888	364,888	364,888	364,888	374,688	365,538	365,538	365,552
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
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
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>
<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
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
Judicial Services	-	-	-	-	-	-	-	-	-
Health & Welfare	319,307	445,334	470,913	444,138	476,029	485,962	636,986	520,950	317,610
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
Water & Wastewater	-	-	-	500	-	-	-	-	-
Airport	-	-	-	-	-	-	-	-	-
Culture & Recreation	157,404	169,404	166,158	281,466	194,051	188,358	218,445	218,911	245,226
Operating Grants and Contributions:									
General Government	\$ 901,188	\$ 225,509	\$ 292,993	\$ 462,424	\$ 362,847	\$ 726,253	\$ 233,812	\$ 369,616	\$ 201,778
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
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
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
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
Capital grants and Contributions:									
General Government	\$ -	\$ -	\$ -	\$ 110,250	\$ 1,175,424	\$ -	\$ 110,250	\$ -	\$ -
Public Safety	-	-	101,375	265,117	342,196	6,088	13,843	-	-
Judicial Services	-	-	-	-	-	-	-	-	-
Health & Welfare	-	-	-	-	-	20,341	2,323	3,479	4,094
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
Water & Wastewater	-	-	-	-	-	-	-	-	-
Airport	-	-	-	-	-	-	-	-	-
Culture & Recreation	379,023	413,365	429,154	441,443	699,329	532,286	534,992	503,927	478,713
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>
<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)
<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
Sales taxes (1)	-	-	15,174,598	17,877,970	17,842,681	19,306,838	18,209,151	16,496,260	17,358,730
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
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
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
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>
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)

(1) Sales tax collection began in 2004

**ARAPAHOE COUNTY, COLORADO**

**Fund Balances, Governmental Funds  
Last Nine Fiscal Years  
December 31, 2010**

**Table 3**

	<b>Fiscal Year</b>								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Fund</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
Total General Fund	<u>\$ 8,214,394</u>	<u>\$ 9,371,816</u>	<u>\$ 10,783,644</u>	<u>\$ 18,326,191</u>	<u>\$ 29,788,049</u>	<u>\$ 49,436,186</u>	<u>\$ 40,356,313</u>	<u>\$ 31,268,722</u>	<u>\$ 32,998,077</u>
<b>All Other Governmental Funds</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
Total all other governmental funds	<u>\$ 105,865,382</u>	<u>\$ 102,039,757</u>	<u>\$ 108,693,047</u>	<u>\$ 147,115,487</u>	<u>\$ 153,163,755</u>	<u>\$ 137,186,041</u>	<u>\$ 134,292,060</u>	<u>\$ 177,584,597</u>	<u>\$ 115,758,550</u>

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**ARAPAHOE COUNTY, COLORADO**

**Table 4**

**Changes in Fund Balances, Governmental Funds  
Last Eight Fiscal Years  
December 31, 2010**

	<b>Fiscal Year</b>								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<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
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
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
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
Fines	1,507,214	1,093,343	639,077	785,472	808,757	938,603	1,256,099	1,455,525	1,770,420
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
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
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
Developer Contributions	-	-	-	-	1,071,547	163,630	295,749	585,425	-
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
<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>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
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
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
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
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
Water and Wastewater	90	82,154	53,612	84,478	884,654	80,522	76,053	579,638	602,474
Airport	1,500,000	-	-	-	-	9,800	650	650	664
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
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
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
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
Debt Issuance Costs	5,899,441	-	-	-	811,523	3,225	53,284	157,375	2,450
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>Excess of revenues over (under) expenditures</b>	<b>\$ (74,639,240)</b>	<b>\$ (3,995,691)</b>	<b>\$ 9,780,050</b>	<b>\$ 4,773,457</b>	<b>\$ 850,723</b>	<b>\$ 2,644,521</b>	<b>\$ (16,433,601)</b>	<b>\$ (19,429,275)</b>	<b>\$ (59,546,199)</b>
<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
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)

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>
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>
Debt service as a percentage of noncapital expenditures	6.99%	6.83%	6.45%	6.08%	6.08%	5.54%	6.20%	6.02%	5.00%
									5.98%

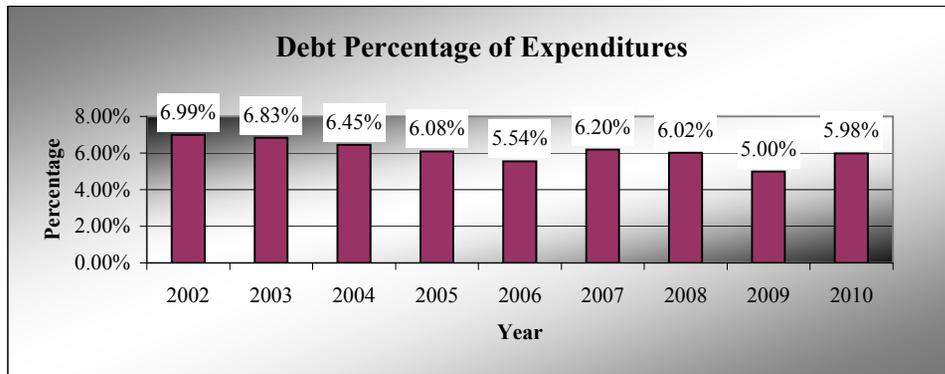


Table 5

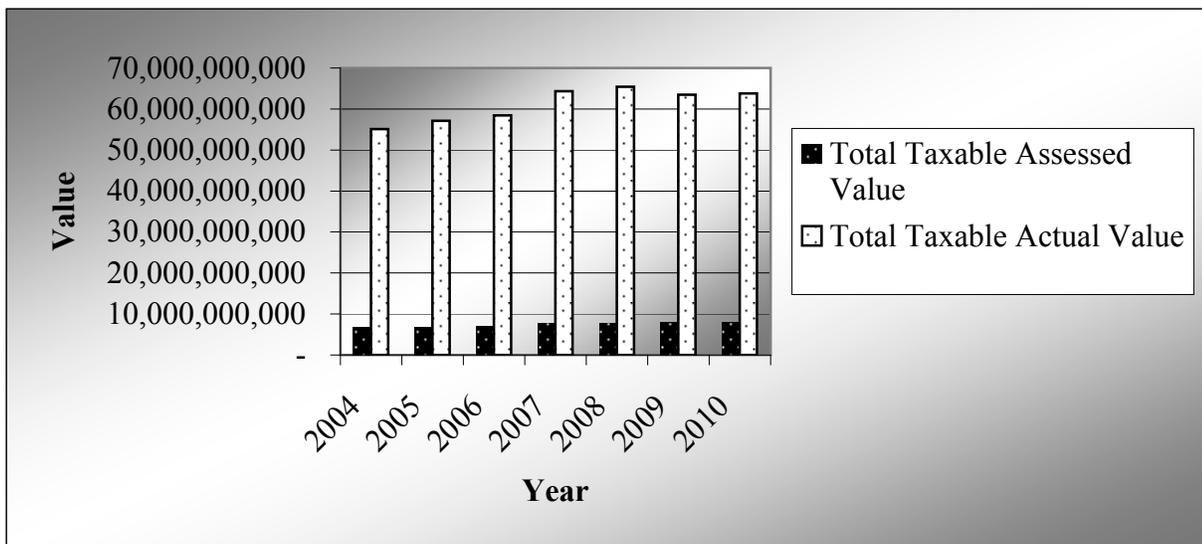
## ARAPAHOE COUNTY, COLORADO

**Assessed Value and Actual Value of Taxable Property  
Last Ten Fiscal Years  
December 31, 2010**

<b>Fiscal Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Vacant</b>	<b>Agricultural</b>
2001	3,264,800,820	2,725,132,250	66,772,730	265,904,750	7,683,210
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

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
5,258,830	265,377,700	508,676,380	6,600,930,290	35,894,373,313	22.803
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



**ARAPAHOE COUNTY, COLORADO**

**Table 6**

**Direct and Overlapping Property Tax Rates  
(rate per \$1,000 of assessed value)  
Last Ten Fiscal Years  
December 31, 2010**

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>County Direct Rates</b>						
General	10.681	9.960	9.960	11.030	11.631	11.998
Special Revenue	3.332	4.068	4.042	4.110	3.820	4.085
L.E.A.D. & Library	8.790	8.664	8.677	9.898	9.882	9.875
Total direct rate	<u>22.803</u>	<u>22.692</u>	<u>22.679</u>	<u>25.038</u>	<u>25.333</u>	<u>25.958</u>
<b>City &amp; Town Rates</b>						
Aurora	10.594	12.193	11.409	11.161	11.079	10.867
Bennett	11.950	11.950	11.950	11.950	11.950	11.950
Bow-Mar	17.450	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	7.300	13.117
Columbine	12.203	9.517	9.567	10.086	10.403	10.918
Deer Trail	17.104	13.615	13.999	15.004	15.905	15.745
Englewood	7.030	7.438	7.770	8.310	8.320	8.400
Foxfield	4.450	3.910	30.541	27.232	28.054	27.167
Glendale	8.420	8.420	8.420	8.420	14.920	18.670
Greenwood Village	2.932	2.932	2.932	2.932	2.932	2.932
Littleton	6.662	6.662	6.662	6.662	6.662	6.662
Sheridan	5.824	5.453	5.453	7.896	7.963	8.145
<b>School Districts</b>						
Aurora	53.686	49.978	49.825	47.964	47.003	45.745
Bennett	29.982	29.272	30.121	30.072	37.903	34.156
Byers	49.093	44.688	44.844	44.560	36.451	33.910
Cherry Creek	52.397	46.889	47.331	49.654	51.132	51.129
Deer Trail	37.461	33.689	34.187	33.121	33.000	30.169
Englewood	42.544	38.842	39.485	39.431	44.419	40.354
Littleton	47.126	41.290	45.380	45.304	50.515	48.907
Sheridan	46.641	42.150	43.580	40.836	40.634	39.419
Strasburg	56.502	52.441	52.821	51.676	49.666	50.631
<b>Special Districts</b>	.028-47.5	.027-70.0	.026-84.148	.027-76.5	.027-90.0	.027-90.0

Source: Assessor's Abstract of Assessments and Levies

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>County Direct Rates</b>				
General	11.398	11.756	11.875	12.124
Special Revenue	3.819	3.853	3.797	3.825
L.E.A.D. & Library	9.796	9.809	9.765	9.851
Total direct rate	25.013	25.418	25.437	25.800
<b>City &amp; Town Rates</b>				
Aurora	10.701	10.664	10.494	10.595
Bennett	11.950	11.950	11.950	11.950
Bow-Mar	13.901	14.493	14.729	15.309
Centennial	4.958	5.054	5.047	5.077
Cherry Hills	13.117	13.402	13.402	13.402
Columbine	9.810	8.950	9.161	9.331
Deer Trail	16.573	17.104	17.104	17.104
Englewood	8.173	7.827	7.911	8.010
Foxfield	23.728	21.471	21.865	21.865
Glendale	18.670	18.670	18.670	18.670
Greenwood Village	2.932	2.932	2.932	2.932
Littleton	6.662	6.662	6.662	6.662
Sheridan	7.981	8.042	7.921	7.994
<b>School Districts</b>				
Aurora	45.53	53.248	53.455	53.919
Bennett	34.246	35.724	33.381	33.363
Byers	33.603	32.607	32.52	32.305
Cherry Creek	47.397	49.569	48.825	50.947
Deer Trail	27.432	27.355	27.342	27.319
Englewood	37.211	37.195	37.199	37.495
Littleton	46.791	46.650	46.081	55.389
Sheridan	38.294	37.794	37.627	37.891
Strasburg	50.631	50.738	49.335	46.458
<b>Special Districts</b>	.028-90.0	.029-90.0	.030-90.0	.030-90.0

**ARAPAHOE COUNTY, COLORADO**

**Table 7**

**Principal Property Tax Payers  
Current Year and Ten Years Ago  
December 31, 2010**

<b>Taxpayer</b>	<b>2010</b>			<b>2001</b>		
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total County Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total County Taxable Assessed Value</b>
Qwest Corp	\$ 101,167,800	1	1.27%	\$ 98,262,600	1	-
Xcel Energy	86,711,840	2	1.09%	74,315,530	2	1.13%
Verizon Wireless	63,223,000	3	0.79%	-		-
Columbia HealthOne LLC	40,600,000	4	0.51%	35,699,010	3	0.54%
Greenwood Property Corp	30,450,000	5	0.38%	29,000,000	4	0.44%
Property Colorado OBJLW	27,550,000	6	0.35%	20,880,000	5	0.32%
Legacy III Centennial LLC	16,965,000	7	0.21%	-		-
CSHV Denver Tech Center LLC	15,080,010	8	0.19%	-		-
National Digital Television	14,819,210	9	0.19%	-		-
5251 DTC Parkway LLC	14,500,000	10	0.18%	-		-
CISCO Systems Capital Corp	-		-	19,211,180	6	0.29%
EOP-Quadrant LLC	-		-	13,485,000	9	0.21%
EOP-Millennium LLC	-		-	12,736,440	10	0.19%
OEA Inc	-		-	17,372,890	7	0.26%
Galileo International LLC	-		-	13,940,101	8	0.21%
<b>Total</b>	<b>\$ 411,066,860</b>		<b>5.16%</b>	<b>\$ 334,902,751</b>		<b>3.61%</b>

Source: Assessor's Tax Roll

Table 8

ARAPAHOE COUNTY, COLORADO

Property Tax Levies and Collections  
Last Ten Fiscal Years  
December 31, 2010

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal year of the Levy		Total Collections to Date		
		Amount	Percentage of Levy	Collections in Subsequent Years	Total Taxes Collected*	Percentage of Levy
2000	69,679,037	69,456,064	99.7%	120,000	69,576,064	99.9%
2001	74,139,696	73,768,998	99.5%	129,000	73,897,998	99.7%
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	94,817,283	94,532,831	99.7%	239,000	94,771,831	100.0%
2005	98,320,667	98,124,026	99.8%	205,000	98,329,026	100.0%
2006	112,412,499	110,046,616	97.9%	215,000	110,261,616	98.1%
2007	112,256,249	112,031,736	99.8%	223,000	112,254,736	100.0%
2008	116,587,568	116,354,393	99.8%	233,000	116,587,393	100.0%
2009	119,510,584	119,032,542	99.6%	245,000	119,277,542	99.8%
2010	\$ 121,539,557	\$ 121,174,938	99.7%	360,000	\$ 121,534,938	100.0%

Sources: Arapahoe County Treasurer's Office  
Assessor's Abstract of Assessment and Levies

\* 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, delinquent taxes, and interest on delinquent taxes.

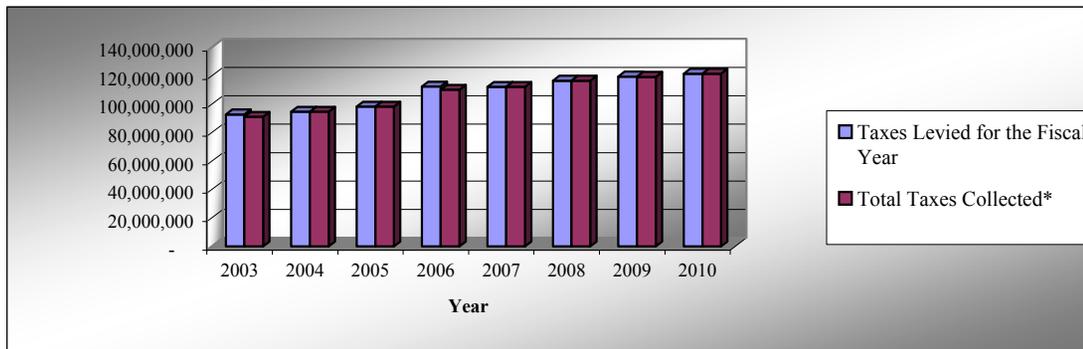


Table 9

## ARAPAHOE COUNTY, COLORADO

Ratios of Outstanding Debt  
Last Ten Fiscal Years  
December 31, 2010

Fiscal Year	Total Bonds Payable	Total Notes Payable	Total Certificates of Participation Payable	Total Capital Leases	Total Primary Government	Percentage of Personal Income	Total Outstanding Debt Per Capita
2001	\$ 30,895,000	\$ -	\$ 71,680,000	\$ 15,854,250	\$ 118,429,250	0.50%	\$ 235.20
2002	72,583,334	-	73,664,815	6,487,011	152,735,160	0.70%	303.76
2003	70,157,647	-	71,684,118	5,196,238	147,038,003	0.63%	285.40
2004	67,671,960	-	68,673,421	3,621,498	139,966,879	0.57%	266.90
2005	65,121,273	27,190,071	65,537,724	15,210,528	173,059,596	0.69%	325.46
2006	62,505,586	43,697,934	65,229,722	14,130,291	185,563,533	0.69%	341.71
2007	60,819,899	42,815,966	59,701,439	15,175,838	178,513,142	0.63%	320.78
2008	59,064,130	42,108,191	55,939,276	18,944,343	176,055,940	0.62%	308.74
2009	114,775,779	41,232,834	52,017,113	17,489,736	225,515,462	0.78%	395.47
2010	114,488,463	40,934,625	47,936,133	15,955,489	219,314,710	0.75%	379.14

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Table 10

ARAPAHOE COUNTY, COLORADO

Computation of Direct and Overlapping Debt  
December 31, 2010

<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	\$ 21,035,000	81.00%	\$ 17,038,350
Town of Bow Mar	335,000	67.00%	224,450
City of Englewood	15,360,000	100.00%	15,360,000
City of Sheridan	915,000	100.00%	915,000
Town of Foxfield	1,610,000	100.00%	1,610,000
<b>Total cities &amp; towns</b>			<b>\$ 35,147,800</b>
<b>School Districts:</b>			
Englewood	\$ 21,601,188	100.00%	\$ 21,601,188
Sheridan	19,810,000	100.00%	19,810,000
Chery Creek	497,115,000	100.00%	497,115,000
Littleton	90,605,000	100.00%	90,605,000
Aurora	326,959,982	67.00%	219,063,188
Bennett	9,350,000	50.00%	4,675,000
Strasburg	10,075,000	29.00%	2,921,750
Byers	1,780,000	53.00%	943,400
<b>Total school districts</b>			<b>\$ 856,734,526</b>
<b>Special Districts:</b>			
Adonea Metro District #2	\$ 17,350,000	100.00%	\$ 17,350,000
Antelope Water System General Improvement	2,860,000	100.00%	2,860,000
Arapahoe Estates Water	240,000	100.00%	240,000
Arapahoe Lake Public Park	700,000	100.00%	700,000
Arapahoe Park & Recreation	13,040,000	100.00%	13,040,000
Arapahoe Water & Wastewater Public Improvement	155,187,783	99.99%	155,172,264
Antelope Hills General Improvement	2,165,000	100.00%	2,165,000
Aurora Centretech Metro	18,125,000	100.00%	18,125,000
Aspen Grove Business Improvement	9,205,000	100.00%	9,205,000
Centennial Downs Metro	11,865,000	100.00%	11,865,000
Centennial 25 Metro	1,675,000	100.00%	1,675,000
Cherry Creek Racquet Club Gen Impv Dist	700,000	81.00%	567,000
Cherry Creek Vista Metro Rec & Park Dist A	2,036,543	100.00%	2,036,543
Cherry Creek Vista Metro Rec & Park Dist B	4,614,725	100.00%	4,614,725
Cornerstar Metro District	37,000,000	100.00%	37,000,000
Columbia Metro	1,500,000	100.00%	1,500,000
Copperleaf Metro District #2	26,875,000	100.00%	26,875,000
Columbine Water & Sanitation	184,382	100.00%	184,382
Conservatory Metro	24,595,000	100.00%	24,595,000

Cross Creek Metro District #2	10,290,000	100.00%	10,290,000
Dove Valley Metro	42,335,000	100.00%	42,335,000
Eagle Bend Metro District #2	36,615,000	100.00%	36,615,000
Eagle's Nest Metro District	2,000,000	100.00%	2,000,000
East Quincy Highlands Metro	3,300,000	100.00%	3,300,000
East Smoky Hill Metro District #1	4,055,000	100.00%	4,055,000
East Smoky Hill Metro District #2	8,610,000	100.00%	8,610,000
East Valley Metro	484,657	100.00%	484,657
Estancia Metro District	3,877,333	100.00%	3,877,333
Fiddler's Green Business Impv District	49,415,000	100.00%	49,415,000
Foxfield Metropolitan District #1	1,580,000	100.00%	1,580,000
Galleria Metro	5,695,000	100.00%	5,695,000
Greenwood Metro District Bonds	3,085,000	98.40%	3,035,640
Goldsmith Metro Blk K	5,195,000	100.00%	5,195,000
Goldsmith Metro	9,000,000	54.00%	4,860,000
Goodman Metro	4,400,000	100.00%	4,400,000
Heritage Greens Metro	3,785,000	100.00%	3,785,000
Heather Gardens Metro	9,800,000	100.00%	9,800,000
High Plains Metro	23,990,000	100.00%	23,990,000
Heather Ridge Metro District #1	5,105,000	100.00%	5,105,000
Highline Business Improvement	3,725,000	100.00%	3,725,000
Highline Glen Metro	190,000	100.00%	190,000
Hills at Cherry Creek Metro	1,645,000	100.00%	1,645,000
Inverness Water & Sanitation District	22,480,000	68.00%	15,286,400
Inverness Metro Improvement District	2,870,000	70.00%	2,009,000
Landmark Metro	885,000	100.00%	885,000
Liverpool Metro*	3,685,000	100.00%	3,685,000
Marin Metro	30,485,000	100.00%	30,485,000
Meadow Hills Country Club Gid	495,000	100.00%	495,000
Murphy Creek Metro District No.3	27,600,000	100.00%	27,600,000
Tallgrass Metropolitan District	17,780,000	100.00%	17,780,000
Panorama Metro	7,585,000	100.00%	7,585,000
Parker Jordan Metro	12,070,000	100.00%	12,070,000
Parker Jordan Metro District Bonds Only	4,390,000	100.00%	4,390,000
Peoria Park GID	375,000	80.80%	303,000
Piney Creek Village Metro	6,460,000	100.00%	6,460,000
Pioneer Hills Metro	3,285,000	100.00%	3,285,000
Polo Reserve Metro	1,255,000	100.00%	1,255,000

Table 10

ARAPAHOE COUNTY, COLORADO

Computation of Direct and Overlapping Debt  
December 31, 2010

<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	5,235,000	50.00%	2,617,500
Saddle Rock Metro	11,155,000	100.00%	11,155,000
Saddle Rock South Metro District #2	5,030,000	100.00%	5,030,000
Saddle Rock South Metro District #3	4,225,000	100.00%	4,225,000
Saddle Rock South Metro District #4	7,950,000	100.00%	7,950,000
Serenity Ridge Metro District #2	6,710,000	100.00%	6,710,000
Sorrel Ranch Metro	14,335,000	100.00%	14,335,000
Southgate At Centennial Metro District	665,000	100.00%	665,000
Southpark Metro	1,440,000	96.00%	1,382,400
Southlands Metro District #1	57,595,000	100.00%	57,595,000
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	25,910,000	79.00%	20,468,900
Sterling Hills Metro	1,710,000	100.00%	1,710,000
Sterling Hills West Metro	14,580,000	100.00%	14,580,000
Sundance Hills Metro District	891,355	100.00%	891,355
Tallyn's Reach Metro District #2	6,087,000	100.00%	6,087,000
Tallyn's Reach Metro District #3	19,095,000	100.00%	19,095,000
Tollgate Crossing Metro District #2	14,579,880	100.00%	14,579,880
Traditions Metro District #2	10,614,051	100.00%	10,614,051
Wheatlands Metro District #2	24,684,000	100.00%	24,684,000
Willow Trace Metro	9,555,000	100.00%	9,555,000
<b>Total special districts</b>			<b>\$ 943,526,030</b>
<b>Subtotal, overlapping debt</b>			<b>\$ 1,835,408,356</b>
<b>Total direct debt</b>			<b>-</b>
<b>Total direct and overlapping debt</b>			<b>\$ 1,835,408,356</b>

Source: Arapahoe County Finance Department

**ARAPAHOE COUNTY, COLORADO**

**Table 11**

**Legal Debt Margin Information  
Last Eight Fiscal Years  
December 31, 2010**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</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
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
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>
Total net debt as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%

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

Source: Assessor's Abstract of Assessments and Levies

Table 12

## ARAPAHOE COUNTY, COLORADO

Demographic and Economic Statistics  
Last Ten Fiscal Years  
December 31, 2010

Year	Population (1)		Households (1)		Unemployment Rate (3)
	Arapahoe County	Seven County Denver Metro	Total	Average Size	
2001	503,536	2,467,301	197,551	2.53	
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	578,444	2,868,771	238,301	*	

Year	Per Capita Income (2)	Total	Median Age (1)	School Enrollment (4)	Unemployment Rate (3)
		Personal Income(2) in thousands			
2001	47,030	23,681,298	34.5	107,842	3.2%
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	*	*	36.8	120,315	8.8%

(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

(2) U.S. Bureau of Economic Analysis.

(3) Colorado Department of Labor and Employment

(4) Colorado Department of Education - Public & Non-Public School Enrollment

\* Data for 2010 was not available at the time this report went to print

**ARAPAHOE COUNTY, COLORADO**

**Table 13**

**Principal Employers  
Current Year and Ten Years Ago  
December 31, 2010**

<b>Employer</b>	<b>2010</b>			<b>2001</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>
Cherry Creek School District	7,844	1	2.87%	6,954	1	2.39%
Adams Arapahoe Aurora Schools	4,696	2	1.72%	4,113	2	1.41%
City of Aurora	3,423	3	1.25%	3,341	3	1.15%
Littleton School District	2,425	4	0.89%	2,378	4	0.82%
Great West Life	2,176	5	0.80%	2,340	5	0.80%
Raytheon Company	2,071	6	0.76%	1,800	7	0.62%
Arapahoe County	2,021	7	0.74%	1,684	9	0.58%
Qwest	1,648	8	0.60%	2,030	6	0.70%
ADT Security Systems	1,484	9	0.54%	1,620	10	0.56%
Columbia HCA Of Denver	1,466	10	0.54%	1,765	8	0.61%
<b>Total</b>	<b>29,254</b>		<b>10.69%</b>	<b>28,025</b>		<b>9.63%</b>

Source: Colorado Department of Labor & Employment

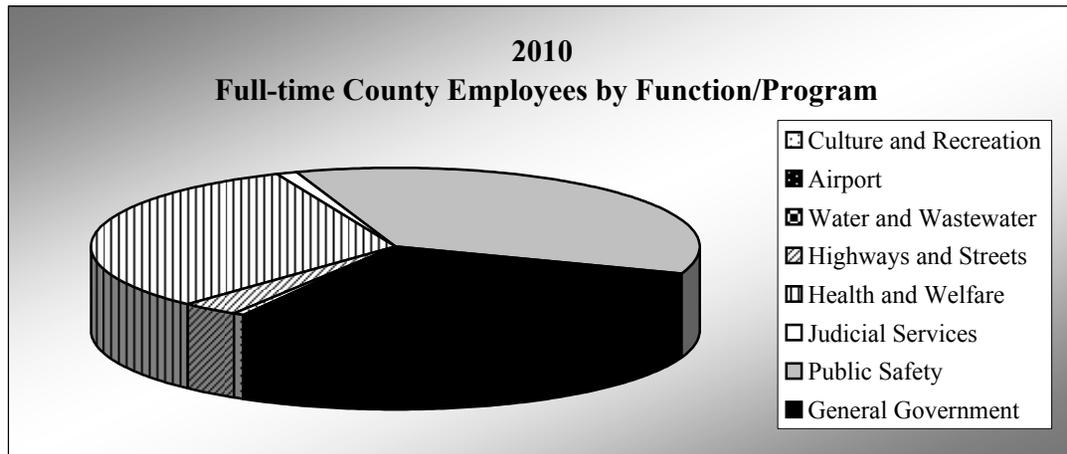
**ARAPAHOE COUNTY, COLORADO**

**Table 14**

**Full-time Equivalent County Employees by Function/Program  
Last Nine Fiscal Years (1)  
December 31, 2010**

<b>Function/Program</b>	<b>2002</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>
Culture and Recreation	-	-	4.50	4.50	5.00	8.50	8.50	9.50	9.50
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
Health and Welfare	468.75	492.75	477.25	503.25	514.75	578.50	589.25	605.00	626.50
Judicial Services	18.50	18.50	18.50	18.50	19.30	22.50	22.50	22.50	22.50
Public Safety	627.50	631.50	637.25	643.50	647.00	660.50	694.50	695.50	701.50
General Government	548.50	553.50	555.00	558.00	558.00	563.25	562.75	552.75	549.75
<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>

(1) Prior years data was not available.  
Source: Arapahoe County Finance Department



ARAPAHOE COUNTY, COLORADO

Table 15

Operating Indicators by Function/Program  
Last Eight Fiscal Years (1)  
December 31, 2010

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Government</b>								
Motor vehicle renewals	332,401	340,174	349,725	354,498	369,244	380,117	392,907	404,155
Registered voters ( active & inactive)	334,648	364,385	324,442	331,097	309,390	344,559	338,785	347,495
Voter turnout	108,440	234,725	126,484	171,920	78,247	268,671	247,297	273,435
<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
DUI arrests	600	800	825	573	559	492	618	412
Traffic violators stopped and cited	5,500	6,500	7,000	69,217	27,444	32,825	50,797	53,089
Number of E-911 calls	38,254	53,200	54,800	60,563	63,132	62,186	63,138	70,696
<b>Judicial Services (2)</b>								
Felony cases filed	3,545	3,710	3,420	238	3,029	1,976	1,812	1,796
Misdemeanor cases filed	28,860	23,296	25,913	2,119	2,196	5,050	4,923	4,640
<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
<b>Highways and Streets</b>								
Sweeping pass miles	2,522	2,468	3,114	4,448	2,387	2,919	5,437	6,729
Finished concrete curb & gutter (linear feet)	1,810	6,150	4,679	2,180	1,079	1,895	4,147	5,178
Tons of asphalt applied	26,333	29,015	24,403	22,405	22,825	1,483	4,767	10,666
<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

(1) Prior years data was not available.

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

Source: Various Arapahoe County Departments.

**ARAPAHOE COUNTY, COLORADO**

**Table 16**

**Capital Asset Statistics by Function/Program  
Last Five Fiscal Years (1)  
December 31, 2010**

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

(1) Prior years data was not available.

(2)2009 recalculated measurements using standard measurements by BOMA  
(Building Owners and Managers Assn)

Sources: Various Arapahoe County Departments  
Colorado Department of Transportation