

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2007

Prepared by the Arapahoe County
Department of Finance
5334 South Prince Street
Littleton, Colorado 80166-0001
www.co.arapahoe.co.us



Reasonable Accommodation Policy

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ACKNOWLEDGEMENTS

BOARD OF COUNTY COMMISSIONERS

Susan Beckman District 1, Chair
Jim Dyer District 2, Chair Pro Tem
Rod Bockenfeld District 3
Pat Noonan District 4
Frank Weddig District 5

ELECTED OFFICIALS

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

FINANCE DEPARTMENT

Janet J. Kennedy Finance Director
Jeffrey Ulrich Accounting Manager
Dennis Palamet Accountant
Lynn Obremski Accountant
Michael Navratil Accountant
Tammy Smith Accountant
Andrea Werft Sales Tax Analyst
Ann Jagow Management Analyst
Bill Meyer Management Analyst
Mary Lokatys Office Manager

INFORMATION TECHNOLOGY

Jon Rajewich SAP Database Administrator
Don Carter Programmer Analyst

COMMUNICATION SERVICES

Liz Ellis Creative Services Specialist II

Printed by Arapahoe County Communication Services.





**ARAPAHOE COUNTY, COLORADO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2007**

TABLE OF CONTENTS

INTRODUCTORY SECTION

	Page
Letter of Transmittal	A-1
Certificate of Achievement	A-5
List of Principal Officers.....	A-6
Organizational Chart	A-7

FINANCIAL SECTION

Independent Auditor's Report	B-1
Management's Discussion and Analysis.....	B-3
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Assets.....	C-1
Statement of Activities	C-2
Governmental Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	C-4
Reconciliation of Total Governmental Fund Balances to the Statement of Net Assets.....	C-6
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	C-8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-10
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
General Fund	C-11
Social Services	C-12
Road and Bridge.....	C-13
Open Space.....	C-14
Proprietary Fund Financial Statements:	
Statement of Net Assets – Proprietary Funds	C-15
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	C-16
Statement of Cash Flows – Proprietary Funds	C-17
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Assets – Fiduciary Funds.....	C-18
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	C-19
Notes to the Financial Statements.....	C-20
Required Supplemental Information	
Arapahoe County Retirement Plan-Schedules of Employer Contributions and Funding Progress.....	C-62
Arapahoe County Retiree Health Insurance Plan.....	C-63
Supplemental Information Required by the State of Colorado	
Human Services Schedule of EBT Authorizations.....	C-65
Local Highway Finance Report.....	C-66
Combining Financial Statements and Schedules:	
Description of Nonmajor Governmental Funds	D-1
Combining Balance Sheet – Nonmajor Governmental Funds.....	D-4
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds	D-10
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Electronic Filing Technology – Special Revenue Fund	D-16
Cash-In-Lieu – Special Revenue Fund	D-17
Law Enforcement Authority District – Special Revenue Fund.....	D-18
Arapahoe/Douglas Works! – Special Revenue Fund	D-19
Conservation Trust – Special Revenue Fund	D-20
Contingent – Special Revenue Fund	D-21
Communications Network Replacement – Special Revenue Fund	D-22
Sheriff's Commissary – Special Revenue Fund	D-23
Community Development – Special Revenue Fund.....	D-24
Forfeited Property – Special Revenue Fund.....	D-25
Board Designated – Special Revenue Fund.....	D-26
Developmental Disability – Special Revenue Fund	D-27

**ARAPAHOE COUNTY, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2007**

**TABLE OF CONTENTS
(Continued)**

Grants – Special Revenue Fund.....	D-28
Homeland Security Grant – Special Revenue Fund.....	D-29
Building Maintenance Administration – Special Revenue Fund.....	D-30
Fairgrounds – Special Revenue Fund	D-31
Law Enforcement Capital Improvement – Capital Project Fund	D-32
Capital Expenditure Fund – Capital Project Fund.....	D-33
Infrastructure – Capital Project Fund.....	D-34
Arapahoe County Recreation District – Capital Project Fund.....	D-35
Arapahoe County Water and Wastewater PID	D-36
Equipment Lease Purchase Fund – Debt Service Fund	D-37
Arapahoe County Building Finance Corporation	D-38
Description of Proprietary Funds - Internal Service Funds	D-39
Combining Statement of Net Assets – Proprietary Funds	D-40
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds	D-42
Combining Statement of Cash Flows – Proprietary Funds	D-44
Description of Fiduciary Funds – Agency Funds.....	D-46
Combining Statement of Changes In Asset and Liabilities – Fiduciary Funds	D-47
Statements of Component Unit Without Separately Presented Financial Statements - E-911 Authority	
Balance sheet – Component Unit – E-911 Authority.....	D-48
Statement of Revenues, Expenditures and Changes in Fund Balance – Component Unit – E-911 Authority	D-49
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – Component Unit - E-911 Authority	D-50

STATISTICAL SECTION

Government-Wide Information:

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



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May 2, 2008

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, 2007, 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 Gordon, Hughes and Banks, 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, 2007, 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, 2007 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 805 square miles. Arapahoe County, with the county seat located in the City of Littleton, is one of the largest counties in the State of Colorado with a population of about 530,000. 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 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 are full time employees 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 (Chair)	District 1
Jim Dyer (Chair Pro Tem)	District 2
Rod Bockenfeld	District 3
Pat Noonan	District 4
Frank Weddig	District 5

Departments overseen by the Board of County Commissioners include: BOCC Administration, Communication Services, Community Resources (Arapahoe/Douglas Works!, Cooperative Extension, CDBG/HUD, Judicial Services, and Weatherization), County Attorney (Risk Management), Facilities and Fleet Management (Building/Grounds Maintenance, Fleet Services, and Office Services), Finance (Accounting, Budget, Payroll and Purchasing), Human Resources, Human Services (Child and Family Services, Community Resources, and TANF), Information Technology, and Public Works and Development (Building, Road & Bridge Maintenance, Mapping, Planning & Zoning, Storm Water Management and Open Space).

Six other elected officials also serve the County:

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

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

ECONOMIC ENVIRONMENT

The State and national economies continued to grow during 2007 despite periods of weakness in the housing and financial markets. Many of the key economic indicators for Colorado remain positive and are expected to continue into 2008. The unemployment rate declined during 2007 with greater job growth in the oil, gas, and mineral extraction sector and projections show level employment rates or slight employment growth over the next few years. Slower population growth, higher mortgage interest rates, and a large inventory of homes on the market has slowed residential construction in Colorado. Growth in non-residential construction was sluggish during 2007 as growth is not expected until the inventory of current vacant space is absorbed.

Inflation increased 2.9% in 2007 for the Denver-metro area, down from 3.6% in 2006. The inflation rate impacts the County financially as State law on property tax revenue collection and retention are tied to this indicator along with the growth in new construction. If inflation and construction growth are low, the County experiences slower growth in property tax revenue than if prices and construction are growing at a much faster rate. Fortunately, the consistent pace of economic growth in Colorado should continue as positive trends in employment, consumer spending, personal income, and in some areas of construction activity continue. Economists are predicting sustained economic growth in Colorado for 2008 and beyond, but this growth will not return to the high levels seen during the late 1990s when growth in Arapahoe County and Colorado was considerable.

Long-term financial planning

The County currently projects revenues, expenditures, and available fund balances for 5 years and recent projections have shown improving trends in revenues and available fund balances. It is the County's intent each year to balance the General Fund operating budget to current revenues without the use of fund balance. The available fund balance at the end of one year could then be used to budget for capital projects and other one-time uses in the following year.

The County anticipates several long-term projects to continue in 2008. The ACWWA Public Improvement District plans to spend down loan proceeds to complete new water and wastewater treatment plants. The County also anticipates acquiring and improving land for open space.

There are several upcoming transportation related projects in the works; the County with federal and state funding assistance will be completing the widening of Quebec Street and starting other road projects along Arapahoe Road, a major transportation corridor in the County. The Arapahoe Road projects are in the design phase and are estimated to begin in 2008 and be under construction for several years.

Finally, the County will complete the construction of a new Eastern Service Center for the Public Works and Development Department and Fleet and Facilities Department in 2008.

During the year, the County obtained a small loan to purchase land used by the Arapahoe County Recreation District.

SIGNIFICANT ISSUES

Intergovernmental Agreement with the City of Centennial

Arapahoe County has provided services to the City of Centennial since it incorporated in 2001. Beginning in 2002, the City of Centennial and the County entered into an intergovernmental agreement (IGA) to provide a number of municipal services. The services provided include law enforcement, public works (infrastructure maintenance, engineering inspections, storm water management, geographic information system (GIS) services, traffic engineering, and capital improvements), animal control, and liquor licensing. In return for providing these services, the County receives offsetting revenues from the City that include both direct and indirect (administrative overhead) costs. For 2008, the County and City have extended the agreement for law enforcement for a period of ten years. The City and County agreed to terminate the contract for public works services and this change will be phased out through July 1, 2008. As a result of

Comprehensive Annual Finance Report (CAFR) Transmittal

this decision the County will be receiving approximately \$4M less in revenues and therefore will be making corresponding reductions in expenditures including a reduction of 23 FTE's.

Judicial Facilities

The 18th Judicial District, which serves Arapahoe County, will be receiving additional judges and judicial personnel in 2008. The current facilities provided by the County are almost at their maximum capacity and the addition of the new judges and personnel will need to be accommodated. The County is implementing short-term alternatives to remodel, reconfigure and expand existing courtrooms to support the space needs of the new judicial staff. The County anticipates spending \$13.8M of General Fund fund balance to accomplish this. With the addition of new courtrooms and the overall growth of the County, it is anticipated that the detention facility may need to be expanded in future years.

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 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 cannot retain all of the property tax revenue that is collected, which affects the appropriation level for County services.

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, 2006. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

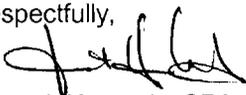
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, the contents of which conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Arapahoe County has received a Certificate of Achievement for the last twenty consecutive years (fiscal years ended 1987 – 2006). 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, Jeff Ulrich, the department accountants Tammy Smith, Dennis Palamet, Michael Navratil, and Lynn Obremski who contributed greatly to the audit and the preparation of the CAFR. Their professionalism, dedication, and efficiency made the preparation of this report possible. I also want to thank Mary Lokatys for her typing of the footnotes and other documents and Bill Meyer for preparing data, proofing, and for coordinating the printing of this document and Andrea Werft for proofing, graphing, and gathering statistical data. Jon Rajewich, Don Carter and Ann Jagow also deserve recognition for their outstanding work in extracting the data from our financial system (SAP) and developing the format for the financial statements.

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, 2006

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.



Charles S. Cox

President

Jeffrey R. Emer

Executive Director

ARAPAHOE COUNTY, COLORADO

LIST OF PRINCIPAL OFFICERS

Board of County Commissioners

Susan Beckman District 1
Jim Dyer District 2
Rod Bockenfeld District 3
Pat Noonan District 4
Frank Weddig District 5

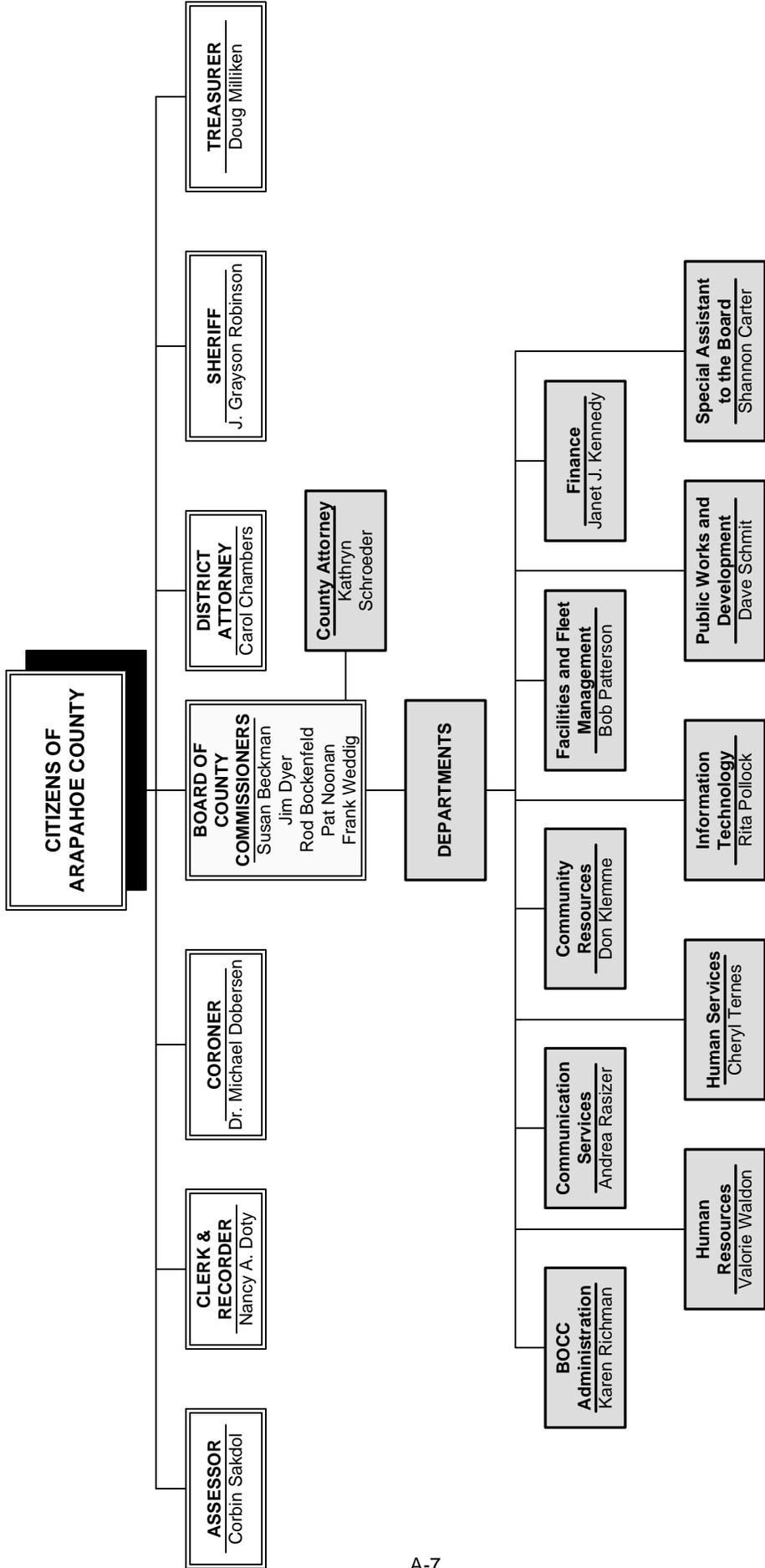
Other Elected Officials

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

Department Directors

Karen Richman BOCC Administration
Andrea Rasizer Communication Services
Don Klemme Community Resources
Kathryn Schroeder County Attorney
Robert M. Patterson Facilities and Fleet Management
Janet J. Kennedy Finance
Valorie Waldon 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



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To the Board of County Commissioners
Arapahoe County, Colorado

Independent Auditors' Report

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Arapahoe County, Colorado, as of and for the year ended December 31, 2007 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 Water and Wastewater Authority, a discretely presented component unit of Arapahoe County, for the year ended December 31, 2007, which reflects total assets of \$92,928,915 and total revenues of \$16,316,941. These financial statements were audited by other auditors 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 Water and Wastewater Authority component unit for the year ended December 31, 2007, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Arapahoe County, Colorado, as of December 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General, Social Services, Road and Bridge, and Open Space Sales Tax funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.



As discussed in Note 20 to the financial statements, the Arapahoe County Airport Authority beginning net assets as of January 1, 2006 were increased by \$238,913 and ending net assets, as of December 31, 2006 were increased for \$416,149 due to revenue recognition issues.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 2, 2008 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 accompanying required supplementary information, such as Management's Discussion and Analysis on pages B-3 through B-19 and the pension disclosures on pages C-62 and C63 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 basic 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 and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Gordon, Hughes & Banks, LLP
Gordon, Hughes & Banks, LLP

Greenwood Village, CO
May 2, 2008

ARAPAHOE COUNTY, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2007

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, 2007. 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
- 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 funds 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.

ARAPAHOE COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

December 31, 2007

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 the general 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.

ARAPAHOE COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

December 31, 2007

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

The measurement focus for governmental fund accounting is current financial resources, revenues and expenditures and the related cash and near-cash assets and 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. 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. Fund Financial Statements reinforce the Government-wide Financial Statements by focusing on the current financial resources and emphasizing the need for short term financing and generation of spendable resources. Fund Financial Statements provide additional information related to the regulations, restrictions or limitations that define the funds, their impact on the ability of the fund to finance current activities and specific missions, and measurement against the planned appropriations and budgets of the responsible officials of the government.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, Governmental Fund Financial Statements focus on near-term inflows and outflows of financial (spendable/appropriable) resources, as well as on balances of financial (spendable) resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing and appropriation related requirements.

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 Statement is provided as part of 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.

ARAPAHOE COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

December 31, 2007

In this annual report, the County reports on twenty-seven individual governmental funds. Information is presented separately in the Fund Financial Statements for the General Fund, Social Services Fund, Road and Bridge Fund, Open Space Fund, Arapahoe County Water and Wastewater Public Improvement District (PID) Fund, and the Building Finance Corp Fund, all of which are considered to be major funds. Individual Fund Balance Sheets and Statements of Revenues, Expenditures and Changes in Fund Balance are presented for each of these major funds in the Fund Financial Statements included in the Basic Financial Statements section of this annual report. Financial information for the other twenty-one governmental funds is combined into a single, aggregated presentation as Other Governmental Funds in the Fund Financial Statements in the Basic Financial Statements section of this annual report.

The Basic Governmental Fund Financial Statements can be found on pages C-4 to C-14 of this annual report. Financial information related to the individual non-major funds is provided on pages D-1 to D-14 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 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-15 to C-17 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. The measurement focus for fiduciary funds is economic resources and the basis of accounting used for fiduciary funds is full accrual accounting.

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 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. 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.

ARAPAHOE COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

December 31, 2007

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-60 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-14 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.

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 2007 and 2006.

	2007	2006
Assets		
Current and Other Assets	\$ 388,067,387	\$ 375,806,539
Capital Assets	743,504,266	665,135,995
Total Assets	1,131,571,653	1,040,942,534
Liabilities		
Current and Other Liabilities	178,841,447	169,115,941
Long-term Liabilities	187,275,029	190,843,391
Total Liabilities	366,116,476	359,959,332
Net Assets		
Invested in Capital Assets, Net of Related Debt	598,362,162	527,670,594
Restricted	32,165,309	29,162,660
Unrestricted	134,927,706	124,149,948
Total Net Assets	\$ 765,455,177	\$ 680,983,202

ARAPAHOE COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

December 31, 2007

Condensed Statement of Activities

The following table provides a condensed comparative presentation of Arapahoe County's Government-wide Statement of Activities for 2007 and 2006.

	2007	2006
Revenues		
Program Revenues:		
Charges for Services	\$ 54,445,039	\$ 52,939,490
Operating Grants and Contributions	65,139,109	65,303,812
Capital Grants and Contributions	62,421,220	6,617,190
General Revenues:		
Property Taxes	119,397,961	115,183,174
Sales Tax	19,306,838	17,842,681
Other Taxes	9,928,556	9,570,342
Investment Income	15,866,207	11,246,283
Gain (loss) on sale of assets	-	270,050
Other Revenues	4,149,679	1,233,574
Total Revenues	<u>350,654,609</u>	<u>280,206,596</u>
Expenses		
General Government	63,300,479	57,700,314
Public Safety	71,309,677	67,080,316
Judicial Services	11,622,405	10,602,243
Health & Welfare	68,886,438	65,316,053
Highway & Streets	25,004,995	20,060,450
Water & Wastewater	1,675,251	2,208,123
Airport	374,688	364,888
Culture & Recreation	15,887,027	13,922,358
Interest on Long-term Debt	8,121,674	8,047,712
Total Expenses	<u>266,182,634</u>	<u>245,302,457</u>
Extraordinary Item	-	4,275,000
Increase in Net Assets	84,471,975	39,179,139
Net Assets - January 1	680,983,202	639,393,608
Net Assets - January 1 Restated	-	641,804,063
Net Assets - December 31	<u>\$ 765,455,177</u>	<u>\$ 680,983,202</u>

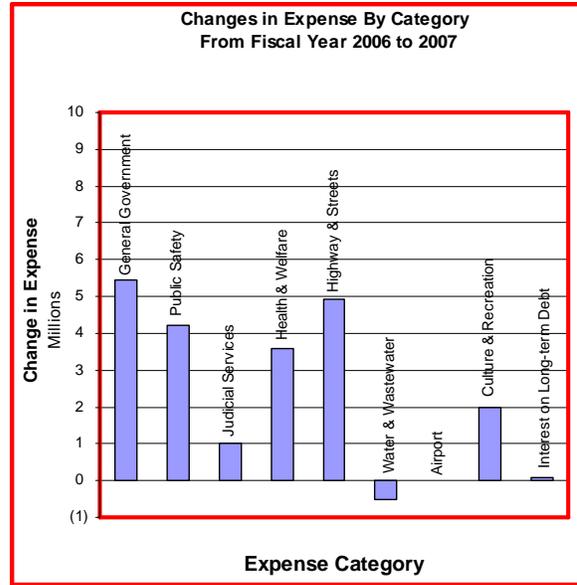
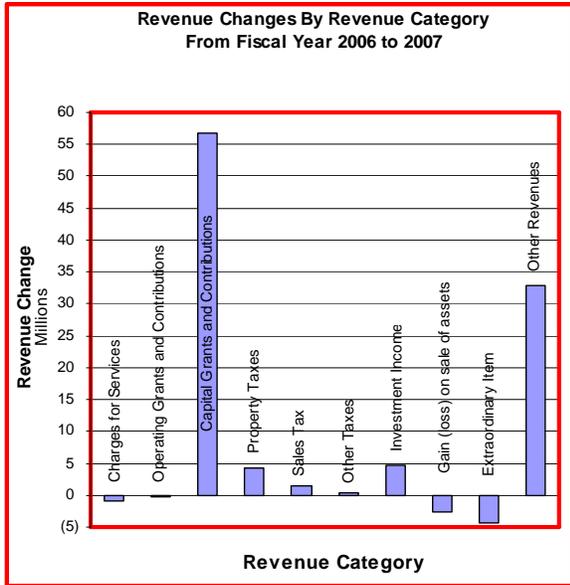
A review of the condensed comparative Government-wide Statement of Net Assets for the primary government for 2007 and 2006 shows that the total net assets increased by \$84.5 million (12.4%) from 2006 to 2007. The Current and Other Assets line increased by \$12.2 million (3.2%) while the total liabilities increased by \$6.2 million (1.7%) from 2006 to 2007. The primary reason for the concurrent nominal increase in net assets of \$84.5 million (12.4%) and the increase in current assets \$12.2 million (2.7%) and total liabilities \$6.2 million (1.7%) was the increase in the net pension obligation, and the addition of a lease purchase agreement entered into with Zions National Bank in late 2007. The lease financed the purchase of a park and open space in the Dove Valley subdivision. Cash and cash equivalents and net assets also continue to grow through the collection of Sales Tax in the Open Space Fund. In future years, the funds are anticipated to be used to purchase and upgrade land.

ARAPAHOE COUNTY, COLORADO

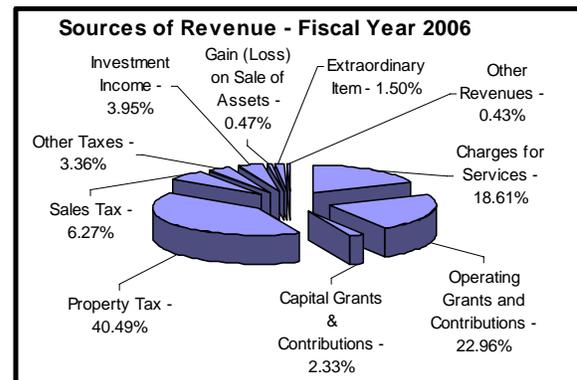
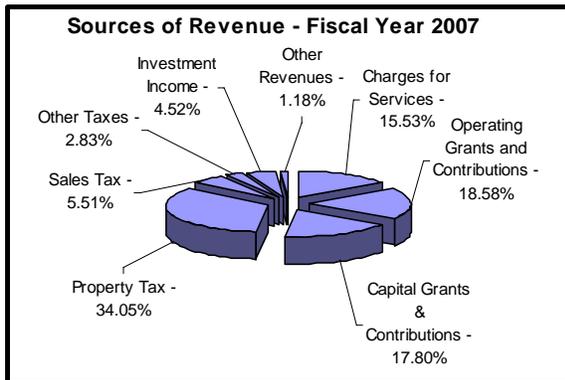
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

December 31, 2007

The changes from fiscal year 2006 to 2007 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 2006 and 2007 is presented in the following pie charts:



ARAPAHOE COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

December 31, 2007

Revenues in the Government-wide Statement of Activities increased \$70.4 million (25%) while expenses increased \$20.9 million (8.5%).

Three revenue line items and two expense line items in the condensed comparative Government-wide Statement of Activities for the primary government had notable changes in their balance, changes in excess of 10% and \$1 million, from fiscal year 2006 to 2007.

The three revenue line items that experienced notable changes were:

- Capital Grants and Contributions - Capital grants and contributions increased \$55.8 million (843%). This increase was primarily caused an increase in the amount of donated assets recognized in 2007. These donated assets included roads, road improvements, and right of ways.
- Investment Income – Increased from \$11.2 million in 2006 to \$15.8 million in 2007. This \$4.6 million increase was due to the County's larger investment base in 2007 and the higher return on fixed income instruments.
- Other Revenues – Increased from \$1.2 million in 2006 to \$4.1 million in 2007. This \$2.9 million increase was partially due to a refund received from the District Attorney's Office in the amount of \$0.8 million.

The two expense line items that experienced notable changes were:

- Highways & Streets – Increased from \$20 million in 2006 to \$25 million in 2007. This \$5 million increase was due primarily o the widening of Quebec Street. Spending for this project increased by approximately \$3.2 million from 2006 to 2007. In addition, approximately \$1 million was donated to the Dry Creek Pedestrian Bridge project. Both projects were completed during 2007.
- Culture & Recreation – Increased from \$13.9 million in 2006 to \$15.9 million in 2007. This \$2 million increase was due in part to an increase in professional services expended for the Open Space Fund. Approximately \$0.3 was paid to the Trust for Public Land for conservation easements to protect valuable agricultural lands from development pressures. An additional \$0.1 was paid for the 17 mile house master planning and other services. In addition, approximately \$10.4 million in Open Space Shareback monies were recognized in 2007 compared with \$9.6 million in 2006, an increase of \$0.8 million from 2006. An additional \$0.3 million in Open Space grant monies were also distributed to 13 Open Space projects for 2007.

The sources of revenue as a percentage of the total county revenue for the primary government varied only slightly from fiscal year 2006 to 2007. The largest variance was an increase in the percentage that Capital Grants and Contributions represent of total revenues. This increase was from 2.33% to 17.80% of total revenues.

ARAPAHOE COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

December 31, 2007

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, is 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, 2007 and 2006, Arapahoe County's primary government assets exceeded liabilities by \$765.5 million and \$681 million respectively. The \$84.5 million increase in net assets from December 31, 2006 to December 31, 2007 indicates that Arapahoe County's financial condition improved.

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), \$598 million (78.2%) in 2007 and \$528 million (78%) in 2006, is the largest portion of Arapahoe County's primary government net assets. Capital assets fund include land, land improvements, bridges, storm sewers, 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 \$32 million (4.2%) in 2007 and \$29 million (4%) in 2006 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, \$135 million (17.6%) in 2007 and \$124 million (18%) in 2006 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 2007 increased \$11 million from the balance in unrestricted net assets at the end of 2006. This indicates that the financial position of the County improved during fiscal year 2007.

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 exceed expenses for the fiscal year demonstrates that the government is able to fund the services it is required to provide to its citizens on an ongoing basis. Government-wide revenues for Arapahoe County exceeded expenses by \$84.5 million during fiscal year 2007 and \$39 million during fiscal year 2006.

Government-wide revenues increased by approximately \$70.4 million from fiscal year 2006 to 2007. The changes in government-wide revenue are presented and discussed above in the Changes in the Government-Wide Financial Statements section of this Management Discussion and Analysis.

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, 2007

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 and 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, 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 \$186.6 million at the end of fiscal year 2007 and \$183.4 million at the end of fiscal year 2006. Approximately \$133 million (71.3%) at the end of fiscal year 2007 and \$120 million (65.5%) at the end of fiscal year 2006 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 - \$0.98 million in 2007 and \$0.6 million in 2006
- Inventory - \$0.07 million in 2007 and \$0.05 million in 2006
- Encumbrances - \$10.9 million in 2007 and \$7.6 million in 2006
- A state-constitution mandated Tabor Reserve – \$6.2 million in 2007 and \$5.7 million in 2006
- Completion of capital projects - \$24 million in 2007 and \$17 million in 2006
- Repayment of debt - \$11.7 million in 2007 and \$32.5 million in 2006

The total ending fund balance of the County's governmental funds increased approximately \$3.3 million (1.8%) from \$183.3 to \$186.6 from 2006 to 2007. The unreserved fund balance increased by \$13 million (11%) from \$120 million to \$133 million increasing 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 improved from fiscal year 2006 to fiscal year 2007.

At the end of fiscal year 2007, the following six major governmental funds were included in the Fund Financial Statements:

- General Fund
- Social Services Fund
- Road and Bridge Fund
- Open Space Sales Tax
- Arapahoe County Water and Wastewater Fund (PID)
- Building Finance Corporation Fund

ARAPAHOE COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

December 31, 2007

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

General Fund

This fund is the primary operating fund of the Arapahoe County Government. The general fund is used to account for all activities that are not required to be accounted for in another fund. The General Fund balance was \$49.4 million as of December 31, 2007 and \$29.8 million as of December 31, 2006. Of these amounts, \$1.4 million in 2007 and 2006 were reserved for commitments on current contracts and prepaid items. The remaining \$48 million (97%) in 2007 and \$28.4 million (95%) in 2006 was unreserved and available for spending in future years. The General Fund unreserved fund balance increased by \$19.6 million (69%) from 2006 to 2007. This indicates that the liquidity and the ability of the General Fund to meet its financing needs improved from 2006 to 2007.

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 2007 to the budgeted total program expenditures and transfers for the fund for 2008, the following fiscal year. The unreserved fund balance of the General Fund at the end of fiscal year 2007, \$49.4 million, less the budgeted use of the fund balance in 2008, \$1.3 million, represented 28% of the adopted budget for General Fund total program expenditures and transfers for 2008, \$169 million. This indicates that approximately a 28% combination of budgeted revenue short falls and actual expenditure over budgeted expenditures could be sustained during 2008 before the liquidity of the fund is compromised and use of the maintained required liquidity reserves are required to be used.

Total program expenditures in the General Fund increased by \$2.1 million (1.7%) from \$129.2 in fiscal year 2006 to \$131.3 in fiscal year 2007. General government program expenditures decreased \$2 million (3.5%) while the public safety increased by \$2.5 million (4.6%), judicial services increased by \$0.97 million (9.1%), and health and welfare program expenditures increased \$0.7 million (10%). None of the increases or decreases were considered significant and is not discussed further in this management discussion and analysis. General fund revenues increased by \$9.3 million (6.3%) from \$147.2 million in 2006 to \$156.5 million in 2007. Property taxes increased \$2.5 million (3%) from fiscal year 2006 to 2007. This increase was primarily caused by an increase in the assessed valuation from 2006 to 2007. The County's mill levy cap, as defined by TABOR, is 11.398 mills. Other taxes increased \$0.2 million from \$6.9 million to \$7.1 million (3.3%) from fiscal year 2006 to 2007. Other taxes primarily consist of the County's portion of state auto ownership taxes, which were higher in 2007 than 2006. License and permit fees increased by \$0.44 million (11.5%) from \$3.82 million in fiscal year 2006 to \$4.26 million in 2007. Investment income of the County increased 62%, from \$7.7 million in 2006 to \$12.5 million in 2007. This increase was primarily due a greater investment base and the improved investment performance by the County's Treasury office. All other general fund revenue sources, intergovernmental revenues, charges for services, fines, interfund revenues and rentals, developer contributions and miscellaneous income, increased insignificantly (2.8%) from 2006 to 2007.

ARAPAHOE COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

December 31, 2007

Social Services Fund

This fund is mandated by the State of Colorado and is used to account for participation by the County in Federal and State public welfare programs. The fund balance decreased by \$5.2 million (33%) from \$15.7 million at the end of fiscal year 2006 to \$10.5 million at the end of 2007. Only \$28,509 of the \$10.5 million fund balance was reserved at the end of fiscal year 2007. Approximately \$10.4 million was remaining and available for future expenditures.

The unreserved fund balance of the Social Services Fund at the end of fiscal year 2007, approximately \$10.4 million represented approximately 24% of the \$42.9 million adopted budget for the Social Services Fund total program expenditures and transfers for 2008.

Revenues decreased by approximately \$0.3 million from 2006 to 2007. This decrease was primarily due to a decrease in collection of overpayments on programs. Recoveries and collections are expected to increase during 2008 as the Human Services department has improved its recovery process with the assistance of their legal department. Expenditures increased \$0.7 million from 2006 to 2007. The increase is due to the transfer of the Family Support Program from the District Attorney's Office to the Human Services Department in mid 2007. The Family Support program assists families with Child Support Enforcement. In addition, several new positions were added and contract labor was utilized more to help with the increase in workload.

Road and Bridge Fund

This fund accounts for the ongoing maintenance and improvement of County streets and highways. The total fund balance of the Road and Bridge Fund was \$6.3 million at the end of fiscal year 2007 and \$8.1 million at the end of fiscal year 2006. The \$1.8 million change in fund balance from 2006 to 2007 is due primarily to a transfer to the Capital Expenditure fund to partially fund the construction of the Eastern Service Center.

The unreserved fund balance of the Road and Bridge Fund at the end of fiscal year 2007, \$5.7 million, represented approximately 36% of the \$15.9 million adopted budget for the Road and Bridge Fund total program expenditures and transfers for 2008.

Revenues decreased by 1.8% and expenditures increased by approximately 1% from 2006 to 2007. During 2007, \$1.9 million was transferred to the Capital Expenditure Fund to partially fund the construction of a new road maintenance facility in the eastern part of Arapahoe County. During 2007, the County broke ground on the 16,000 square foot Eastern Service Center – the new home of the County's Public Works and Fleet management eastern operation which will open in 2008. The facility will include 110-foot vehicle bays, a welding area and room to store heavy equipment such as snowplows and road graders.

Open Space Fund

This fund was established to collect and preserve open space in the County. The total fund balance of the fund increased \$4 million from 2006 and 2007. The fund balance is reserved for encumbrances in the amount of \$0.07 million with the remaining \$23 million being available for future use as outlined by the resolution establishing the fund. The fund collected approximately \$19.3 million in sales tax and received \$1.5 million in investment income during 2007. The fund expended \$16.7 million through grants and share back proceeds with incorporated municipalities.

ARAPAHOE COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

December 31, 2007

Arapahoe County Water and Wastewater Public Improvement District (PID)

The majority of total fund balance of the PID is reserved for construction and subsequent year debt service expenditures, and the expenditures presented in the Statement of Revenues, Expenditures, and Changes in Fund Balance will predominantly be capital outlay and debt services expenditures. The PID fund balance decreased by \$12.4 million from fiscal year 2006 to 2007. This decrease was due to the water purification project being constructed with the Cottonwood Water and Sanitation District. This project includes production wells, a pumping station and transmission pipelines, and will allow for future development and growth of the Arapahoe County Water and Wastewater Public Improvement District.

Revenues increased \$1.0 million from 2006 to 2007. Tax revenue decreased \$0.3 million from 2006 to 2007. Investment income decreased \$0.55 million (37%) from \$1.5 million to \$0.95 million from 2006 to 2007 as a result of less cash held for investment purposes.

Expenditures and debt service costs also changed from fiscal year 2006 to 2007. Capital expenditures increased \$4.7 million from 2006 to 2007. Large capital construction projects accounted for most of the capital construction activity in 2007. These projects included the wastewater treatment plant modification, water treatment plant improvements, wastewater treatment plant expansion and well improvement projects. Debt service costs decreased approximately \$0.2 from 2006 to 2007 because the no new debt was issued and the prior year's debt service was used to finance the current year's projects.

Building Finance Corporation Fund

The Building Finance Corporation Fund acts as a debt service fund to account for the transactions of the Arapahoe County Building Corporation, a not-for-profit corporation that issues certificates of participation (COP's) for the purpose of funding the construction of facilities that are leased to Arapahoe County Government.

The total fund balance of the Building Finance Corporation was \$4.6 million at the end of fiscal year 2007 and \$6.3 million at the end of fiscal year 2006. The total fund balance for both fiscal years was primarily reserved for debt service.

Debt service expenditures, \$6.5 million, exceeded earned revenue, \$2 million, by \$4.5 million during fiscal year 2007.

The ability of the fund to make debt service payments is primarily dependent upon the liquidity of other governmental funds of the County and the Arapahoe County Airport Authority.

Non Major Governmental Funds

The total fund balance of the combined non-major governmental funds increased by approximately \$0.6 million (0.98%) from \$61.2 million in 2006 to \$61.8 million in 2007. This increase was primarily caused by the following item:

- Total revenue increased slightly and total expenditures decreased slightly across the non-major governmental funds. In particular, property taxes accounted for the partial increase in revenues as the assessed valuation increased from 2006 to 2007. Fines, interfund revenues and rentals, and miscellaneous revenues accounted for the remaining increase in revenues during 2007. The decrease in expenditures occurred in capital expenditures for the categories of general government, highways and streets, and culture and recreation.

ARAPAHOE COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

December 31, 2007

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 of service to the public that are not provided by the county governmental funds. Internal service funds are used to report the financial position and activities of funds that provide of service to the other funds of the County. The County has only internal service funds. The internal service funds of the County are the Central Services Fund, the Liability Self Insurance Fund, the Employee Flex Benefit Fund, the Worker's Compensation Fund and the Dental Self-Insurance Fund. The net assets for the County's internal service funds increased from \$22.1 million to \$23.9 million from fiscal year 2006 to 2007.

Of the \$23.9 million in 2007 and \$22.1 million in 2006 of the total net assets of the proprietary funds, \$20.9 million (88.2%) and \$19.7 million (89.2%) respectively 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 \$20.9 million net assets in the Central Services Fund at the end of 2007, \$9.4 million was invested in capital assets (net of accumulated depreciation); \$0.3 million in inventory and approximately \$11.2 million (54%) were available to replace expiring movable assets in the future.

Fiduciary Funds

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

GENERAL FUND BUDGET VARIANCE ANALYSIS

The County's budget is prepared according to Colorado statutes. The most significant budgeted fund is the General Fund.

	Budget			Actual	Variance Positive (Negative)
	Original Budget	Amendments	Final Budget		
Fund Balance - January 1, 2007	\$ 29,788,049		\$ 29,788,049	\$ 29,788,049	\$ -
Revenues and Other Financing Sources	147,051,569	6,910,765	153,962,334	163,581,719	9,619,385
Expenditures and Other Financing Uses	147,030,300	5,357,609	152,387,909	143,933,582	8,454,327
Fund Balance - December 31, 2007	<u>\$ 29,809,318</u>		<u>\$ 31,362,474</u>	<u>\$ 49,436,186</u>	<u>\$ 18,073,712</u>

In fiscal year 2007, the Board of County Commissioners originally appropriated a total of \$147 million for General Fund expenditures and other financing uses. This appropriated total was amended to \$152.4 million in the final budget, an increase of \$5.4 million (3.7%). The Board of County Commissioner's also originally estimated \$147.1 million of General Fund revenues and other financing sources for 2007. This estimate was revised to \$154 million in the final budget, an increase of approximately 4.7%.

ARAPAHOE COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

December 31, 2007

The only large increase to the appropriated expenditures and other financing uses was a 19% increase in the original expenditure budget for the Administrative Services budget. The Administrative Services original 2007 budget increased from \$3.5 million to \$4.2 million. This \$0.7 million increase in the Administrative Services' original budget was for funding of the initial phase of the judicial/jail solution project and to facilitate the expansion of court space due to the Colorado legislature's approval of additional judges in 2008.

Actual General Fund revenues and other financing sources, \$163.6 million, were higher than the general fund budgeted revenues and other financing sources in the final budget, \$154 million, by \$9.6 million (6.2%). Actual General Fund program expenditures and other financing uses, \$143.9 million, were lower than the General Fund program expenditures in the final budget, \$152.4 million, by \$8.5 million (6%). All program expenditure lines were underspent. The underspent percentage of the final budget for the program expenditure lines ranged from a high of 40.8% underspent to a low of 0.99% under spent. This reduction is due to the fact that during the 2007 fiscal year, the Board of County Commissioners emphasized creating maximum efficiency in every program undertaken by the County.

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 \$665.1 million as of December 31, 2006, and \$743.5 million as of December 31, 2007. 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 \$78.4 million (11.8%) during fiscal year 2007.

A summary of the County's capital assets is as follows:

Arapahoe County Government's Capital Assets		
(Net of Depreciation)		
Governmental Activities		
	2007	2006
Land and Land Improvements	\$ 35,231,147	\$ 28,754,867
Buildings and Improvements	145,040,235	116,403,224
Furniture and Equipment	11,824,911	10,592,691
Infrastructure	512,675,851	436,568,240
Construction in Progress	38,732,122	72,816,973
Total	<u>\$ 743,504,266</u>	<u>\$ 665,135,995</u>

A summary of significant capital asset events during fiscal year 2007 included the following:

- Developers donated infrastructure improvements & rights-of-way valued at approximately \$61.7 million to the County during 2007.
- Approximately \$23.3 million was spent on uncompleted capital construction projects related to building, facilities and the County's infrastructure during 2007.
- Roads and road improvements costing \$15.9 million were completed during the year.
- Water and wastewater infrastructure were added during the year at a cost of approximately \$5.4 million.

ARAPAHOE COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

December 31, 2007

- Developers contribute funds to the County to help pay for capital projects in their developments. These contributions are recorded as revenue in the capital project funds. During 2007, \$892,506 has been contributed to the county by developers and recorded as revenue for which development improvement projects must be completed by the county in the future.

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-33 through C-36 of this annual report.

Capital Lease Purchase Agreements and Outstanding Bonds

At the end of fiscal year 2007, Arapahoe County had two bond issues, two long-term note payables, three capital certificates of participation and seven capital lease purchase agreements outstanding. The three capital certificates of participation were issued by the Arapahoe County Building Finance Corporation.

Arapahoe County Summary of Outstanding Debt		
	Governmental Activities	
	2007	2006
Certificates of Participation	\$ 59,701,439	\$ 65,229,722
Bonds	60,819,899	62,505,586
Long-term Notes	42,815,966	43,697,934
Lease Purchases	15,175,838	14,130,291
Total	<u>\$ 178,513,142</u>	<u>\$ 185,563,533</u>

Arapahoe County decreased its total debt by \$7.1 million during 2007.

The county entered into one new capital lease during 2007. One capital lease for \$2,600,000 was entered into with Zions First National Bank to purchase a park and an open space site located in the Dove Valley subdivision. The total purchase was \$3,234,376, of which \$2,600,000 was financed by the lease.

Additional information about Arapahoe County's long-term debt can be found in the Notes to the Financial Statements pages C-38 to C-49 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

Facts

- None

ARAPAHOE COUNTY, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

December 31, 2007

Decisions

- **General Fund Unreserved Fund Balance.** Arapahoe County has appropriated \$1.2 million of the 2007 General Fund unreserved fund balance of \$49.6 million for spending in the 2008 fiscal year budget.
- **Property Tax Mill Levy.** The Total County mill levy for Property Taxes for 2008 decreased 0.866 mills (5.4%) from 16.083 mills for 2007 to 15.217 mills for 2008.

Economic Condition Indicators

- **Unemployment Rate** - The unemployment rate, not seasonably adjusted, for Arapahoe County was 3.8% for year-ended 2007, which is a decrease from the rate of 4.3% for the year-ended 2006. This rate compares favorably to the Denver-metro unemployment rate of 3.9% and the state's unemployment rate of 3.8% for 2007.
- **Building Permits** - The number of new single family residence construction permits issued in 2007 dropped 33% from the number issued in 2006, the number of new multi-family residential construction permits increased 14.6% from the number issued in 2006. The number of new non-residential construction permits also increased 115% from 2006 to 2007.
- **Mortgage Foreclosures** - Mortgage foreclosures in 2007 reached 6,225 compared to 4,719 in 2006.

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 80166, (303) 795-4598.

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Arapahoe County, Colorado
Statement of Net Assets
December 31, 2007

	Primary Government		Component Units	
	Governmental Activities	E-911 Authority	Arapahoe County Airport Authority	Arapahoe County Water and Wastewater Authority
Assets				
Cash and investments	\$ 145,711,307	\$ 6,906,506	\$ 4,769,304	\$ 15,398,664
Accounts receivable	13,808,139	253,447	1,373,180	1,197,912
Property tax receivable	123,919,730	-	-	-
Accrued interest receivable	48,007	-	-	-
Note receivable	-	-	104,496	-
Due from other governments	15,628,068	-	-	-
Inventories	374,894	-	2,664	-
Prepays and pension assets	990,741	23,679	154,564	9,341
Deferred charges	5,356,817	-	-	2,971,579
Restricted cash and investments	82,229,684	-	1,624,322	13,378,437
Restricted intangible assets	-	-	1,000,000	-
Capital assets:				
Land	31,529,011	-	22,509,578	2,063,241
Land improvements	4,083,048	-	1,010,963	-
Buildings and improvements	215,985,396	-	14,833,552	2,039,366
Furniture and equipment	52,507,436	1,598,891	4,020,088	-
Infrastructure	586,721,015	-	-	24,614,853
Runways	-	-	20,796,619	-
Water rights	-	-	-	39,731,760
Construction in progress	38,732,122	-	5,848,861	326,658
Less accumulated depreciation/depletion	(186,053,762)	(1,130,235)	(26,274,877)	(8,802,896)
Net capital assets	743,504,266	468,656	42,744,784	59,972,982
Total assets	1,131,571,653	7,652,288	51,773,314	92,928,915
Liabilities				
Accounts payable and other current liabilities	31,345,123	54,244	836,255	1,370,982
Accrued interest payable	1,434,425	-	78,470	-
Due to other governments	659,949	-	-	-
Unearned revenue	137,098,496	-	5,968	-
Noncurrent liabilities:				
Due within one year	8,303,454	-	1,596,378	625,418
Due in more than one year	180,157,633	-	12,025,667	41,620,338
Net pension obligation	6,956,945	-	-	-
Other post-employment benefit obligation	160,451	-	-	-
Total liabilities	366,116,476	54,244	14,542,738	43,616,738
Net assets				
Invested in capital assets net of related debt	598,362,162	468,656	30,133,954	20,824,850
Restricted for:				
TABOR reserve	6,196,652	-	-	-
Debt service	1,797,825	-	-	-
Cash in-lieu fund	168,377	-	-	-
Conservation trust fund	146,128	-	-	-
Open space fund	23,196,314	-	-	-
Other restrictions	660,013	-	1,624,322	13,378,437
Unrestricted	134,927,706	7,129,388	5,472,300	15,108,890
Total net assets	\$ 765,455,177	\$ 7,598,044	\$ 37,230,576	\$ 49,312,177

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, 2007

Program Revenues

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
General government	\$ 63,300,479	\$ 26,745,753	\$ 726,253	\$ -
Public safety	71,309,677	23,628,766	4,060,388	6,088
Judicial services	11,622,405	-	-	-
Health and welfare	68,886,438	485,962	45,916,061	20,341
Highways and streets	25,004,995	3,396,200	10,267,441	61,862,505
Water and wastewater	1,675,251	-	4,142,847	-
Airport	374,688	-	-	-
Culture and recreation	15,887,027	188,358	26,119	532,286
Interest on long-term debt	8,121,674	-	-	-
Total governmental activities	266,182,634	54,445,039	65,139,109	62,421,220
Component units				
E-911	1,037,692	2,526,249	-	-
Arapahoe County Airport Authority	6,064,740	5,932,042	5,307,009	-
Arapahoe County Water and Wastewater Authority	10,217,348	10,115,899	-	5,236,384
Total component units:	\$ 17,319,780	\$ 18,574,190	\$ 5,307,009	\$ 5,236,384

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 - 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
\$ (35,828,473)			
(43,614,435)			
(11,622,405)			
(22,464,074)			
50,521,151			
2,467,596			
(374,688)			
(15,140,264)			
(8,121,674)			
<u>(84,177,266)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	1,488,557		
-	-	5,174,311	
-	-	-	5,134,935
<u>\$ -</u>	<u>\$ 1,488,557</u>	<u>\$ 5,174,311</u>	<u>\$ 5,134,935</u>
119,397,961	-	-	-
19,306,838	-	-	-
9,928,556	-	-	-
15,866,207	374,775	304,575	964,658
-	-	42,674	-
4,149,679	-	-	-
<u>168,649,241</u>	<u>374,775</u>	<u>347,249</u>	<u>964,658</u>
84,471,975	1,863,332	5,521,560	6,099,593
680,983,202	5,734,712	31,709,016	43,212,584
<u>\$ 765,455,177</u>	<u>\$ 7,598,044</u>	<u>\$ 37,230,576</u>	<u>\$ 49,312,177</u>

Arapahoe County, Colorado
Balance Sheet
Governmental Funds
December 31, 2007

	General	Social Services	Road and Bridge	Open Space Sales Tax
Assets				
Cash and investments	\$ 52,145,719	\$ 10,504,904	\$ 5,309,130	\$ -
Restricted cash and investments	48,266	11,428,249	-	28,783,917
Accounts receivable	4,223,015	2,012,531	1,898,054	3,208,513
Taxes receivable	84,717,196	10,739,571	5,745,114	-
Due from other funds	678,946	-	-	-
Prepaid items	915,005	28,509	5,038	-
Inventories	-	-	-	-
Total assets	\$ 142,728,147	\$ 34,713,764	\$ 12,957,336	\$ 31,992,430
Liabilities and fund balances				
Liabilities				
Accounts payable	\$ 4,055,490	\$ 599,317	\$ 622,790	\$ 8,771,852
Accrued expenditures	4,415,717	1,379,622	239,857	24,264
Due to other governments	-	98,038	-	-
Due to other funds	-	-	-	-
Deferred revenues	84,820,754	22,167,820	5,745,114	-
Total liabilities	93,291,961	24,244,797	6,607,761	8,796,116
Fund balances				
Reserve for prepaid items	915,005	28,509	5,038	-
Reserved for encumbrances	513,147	-	594,998	73,983
Reserved for inventories	-	-	-	-
Reserved for TABOR	-	-	-	-
Reserved for construction	-	-	-	-
Reserved for debt service	-	-	-	-
Unreserved - designated for:				
Subsequent year's expenditures				
General fund	1,226,331	-	-	-
Special revenue fund	-	-	-	21,583,784
Capital projects fund	-	-	-	-
Unreserved, undesignated, reported in:				
General fund	46,781,703	-	-	-
Special revenue fund	-	10,440,458	5,749,539	1,538,547
Capital projects fund	-	-	-	-
Total fund balances	49,436,186	10,468,967	6,349,575	23,196,314
Total liabilities and fund balances	\$ 142,728,147	\$ 34,713,764	\$ 12,957,336	\$ 31,992,430

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

Arap. County Water and Wastewater PID	Arap. County Building Finance Corp.	Other Governmental	Total Governmental
\$ 1,836,937	\$ 2,730,799	\$ 55,523,900	\$ 128,051,389
31,226,028	1,844,547	8,898,678	82,229,685
1,315,020	-	3,657,215	16,314,348
5,079,380	-	17,638,469	123,919,730
-	-	-	678,946
-	-	42,189	990,741
-	-	75,266	75,266
<u>\$ 39,457,365</u>	<u>\$ 4,575,346</u>	<u>\$ 85,835,717</u>	<u>\$ 352,260,105</u>
\$ 2,894,422	\$ -	\$ 4,245,730	\$ 21,189,601
-	-	513,337	6,572,797
-	-	-	98,038
-	-	678,946	678,946
5,785,741	-	18,579,067	137,098,496
<u>8,680,163</u>	<u>-</u>	<u>24,017,080</u>	<u>165,637,878</u>
-	-	28,920	977,472
-	-	9,691,478	10,873,606
-	-	75,266	75,266
-	-	6,196,652	6,196,652
23,699,310	-	-	23,699,310
7,077,892	4,575,346	31,682	11,684,920
-	-	-	1,226,331
-	-	2,830,903	24,414,687
-	-	7,195,201	7,195,201
-	-	-	46,781,703
-	-	20,686,336	38,414,880
-	-	15,082,199	15,082,199
<u>30,777,202</u>	<u>4,575,346</u>	<u>61,818,637</u>	<u>186,622,227</u>
<u>\$ 39,457,365</u>	<u>\$ 4,575,346</u>	<u>\$ 85,835,717</u>	<u>\$ 352,260,105</u>

Arapahoe County, Colorado
Reconciliation of Total Governmental Fund Balances
to the Statement of Net Assets
December 31, 2007

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

Total governmental fund balance	\$ 186,622,227
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	734,094,416
Other assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	11,905,367
Amount Due from other government is not a current financial resource- the cash transaction took place in prior years and not shown as a receivable	1,145,926
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	23,903,588
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(192,216,347)</u>
Net assets of governmental activities	<u><u>\$ 765,455,177</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, 2007

	General	Social Services	Road and Bridge	Open Space Sales Tax
Revenues				
Taxes				
Property taxes	\$ 81,420,113	\$ 10,556,464	\$ 5,832,171	\$ -
Sales tax	-	-	-	19,306,838
Other taxes	7,168,587	929,682	513,836	-
Licenses and permits	4,260,227	-	278,641	-
Intergovernmental	4,115,900	27,056,156	6,915,060	-
Charges for services	41,836,583	26,364	2,928,600	-
Fines	481,190	-	-	-
Investment earnings	12,450,464	-	-	1,529,433
Interfund revenues and rentals	3,372,240	-	-	-
Interest on loan to component unit	-	-	-	-
Developer contributions	-	-	-	-
Miscellaneous	1,361,257	388,807	101,067	-
Total revenue	<u>156,466,561</u>	<u>38,957,473</u>	<u>16,569,375</u>	<u>20,836,271</u>
Expenditures				
Current				
General government	55,122,965	-	-	-
Public safety	56,724,757	-	-	-
Judicial services	11,534,723	-	-	-
Health and welfare	7,875,842	35,487,306	-	-
Highways and streets	-	-	16,417,088	-
Water and wastewater	-	-	-	-
Airport	-	-	-	-
Culture and recreation	-	-	-	14,545,372
Total current	<u>131,258,287</u>	<u>35,487,306</u>	<u>16,417,088</u>	<u>14,545,372</u>
Capital				
General government	-	-	-	-
Public safety	43,500	-	-	-
Health and welfare	-	-	-	-
Highways and streets	-	-	-	-
Water and wastewater	-	-	-	-
Culture and recreation	-	-	-	2,157,210
Total capital	<u>43,500</u>	<u>-</u>	<u>-</u>	<u>2,157,210</u>
Debt				
Principal	52,243	-	-	-
Interest	5,041	-	-	-
Debt issuance costs	-	-	-	-
Total debt service	<u>57,284</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>131,359,071</u>	<u>35,487,306</u>	<u>16,417,088</u>	<u>16,702,582</u>
Excess (deficiency) of revenues over (under) expenditures	<u>25,107,490</u>	<u>3,470,167</u>	<u>152,287</u>	<u>4,133,689</u>
Other financing sources (uses)				
Transfers in	7,115,158	-	-	-
Transfers out	(12,574,511)	(8,651,938)	(1,903,207)	(105,242)
Payment to bond agent	-	-	-	-
Debt issued	-	-	-	-
Total other financing sources (uses)	<u>(5,459,353)</u>	<u>(8,651,938)</u>	<u>(1,903,207)</u>	<u>(105,242)</u>
Net change in fund balance	<u>19,648,137</u>	<u>(5,181,771)</u>	<u>(1,750,920)</u>	<u>4,028,447</u>
Fund balance - beginning	29,788,049	15,650,738	8,100,495	19,167,867
Fund balance - ending	<u>\$ 49,436,186</u>	<u>\$ 10,468,967</u>	<u>\$ 6,349,575</u>	<u>\$ 23,196,314</u>

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

Arap. County Water and Wastewater PID	Arap. County Building Finance Corp.	Other Governmental	Total Governmental
\$ 5,064,825	\$ -	\$ 16,524,388	\$ 119,397,961
-	-	-	19,306,838
459,671	-	856,780	9,928,556
-	-	188,960	4,727,828
4,142,847	-	25,216,797	67,446,760
-	-	2,074,450	46,865,997
-	-	457,413	938,603
955,955	384,161	546,195	15,866,208
-	-	35,549	3,407,789
-	1,560,383	-	1,560,383
-	-	157,201	157,201
934,846	-	269,283	3,055,260
<u>11,558,144</u>	<u>1,944,544</u>	<u>46,327,016</u>	<u>292,659,384</u>
-	-	3,996,260	59,119,225
-	-	9,501,211	66,225,968
-	-	-	11,534,723
-	2,000	25,019,022	68,384,170
-	-	2,763,741	19,180,829
80,522	-	-	80,522
-	9,800	-	9,800
-	10,500	950,144	15,506,016
<u>80,522</u>	<u>22,300</u>	<u>42,230,378</u>	<u>240,041,253</u>
-	-	4,853,002	4,853,002
-	-	1,055,621	1,099,121
-	-	87,780	87,780
-	-	3,654,207	3,654,207
18,423,187	-	-	18,423,187
-	-	3,821,795	5,979,005
<u>18,423,187</u>	<u>-</u>	<u>13,472,405</u>	<u>34,096,302</u>
831,405	3,710,000	3,238,839	7,832,487
4,611,882	2,776,537	648,136	8,041,596
225	3,000	-	3,225
<u>5,443,512</u>	<u>6,489,537</u>	<u>3,886,975</u>	<u>15,877,308</u>
<u>23,947,221</u>	<u>6,511,837</u>	<u>59,589,758</u>	<u>290,014,863</u>
<u>(12,389,077)</u>	<u>(4,567,293)</u>	<u>(13,262,742)</u>	<u>2,644,521</u>
-	2,854,700	19,628,721	29,598,579
(517)	-	(8,366,389)	(31,601,287)
-	-	-	(517)
-	-	2,600,000	2,600,000
<u>(517)</u>	<u>2,854,700</u>	<u>13,862,332</u>	<u>596,775</u>
<u>(12,389,594)</u>	<u>(1,712,593)</u>	<u>599,590</u>	<u>3,241,296</u>
<u>43,166,796</u>	<u>6,287,939</u>	<u>61,219,047</u>	<u>183,380,931</u>
<u>\$ 30,777,202</u>	<u>\$ 4,575,346</u>	<u>\$ 61,818,637</u>	<u>\$ 186,622,227</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, 2007

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

Net change in fund balances - total governmental funds	\$ 3,241,296
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.	21,567,616
The net effect of various miscellaneous transactions involving capital assets (i.e., sales trade-ins, and donations) is to increase net assets.	56,215,076
The repayment of long-term debt consumes the current financial resources of governmental funds, however there is no effect on net assets.	7,832,487
Proceeds from borrowing increase the financial resources of the governmental funds but are not revenues to the government-wide financial statements.	(2,600,000)
Refunding losses premium or discounts and bond issuance costs are revenues and expenditures of the governmental funds but are not to the government-wide financial statements.	1,360,533
Some revenues reported in the governmental funds have been reported in the statement of activities in prior periods.	(1,132,747)
Some revenues are not available for use in governmental funds and are only reported in the statement of activities	9,026
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.	(3,862,218)
Internal service funds are used by management to charge the costs of insurance and other services to individual funds.	<u>1,840,906</u>
Change in net assets of governmental activities.	<u><u>\$ 84,471,975</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, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
Revenues				
Taxes				
Property taxes	\$ 81,310,540	\$ 81,310,540	\$ 81,420,113	\$ 109,573
Other taxes	7,100,000	7,100,000	7,168,587	68,587
Licenses and permits	4,001,300	4,001,300	4,260,227	258,927
Intergovernmental	2,097,900	2,697,852	4,115,900	1,418,048
Charges for services	42,098,888	41,857,443	41,836,583	(20,860)
Fines	431,700	431,700	481,190	49,490
Investment earnings	6,000,500	6,000,500	12,450,464	6,449,964
Interfund revenues and rentals	2,983,557	2,983,557	3,372,240	388,683
Miscellaneous	457,184	464,284	1,361,257	896,973
Total revenue	<u>146,481,569</u>	<u>146,847,176</u>	<u>156,466,561</u>	<u>9,619,385</u>
Expenditures				
Current				
General government				
Administrative services	3,535,047	4,042,669	2,487,923	1,554,746
Assessor's Office	5,244,689	5,245,007	5,006,143	238,864
Board of County Commissioners	1,008,654	1,025,994	901,221	124,773
BOCC-Administration	600,365	600,365	588,280	12,085
Clerk and Recorder's Office	8,202,559	8,299,921	7,714,855	585,066
Communication Services Department	1,042,312	1,067,312	1,005,363	61,949
County Attorney	2,435,005	2,350,005	2,236,155	113,850
Facilities and Fleet Management	10,917,975	10,817,223	10,415,525	401,698
Finance	2,631,801	3,008,905	2,739,828	269,077
Human Resources	1,269,854	1,289,854	1,205,868	83,986
Information Technology	11,771,565	11,860,464	10,774,344	1,086,120
Public Works and Development	8,763,720	8,905,142	8,179,509	725,633
Treasurer's Office	1,761,747	1,911,747	1,867,951	43,796
Total general government	<u>59,185,293</u>	<u>60,424,608</u>	<u>55,122,965</u>	<u>5,301,643</u>
Public safety	58,248,014	59,131,500	56,724,757	2,406,743
Judicial services	11,649,954	11,649,954	11,534,723	115,231
Health and welfare	8,347,935	8,463,235	7,875,842	587,393
Total current	<u>137,431,196</u>	<u>139,669,297</u>	<u>131,258,287</u>	<u>8,411,010</u>
Capital				
General government	7,301	6,701	-	6,701
Public safety	71,400	137,400	43,500	93,900
Total capital	<u>78,701</u>	<u>144,101</u>	<u>43,500</u>	<u>100,601</u>
Debt				
Principal	-	-	52,243	(52,243)
Interest	-	-	5,041	(5,041)
Total debt service	<u>-</u>	<u>-</u>	<u>57,284</u>	<u>(57,284)</u>
Total expenditures	<u>137,509,897</u>	<u>139,813,398</u>	<u>131,359,071</u>	<u>8,454,327</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,971,672</u>	<u>7,033,778</u>	<u>25,107,490</u>	<u>18,073,712</u>
Other financing sources (uses)				
Transfers in	570,000	7,115,158	7,115,158	-
Transfers out	(9,520,403)	(12,574,511)	(12,574,511)	-
Total other financing sources (uses)	<u>(8,950,403)</u>	<u>(5,459,353)</u>	<u>(5,459,353)</u>	<u>-</u>
Net change in fund balance	21,269	1,574,425	(19,648,137)	18,073,712
Fund balance - beginning	29,788,049	29,788,049	29,788,049	-
Fund balance - ending	<u>\$ 29,809,318</u>	<u>\$ 31,362,474</u>	<u>\$ 49,436,186</u>	<u>\$ 18,073,712</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, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
Revenues				
Taxes				
Property taxes	\$ 10,544,295	\$ 10,544,295	\$ 10,556,464	\$ 12,169
Other taxes	875,164	875,164	929,682	54,518
Intergovernmental	26,606,909	26,606,909	27,056,156	449,247
Charges for services	22,800	22,800	26,364	3,564
Miscellaneous	546,400	546,400	388,807	(157,593)
Total revenue	<u>38,595,568</u>	<u>38,595,568</u>	<u>38,957,473</u>	<u>361,905</u>
Expenditures				
Current				
Health and welfare	39,068,074	39,068,704	35,487,306	3,581,398
Total expenditures	<u>39,068,074</u>	<u>39,068,704</u>	<u>35,487,306</u>	<u>3,581,398</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(472,506)</u>	<u>(473,136)</u>	<u>3,470,167</u>	<u>3,943,303</u>
Other financing sources (uses)				
Transfers out	(1,501,200)	(8,651,938)	(8,651,938)	-
Total other financing sources (uses)	<u>(1,501,200)</u>	<u>(8,651,938)</u>	<u>(8,651,938)</u>	<u>-</u>
Net change in fund balance	(1,973,706)	(9,125,074)	(5,181,771)	3,943,303
Fund balance-beginning	15,650,738	15,650,738	15,650,738	-
Fund balance - ending	<u>\$ 13,677,032</u>	<u>\$ 6,525,664</u>	<u>\$ 10,468,967</u>	<u>\$ 3,943,303</u>

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

Arapahoe County, Colorado
Road and Bridge
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
Revenues				
Taxes				
Property taxes	\$ 5,827,824	\$ 5,827,824	\$ 5,832,171	\$ 4,347
Other taxes	518,000	518,000	513,836	(4,164)
Licenses and permits	255,000	255,000	278,641	23,641
Intergovernmental	6,930,183	6,930,183	6,915,060	(15,123)
Charges for services	2,255,258	2,802,467	2,928,600	126,133
Miscellaneous	200,000	280,336	101,067	(179,269)
Total revenue	<u>15,986,265</u>	<u>16,613,810</u>	<u>16,569,375</u>	<u>(44,435)</u>
Expenditures				
Current				
Highways and streets	16,198,117	17,800,052	16,417,088	1,382,964
Capital				
Highways and streets	500,000	-	-	-
Total expenditures	<u>16,698,117</u>	<u>17,800,052</u>	<u>16,417,088</u>	<u>1,382,964</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(711,852)</u>	<u>(1,186,242)</u>	<u>152,287</u>	<u>1,338,529</u>
Other financing sources (uses)				
Transfers out	(3,207)	(1,903,207)	(1,903,207)	-
Total other financing sources (uses)	<u>(3,207)</u>	<u>(1,903,207)</u>	<u>(1,903,207)</u>	<u>-</u>
Net change in fund balance	(715,059)	(3,089,449)	(1,750,920)	1,338,529
Fund balance - beginning	8,100,495	8,100,495	8,100,495	-
Fund balance - ending	<u>\$ 7,385,436</u>	<u>\$ 5,011,046</u>	<u>\$ 6,349,575</u>	<u>\$ 1,338,529</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, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
Revenues				
Sales tax	\$ 18,096,506	\$ 18,096,506	\$ 19,306,838	\$ 1,210,332
Investment earnings	375,933	375,933	1,529,433	1,153,500
Total revenue	<u>18,472,439</u>	<u>18,472,439</u>	<u>20,836,271</u>	<u>2,363,832</u>
Expenditures				
Current				
Culture and recreation	17,074,482	34,722,516	14,545,372	20,177,144
Capital				
Culture and recreation	1,300,460	2,574,460	2,157,210	417,250
Total expenditures	<u>18,374,942</u>	<u>37,296,976</u>	<u>16,702,582</u>	<u>20,594,394</u>
Excess (deficiency) of revenues over (under) expenditures	<u>97,497</u>	<u>(18,824,537)</u>	<u>4,133,689</u>	<u>22,958,226</u>
Other financing sources (uses)				
Transfers out	<u>(97,497)</u>	<u>(105,242)</u>	<u>(105,242)</u>	<u>-</u>
Total other financing sources (uses)	<u>(97,497)</u>	<u>(105,242)</u>	<u>(105,242)</u>	<u>-</u>
Net change in fund balance	-	(18,929,779)	4,028,447	22,958,226
Fund balance - beginning	<u>19,167,867</u>	<u>19,167,867</u>	<u>19,167,867</u>	<u>-</u>
Fund balance - ending	<u>\$ 19,167,867</u>	<u>\$ 238,088</u>	<u>\$ 23,196,314</u>	<u>\$ 22,958,226</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, 2007**

		Governmental Activities Internal Service Funds
Assets		
Current assets		
Cash and investments	\$	17,659,920
Accounts receivable		116,909
Inventory		299,628
Total current assets		18,076,457
Noncurrent assets		
Capital assets		
Vehicles and equipment		29,098,314
Computer systems		7,911,381
Furniture and office equipment		107,751
Less: accumulated depreciation		(27,707,596)
Total noncurrent assets (net of accum. dep.)		9,409,850
Total assets		27,486,307
Liabilities		
Current liabilities		
Accounts payable		545,864
Estimated claims payable		3,014,000
Flex benefits payable		22,855
Total liabilities		3,582,719
Net assets		
Invested in capital assets		9,409,850
Unrestricted		14,493,738
Total net assets	\$	23,903,588

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, 2007

	Governmental Activities Internal Service Funds
Operating revenues	
Charges for sales and service	\$ 8,845,166
Total operating revenue	8,845,166
Operating expenses	
Cost of sales and services	5,393,329
Administration	250,574
Depreciation	3,684,397
Total operating expenses	9,328,300
Operating income (loss)	(483,134)
Nonoperating revenue (expenses)	
Investment earnings	109
Gain on sale of assets	321,223
Income before contributions and transfers	(161,802)
Transfers in	2,034,398
Transfers out	(31,690)
Change in net assets	1,840,906
Total net assets - beginning	22,062,682
Total net assets - ending	\$ 23,903,588

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, 2007

	Governmental Activities Internal Service Funds
Cash flows from operating activities	
Cash received for interfund services provided	\$ 8,705,056
Cash payments for services and supplies	(5,494,337)
Net cash provided by operating activities	3,210,719
Cash flows from noncapital financing activities	
Transfers in from other funds	2,034,398
Transfers out to other funds	(31,690)
Net cash provided by non capital financing activities	2,002,708
Cash flows from capital and related financing activities	
Acquisition of property and equipment	(4,313,379)
Proceeds from sale of capital assets	412,319
Net cash used by capital and related financing activities	(3,901,060)
Cash flows from investing activities	
Interest received	109
Net cash provided by investing activities	109
Net increase in cash and investments	1,312,476
Cash and investments, January 1, 2007	16,347,444
Cash and investments, December 31, 2007	\$ 17,659,920
Reconciliation of operating income to net cash provided by operating activities:	
Operating (loss)	\$ (483,134)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	3,684,397
Donated Asset	(52,752)
(Increase) in accounts receivable	(87,358)
Increase in inventory	(30,551)
Increase in accounts payable	17,534
Increase in claims payable	201,000
(Decrease) in flex benefits payable	(38,417)
Total Adjustments	3,693,853
Net cash provided by operating activities	\$ 3,210,719

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, 2007

	Arapahoe County Retirement Trust	Agency Funds Total
Assets		
Cash and investments	\$ -	\$ 29,416,667
Restricted escrow		1,097,998
Investments:		
Money market funds and cash equivalents	1,116,965	-
Equity securities	91,786,719	-
Real estate investments	25,799,933	-
Fixed income securities	38,125,542	-
Hedge funds	24,773,136	-
Foreign investments	63,013,808	-
Total cash and investments	244,616,103	30,514,665
Receivable:		
Contributions	1,006,519	-
Interest receivable	3,945	-
Total receivables	1,010,464	-
Total assets	\$ 245,626,567	\$ 30,514,665
Liabilities		
Accounts payable	\$ 173,494	\$ -
Due to other governments	-	12,733,827
Other deposits payable	-	14,198,224
Warrants payable	-	3,582,614
Total liabilities	173,494	30,514,665
Net Assets		
Net assets held in trust for pension benefits	245,453,073	-
Total Liabilities and Net Assets	\$ 245,626,567	\$ 30,514,665

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, 2007

	<u>Arapahoe County Retirement Trust</u>
Additions	
Contributions	
Employer	\$ 5,847,228
Plan Members	6,034,196
Total contributions	<u>11,881,424</u>
Investment income	
Net appreciation	
in fair value of investments	19,563,205
Interest and dividends	2,459,944
Total investment income	<u>22,023,149</u>
Investment expenses	<u>(861,858)</u>
Net investment income	<u>21,161,291</u>
Total additions	<u>33,042,715</u>
Deductions	
Benefits to plan members	8,433,772
Refund of contributions	2,300,911
Administrative expenses	226,213
Total deductions	<u>10,960,896</u>
Change in net assets	22,081,819
Net assets - beginning	<u>223,371,254</u>
Net assets - ending	<u><u>\$ 245,453,073</u></u>

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

Arapahoe County, Colorado
Notes to the Financial Statements

December 31, 2007

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 Board of County Commissioners governs the County. As required by accounting principles generally accepted in the United States of America (US GAAP) the financial statements of the reporting entity include those of Arapahoe County (the primary government) and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the County's 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 for the Patrol Division of the Sheriff's Department. It covers only the unincorporated area of the County. The County Commissioners maintain control over operations and fiscal matters. The makeup of both boards is substantively the same. 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** has constructed parks and hiking trails for the citizens. In 1996, the District issued \$2.3 million Certificates of Participation for park construction. The Commissioners of the County serve on the District's board thus making the boards substantively the same. 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. The makeup of both boards is substantively the same. The County reports the Arapahoe County Water and Wastewater Public Improvement District (PID) as a Capital Projects Fund.

The **Arapahoe County Building Finance Corporation** owns several buildings that the County leases for governmental use. The County Commissioners appoint all board members. The activity of the building finance corporation is reflected in the Debt Service Fund. In this fund, debt on the buildings is paid.

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.

Arapahoe County, Colorado

Notes to the Financial Statements

December 31, 2007

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

Discretely Presented Component Units

The Government-wide Financial Statements include financial data of the County's discretely presented component units. These units are reported in a separate column to emphasize that they are legally separate from the County, and do not provide services exclusively for the County.

Arapahoe County Airport Authority - The County Commissioners appoint a majority of the Airport Authority board and can impose their will on the Authority. The boards are not substantively the same. 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 nine member Board of Directors, which currently includes two County Commissioners as members, 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 the Authority's board and exercise significant fiscal control. The two boards are not substantively the same. 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 80166-0001

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, and the agency funds have no measurement focus. 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.

Arapahoe County, Colorado

Notes to the Financial Statements

December 31, 2007

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 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 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.

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 must be accounted for in another fund.

The **Social Services Fund** is used to account for the operations of social programs; i.e. Child Welfare, Dependent Care, TANF, Old Age Pension, Foster Care, among others. Financing is provided by grants, allotments, and property tax revenue.

The **Road and Bridge Fund** is used to account for the maintenance and improvements of streets and highways. The sources of funds include property taxes, highway user fees, and other revenue 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 **Arapahoe County Building Finance Corporation Debt Service Fund** is used to accumulate funds to pay for Certificates of Participation issued by the County.

Arapahoe County, Colorado
Notes to the Financial Statements

December 31, 2007

The **Open Space Fund** is used to account for the collection and disbursement of the sales and use tax as directed by Resolution 030381. The monies collected are restricted to preservation of Open Space.

Additionally, the County reports the following fund types:

Internal Service Funds that account for operations that provides services to other department 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.

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

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.

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.

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 and 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.

Arapahoe County, Colorado

Notes to the Financial Statements

December 31, 2007

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.

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 postage, vehicle fuel, vehicle repair parts, and certain uniforms are recorded in the Internal Service Funds. Inventories for Weatherization materials are also capitalized. These inventories are stated at the lower of average cost or market. 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. The County defines capital assets as assets with an initial, individual cost of \$5,000 or more. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

Arapahoe County, Colorado

Notes to the Financial Statements

December 31, 2007

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.

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

County employees may earn and accumulate unused vacation and sick leave benefits. All vacation and sick leave pay is accrued when incurred in the Government-wide Financial Statements. A liability is reported in governmental funds when it becomes due under the County's policies, e.g. as a result of employee resignations or retirements. County employees hired before January 1, 1983, are annually given the option to convert excess vacation and sick leave hours to cash. Payments due to eligible employees under these options are mature liabilities and are recorded as a liability in the applicable governmental fund.

The County also has contractual agreements with certain department heads for employment 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 revenues for which the related receivable recognition criteria have been met, but for which revenue realization criteria have not been met. Deferred revenues are amounts that are measurable, but not available.

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.

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

Arapahoe County, Colorado
Notes to the Financial Statements

December 31, 2007

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 cash flow designations are used for other planned uses. 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. The Other Restrictions line includes the Electronic Filing Fund and the Developmental Disability Fund.

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.

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 \$192,216,347 difference is as follows:

Arapahoe County, Colorado
Notes to the Financial Statements
December 31, 2007

Bonds and certificates of participation payable	\$ 122,525,000
Less: Deferred charge on refunding (to be amortized as interest expense)	(2,485,600)
Less: Issuance discount (to be amortized as interest expense)	481,938
Note payable	41,488,570
Plus: Premium on note payable	1,327,396
Capital leases payable	15,175,838
Compensated absences	9,947,945
Total Long term debt	188,461,087
Deferred charge on issuance costs (to be amortized over life of debt)	(5,356,817)
Accrued interest payable	1,434,425
Net Pension Obligation	6,956,945
OPEB	160,451
Social Services advance from State	560,256
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities.	\$ 192,216,347

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 \$21,567,616 difference is as follows:

Capital Outlay	\$ 34,096,302
Depreciation expense	(12,528,686)
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities	\$ 21,567,616

Arapahoe County, Colorado

Notes to the Financial Statements

December 31, 2007

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:

In the statement of activities, only the total net gain or loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of the capital assets sold.	\$ (5,510,227)
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>61,725,303</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities.	<u>\$ 56,215,076</u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.” The detail of the \$(3,862,217) difference is as follows:

Compensated absences expense	\$ (357,370)
Pension Expense	(2,758,958)
Other Post Employment Benefit	(160,451)
Accrued interest expense	(80,077)
Debt Negotiation	(16,629)
Amortization expense	<u>(488,733)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities.	<u>\$ (3,862,218)</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 detail of the difference is as follows:

Lease Purchase payment from Airport Authority	\$ 1,040,000
Accounts Receivable	<u>92,747</u>
Total	<u>\$ 1,132,747</u>

Arapahoe County, Colorado
Notes to the Financial Statements
December 31, 2007

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 15th 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. During 2007, a few supplemental appropriation resolutions were enacted and filed with the Division of Local Government, State of Colorado.

Arapahoe County, Colorado
Notes to the Financial Statements

December 31, 2007

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:

	Primary Government	Discrete Component Units	Agency Fund	Total Reporting Entity
Cash and Investments	\$ 145,711,307	\$ 27,074,474	\$ 30,514,665	\$ 203,300,446
Restricted Cash and Investments	82,229,684	15,002,759		97,232,443
Total Cash and Investments	<u>\$ 227,940,991</u>	<u>\$ 42,077,233</u>	<u>\$ 30,514,665</u>	<u>\$ 300,532,889</u>
Total Cash Deposits (including CD's)				\$ 7,715,565
Total Investments				<u>292,817,324</u>
Total Cash Deposits and Investments: (Book Balance)				<u><u>\$ 300,532,889</u></u>

Restricted Cash is recorded for the following purposes:

Debt Reserves	\$ 3,095,244
Grant requirements	11,759,927
Debt Proceeds	28,315,794
Legal/Contractual obligations	39,058,719
Total Restricted Cash	<u><u>\$ 82,229,684</u></u>

Deposits

The Colorado Public Deposit Protection Act, (PDPA) requires that all units of local government, deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2007, State regulatory commissioners have indicated that all financial institutions holding deposits for the County are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the uninsured deposits.

As of December 31, 2007, the County's Reporting Entity deposits had a carrying value of \$7,010,765.

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, 2007

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:

- Commercial paper
- Repurchase agreements
- Obligations of the United States or obligations unconditionally guaranteed by the United States
- Obligations of the State of Colorado and most general obligations of units of local governments
- Federally insured mortgages and student loans
- Participation with other local governments in pooled investment funds (trusts), are supervised by participating governments, and must comply with the same restrictions on cash deposits and investments
- Guaranteed investment contracts issued by authorized insurance companies
- Corporate or bank debt issued by eligible corporations or banks

The local government investment pools, which include the Colorado Local Government Liquid Asset Trust (Colotrust) and the Colorado Surplus Asset Fund Trust (Csafe) are both 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 and Poor's), United States Agency Strips (Aaa by Moody'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), Commercial Paper (A-1+ Standard and Poor's), GE Capital (AAA by Moody's) Guaranteed Investment Contracts (Not Rated), and Repurchase Agreements (Not Rated). In addition, the County had \$23,932,432 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 have 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 \$274,509,368.

Arapahoe County, Colorado
Notes to the Financial Statements
December 31, 2007

As of December 31, 2007, the County had the following investments:

Investment	Maturity of 5 Years or Less	Maturity of 5 Years to 10 Years	Maturity of more than 10 Years	Total
COLOTRUST	\$ 82,559,781	\$ -	\$ -	\$ 82,559,781
Federal Home Loan Bank	31,412,451	7,612,231	-	39,024,682
Federal Farmers Credit Bank	37,404,913	-	-	37,404,913
Federal Home Loan Mortgage Coporation	36,838,648	-	-	36,838,648
Federal National Mortgage Association	28,127,490	-	-	28,127,490
CSAFE	26,187,194	-	-	26,187,194
Various Money Market Funds	23,932,342	-	-	23,932,342
Comercial Paper	6,935,950	-	-	6,935,950
GE Capital	2,975,100	-	-	2,975,100
United States Treasury Notes and Strips	3,989,600	-	-	3,989,600
Investment Strips	327,043	62,957	29,957	419,957
Other Investments	2,955,208	-	-	2,955,208
Repurchase Agreement	1,466,459	-	-	1,466,459
Total Investments	\$ 285,112,179	\$ 7,675,188	\$ 29,957	\$ 292,817,324

As of December 31, 2007, the County had invested in the Colorado Local Government Liquid Asset Trust (the Trust), and Colorado Surplus Asset Fund Trust (CSafe), investment vehicles 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 and CSafe. The Trust and CSafe operate 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 and CSafe may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. Government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. Government agencies. A designated custodial bank serves as custodian for the Trust's and CSafe's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust and CSafe'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 and CSafe. As of December 31, 2007 the County had \$108,746,975 invested in COLOTRUST and CSafe.

Arapahoe County, Colorado
Notes to the Financial Statements

December 31, 2007

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:

Investment	Fair Value	Percent of Investment Portfolio
COLOTRUST	\$ 82,559,781	28%
Federal Home Loan Bank	39,024,682	13%
Federal Farmers Credit Bank	37,404,913	13%
Federal Home Loan Mortgage Corporation	36,868,648	13%
Federal National Mortgage Association	28,127,490	10%
CSAFE	\$ 26,187,194	9%

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, 2007 the balances are as follows:

	Due to	Due from
General Fund	\$ 678,946	\$ -
Non Major Funds	-	678,946
Total	\$ 678,946	\$ 678,946

During 2007, the County transferred monies between 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:

	Transfer In	Transfer Out
General Fund	\$ 7,115,158	\$ 12,574,511
Social Services	-	8,651,938
Road and Bridge	-	1,903,207
Open Space	-	105,242
Building Finance Corporation	2,854,700	-
Internal Service Funds	2,034,398	31,690
Non Major Funds	19,628,721	8,366,389
Total	\$ 31,632,977	\$ 31,632,977

Arapahoe County, Colorado

Notes to the Financial Statements

December 31, 2007

NOTE 6: DISTRICT ATTORNEY ADVANCES

The County is part of the 18th Judicial District, which is made up of Arapahoe, Douglas, Lincoln and Elbert Counties. By statute, the County is required to pay to the District Attorney an amount to cover operating expenses based on the population of the County in comparison to the population of the 18th Judicial District. The County has advanced funds to the District Attorney's office over the past several years. Through December 31, 2007, the amount advanced is \$1,145,926.

NOTE 7: CAPITAL ASSETS

Primary Government

Capital asset activity for the Arapahoe County primary government for the year ended December 31, 2007 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 26,412,434	\$ 5,116,577	\$ -	\$ 31,529,011
Right of Ways	251,466,334	52,998,471	-	304,464,805
Construction in Progress	72,816,973	23,624,750	(57,709,601)	38,732,122
Total Capital Assets Not Being Depreciated	<u>350,695,741</u>	<u>81,739,798</u>	<u>(57,709,601)</u>	<u>374,725,938</u>
Capital Assets Being Depreciated:				
Land Improvements	2,582,115	1,500,933	-	4,083,048
Buildings	182,285,451	33,699,945	-	215,985,396
Furniture and Equipment	49,610,587	6,253,131	(3,356,282)	52,507,436
Infrastructure	253,147,964	29,708,246	(600,000)	282,256,210
Total Capital Assets Being Depreciated	<u>487,626,117</u>	<u>71,162,255</u>	<u>(3,956,282)</u>	<u>554,832,090</u>
Less Accumulated Depreciation:				
Land Improvements	(239,682)	(141,230)	-	(380,912)
Buildings	(65,882,227)	(5,062,934)	-	(70,945,161)
Furniture and Equipment	(39,017,896)	(4,929,812)	3,265,183	(40,682,525)
Infrastructure	(68,046,058)	(6,079,106)	80,000	(74,045,164)
Total Accumulated Depreciation	<u>(173,185,863)</u>	<u>(16,213,082)</u>	<u>3,345,183</u>	<u>(186,053,762)</u>
Total Capital Assets Being Depreciated, Net	<u>314,440,254</u>	<u>54,949,173</u>	<u>(611,099)</u>	<u>368,778,328</u>
Total Primary Government Capital Assets, Net	<u>\$ 665,135,995</u>	<u>\$ 136,688,971</u>	<u>\$ (58,320,700)</u>	<u>\$ 743,504,266</u>

Arapahoe County, Colorado
Notes to the Financial Statements

December 31, 2007

Depreciation expense was charged to functions/programs of the primary government during the year ended December 31, 2007 as follows:

Governmental Activities

General Government	\$ 2,297,753
Public Safety	5,228,984
Health and Welfare	918,807
Highways and Streets	5,764,160
Water and Wastewater	1,606,576
Culture and Recreation	396,802
Total Governmental Activities Depreciation Expense	<u>\$ 16,213,082</u>

Discretely presented component units

Capital asset activity for the E-911 Authority for the year ended December 31, 2007 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 1,280,508	\$ 318,383	\$ -	\$ 1,598,891
Total Capital Assets Being Depreciated	1,280,508	318,383		1,598,891
Less Accumulated Depreciation:				
Furniture and Equipment	(882,185)	(248,050)	-	(1,130,235)
Total Accumulated Depreciation	(882,185)	(248,050)		(1,130,235)
Total E-911 Capital Assets, Net	<u>\$ 398,323</u>	<u>\$ 70,333</u>	<u>\$ -</u>	<u>\$ 468,656</u>

Arapahoe County, Colorado
Notes to the Financial Statements
December 31, 2007

Capital asset activity for the Arapahoe County Public Airport Authority for the year ended December 31, 2007 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business Activities				
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 18,134,727	\$ 4,374,851	\$ -	\$ 22,509,578
Construction in Progress	5,341,518	5,724,902	5,217,559	5,848,861
Total Capital Assets Not Being Depreciated	<u>23,476,245</u>	<u>10,099,753</u>	<u>5,217,559</u>	<u>28,358,439</u>
Capital Assets Being Depreciated:				
Land Improvements	1,010,963	-	-	1,010,963
Buildings and Improvements	14,557,691	275,861	-	14,833,552
Runways and Access Roads	15,839,565	4,957,054	-	20,796,619
Furniture and Equipment	3,754,731	389,192	123,835	4,020,088
Total Capital Assets Being Depreciated	<u>35,162,950</u>	<u>5,622,107</u>	<u>123,835</u>	<u>40,661,222</u>
Less Accumulated Depreciation:				
Land Improvements	(367,866)	(22,306)	-	(390,172)
Buildings and Improvements	(12,211,755)	(443,687)	-	(12,655,442)
Runways and Access Roads	(9,657,350)	(1,203,949)	-	(10,861,299)
Furniture and Equipment	(2,085,989)	(384,134)	(102,159)	(2,367,964)
Total Accumulated Depreciation	<u>(24,322,960)</u>	<u>(2,054,076)</u>	<u>(102,159)</u>	<u>(26,274,877)</u>
Total Capital Assets Being Depreciated, Net	<u>10,839,990</u>	<u>3,568,031</u>	<u>21,676</u>	<u>14,386,345</u>
Total Airport Authority Capital Assets, Net	<u>\$ 34,316,235</u>	<u>\$ 13,667,784</u>	<u>\$ 5,239,235</u>	<u>\$ 42,744,784</u>

Arapahoe County, Colorado

Notes to the Financial Statements

December 31, 2007

Capital Asset Activity for the Arapahoe County Water and Wastewater Authority for the year ended December 31, 2007, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 1,581,002	\$ 482,239	\$ -	\$ 2,063,241
Construction in Progress	1,488,259	2,083,879	(3,245,480)	326,658
Total Capital Assets Not Being Depreciated	<u>3,069,261</u>	<u>2,566,118</u>	<u>(3,245,480)</u>	<u>2,389,899</u>
Other Capital Assets:				
Water System	8,147,168	2,678,525	-	10,825,693
Sewer System	12,575,379	310,277	-	12,885,656
Stormwater System	673,868	229,636	-	903,504
Buildings, Equipments, and Projects	1,743,491	295,875	-	2,039,366
Total Other Capital Assets	<u>23,139,906</u>	<u>3,514,313</u>	<u>-</u>	<u>26,654,219</u>
Less Accumulated Depreciation:				
Water System	(1,822,263)	(475,870)	-	(2,298,133)
Sewer System	(4,497,274)	(593,304)	-	(5,090,578)
Stormwater System	(130,013)	(109,647)	-	(239,660)
Buildings, Equipments, and Projects	(171,841)	(165,513)	-	(337,354)
Total Accumulated Depreciation	<u>(6,621,391)</u>	<u>(1,344,334)</u>	<u>-</u>	<u>(7,965,725)</u>
Water Rights	37,080,329	2,651,431	-	39,731,760
Less: Depletion	(755,405)	(81,766)	-	(837,171)
Net Water Rights	<u>36,324,924</u>	<u>2,569,665</u>	<u>-</u>	<u>38,894,589</u>
Total Business-Type Activities, Capital Assets, Net	<u>\$ 55,912,700</u>	<u>\$ 7,305,762</u>	<u>\$ (3,245,480)</u>	<u>\$ 59,972,982</u>

Arapahoe County, Colorado

Notes to the Financial Statements

December 31, 2007

NOTE 8: CAPITAL COMMITMENTS

The County has contractual commitments for capital construction projects, professional services, information technology and communications contracts, rents and miscellaneous services. As of December 31, 2007, these commitments have not been paid or recorded as a liability in the financial statements. The amounts of these commitments are as follow:

Commitment Type	Commitment Type Amount
Capital Construction Project Contracts	\$ 37,043,141
Professional Services Contracts	7,916,784
Miscellaneous Services and Rent Contracts	2,511,755
Information Technology and Communications Contracts	797,713
	<u>\$ 48,269,393</u>

Developers contribute funds to the County to help pay for capital projects in their developments. These contributions are recorded as revenue in the capital project funds. The projects in the developers' developments are usually completed after the contributions are received and recorded as revenue. The probability that the County will ultimately fail to complete a project for which a developer has contributed funds is remote and does not justify the recording of a liability in the financial statements. During 2007, \$157,201 has been contributed to the county by developers and recorded as revenue for which development improvement projects must be completed by the county in the future.

NOTE 9: DEFERRED COMPENSATION PLANS

The County offers its employees an opportunity to participate 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 2007, employees could voluntarily elect to have amounts withheld from their compensation up to age of 50 of \$14,000 per year and above the age of 50 to \$18,000 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, 2007

NOTE 10: CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2007 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Bonds payable					
LEA Revenue Bonds	\$ 3,510,000	\$ -	\$ 1,720,000	\$ 1,790,000	\$ 1,790,000
ACWWA PID General Obligation Bonds	59,870,000	-	-	59,870,000	-
Less - Deferred amounts for issuance discounts on bonds payable	(874,414)	-	(34,313)	(840,101)	-
Total Bonds Payable	<u>62,505,586</u>	<u>-</u>	<u>1,685,687</u>	<u>60,819,899</u>	<u>1,790,000</u>
Note payable					
ACWWA PID -2005	26,270,000			26,270,000	-
ACWWA PID -2006	16,049,975		831,405	15,218,570	627,684
Plus - Deferred amounts related to issuance premiums on notes payable	1,377,959	-	50,563	1,327,396	-
Total Notes Payable	<u>43,697,934</u>	<u>-</u>	<u>881,968</u>	<u>42,815,966</u>	<u>627,684</u>
Certificates of participation payable					
Judicial Complex Refunding	12,865,000	-	1,040,000	11,825,000	1,085,000
Recreational Facility	765,000	-	175,000	590,000	185,000
2006 Refunding of 2000 Building Project	50,945,000	-	2,495,000	48,450,000	2,600,000
Less: Deferred amounts for issuance					
Discounts/Premiums	1,180,182	230,802	88,945	1,322,039	-
On Refunding	(525,460)	(2,156,922)	(196,782)	(2,485,600)	-
Total Certificates of Participation Payable	<u>65,229,722</u>	<u>(1,926,120)</u>	<u>3,602,163</u>	<u>59,701,439</u>	<u>3,870,000</u>
Capital leases					
Xerox Copier	107,707	-	52,243	55,464	55,464
Radio Equipment Lease - Koch Financial	625,356	-	625,356	-	-
Energy Conservation Equipment Schedule 001	5,892,870	-	337,016	5,555,854	390,708
Energy Conservation Equipment Schedule 002	4,635,335	-	288,940	4,346,395	326,070
Fairgrounds Event & Livestock Facility	2,287,688	-	219,913	2,067,775	227,788
Water Facility	581,335	16,629	47,614	550,350	50,551
Parkland	-	2,600,000	-	2,600,000	-
Total Capital Leases	<u>14,130,291</u>	<u>2,616,629</u>	<u>1,571,082</u>	<u>15,175,838</u>	<u>1,050,581</u>
Compensated absences	9,590,575	9,762,913	9,405,543	9,947,945	965,189
Total Long-term Liabilities	<u>\$ 195,154,108</u>	<u>\$ 10,453,422</u>	<u>\$ 17,146,443</u>	<u>\$ 188,461,087</u>	<u>\$ 8,303,454</u>

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

Arapahoe County, Colorado
Notes to the Financial Statements

December 31, 2007

Bonds

Law Enforcement Authority Capital Improvement Bonds 1999 & 2000

The Law Enforcement Capital Improvement Trust Fund Bonds were issued on June 1, 1999 in the amount of \$13,255,000, to construct an expansion and make modifications to the County Detention Facility. On March 15, 2000, Series 2000 bonds were issued to provide an additional \$1,000,000 for the project. The average interest rate on these bonds is 4.21%. The two issues are combined here.

Future debt payments are as follows:

Date	Principal	Interest	Total
2008	\$ 1,790,000	\$ 79,630	\$ 1,869,630
Total	<u>\$ 1,790,000</u>	<u>\$ 79,630</u>	<u>\$ 1,869,630</u>

Arapahoe County Water and Wastewater Public Improvement District Series 2002 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:

Date	Principal	Interest	Total
2008	\$ -	\$ 3,105,119	\$ 3,105,119
2009	-	3,105,119	3,105,119
2010	605,000	3,105,119	3,710,119
2011	80,000	3,077,894	3,157,894
2012	250,000	3,074,294	3,324,294
2013-2017	3,690,000	14,979,606	18,669,606
2018-2022	9,215,000	13,363,019	22,578,019
2023-2027	17,300,000	10,180,156	27,480,156
2028-2032	28,730,000	4,694,756	33,424,756
Total	<u>\$ 59,870,000</u>	<u>\$ 58,685,082</u>	<u>\$118,555,082</u>

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 will finance the expansion of the capacity of the sewer treatment plant that serves the District, a new lift station, force main, gravity sewer and an effluent return pipeline, and will allow for future development and growth. The note was for \$26,270,000 with an average interest rate of 4.665%.

Arapahoe County, Colorado
Notes to the Financial Statements

December 31, 2007

Future note payments are as follows:

Date	Principal	Interest	Total
2008	\$ -	\$ 1,297,906	\$ 1,297,906
2009	-	1,297,906	1,297,906
2010	-	1,297,906	1,297,906
2011	-	1,297,906	1,297,906
2012	-	1,297,906	1,297,906
2013-2017	-	6,489,530	6,489,530
2018-2022	-	6,489,531	6,489,531
2023-2027	2,495,000	6,104,534	8,599,534
2028-2032	-	5,943,750	5,943,750
2033-2035	23,775,000	2,416,000	26,191,000
Total	<u>\$ 26,270,000</u>	<u>\$ 33,932,875</u>	<u>\$ 60,202,875</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 will finance a joint water purification project being constructed with the Cottonwood Water and Sanitation District, including production wells, a pumping station and transmission pipelines, and will allow for future development and growth. The note was for \$16,049,975 with an average interest rate of 4.075%.

Date	Principal	Interest	Total
2008	\$ 627,684	\$ 468,439	\$ 1,096,123
2009	792,864	485,644	1,278,508
2010	220,240	469,450	689,690
2011	980,068	464,952	1,445,020
2012	1,002,092	444,932	1,447,024
2013-2017	5,384,863	1,841,386	7,226,249
2018-2022	6,210,759	1,022,149	7,232,908
Total	<u>\$ 15,218,570</u>	<u>\$ 5,196,952</u>	<u>\$ 20,415,522</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

Arapahoe County, Colorado

Notes to the Financial Statements

December 31, 2007

County. The revenue source to pay the Certificates is outlined in an agreement with the Arapahoe County Airport Authority. In the event that the Airport Authority could not meet the payment schedule, the County would still need to make the payments on the Certificates to avoid a default. Future debt payments are as follows:

Date	Principal	Interest	Total
2008	\$ 1,085,000	\$ 579,863	\$ 1,664,863
2009	1,135,000	533,750	1,668,750
2010	1,185,000	482,675	1,667,675
2011	1,240,000	429,350	1,669,350
2012	1,300,000	370,450	1,670,450
2013-2017	5,880,000	791,438	6,671,438
Total	<u>\$ 11,825,000</u>	<u>\$ 3,187,526</u>	<u>\$ 15,012,526</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%. Future lease payments on the Certificates of Participation are as follows:

Date	Principal	Interest	Total
2008	\$ 185,000	\$ 32,450	\$ 217,450
2009	195,000	22,275	217,275
2010	210,000	11,550	221,550
Total	<u>\$ 590,000</u>	<u>\$ 66,275</u>	<u>\$ 656,275</u>

2006 Refunding Certificates of Participation – Advance Refunding

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

Future debt payments are as follows:

Date	Principal	Interest	Total
2008	\$ 2,600,000	\$ 2,011,100	\$ 4,611,100
2009	2,700,000	1,905,100	4,605,100
2010	2,805,000	1,793,988	4,598,988
2011	2,915,000	1,678,575	4,593,575
2012	3,035,000	1,559,575	4,594,575
2013-2017	17,340,000	5,614,662	22,954,662
2018-2022	17,055,000	1,462,800	18,517,800
Total	<u>\$ 48,450,000</u>	<u>\$ 16,025,800</u>	<u>\$ 64,475,800</u>

Arapahoe County, Colorado
Notes to the Financial Statements
December 31, 2007

Capital Leases

The following is an analysis of assets acquired through capital leases (as of December 31, 2007):

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. Future lease payments are as follows.

Energy Conservation Lease Purchase-Schedule No. 1

Date	Principal	Interest	Total
2008	\$ 390,708	\$ 190,394	\$ 581,102
2009	419,624	176,101	595,725
2010	466,694	160,512	627,206
2011	501,401	143,409	644,810
2012	440,814	126,498	567,312
2013-2017	2,645,932	372,736	3,018,668
2018-2019	690,681	14,370	705,051
Total	\$ 5,555,854	\$ 1,184,020	\$ 6,739,874

Energy Conversation Lease Purchase Schedule No. 2

Date	Principal	Interest	Total
2008	\$ 326,070	\$ 148,606	\$ 474,676
2009	337,802	136,874	474,676
2010	349,956	124,720	474,676
2011	362,548	112,128	474,676
2012	375,592	99,084	474,676
2013-2017	2,090,665	282,720	2,373,385
2018-2019	503,762	10,464	514,226
Total	\$ 4,346,395	\$ 914,596	\$ 5,260,991

Arapahoe County, Colorado

Notes to the Financial Statements

December 31, 2007

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. The agreement was for \$2,500,000. Future lease payments are as follows:

Date	Principal	Interest	Total
2008	\$ 227,788	\$ 71,382	\$ 299,170
2009	235,944	63,226	299,170
2010	244,392	54,778	299,170
2011	253,142	46,028	299,170
2012	262,206	36,964	299,170
2013-2016	844,303	53,206	897,509
Total	<u>\$ 2,067,775</u>	<u>\$ 325,584</u>	<u>\$ 2,393,359</u>

Xerox Copier Lease Purchase

In December 2002, the County signed a lease purchase agreement on a copy machine from Xerox Corporation in the amount of \$288,040. The term of the lease is 72 months with monthly payments of \$4,774 plus a charge for each copy made by the machine. Future lease payments are as follows:

Date	Principal	Interest	Total
2008	\$ 55,464	\$ 1,819	\$ 57,283
Total	<u>\$ 55,464</u>	<u>\$ 1,819</u>	<u>\$ 57,283</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. The actual value of these groundwater rights is pending a Water Court decision. Once the groundwater rights are valued the lease payment agreement will be modified and adjusted accordingly. Late in 2007 Pure Cycle and the County renegotiated the payment amount of this lease. Final ratification of the new lease is expected to take place in 2008. The renegotiated lease provides for additional interest assessment of 3% of the estimated value of the water rights or \$240,075. 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:

Arapahoe County, Colorado
Notes to the Financial Statements
December 31, 2007

Date	Principal	Interest	Total
2008	\$ 50,551	\$ 38,848	\$ 89,399
2009	53,668	35,731	89,399
2010	56,979	32,420	89,399
2011	60,493	28,906	89,399
2012	64,224	25,175	89,399
2013-2016	264,435	55,911	320,346
Total	<u>\$ 550,350</u>	<u>\$ 216,991</u>	<u>\$ 767,341</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:

Date	Principal	Interest	Total
2008	\$ -	\$ 125,929	\$ 125,929
2009	-	125,580	125,580
2010	-	125,580	125,580
2011	101,602	124,368	225,970
2012	106,568	119,402	225,970
2013-2017	616,267	513,581	1,129,848
2018-2022	782,356	347,492	1,129,848
2023-2027	993,207	136,640	1,129,847
Total	<u>\$ 2,600,000</u>	<u>\$ 1,618,572</u>	<u>\$ 4,218,572</u>

NOTE 11: 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, 2007, is as follows:

Arapahoe County, Colorado

Notes to the Financial Statements

December 31, 2007

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Capital Lease Payable	\$ 12,865,000	\$ -	\$ 1,040,000	\$ 11,825,000	\$ 1,085,000
Less: Deferral Amounts of Refunding	(4,252,931)	428,868	-	(3,824,063)	-
Note Payable	249,435	5,400,000	39,542	5,609,893	511,378
Deposits	11,245	-	30	11,215	-
Total Long-Term Debt	<u>\$ 8,872,749</u>	<u>\$ 5,828,868</u>	<u>\$ 1,079,572</u>	<u>\$ 13,622,045</u>	<u>\$ 1,596,378</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%. This lease is secured by land. There are a number of covenants contained in the lease agreement.

Schedule of capital lease principal and interest payments are as follows:

Date	Principal	Interest	Total
2008	\$ 1,085,000	\$ 579,862	\$ 1,664,862
2009	1,135,000	533,750	1,668,750
2010	1,185,000	482,675	1,667,675
2011	1,240,000	429,350	1,669,350
2012	1,300,000	370,450	1,670,450
2013-2016	5,880,000	791,436	6,671,436
Total	<u>\$ 11,825,000</u>	<u>\$ 3,187,523</u>	<u>\$ 15,012,523</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 loan shall bear interest at the rate of 2% on the unpaid balance compounded annually. The Authority will make equal installments of \$44,531 on the annual basis beginning March 22, 2003 and each year thereafter for nine consecutive years. The loan is secured by a security interest in the Authority's aviation fuel tax refund revenue.

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 equal annual installments of \$633,045 on an annual basis beginning October 4, 2008 and each year thereafter for nine consecutive years. 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, 2007

Scheduled note principal and interest payments are as follows:

Date	Principal	Interest	Total
2008	\$ 511,378	\$ 166,198	\$ 677,576
2009	526,315	151,260	677,575
2010	541,693	135,881	677,574
2011	557,524	120,050	677,574
2012	530,165	102,880	633,045
2013-2017	2,942,818	266,938	3,209,756
Total	\$ 5,609,893	\$ 943,207	\$ 6,553,100

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:

2008	\$ 1,551,220
2009	1,568,019
2010	1,607,136
2011	1,581,086
	<u>\$ 6,307,461</u>

Revenues under these leases amounted to \$1,863,925 during 2007.

Arapahoe County Water and Wastewater Authority

Changes in Long-term Debt

Changes in the Authority's long-term obligations consist of the following for the year ended December 31, 2007:

	<u>Outstanding</u> <u>1/1/2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Outstanding</u> <u>12/31/2007</u>	<u>Amounts Due</u> <u>in One Year</u>
Business-Type Activities					
Revenue Bonds, Series 2003C	\$ 8,405,000	\$ -	\$ 8,405,000	\$ -	\$ -
Revenue Bonds, Series 2006	22,940,000	-	-	22,940,000	-
Revenue Bonds, Series 2007	-	18,760,000	-	18,760,000	575,000
Plus: Premiums on bonds	441,801	-	22,090	419,711	-
Compensated absences	104,372	21,673	-	126,045	50,418
Total	\$ 31,891,173	\$18,781,673	\$ 8,427,090	\$ 42,245,756	\$ 625,418

Arapahoe County, Colorado
Notes to the Financial Statements

December 31, 2007

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 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 advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$707,720. This difference is being charged to operations through the year 2027 using the effective-interest method.

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 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 statement of net assets.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$2,263,859. This difference, reported as a deduction from bonds payable, is being charged to operations through the year 2033 using the effective-interest method.

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.

Revenue Bonds

The following revenue bond issues are outstanding at December 31, 2007:

- 2003 Series C, \$8,405,000 – Water and wastewater revenue bonds due in annual installments of \$262,656 to \$1,224,000 until December 2023. This bond is a variable rate bond which is currently in the KPV Pricing Long-Term Mode. Under this mode, the Series 2003C bond has a fixed interest rate of 3.125% through November 30, 2009. On December 1, 2009, the Authority is required to change the mode to any one of a variety of interest rate modes. The actual rate of interest could be higher or lower than listed interest rates. The remaining portion of the bond, \$8,405,000, was refunded with the 2007 Series bonds.
- 2006 Series, \$22,940,000 – Water and wastewater revenue refunding bonds due in annual installments of \$941,523 to \$1,552,463 until December 2033. Interest rates range from 4.00% to 5.00%.
- 2007 Series, \$18,760,000 – Water and wastewater revenue refunding and improvement bonds due in annual installments of \$205,800 to \$1,267,675 until December 2033. Interest rates range from 4.00% to 5.00%.

Arapahoe County, Colorado
Notes to the Financial Statements
December 31, 2007

Annual debt service requirements to amortize all obligations outstanding, as of December 31, 2007 follow:

Date	Principal	Interest	Total
2008	575,000	1,889,489	2,464,489
2009	945,000	1,866,488	2,811,488
2010	985,000	1,828,688	2,813,688
2011	1,025,000	1,789,289	2,814,289
2012	1,065,000	1,748,288	2,813,288
2013-2017	6,025,000	8,041,917	14,066,917
2018-2022	7,480,000	6,580,543	14,060,543
2023-2027	9,295,000	4,774,473	14,069,473
2028-2032	11,625,000	2,440,813	14,065,813
2033	2,680,000	134,000	2,814,000
Total	<u>\$ 41,700,000</u>	<u>\$ 31,093,988</u>	<u>\$ 72,793,988</u>

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

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

NOTE 12: OPERATING LEASES

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

	Clerk and Recorder City Center Market Place
Future Maturities	
2008	\$ 79,607
2009	83,278
2010	87,061
2011	44,504
	<u>\$ 294,450</u>

Rent expense for 2007 under the lease was \$95,973.

Arapahoe County, Colorado

Notes to the Financial Statements

December 31, 2007

NOTE 13: 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, 2007. 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, 2007 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, 2006	\$ 1,212,000	\$ 1,333,000	\$ 77,000	\$ 2,622,000
Incurred Claims (including IBNR)	221,087	891,846	1,250,747	2,363,680
Claim Payments	<u>(163,087)</u>	<u>(758,846)</u>	<u>(1,250,747)</u>	<u>(2,172,680)</u>
Unpaid Claims, December 31, 2006	1,270,000	1,466,000	77,000	2,813,000
Incurred Claims (including IBNR)	84,169	1,335,968	1,171,456	2,591,593
Claim Payments	<u>(366,169)</u>	<u>(852,968)</u>	<u>(1,171,456)</u>	<u>(2,390,593)</u>
Unpaid Claims, December 31, 2007	<u>\$ 988,000</u>	<u>\$ 1,949,000</u>	<u>\$ 77,000</u>	<u>\$ 3,014,000</u>
Claims Expected to be Paid in 2008	\$ 388,000	\$ 739,000	\$ 77,000	\$ 1,204,000
Claims Expected to be Paid after 2008	<u>600,000</u>	<u>1,210,000</u>	<u>-</u>	<u>1,810,000</u>
Unpaid Claims, December 31, 2007	<u>\$ 988,000</u>	<u>\$ 1,949,000</u>	<u>\$ 77,000</u>	<u>\$ 3,014,000</u>

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

Arapahoe County, Colorado

Notes to the Financial Statements

December 31, 2007

NOTE 14: RETIREMENT PLAN

Plan Description. The Arapahoe County Retirement Plan (the Plan) is a single employer defined benefit pension plan established by Arapahoe County, Colorado, to provide pension benefits for its employees. The Plan is considered part of the Arapahoe County financial reporting entity and is included in the County's financial reports as a blended component unit. The Plan issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Arapahoe County Retirement Plan, in care of the Arapahoe County Treasurer, 5334 S. Prince St., Littleton, CO 80166-0001.

Substantially all of the general employees of the County are covered under the Plan. At December 31, 2007, the Plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	472
Terminated employees entitled to but not yet receiving	116
Current employees	<u>1,679</u>
Total Participants	<u><u>2,267</u></u>

The following brief description of the Plan is provided for general information purposes only. The Plan provides retirement benefits plus death and disability benefits. Employees who retired at or after age 65 prior to October 1, 1998, are entitled to an annual retirement benefit, payable monthly for life, guaranteed for 120 payments, in an amount equal to as much as 2.3% of their average monthly compensation, multiplied by their years of credited service. The benefit was increased to 2.4% on October 1, 1998, and to 2.5% on July 1, 1999. The benefit formula for employees hired on or after April 1, 2006 is 2.3%. However, such normal retirement benefit shall not be less than \$25 multiplied by the years of credited service. Effective January 1, 2000, the minimum age for regular and special early retirement was reduced to 52. For employees hired on or after April 1, 2006, the minimum age for regular and special early retirement was increased to age 55. Members who terminate employment prior to retirement can elect to receive a refund of their accumulated contributions determined according to the following table:

Completed years of credited service	Percent of accumulated employee contributions at termination or date of application for refund, if later
Fewer than 5 years	100%
5 – 9 years	125%
10-14 years	150%
15 or more	200%

Alternatively, members who terminate employment prior to retirement can elect to receive a deferred retirement benefit equal to the vested portion of benefits earned to the date of termination.

Arapahoe County, Colorado
Notes to the Financial Statements

December 31, 2007

Vesting is as follows:

Completed years of credited service	Percentage of earned benefits vested
Less than 4	0%
4	60%
5	70%
6	80%
7	90%
8 or more	100%

For elected officials who are not re-elected or re-employed at the end of their term, earned benefits are 100% vested.

Funding Policy. The Arapahoe County Retirement Plan funding policy provides for annual contributions at rates determined by the Plan's Board, expressed as percentages of annual covered payroll, that are sufficient to accumulate assets to pay benefits when due. The contribution rate for 2006, 2005, and 2004 was 6% of monthly compensation (as amended effective January 1, 1998) for members, matched by 6% from the County. This rate is not actuarially determined. Effective with the pay period beginning on December 21, 2006, the contribution rate is 6.5% from both the employee and employer. Contribution provisions are established by the Arapahoe County Retirement Board for participants and then ratified by the Arapahoe Board of County Commissioners for the employer's contributions. The amount of contributions cannot exceed eight percent of compensation under Colorado Statutes.

The Plan was amended in 1996 to allow participants to purchase years-of-service credit toward retirement. The participants purchased years-of-service credits totaling \$182,806 and \$121,019 in 2007 and 2006, respectively, in addition to the participants' required contribution.

In the event the Plan is terminated, participants will stop earning benefits and contributions to the plan would stop. All affected funds in the retirement fund would be converted to cash and allocated to members and beneficiaries. These payments may be in cash or nontransferable annuity contracts. Members or beneficiaries would first receive the total of their accumulated contributions (plus the accumulated value of the amount paid for service purchased, if any) and then the remaining funds would be allocated in accordance with the Plan document.

Administrative Expenses. The cost of administering the Plan is financed through the contributions and investment earnings that it receives.

Actuarial Valuation. The information included in the required supplementary schedule is based on the actuarial valuation performed as of January 1, 2007, which is the date of the latest available information. Significant actuarial assumptions used in the valuation are included in the required supplementary schedule.

Plan Summary of Significant Accounting Policies. The Plan's financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and reporting standards applicable to governmental accounting for a public employees retirement system. Employer contributions are recognized as revenue in the period in which employee services are performed and expenses are recognized when incurred.

The Arapahoe County Retirement Plan investments are reported at fair value. Investment income is recognized as earned. Gains and losses on sales and exchanges of securities are recognized on the transaction date.

Arapahoe County, Colorado

Notes to the Financial Statements

December 31, 2007

The fair value of equity, fixed income, and foreign securities is based upon prices reported on published national exchange listings at the close of business on December 31. Mutual funds are valued at current market value, as determined by the fund's management. The custodian of the hedge fund determines the value of the hedge fund. Real estate fund, not actively traded on a national exchange, are valued upon periodic appraisals of the real estate investment units held by the plan.

The Plan is exempt from federal income taxes under the provisions of the Internal Revenue Code.

The cost of administering the Plan is financed through the contributions and investment earnings that it receives.

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 Plan include the actuarial assumptions relating to investment rates of return and mortality tables. Actual results could differ from those estimates.

Annual Pension Cost and Net Pension Obligation. The Plan's annual pension cost and net pension obligation to the Arapahoe County Retirement Plan for the past and two preceding years are as follows:

	2006	2005	2004
Annual required contribution	\$ 7,853,983	\$ 7,608,309	\$ 7,343,755
Interest on the net pension obligation	314,849	115,752	(107,364)
Adjustment to the annual required contribution	<u>(282,288)</u>	<u>(236,086)</u>	<u>200,809</u>
Annual pension cost	7,886,544	7,487,975	7,437,200
Contributions made	<u>(5,127,586)</u>	<u>(4,736,887)</u>	<u>(4,648,252)</u>
Increase (decrease) in net pension obligation	2,758,958	2,751,088	2,788,948
Net pension obligation beginning of year	<u>4,197,987</u>	<u>1,446,899</u>	<u>(1,342,049)</u>
Net pension obligation end of year	<u>\$ 6,956,945</u>	<u>\$ 4,197,987</u>	<u>\$ 1,446,899</u>
Contributions made as a % of required contribution	65.0%	63.3%	62.5%

Additional information derived from this actuarial valuation follows:

Actuarial Cost Method: Entry Age Normal

Prior to January 1, 2006, the Arapahoe County Retirement Plan used the Aggregate Actuarial Cost Method.

Asset Valuation Method. Five-year moving average: an expected actuarial value is determined equal to the prior year's actuarial value of assets plus cash flow (excluding realized and unrealized gains or losses) for the year ended on the valuation date using the investment return assumption. The unrecognized gain or loss as of the prior valuation is then added to the expected value. Any difference between this amount and the market value of assets is set up as a gain or loss base and amortized over five years. The expected actuarial value plus the amortization of prior gain or losses is constrained to a value of 80% to 120% of the market value of assets at the valuation date in order to determine the final actuarial value of assets.

Arapahoe County, Colorado
Notes to the Financial Statements

December 31, 2007

Amortization Method: 20 years, open, as a level percent of pay.

Remaining amortization period: 20 years

Cost-of-Living Adjustments: None

Actuarial Assumed Interest Rate: 7.5%, effective January 1, 2006 (prior to January 1, 2006, the assumed rate was 8%).

Assumed Salary Increases: Projected salary increase 3.3%-5.5%, based on age (includes assumed inflation rate: 2.5% per annum)

Investments

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

Credit Risk

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

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Interest rate risk exposure is dictated by each manager's agreement. Each portfolio is managed in accordance with investment guidelines as stated in the Plan's investment policy. As the Plan has invested in externally managed investment pools which purchase fixed income securities, identification of specific investments which give rise to interest rate risk and the maturity dates of each investment is not determinable.

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

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

The Plan uses the following asset allocation strategy to achieve the Plan's objectives. The percentages are based on the market value of the investments. The asset allocation strategy is as of May 2007 and is updated at various times during the year.

Arapahoe County, Colorado
Notes to the Financial Statements

December 31, 2007

Asset Class	Current Target	Available Range
U. S. Large Cap Equity	37%	32%-42%
U. S. Small Cap Equity	8%	3%-13%
Non-U.S. Equity	20%	15%-25%
Total Equity	65%	50%-80%
Fixed Income	20%	15%-25%
Total Fixed Income	20%	15%-25%
Private Equity Real Estate	10%	5%-15%
Hedge Fund-of-Funds	7.5%	2.5%-12.5%
Total Other Investments	7.5%	2.5%-12.5%

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

Plan Investments - The following presents investments that represent five percent or more of the Plan's net assets as of December 31, 2007:

Frontegra Funds, Inc.	\$38,125,557
Artisan International Institutional Shares Fund	32,857,029
Bernstein Int. Value Delaware Bus TR	30,156,780
T. Rowe Price Structured Research Common Trust	25,889,982
Tremont Core Strategy Hedge Fund	24,773,136
Barclay's Global Equity Index Fund	21,213,623
UBS Realty Investors LLC	16,727,260
UBS All CAP Equity Collective Fund	14,602,502

At December 31, 2007, the Plan has agreements to invest additional funds in the amount of \$1,150,000 in the Metropolitan Real Estate Partners III fund.

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

Off Balance Sheet Risk. Through its holdings in externally managed investment pools, the plan's money managers have entered into various contracts which contain off balance sheet risk. These include future contracts, short sales, hedging and arbitrage transactions, option contracts, swap options and various swap contracts. Some derivatives are held as the result of the security lending transactions. The largest of these are total return, basis and credit derivative swaps.

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

Arapahoe County, Colorado

Notes to the Financial Statements

December 31, 2007

NOTE 15: 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 16: TAX SPENDING AND DEBT LIMITATIONS

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

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

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

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

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

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 2007 and 2006.

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

Arapahoe County, Colorado
Notes to the Financial Statements

December 31, 2007

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 2007.

NOTE 17: 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 post closure monitoring costs with Waste Management Inc. The County pays 75% of the costs. Each year Waste Management bills the County when actual costs have been determined. The County's cost for the past year was \$76,187. 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 18: CONDUIT DEBT

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

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.

The amount outstanding at December 31, 2007 in total is approximately \$108,058,427. 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, 2007, \$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, 2007, \$176,188.
- Adjustable Rate Revenue (Excelsior Youth Centers, Inc), Series 2001; \$5,200,000 Dated March 1, 2001. Amount outstanding December 31, 2007, \$3,600,000.
- Adjustable Rate Industrial Development Revenue Bonds, (Cottrell Printing Company, Inc. Project) Series 1999; \$3,975,000 Dated August 3, 1999. Amount outstanding December 31, 2007, 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, 2007, \$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, 2007, approximately \$7,100,000.

Arapahoe County, Colorado

Notes to the Financial Statements

December 31, 2007

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- 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, 2007, 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, 2007 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, 2007, \$5,547,239.
 - Arapahoe County SMFR 84A Capital Appreciation Bonds, Escrow Fund, dated September 25, 1984. Amount outstanding December 31, 2007, \$41,345,000.

NOTE 19: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

As required by Governmental Accounting Standards Board (GASB) Statement No. 45 Other Postemployment Benefits, the County has calculated and included a post employment benefit liability in 2007.

Plan Description. Arapahoe County Health Insurance Plan provides healthcare to employees and retirees through a contractual agreement with a health care provider. The agreement currently provides healthcare insurance for eligible retirees, spouses and dependants through the County's plan. Participation is elected by the retiree at the time of retirement. Benefit provisions are set annually by the Board of County Commissioners and may be revoked or altered at any time.

Funding Policy. Arapahoe County provides no direct subsidy to the health insurance premiums for retirees. Retirees pay for the entire cost of the health insurance premium. Eligible retired employees include former fulltime and certain other employees. As of September 2007 there are 123 retirees and/or survivors and 5 individuals on long-term disability enrolled for the employer's sponsored health insurance plan. In 2007 retirees contributed \$69,662 towards the cost of the County's annual premium.

Annual OPEB Cost and Net OPEB Obligation. The County's other postemployment benefit (OPEB) cost (expense) is calculated based on the entry age actuarial cost method. Under this method the Normal Cost is computed as the level dollar amount which, if paid from the earliest time each Member would have been eligible to join the plan if it then existed (thus, enter age), until his retirement or termination, would accumulate with interest at the rate assumed in the valuation to a fund sufficient to pay all benefits under the plan. The normal cost for the Plan is determined by summing individual results for each active Member.

Annual Required Contribution – December 31, 2007

Normal Cost	\$160,021
Amortization of Unfunded Actuarial Accrued Liability Over 30 Years from the Valuation Date	<u>70,092</u>
Annual Required Contribution	\$230,113
Expected Employer Benefit Payments	\$ 69,662
Net OPEB obligation – December 31, 2007	\$ 160,451
Percentage Funded	43.5%

Arapahoe County, Colorado
Notes to the Financial Statements
December 31, 2007

Funded Status and Funding Progress As of December 31, 2007, the actuarial accrued liability for benefits was \$1,334,249, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$87,793,057, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 1.52%. The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the note to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. As required by GASB 45, this is the first year an actuarial has been completed for other postemployment benefits.

Methods and Assumptions Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The following assumptions were made:

Retirement and Disability rates were calculated by the probability of retirement or disability according to age based on annual rates per 100 eligible participants.

Mortality rates were based on mortality tables from the RP 2000 Mortality.

Turnover rates were based on specific gender age data assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

Interest was calculated using 3.5% annum, compounded annually, net of expenses. Including an inflation rate of 2.5%

Healthcare cost trend rate (HCCTR) was based on projections from historical rates of the County. A rate of 11.5% initially, reduced .6% each year until an ultimate rate of 5.5% after 10 years and after.

Assumed rates of increase applied to retiree premiums are the same as HCCTR except 20.5% assumed during 2007.

Health insurance premiums for 2007 retirees were used as the basis for calculation of the present value of total benefits to be paid.

Additional information derived from this actuarial valuation follows:

Actuarial Cost Method: Entry Age Normal
Asset Valuation Method: Fair Value of Assets
Amortization Method: Level dollar amount, open
Remaining Amortization Period: 30 Years

Arapahoe County, Colorado
Notes to the Financial Statements
December 31, 2007

NOTE 20: RESTATEMENT – AIRPORT AUTHORITY

Beginning equity at January 1, 2006 has been increased \$238,913. This is the result of the Authority collecting and recognizing rental revenue from one tenant which is based on that tenant's receipts. This transaction had no effect on the amount of revenues recognized during 2006. For the year ended December 31, 2006 the Authority recognized an additional grant receivable and income of \$416,149. This additional revenue is for the project retainage which was recorded as an authority liability, but which had not yet been billed by the FAA. Because of the restatement, the changes in net assets increased from \$3,372,471 to \$3,788,620.

**REQUIRED SUPPLEMENTAL
INFORMATION**

**ARAPAHOE COUNTY RETIREMENT PLAN
REQUIRED SUPPLEMENTAL SCHEDULES**

SCHEDULE OF EMPLOYER CONTRIBUTIONS

	<u>Year ended December 31,</u>						
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Annual contributions	\$5,847,228	\$5,127,586	\$4,736,887	\$4,648,252	\$4,504,398	\$4,298,635	\$4,058,125
Annual required contributions	\$8,393,081	\$7,853,983	\$7,608,309	\$7,343,755	\$6,635,041	\$4,233,336	\$3,569,424
Contributions as a percent of annual required contributions	70%	65%	62%	63%	68%	101%	114%

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial	Actuarial	Unfunded (Overfunded)	Funded Ratio (%)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (%) (b-a/c)
	Value of Assets (a)	Accrued Liability (b)				
1/1/2006	184,740,932	228,029,274	43,288,342	81%	82,413,819	52.50%
1/1/2007	203,380,043	254,096,172	50,716,129	80%	87,793,057	57.80%

¹ This schedule is based on the actuarial valuation as of 1/1/06.

* 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.

**ARAPAHOE COUNTY RETIREE HEALTH INSURANCE PLAN
REQUIRED SUPPLEMENTAL SCHEDULES
DECEMBER 31, 2007**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded (Overfunded) (b-a)	Funded Ratio (%) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (%) (b-a/c)
1/1/2007	\$ -	\$ 1,334,249	\$ 1,334,249	0%	\$ 87,793,057	1.52%

¹ This schedule is based on the actuarial valuation as of 1/1/07, the only year in which the actuarial was completed.

SUPPLEMENTAL INFORMATION
REQUIRED BY THE
STATE OF COLORADO

Arapahoe County Department of Human Services
EBT Authorization Schedule
For Calendar Year 2007

Program	A <u>County EBT Authorizations per Whole Yr Rpt</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) EBT/Colo Works Other	\$ 4,907,077	\$ 1,180,872	\$ 3,524,509	8,431,586	\$ 4,705,381
Colorado Works TANF FPP	-	-	395,818	395,818	395,818
CHATS/Child Care Direct EBT	6,870,062	715,883	-	6,870,062	715,883
Child Care Administration	-	-	316,850	316,850	316,850
Child Welfare Administration 100%	-	-	2,473,156	2,473,156	2,473,156
Child Welfare Administration 80/20%	-	-	8,081,800	8,081,800	8,081,800
Child Welfare TRCCF	5,026,450	520,311	-	5,026,450	520,311
Child Welfare Case Services	126,958	25,566	38,180	165,138	63,746
Child Welfare OOH	5,302,374	1,071,348	-	5,302,374	1,071,348
Child Welfare Related Child Care	183,807	36,761	26,201	210,008	62,962
Child Welfare Subadopt	5,797,543	1,225,726	-	5,797,543	1,225,726
Regular Administration	-	-	4,933,352	4,933,352	4,933,352
Non-Allocated - EBT Administration	36,886	36,886	15,574	52,460	52,460
Core Services:					
Mental Health	76,369	210	-	76,369	210
ADAD	452,955	(683)	-	452,955	(683)
SEA	-	-	34,988	34,988	34,988
Other FICF	523,929	13,379	582,791	1,106,720	596,170
80/20%	883,014	176,603	1,654,164	2,537,178	1,830,767
HB 1414 Activities	-	-	677,839	677,839	677,839
Low-Income Energy Assist Pgm EBT/Admin	2,488,816	-	285,978	2,774,794	285,978
Aid to the Blind	1,530	306	-	1,530	306
Aid to Needy Disabled EBT/ AND Other	790,002	158,000	-	790,002	158,000
Home Care Allowance EBT	1,325,794	66,290	-	1,325,794	66,290
Old Age Pension EBT/ OAP Admin	12,884,878	-	202,581	13,087,459	202,581
Food Assistance-EBT & Fraud Administration	30,395,681	-	154,491	30,550,172	154,491
Food Assistance Job Search	-	-	385,151	385,151	385,151
Title XX Caseworker Training	-	-	9,534	9,534	9,534
Child Care Quality And Availability Grants	-	-	22,050	22,050	22,050
IV-E Independent Living	-	-	168,755	168,755	168,755
Automated Data Processing Pass Thru	-	-	724	724	724
County Only Pass Thru	-	-	1,878,817	1,878,817	1,878,817
County Wide Cost Allocation Plan Pass Thru	-	-	6,029,911	6,029,911	6,029,911
Audit Adjustments	-	-	-	-	-
Total Net EBT Authorizations/Subtotal	\$ 78,074,125	\$ 5,227,458	\$ 31,893,214	\$ 109,967,339	\$ 37,120,672
State Adjustments/ NON-EBT					
Child Welfare RTC/CHRP adjustments	953,791	24,279	-	953,791	24,279
IV-D Retained State Collections	(1,107,115)	(221,423)	-	(1,107,115)	(221,423)
Child Support Enforcement	304,801	307,887	4,597,610	4,902,411	4,905,497
Other Local Sources	-	-	84,850	84,850	84,850
Grand Totals	\$ 78,225,602	\$ 5,338,201	\$ 36,575,674	\$ 114,801,276	\$ 41,913,875
			*** CONTROL TOTALS	\$ 114,801,276	\$ 44,142,101
Differences noted:					
Net decrease to Total Expenditures due to accruals					\$ (363,936)
Net decrease to Total Expenditures due to County Wide Cost Allocation Plan costs not recorded to Fund 11					(6,468,448)
Net increase to Total Expenditures due to county expenditures not recorded to County Financial Management System (CFMS)					220,129
Net increase to Total Expenditures due to Fund to Fund transfers not recorded to CFMS					8,650,738
Net decrease to Total Expenditures due to IV-D balance sheet items and refunds					(278,686)
Net increase to Total Expenditures due to collection items recorded in revenue and not as offset to expenditure					468,429
County Human Services Total					\$ 44,142,101
A. Welfare payments authorized by the Arapahoe County Department of Human Services. These county authorizations are paid by the Colorado Department of Human Services via QUEST debit cards - Electronic Benefit Transfer. These amounts include EBT adjustments such as payment returns and collections. The amounts can be isolated in CFMS by adding up the account code sequences 65793-65799, 53940-53945 and 65788-65789.					
B. Net County Share of EBT authorizations. These amounts are settled monthly by a reduction of the Due To/From State settlement payment made to Arapahoe County at the end of the month following the period close. These amounts correspond to county share amounts of the EBT net authorizations paid (see A Above). Amounts can be isolated by adding up account code 11320 figures for EBT program and function code combinations.					
C. Expenditures made by county warrant or other county payment methods.					
D. This represents the total cost of the assistance programs that are administered by the Arapahoe County Department of Human Services.					
E. The amount is reconcilable to the expenditures on the Social Services Fund-Statement of Revenues, Expenditures and Changes in Fund Balance.					
*** Control figures for column D taken from the CFMS Expenditure/Revenue-Whole Year Report "total expenditure" column. For column E, the County SAP 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 County
		YEAR ENDING : December 2007
This Information From The Records Of (example - City of _ or County of Arapahoe County)	Prepared By: Rhonda Decker 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
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	3,621,935
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	5,228,047
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	283,171
2. General fund appropriations	4,390,948	b. Snow and ice removal	1,114,044
3. Other local imposts (from page 2)	6,346,107	c. Other	
4. Miscellaneous local receipts (from page 2)	61,389	d. Total (a. through c.)	1,397,215
5. Transfers from toll facilities		4. General administration & miscellaneous	1,390,948
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	499,295
a. Bonds - Original Issues		6. Total (1 through 5)	12,137,440
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	10,798,444	b. Redemption	
B. Private Contributions	8,706,833	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	7,231,790	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	26,737,067	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	12,137,440

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	21,823,874	26,737,067	12,137,440	36,423,501	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2007

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	5,832,271	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	513,836	g. Other Misc. Receipts	61,389
6. Total (1. through 5.)	513,836	h. Other	
c. Total (a. + b.)	6,346,107	i. Total (a. through h.)	61,389
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	6,953,149	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		d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)	278,641	f. Other Federal	
f. Total (a. through e.)	278,641	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	7,231,790	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities		958,878	958,878
(2). Capacity Improvements		2,365,968	2,365,968
(3). System Preservation		5,864	5,864
(4). System Enhancement & Operation		291,225	291,225
(5). Total Construction (1) + (2) + (3) + (4)	0	3,621,935	3,621,935
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	3,621,935	3,621,935
			(Carry forward to page 1)

Notes and Comments:

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NONMAJOR GOVERNMENTAL FUNDS

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.

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.

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.

NONMAJOR GOVERNMENTAL FUNDS (continued)

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 improve County buildings energy costs.

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.

Law Enforcement Capital Improvement Fund – This fund is used to account for the construction of a major expansion to the County Detention Facility and to repay debt service incurred for the expansion of the County Detention Facility.

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)**

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 2007, the following leases were accounted for in this fund:

1. Radio Equipment Lease purchase agreement through Koch Financial Corporation in the amount of \$2,871,745 entered into in 2002 and matured in 2007.
2. 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.
3. 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 matures in 2019.
4. 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.
5. 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.

**Arapahoe County, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2007**

	Nonmajor Special Revenue			
	Electronic Filing	Cash-In-Lieu	Law Enforc. Authority	Arapahoe/Doug. Works!
Assets				
Cash and investments	\$ 638,189	\$ 168,377	\$ 7,499,448	\$ -
Restricted cash and investments	-	-	-	149,246
Accounts receivable	644	-	39,636	699,267
Taxes receivable	-	-	4,983,594	-
Prepaid items	17,258	-	2,329	3,003
Inventories	-	-	-	-
Total assets	\$ 656,091	\$ 168,377	\$ 12,525,007	\$ 851,516
Liabilities and fund balances				
Liabilities				
Accounts payable	-	-	41,787	6,625
Accrued expenditures	-	-	218,093	168,429
Due to other funds	-	-	-	531,452
Deferred revenues	-	-	4,983,594	145,010
Total liabilities	-	-	5,243,474	851,516
Fund balances				
Reserved for prepaid items	17,258	-	2,329	-
Reserved for encumbrances	-	-	948	-
Reserved for inventories	-	-	-	-
Reserved for TABOR	-	-	159,825	-
Reserved for debt service	-	-	-	-
Unreserved - designated for:				
Subsequent year's expenditures	638,833	-	-	-
Unreserved, undesignated	-	168,377	7,118,431	-
Total fund balances	656,091	168,377	7,281,533	-
Total liabilities and fund balances	\$ 656,091	\$ 168,377	\$ 12,525,007	\$ 851,516

Nonmajor Special Revenue

Conservation Trust	Contingent	Comm. Network Replacement	Sheriff's Commissary	Community Development	Forfeited Property
\$ 146,128	\$ 713,106	\$ 267,395	\$ 1,689,445	\$ 1,577	\$ 75,943
-	-	-	-	7,523	-
-	-	52,326	111,991	97,734	-
-	-	9,333	-	625	-
-	-	-	-	-	-
<u>\$ 146,128</u>	<u>\$ 713,106</u>	<u>\$ 329,054</u>	<u>\$ 1,801,436</u>	<u>\$ 107,459</u>	<u>\$ 75,943</u>
\$ -	\$ -	\$ -	\$ 89,089	\$ 89,070	\$ -
-	-	-	8,860	10,866	-
-	-	-	-	-	-
-	-	-	-	7,523	-
-	-	-	97,949	107,459	-
-	-	9,333	-	-	-
-	-	16,045	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
146,128	-	303,676	1,188,670	-	75,943
-	713,106	-	514,817	-	-
<u>146,128</u>	<u>713,106</u>	<u>329,054</u>	<u>1,703,487</u>	<u>-</u>	<u>75,943</u>
<u>\$ 146,128</u>	<u>\$ 713,106</u>	<u>\$ 329,054</u>	<u>\$ 1,801,436</u>	<u>\$ 107,459</u>	<u>\$ 75,943</u>

(continued)

Arapahoe County, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds (continued)
December 31, 2007

	Nonmajor Special Revenue			
	Board Designated	Developmental Disability	Grants	Homeland Security Grant
Assets				
Cash and investments	\$ 16,177,081	\$ 3,922	\$ 107,720	\$ -
Restricted cash and investments	-	-	174,908	-
Accounts receivable	-	31,610	547,430	496,288
Taxes receivable	-	7,432,230	-	-
Prepaid items	-	-	392	1,799
Inventories	-	-	75,266	-
Total assets	\$ 16,177,081	\$ 7,467,762	\$ 905,716	\$ 498,087
Liabilities and fund balances				
Liabilities				
Accounts payable	\$ -	\$ 31,610	\$ 543,762	\$ 346,755
Accrued expenditures	-	-	95,487	3,838
Due to other funds	-	-	-	147,494
Deferred revenues	-	7,432,230	174,908	-
Total liabilities	-	7,463,840	814,157	498,087
Fund balances				
Reserved for prepaid items	-	-	-	-
Reserved for encumbrances	-	-	-	-
Reserved for inventories	-	-	75,266	-
Reserved for TABOR	6,006,026	-	-	-
Reserved for debt service	-	-	-	-
Unreserved - designated for:				
Subsequent year's expenditures	-	3,922	-	-
Unreserved, undesignated	10,171,055	-	16,293	-
Total fund balances	16,177,081	3,922	91,559	-
Total liabilities and fund balances	\$ 16,177,081	\$ 7,467,762	\$ 905,716	\$ 498,087

Building Maintenance Administration	Fairgrounds	Nonmajor Special Revenue		Nonmajor Capital Projects		
		Total	Law Enforcement Capital Improvement	Capital Expenditure	Infrastructure	
\$ 2,466,315	\$ 47,853	\$ 30,002,499	\$ 1,782,746	\$ 10,535,597	\$ 12,324,203	
511,589	-	843,266	-	463,733	7,591,679	
-	-	2,076,926	-	-	1,579,909	
-	-	12,415,824	-	4,466,770	-	
-	-	34,739	-	-	-	
-	-	75,266	-	-	-	
<u>\$ 2,977,904</u>	<u>\$ 47,853</u>	<u>\$ 45,448,520</u>	<u>\$ 1,782,746</u>	<u>\$ 15,466,100</u>	<u>\$ 21,495,791</u>	
\$ 168,260	\$ -	\$ 1,316,958	\$ 98,196	\$ 1,749,566	\$ 989,315	
-	-	505,573	-	-	-	
-	-	678,946	-	-	-	
-	-	12,743,265	-	4,466,770	613,157	
<u>168,260</u>	<u>-</u>	<u>15,244,742</u>	<u>98,196</u>	<u>6,216,336</u>	<u>1,602,472</u>	
-	-	28,920	-	-	-	
399,509	-	416,502	224,187	3,336,174	5,698,234	
-	-	75,266	-	-	-	
-	-	6,165,851	-	-	-	
-	-	-	-	-	-	
425,878	47,853	2,830,903	1,214,733	5,843,072	-	
1,984,257	-	20,686,336	245,630	70,518	14,195,085	
<u>2,809,644</u>	<u>47,853</u>	<u>30,203,778</u>	<u>1,684,550</u>	<u>9,249,764</u>	<u>19,893,319</u>	
<u>\$ 2,977,904</u>	<u>\$ 47,853</u>	<u>\$ 45,448,520</u>	<u>\$ 1,782,746</u>	<u>\$ 15,466,100</u>	<u>\$ 21,495,791</u>	

(continued)

Arapahoe County, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds (continued)
December 31, 2007

	Arap. County Rec. District	Nonmajor Capital Total	Nonmajor Debt Service Equipment Lease Purchase	Total Nonmajor Governmental
Assets				
Cash and investments	\$ 840,103	\$ 25,482,649	\$ 38,752	\$ 55,523,900
Restricted cash and investments	-	8,055,412	-	8,898,678
Accounts receivable	-	1,579,909	380	3,657,215
Taxes receivable	755,875	5,222,645	-	17,638,469
Prepaid items	-	-	7,450	42,189
Inventories	-	-	-	75,266
Total assets	\$ 1,595,978	\$ 40,340,615	\$ 46,582	\$ 85,835,717
Liabilities and fund balances				
Liabilities				
Accounts payable	\$ 76,795	\$ 2,913,872	\$ 14,900	\$ 4,245,730
Accrued expenditures	7,764	7,764	-	513,337
Due to other funds	-	-	-	678,946
Deferred revenues	755,875	5,835,802	-	18,579,067
Total liabilities	840,434	8,757,438	14,900	24,017,080
Fund balances				
Reserved for prepaid items	-	-	-	28,920
Reserved for encumbrances	16,381	9,274,976	-	9,691,478
Reserved for inventories	-	-	-	75,266
Reserved for TABOR	30,801	30,801	-	6,196,652
Reserved for debt service	-	-	31,682	31,682
Unreserved - designated for:				
Subsequent year's expenditures	137,396	7,195,201	-	10,026,104
Unreserved, undesignated	570,966	15,082,199	-	35,768,535
Total fund balances	755,544	31,583,177	31,682	61,818,637
Total liabilities and fund balances	\$ 1,595,978	\$ 40,340,615	\$ 46,582	\$ 85,835,717

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Arapahoe County, Colorado
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2007

	Nonmajor Special Revenue			
	Electronic Filing	Cash-In-Lieu	Law Enforc. Authority	Arapahoe/Doug. Works!
Revenues				
Taxes				
Property taxes	\$ -	\$ -	\$ 4,481,514	\$ -
Other taxes	-	-	393,360	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	60,541	6,726,992
Charges for services	156,031	-	131,149	-
Fines	-	-	419,349	-
Investment earnings	-	-	-	-
Interfund revenues and rentals	-	-	-	35,549
Developer contributions	-	-	-	-
Miscellaneous	-	-	-	1,093
Total revenue	<u>156,031</u>	<u>-</u>	<u>5,485,913</u>	<u>6,763,634</u>
Expenditures				
Current				
General government	28,637	613,936	-	-
Public safety	-	-	5,174,429	-
Health and welfare	-	-	-	6,763,430
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Total current	<u>28,637</u>	<u>613,936</u>	<u>5,174,429</u>	<u>6,763,430</u>
Capital				
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Total capital	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt				
Principal	-	-	-	-
Interest	-	-	-	-
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>28,637</u>	<u>613,936</u>	<u>5,174,429</u>	<u>6,763,430</u>
Excess (deficiency) of revenues over (under) expenditures	<u>127,394</u>	<u>(613,936)</u>	<u>311,484</u>	<u>204</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	(671,377)	(2,530)	(204)
Debt issued	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(671,377)</u>	<u>(2,530)</u>	<u>(204)</u>
Net change in fund balance	127,394	(1,285,313)	308,954	-
Fund balance - beginning	528,697	1,453,690	6,972,579	-
Fund balance - ending	<u>\$ 656,091</u>	<u>\$ 168,377</u>	<u>\$ 7,281,533</u>	<u>\$ -</u>

Nonmajor Special Revenue

Conservation Trust	Contingent	Comm. Network Replacement	Sheriff's Commissary	Community Development	Forfeited Property
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
552,510	-	108,400	-	2,427,659	-
-	-	-	1,409,671	-	-
6,820	-	-	-	-	38,064
-	-	-	-	-	2,933
-	-	-	-	149,800	-
559,330	-	108,400	1,409,671	2,577,459	40,997
-	-	38,827	-	-	-
-	-	-	1,267,219	-	2,325
-	-	-	-	2,597,411	-
61,106	-	-	-	-	-
61,106	-	38,827	1,267,219	2,597,411	2,325
-	-	-	-	-	-
-	-	-	59,250	-	-
-	-	-	-	-	-
465,000	-	-	-	-	-
465,000	-	-	59,250	-	-
-	-	-	-	-	-
-	-	-	-	-	-
526,106	-	38,827	1,326,469	2,597,411	2,325
33,224	-	69,573	83,202	(19,952)	38,672
-	-	27,625	-	20,000	-
(388,570)	-	-	-	(48)	-
(388,570)	-	27,625	-	19,952	-
(355,346)	-	97,198	83,202	-	38,672
501,474	713,106	231,856	1,620,285	-	37,271
\$ 146,128	\$ 713,106	\$ 329,054	\$ 1,703,487	\$ -	\$ 75,943

(continued)

Arapahoe County, Colorado
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds (continued)
For the Year Ended December 31, 2007

	Nonmajor Special Revenue			
	Board Designated	Developmental Disability	Grant	Homeland Security Grant
Revenues				
Taxes				
Property taxes	\$ -	\$ 6,783,213	\$ -	\$ -
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	474	8,961,723	2,877,466
Charges for services	-	-	127,866	-
Fines	-	-	-	-
Investment earnings	-	-	-	-
Interfund revenues and rentals	-	-	-	-
Developer contributions	-	-	-	-
Miscellaneous	-	-	70,737	-
Total revenue	-	6,783,687	9,160,326	2,877,466
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	177,472	2,877,466
Health and welfare	-	6,783,213	8,874,968	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Total current	-	6,783,213	9,052,440	2,877,466
Capital				
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	87,780	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Total capital	-	-	87,780	-
Debt				
Principal	-	-	-	-
Interest	-	-	-	-
Total debt service	-	-	-	-
Total expenditures	-	6,783,213	9,140,220	2,877,466
Excess (deficiency) of revenues over (under) expenditures	-	474	20,106	-
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(1,312,657)	-	(24)	-
Debt issued	-	-	-	-
Total other financing sources (uses)	(1,312,657)	-	(24)	-
Net change in fund balance	(1,312,657)	474	20,082	-
Fund balance - beginning	17,489,738	3,448	71,477	-
Fund balance - ending	\$ 16,177,081	\$ 3,922	\$ 91,559	\$ -

Building Maintenance Administration	Fairgrounds	Nonmajor Special Revenue	Law Enforcement Capital Improvement	Nonmajor Capital	Infrastructure
		Total		Capital Expenditure	
\$ -	\$ -	\$ 11,264,727	\$ -	\$ 4,546,860	\$ -
-	-	393,360	-	399,715	-
-	-	-	-	-	188,960
-	-	21,715,765	-	-	3,352,381
-	224,511	2,049,228	-	-	-
-	-	457,413	-	-	-
94,441	-	104,194	163,509	43,777	234,715
-	-	35,549	-	-	-
-	-	-	-	-	157,201
-	9,273	230,903	-	-	-
<u>94,441</u>	<u>233,784</u>	<u>36,251,139</u>	<u>163,509</u>	<u>4,990,352</u>	<u>3,933,257</u>
2,012,417	281,334	2,975,151	-	1,021,109	-
-	-	9,498,911	2,300	-	-
-	-	25,019,022	-	-	-
-	-	-	-	-	2,763,741
-	-	61,106	-	-	-
<u>2,012,417</u>	<u>281,334</u>	<u>37,554,190</u>	<u>2,300</u>	<u>1,021,109</u>	<u>2,763,741</u>
1,225,900	-	1,225,900	-	3,627,102	-
27,200	-	86,450	420,734	548,437	-
-	-	87,780	-	-	-
-	-	-	-	-	3,654,207
-	-	465,000	-	11,789	-
<u>1,253,100</u>	<u>-</u>	<u>1,865,130</u>	<u>420,734</u>	<u>4,187,328</u>	<u>3,654,207</u>
-	-	-	1,720,000	-	-
-	-	-	154,570	-	-
-	-	-	1,874,570	-	-
<u>3,265,517</u>	<u>281,334</u>	<u>39,419,320</u>	<u>2,297,604</u>	<u>5,208,437</u>	<u>6,417,948</u>
(3,171,076)	(47,550)	(3,168,181)	(2,134,095)	(218,085)	(2,484,691)
2,100,000	40,000	2,187,625	1,725,000	7,421,673	3,000,000
(148,794)	-	(2,524,204)	-	(3,000,000)	-
-	-	-	-	-	-
<u>1,951,206</u>	<u>40,000</u>	<u>(336,579)</u>	<u>1,725,000</u>	<u>4,421,673</u>	<u>3,000,000</u>
(1,219,870)	(7,550)	(3,504,760)	(409,095)	4,203,588	515,309
4,029,514	55,403	33,708,538	2,093,645	5,046,176	19,378,010
<u>\$ 2,809,644</u>	<u>\$ 47,853</u>	<u>\$ 30,203,778</u>	<u>\$ 1,684,550</u>	<u>\$ 9,249,764</u>	<u>\$ 19,893,319</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, 2007

	Arap. County Rec. District	Nonmajor Capital Total	Nonmajor Debt Service Equipment Lease Purchase	Total Nonmajor Governmental
Revenues				
Taxes				
Property taxes	\$ 712,801	\$ 5,259,661	\$ -	\$ 16,524,388
Other taxes	63,705	463,420	-	856,780
Licenses and permits	-	188,960	-	188,960
Intergovernmental	148,651	3,501,032	-	25,216,797
Charges for services	25,222	25,222	-	2,074,450
Fines	-	-	-	457,413
Investment earnings	-	442,001	-	546,195
Interfund revenues and rentals	-	-	-	35,549
Developer contributions	-	157,201	-	157,201
Miscellaneous	38,380	38,380	-	269,283
Total revenue	<u>988,759</u>	<u>10,075,877</u>	<u>-</u>	<u>46,327,016</u>
Expenditures				
Current				
General government	-	1,021,109	-	3,996,260
Public safety	-	2,300	-	9,501,211
Health and welfare	-	-	-	25,019,022
Highways and streets	-	2,763,741	-	2,763,741
Culture and recreation	889,038	889,038	-	950,144
Total current	<u>889,038</u>	<u>4,676,188</u>	<u>-</u>	<u>42,230,378</u>
Capital				
General government	-	3,627,102	-	4,853,002
Public safety	-	969,171	-	1,055,621
Health and welfare	-	-	-	87,780
Highways and streets	-	3,654,207	-	3,654,207
Culture and recreation	3,345,006	3,356,795	-	3,821,795
Total capital	<u>3,345,006</u>	<u>11,607,275</u>	<u>-</u>	<u>13,472,405</u>
Debt				
Principal	-	1,720,000	1,518,839	3,238,839
Interest	-	154,570	493,566	648,136
Total debt service	<u>-</u>	<u>1,874,570</u>	<u>2,012,405</u>	<u>3,886,975</u>
Total expenditures	<u>4,234,044</u>	<u>18,158,033</u>	<u>2,012,405</u>	<u>59,589,758</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,245,285)</u>	<u>(8,082,156)</u>	<u>(2,012,405)</u>	<u>(13,262,742)</u>
Other financing sources (uses)				
Transfers in	3,271,377	15,418,050	2,023,046	19,628,721
Transfers out	(242,185)	(3,242,185)	(2,600,000)	(8,366,389)
Debt issued	-	-	2,600,000	2,600,000
Total other financing sources (uses)	<u>3,029,192</u>	<u>12,175,865</u>	<u>2,023,046</u>	<u>13,862,332</u>
Net change in fund balance	(216,093)	4,093,709	10,641	599,590
Fund balance - beginning	971,637	27,489,468	21,041	61,219,047
Fund balance - ending	<u>\$ 755,544</u>	<u>\$ 31,583,177</u>	<u>\$ 31,682</u>	<u>\$ 61,818,637</u>

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Arapahoe County, Colorado
Electronic Filing Technology
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
Revenues				
Charges for services	\$ 170,000	\$ 170,000	\$ 156,031	\$ (13,969)
Total revenue	<u>170,000</u>	<u>170,000</u>	<u>156,031</u>	<u>(13,969)</u>
Expenditures				
Current				
General government	-	528,697	28,637	500,060
Capital				
General government	170,000	170,000	-	170,000
Total expenditures	<u>170,000</u>	<u>698,697</u>	<u>28,637</u>	<u>670,060</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(528,697)</u>	<u>127,394</u>	<u>656,091</u>
Fund balance - beginning	528,697	528,697	528,697	-
Fund balance - ending	<u>\$ 528,697</u>	<u>\$ -</u>	<u>\$ 656,091</u>	<u>\$ 656,091</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, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
Revenues				
Total revenue	\$ -	\$ -	\$ -	\$ -
Expenditures				
Current				
General government	\$ 1,427,133	\$ 780,724	\$ 613,936	\$ 166,788
Capital				
General government	24,968	-	-	-
Total expenditures	1,452,101	780,724	613,936	166,788
Excess (deficiency) of revenues over (under) expenditures	(1,452,101)	(780,724)	(613,936)	166,788
Other financing sources (uses)				
Transfers out	-	(671,377)	(671,377)	-
Total other financing sources (uses)	-	(671,377)	(671,377)	-
Net change in fund balance	(1,452,101)	(1,452,101)	(1,285,313)	166,788
Fund balance - beginning	1,453,690	1,453,690	1,453,690	-
Fund balance - ending	\$ 1,589	\$ 1,589	\$ 168,377	\$ 166,788

**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, 2007**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
Revenues				
Taxes				
Property taxes	\$ 4,498,413	\$ 4,498,413	\$ 4,481,514	\$ (16,899)
Other taxes	400,000	400,000	393,360	(6,640)
Intergovernmental	63,800	71,600	60,541	(11,059)
Charges for services	118,797	118,797	131,149	12,352
Fines	246,500	246,500	419,349	172,849
Total revenue	<u>5,327,510</u>	<u>5,335,310</u>	<u>5,485,913</u>	<u>150,603</u>
Expenditures				
Current				
Public safety	5,661,508	5,669,308	5,174,429	494,879
Total expenditures	<u>5,661,508</u>	<u>5,669,308</u>	<u>5,174,429</u>	<u>494,879</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(333,998)</u>	<u>(333,998)</u>	<u>311,484</u>	<u>645,482</u>
Other financing sources (uses)				
Transfers out	(2,530)	(2,530)	(2,530)	-
Total other financing sources (uses)	<u>(2,530)</u>	<u>(2,530)</u>	<u>(2,530)</u>	<u>-</u>
Net change in fund balance	(336,528)	(336,528)	308,954	645,482
Fund balance - beginning	6,972,579	6,972,579	6,972,579	-
Fund balance - ending	<u>\$ 6,636,051</u>	<u>\$ 6,636,051</u>	<u>\$ 7,281,533</u>	<u>\$ 645,482</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, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
Revenues				
Intergovernmental	\$ 6,715,137	\$ 7,187,473	\$ 6,726,992	\$ (460,481)
Interfund revenues and rentals	31,000	31,000	35,549	4,549
Miscellaneous	31,000	31,000	1,093	(29,907)
Total revenue	<u>6,777,137</u>	<u>7,249,473</u>	<u>6,763,634</u>	<u>(485,839)</u>
Expenditures				
Current				
Health and welfare	6,776,933	7,249,269	6,763,430	485,839
Total expenditures	<u>6,776,933</u>	<u>7,249,269</u>	<u>6,763,430</u>	<u>485,839</u>
Excess (deficiency) of revenues over (under) expenditures	<u>204</u>	<u>204</u>	<u>204</u>	<u>-</u>
Other financing sources (uses)				
Transfers out	(204)	(204)	(204)	-
Total other financing sources (uses)	<u>(204)</u>	<u>(204)</u>	<u>(204)</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
Conservation Trust
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2007**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
Revenues				
Intergovernmental	\$ 445,000	\$ 445,000	\$ 552,510	\$ 107,510
Investment earnings	-	-	6,820	6,820
Total revenue	<u>445,000</u>	<u>445,000</u>	<u>559,330</u>	<u>114,330</u>
Expenditures				
Current				
Culture and recreation	63,634	557,904	61,106	496,798
Capital				
Culture and recreation	-	-	465,000	(465,000)
Total expenditures	<u>63,634</u>	<u>557,904</u>	<u>526,106</u>	<u>31,798</u>
Excess (deficiency) of revenues over (under) expenditures	<u>381,366</u>	<u>(112,904)</u>	<u>33,224</u>	<u>146,128</u>
Other financing sources (uses)				
Transfers out	(381,366)	(388,570)	(388,570)	-
Total other financing sources (uses)	<u>(381,366)</u>	<u>(388,570)</u>	<u>(388,570)</u>	<u>-</u>
Net change in fund balance	-	(501,474)	(355,346)	146,128
Fund balance - beginning	501,474	501,474	501,474	-
Fund balance - ending	<u>\$ 501,474</u>	<u>\$ -</u>	<u>\$ 146,128</u>	<u>\$ 146,128</u>

Arapahoe County, Colorado
Contingent
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
Revenues				
Total revenue	\$ -	\$ -	\$ -	\$ -
Expenditures				
Current				
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, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
Revenues				
Intergovernmental	\$ 50,500	\$ 50,500	\$ 108,400	\$ 57,900
Total revenue	<u>50,500</u>	<u>50,500</u>	<u>108,400</u>	<u>57,900</u>
Expenditures				
Current				
General government	78,125	309,981	38,827	271,154
Total expenditures	<u>78,125</u>	<u>309,981</u>	<u>38,827</u>	<u>271,154</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(27,625)</u>	<u>(259,481)</u>	<u>69,573</u>	<u>329,054</u>
Other financing sources (uses)				
Transfers in	<u>27,625</u>	<u>27,625</u>	<u>27,625</u>	<u>-</u>
Total other financing sources (uses)	<u>27,625</u>	<u>27,625</u>	<u>27,625</u>	<u>-</u>
Net change in fund balance	-	(231,856)	97,198	329,054
Fund balance - beginning	<u>231,856</u>	<u>231,856</u>	<u>231,856</u>	<u>-</u>
Fund balance - ending	<u>\$ 231,856</u>	<u>\$ -</u>	<u>\$ 329,054</u>	<u>\$ 329,054</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, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
Revenues				
Charges for services	\$ 1,496,000	\$ 1,496,000	\$ 1,409,671	\$ (86,329)
Total revenue	<u>1,496,000</u>	<u>1,496,000</u>	<u>1,409,671</u>	<u>(86,329)</u>
Expenditures				
Current				
Public safety	1,495,287	3,089,071	1,267,219	1,821,852
Capital				
Public safety	-	26,500	59,250	(32,750)
Total expenditures	<u>1,495,287</u>	<u>3,115,571</u>	<u>1,326,469</u>	<u>1,789,102</u>
Excess (deficiency) of revenues over (under) expenditures	<u>713</u>	<u>(1,619,571)</u>	<u>83,202</u>	<u>1,702,773</u>
Fund balance - beginning	<u>1,620,285</u>	<u>1,620,285</u>	<u>1,620,285</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,620,998</u>	<u>\$ 714</u>	<u>\$ 1,703,487</u>	<u>\$ 1,702,773</u>

**Arapahoe County, Colorado
Community Development
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2007**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive/(Negative)
Revenues				
Intergovernmental	\$ 5,736,818	\$ 5,688,983	\$ 2,427,659	\$ (3,261,324)
Miscellaneous	85,500	133,335	149,800	16,465
Total revenue	<u>5,822,318</u>	<u>5,822,318</u>	<u>2,577,459</u>	<u>(3,244,859)</u>
Expenditures				
Current				
Health and welfare	5,842,270	5,842,270	2,597,411	3,244,859
Total expenditures	<u>5,842,270</u>	<u>5,842,270</u>	<u>2,597,411</u>	<u>3,244,859</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,952)</u>	<u>(19,952)</u>	<u>(19,952)</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	20,000	20,000	20,000	-
Transfers out	(48)	(48)	(48)	-
Total other financing sources (uses)	<u>19,952</u>	<u>19,952</u>	<u>19,952</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, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
Revenues				
Fines	\$ -	\$ -	\$ 38,064	\$ 38,064
Investment earnings	-	-	2,933	2,933
Total revenue	<u>-</u>	<u>-</u>	<u>40,997</u>	<u>40,997</u>
Expenditures				
Current				
Public safety	-	37,197	2,325	34,872
Total expenditures	<u>-</u>	<u>37,197</u>	<u>2,325</u>	<u>34,872</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(37,197)</u>	<u>38,672</u>	<u>75,869</u>
Fund balance - beginning	37,271	37,271	37,271	-
Fund balance - ending	<u>\$ 37,271</u>	<u>\$ 74</u>	<u>\$ 75,943</u>	<u>\$ 75,869</u>

Arapahoe County, Colorado
Board Designated
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
Revenues				
Total revenue	\$ -	\$ -	\$ -	\$ -
Expenditures				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing sources (uses)				
Transfers out	(1,312,657)	(1,312,657)	(1,312,657)	-
Total other financing sources (uses)	(1,312,657)	(1,312,657)	(1,312,657)	-
Net change in fund balance	(1,312,657)	(1,312,657)	(1,312,657)	-
Fund balance - beginning	17,489,738	17,489,738	17,489,738	-
Fund balance - ending	\$ 16,177,081	\$ 16,177,081	\$ 16,177,081	\$ -

Arapahoe County, Colorado
Developmental Disability
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
Revenues				
Taxes				
Property taxes	\$ 6,776,539	\$ 6,783,539	\$ 6,783,213	\$ (326)
Intergovernmental	-	-	474	474
Total revenue	<u>6,776,539</u>	<u>6,783,539</u>	<u>6,783,687</u>	<u>148</u>
Expenditures				
Current				
Health and welfare	6,776,539	6,783,539	6,783,213	326
Total expenditures	<u>6,776,539</u>	<u>6,783,539</u>	<u>6,783,213</u>	<u>326</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>474</u>	<u>474</u>
Fund balance - beginning	3,448	3,448	3,448	-
Fund balance - ending	<u>\$ 3,448</u>	<u>\$ 3,448</u>	<u>\$ 3,922</u>	<u>\$ 474</u>

Arapahoe County, Colorado
Grants
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
Revenues				
Intergovernmental	\$ 9,463,315	\$ 10,531,238	\$ 8,961,723	\$ (1,569,515)
Charges for services	135,000	135,000	127,866	(7,134)
Miscellaneous	-	1,000	70,737	69,737
Total revenue	<u>9,598,315</u>	<u>10,667,238</u>	<u>9,160,326</u>	<u>(1,506,912)</u>
Expenditures				
Current				
Public safety	-	178,000	177,472	528
Health and welfare	9,542,891	10,375,814	8,874,968	1,500,846
Capital				
Health and welfare	59,000	117,000	87,780	29,220
Total expenditures	<u>9,601,891</u>	<u>10,670,814</u>	<u>9,140,220</u>	<u>1,530,594</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,576)</u>	<u>(3,576)</u>	<u>20,106</u>	<u>23,682</u>
Other financing sources (uses)				
Transfers out	(24)	(24)	(24)	-
Total other financing sources (uses)	<u>(24)</u>	<u>(24)</u>	<u>(24)</u>	<u>-</u>
Net change in fund balance	<u>(3,600)</u>	<u>(3,600)</u>	<u>20,082</u>	<u>23,682</u>
Fund balance - beginning	<u>71,477</u>	<u>71,477</u>	<u>71,477</u>	<u>-</u>
Fund balance - ending	<u>\$ 67,877</u>	<u>\$ 67,877</u>	<u>\$ 91,559</u>	<u>\$ 23,682</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, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
Revenues				
Intergovernmental	\$ -	\$ 4,763,817	\$ 2,877,466	\$ (1,886,351)
Total revenue	<u>-</u>	<u>4,763,817</u>	<u>2,877,466</u>	<u>(1,886,351)</u>
Expenditures				
Current				
Public safety	-	4,763,817	2,877,466	1,886,351
Total expenditures	<u>-</u>	<u>4,763,817</u>	<u>2,877,466</u>	<u>1,886,351</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Arapahoe County, Colorado
Building Maintenance Administration
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
Revenues				
Investment earnings	\$ -	\$ -	\$ 94,441	\$ 94,441
Total revenue	-	-	94,441	94,441
Expenditures				
Current				
General government	2,261,206	2,840,833	2,012,417	828,416
Capital				
General government	-	1,602,872	1,225,900	376,972
Public safety	-	27,200	27,200	-
Total expenditures	2,261,206	4,470,905	3,265,517	1,205,388
Excess (deficiency) of revenues over (under) expenditures	(2,261,206)	(4,470,905)	(3,171,076)	1,299,829
Other financing sources (uses)				
Transfers in	2,100,000	2,100,000	2,100,000	-
Transfers out	(448,794)	(148,794)	(148,794)	-
Total other financing sources (uses)	1,651,206	1,951,206	1,951,206	-
Net change in fund balance	(610,000)	(2,519,699)	(1,219,870)	1,299,829
Fund balance - beginning	4,029,514	4,029,514	4,029,514	-
Fund balance - ending	\$ 3,419,514	\$ 1,509,815	\$ 2,809,644	\$ 1,299,829

Arapahoe County, Colorado
Fairgrounds
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
Revenues				
Charges for services	\$ 110,000	\$ 207,033	\$ 224,511	\$ 17,478
Miscellaneous	-	9,273	9,273	-
Total revenue	<u>110,000</u>	<u>216,306</u>	<u>233,784</u>	<u>17,478</u>
Expenditures				
Current				
General government	150,000	311,706	281,334	30,372
Total expenditures	<u>150,000</u>	<u>311,706</u>	<u>281,334</u>	<u>30,372</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(40,000)</u>	<u>(95,400)</u>	<u>(47,550)</u>	<u>47,850</u>
Other financing sources (uses)				
Transfers in	40,000	40,000	40,000	-
Total other financing sources (uses)	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Net change in fund balance	-	(55,400)	(7,550)	47,850
Fund balance - beginning	55,403	55,403	55,403	-
Fund balance - ending	<u>\$ 55,403</u>	<u>\$ 3</u>	<u>\$ 47,853</u>	<u>\$ 47,850</u>

Arapahoe County, Colorado
Law Enforcement Capital Improvement
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
Revenues				
Investment earnings	\$ 30,000	\$ 32,500	\$ 163,509	\$ 131,009
Total revenue	<u>30,000</u>	<u>32,500</u>	<u>163,509</u>	<u>131,009</u>
Expenditures				
Current				
Public safety	1,000	3,500	2,300	1,200
Capital				
Public safety	-	1,973,075	420,734	1,552,341
Debt				
Principal	1,720,000	1,720,000	1,720,000	-
Interest	154,570	154,570	154,570	-
Total expenditures	<u>1,875,570</u>	<u>3,851,145</u>	<u>2,297,604</u>	<u>1,553,541</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,845,570)</u>	<u>(3,818,645)</u>	<u>(2,134,095)</u>	<u>1,684,550</u>
Other financing sources (uses)				
Transfers in	1,725,000	1,725,000	1,725,000	-
Total other financing sources (uses)	<u>1,725,000</u>	<u>1,725,000</u>	<u>1,725,000</u>	<u>-</u>
Net change in fund balance	(120,570)	(2,093,645)	(409,095)	1,684,550
Fund balance - beginning	2,093,645	2,093,645	2,093,645	-
Fund balance - ending	<u>\$ 1,973,075</u>	<u>\$ -</u>	<u>\$ 1,684,550</u>	<u>\$ 1,684,550</u>

Arapahoe County, Colorado
Capital Expenditure
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
Revenues				
Taxes				
Property taxes	\$ 4,533,505	\$ 4,533,505	\$ 4,546,860	\$ 13,355
Other taxes	427,836	427,836	399,715	(28,121)
Investment earnings	-	-	43,777	43,777
Total revenue	<u>4,961,341</u>	<u>4,961,341</u>	<u>4,990,352</u>	<u>29,011</u>
Expenditures				
Current				
General government	68,003	1,565,583	1,021,109	544,474
Capital				
General government	5,037,620	10,517,405	3,627,102	6,890,303
Public safety	759,600	2,235,956	548,437	1,687,519
Culture and recreation	-	102,284	11,789	90,495
Total expenditures	<u>5,865,223</u>	<u>14,421,228</u>	<u>5,208,437</u>	<u>9,212,791</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(903,882)</u>	<u>(9,459,887)</u>	<u>(218,085)</u>	<u>9,241,802</u>
Other financing sources (uses)				
Transfers in	2,542,657	7,421,673	7,421,673	-
Transfers out	(3,000,000)	(3,000,000)	(3,000,000)	-
Total other financing sources (uses)	<u>(457,343)</u>	<u>4,421,673</u>	<u>4,421,673</u>	<u>-</u>
Net change in fund balance	<u>(1,361,225)</u>	<u>(5,038,214)</u>	<u>4,203,588</u>	<u>9,241,802</u>
Fund balance - beginning	5,046,176	5,046,176	5,046,176	-
Fund balance - ending	<u>\$ 3,684,951</u>	<u>\$ 7,962</u>	<u>\$ 9,249,764</u>	<u>\$ 9,241,802</u>

**Arapahoe County, Colorado
Infrastructure**
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive/(Negative)
Revenues				
Licenses and permits	\$ -	\$ 110,583	\$ 188,960	\$ 78,377
Intergovernmental	-	669,190	3,352,381	2,683,191
Investment earnings	-	-	234,715	234,715
Developer contributions	-	321,477	157,201	(164,276)
Miscellaneous	-	318,226	-	(318,226)
Total revenue	-	1,419,476	3,933,257	2,513,781
Expenditures				
Current				
Highways and streets	-	21,451,324	2,763,741	18,687,583
Capital				
Highways and streets	3,000,000	1,180,068	3,654,207	(2,474,139)
Total expenditures	3,000,000	22,631,392	6,417,948	16,213,444
Excess (deficiency) of revenues over (under) expenditures	(3,000,000)	(21,211,916)	(2,484,691)	18,727,225
Other financing sources (uses)				
Transfers in	3,000,000	3,000,000	3,000,000	-
Total other financing sources (uses)	3,000,000	3,000,000	3,000,000	-
Net change in fund balance	-	(18,211,916)	515,309	18,727,225
Fund balance - beginning	19,378,010	19,378,010	19,378,010	-
Fund balance - ending	\$ 19,378,010	\$ 1,166,094	\$ 19,893,319	\$ 18,727,225

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, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
Revenues				
Taxes				
Property taxes	\$ 726,889	\$ 726,889	\$ 712,801	\$ (14,088)
Other taxes	63,000	63,000	63,705	705
Intergovernmental	210,300	210,300	148,651	(61,649)
Charges for services	26,500	26,500	25,222	(1,278)
Miscellaneous	-	18,000	38,380	20,380
Total revenue	<u>1,026,689</u>	<u>1,044,689</u>	<u>988,759</u>	<u>(55,930)</u>
Expenditures				
Current				
Culture and recreation	1,077,316	1,095,316	889,038	206,278
Capital				
Culture and recreation	-	3,292,505	3,345,006	(52,501)
Total expenditures	<u>1,077,316</u>	<u>4,387,821</u>	<u>4,234,044</u>	<u>153,777</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(50,627)</u>	<u>(3,343,132)</u>	<u>(3,245,285)</u>	<u>97,847</u>
Other financing sources (uses)				
Transfers in	-	3,271,377	3,271,377	-
Transfers out	(242,185)	(242,185)	(242,185)	-
Total other financing sources (uses)	<u>(242,185)</u>	<u>3,029,192</u>	<u>3,029,192</u>	<u>-</u>
Net change in fund balance	<u>(292,812)</u>	<u>(313,940)</u>	<u>(216,093)</u>	<u>97,847</u>
Fund balance - beginning	971,637	971,637	971,637	-
Fund balance - ending	<u>\$ 678,825</u>	<u>\$ 657,697</u>	<u>\$ 755,544</u>	<u>\$ 97,847</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, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
Revenues				
Taxes				
Property taxes	\$ 5,243,068	\$ 5,243,068	\$ 5,064,825	\$ (178,243)
Other taxes	430,000	430,000	459,671	29,671
Intergovernmental	-	-	4,142,847	4,142,847
Investment earnings	395,000	395,000	955,955	560,955
Miscellaneous	-	-	934,846	934,846
Total revenue	<u>6,068,068</u>	<u>6,068,068</u>	<u>11,558,144</u>	<u>5,490,076</u>
Expenditures				
Current				
Water and wastewater	78,646	78,646	80,522	(1,876)
Capital				
Water and wastewater	26,505,000	43,508,879	18,423,187	25,085,692
Debt				
Principal	831,405	831,405	831,405	-
Interest	4,531,559	4,531,559	4,611,882	(80,323)
Debt issuance costs	81,250	81,250	225	81,025
Total expenditures	<u>32,027,860</u>	<u>49,031,739</u>	<u>23,947,221</u>	<u>25,084,518</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(25,959,792)</u>	<u>(42,963,671)</u>	<u>(12,389,077)</u>	<u>30,574,594</u>
Other financing sources (uses)				
Payment to bond agent	-	-	(517)	(517)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(517)</u>	<u>(517)</u>
Net change in fund balance	<u>(25,959,792)</u>	<u>(42,963,671)</u>	<u>(12,389,594)</u>	<u>30,574,077</u>
Fund balance - beginning	43,166,796	43,166,796	43,166,796	-
Fund balance - ending	<u>\$ 17,207,004</u>	<u>\$ 203,125</u>	<u>\$ 30,777,202</u>	<u>\$ 30,574,077</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, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenue	-	-	-	-
Expenditures				
Debt				
Principal	1,553,422	1,560,626	1,518,839	41,787
Interest	462,307	462,307	493,566	(31,259)
Total expenditures	2,015,729	2,022,933	2,012,405	10,528
Excess (deficiency) of revenues over (under) expenditures	(2,015,729)	(2,022,933)	(2,012,405)	10,528
Other financing sources (uses)				
Transfers in	2,015,842	2,023,046	2,023,046	-
Transfers out	-	(2,600,000)	(2,600,000)	-
Debt issued	-	2,600,000	2,600,000	-
Total other financing sources (uses)	2,015,842	2,023,046	2,023,046	-
Net change in fund balance	113	113	10,641	10,528
Fund balance - beginning	21,041	21,041	21,041	-
Fund balance - ending	\$ 21,154	\$ 21,154	\$ 31,682	\$ 10,528

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

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, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget Positive/(Negative)
Revenues				
Investment earnings	\$ 170,000	\$ 192,600	\$ 384,161	\$ 191,561
Interest on loan to component unit	1,624,000	1,624,000	1,560,383	(63,617)
Total revenue	<u>1,794,000</u>	<u>1,816,600</u>	<u>1,944,544</u>	<u>127,944</u>
Expenditures				
Current				
Health and welfare	-	2,100	2,000	100
Airport	-	10,000	9,800	200
Culture and recreation	-	10,500	10,500	-
Debt				
Principal	3,710,000	3,710,000	3,710,000	-
Interest	2,776,538	2,776,538	2,776,537	1
Debt issuance costs	2,800	2,800	3,000	(200)
Total expenditures	<u>6,489,338</u>	<u>6,511,938</u>	<u>6,511,837</u>	<u>101</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,695,338)</u>	<u>(4,695,338)</u>	<u>(4,567,293)</u>	<u>128,045</u>
Other financing sources (uses)				
Transfers in	2,854,700	2,854,700	2,854,700	-
Total other financing sources (uses)	<u>2,854,700</u>	<u>2,854,700</u>	<u>2,854,700</u>	<u>-</u>
Net change in fund balance	<u>(1,840,638)</u>	<u>(1,840,638)</u>	<u>(1,712,593)</u>	<u>128,045</u>
Fund balance - beginning	6,287,939	6,287,939	6,287,939	-
Fund balance - ending	<u>\$ 4,447,301</u>	<u>\$ 4,447,301</u>	<u>\$ 4,575,346</u>	<u>\$ 128,045</u>

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

PROPRIETARY FUNDS

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, 2007**

	Governmental Activities - Internal Service Funds			
	Central Service	Self Insurance Liability	Employee Flex Benefit	Worker's Compensation
Assets				
Current assets:				
Cash and investments	\$ 11,460,017	\$ 3,062,956	\$ 76,900	\$ 2,090,632
Accounts receivable	116,750	-	-	159
Inventory	299,628	-	-	-
Total current assets	<u>11,876,395</u>	<u>3,062,956</u>	<u>76,900</u>	<u>2,090,791</u>
Noncurrent assets:				
Capital assets:				
Vehicles and equipment	29,098,314	-	-	-
Computer systems	7,911,381	-	-	-
Furniture and office equipment	107,751	-	-	-
Less: accumulated depreciation	<u>(27,707,596)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total noncurrent assets (net of accum. dep.)	<u>9,409,850</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>21,286,245</u>	<u>3,062,956</u>	<u>76,900</u>	<u>2,090,791</u>
Liabilities				
Current liabilities				
Accounts payable	363,479	16,223	12,270	136,834
Estimated claims payable	-	988,000	-	1,949,000
Flex benefits payable	-	-	22,855	-
Total liabilities	<u>363,479</u>	<u>1,004,223</u>	<u>35,125</u>	<u>2,085,834</u>
Net assets				
Invested in capital assets	9,409,850	-	-	-
Unrestricted	<u>11,512,916</u>	<u>2,058,733</u>	<u>41,775</u>	<u>4,957</u>
Total net assets	<u>\$ 20,922,766</u>	<u>\$ 2,058,733</u>	<u>\$ 41,775</u>	<u>\$ 4,957</u>

Self Insurance Dental	Total
\$ 969,415	\$ 17,659,920
-	116,909
-	299,628
<u>969,415</u>	<u>18,076,457</u>
-	29,098,314
-	7,911,381
-	107,751
-	<u>(27,707,596)</u>
-	9,409,850
<u>969,415</u>	<u>27,486,307</u>
17,058	545,864
77,000	3,014,000
-	22,855
<u>94,058</u>	<u>3,582,719</u>
-	9,409,850
<u>875,357</u>	<u>14,493,738</u>
<u>\$ 875,357</u>	<u>\$ 23,903,588</u>

Arapahoe County Government
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2007

	Governmental Activities - Internal Service Funds			
	Central Service	Self Insurance Liability	Employee Flex Benefit	Worker's Compensation
Operating revenues				
Charges for sales and service	\$ 4,935,089	\$ 367,725	\$ 867,056	\$ 1,035,162
Total operating revenue	<u>4,935,089</u>	<u>367,725</u>	<u>867,056</u>	<u>1,035,162</u>
Operating expenses				
Cost of sales and services	1,217,912	492,808	869,516	1,465,672
Administration	6,800	75,637	-	168,137
Depreciation	3,684,397	-	-	-
Total operating expenses	<u>4,909,109</u>	<u>568,445</u>	<u>869,516</u>	<u>1,633,809</u>
Operating income (loss)	<u>25,980</u>	<u>(200,720)</u>	<u>(2,460)</u>	<u>(598,647)</u>
Nonoperating revenue				
Investment earnings	-	-	-	-
Gain on sale of assets	321,223	-	-	-
Income before contributions and transfers	<u>347,203</u>	<u>(200,720)</u>	<u>(2,460)</u>	<u>(598,647)</u>
Transfers in	828,266	1,015,000	31,132	160,000
Transfers out	-	(31,690)	-	-
Change in net assets	<u>1,175,469</u>	<u>782,590</u>	<u>28,672</u>	<u>(438,647)</u>
Total net assets - beginning	<u>19,747,297</u>	<u>1,276,143</u>	<u>13,103</u>	<u>443,604</u>
Total net assets - ending	<u>\$ 20,922,766</u>	<u>\$ 2,058,733</u>	<u>\$ 41,775</u>	<u>\$ 4,957</u>

Self Insurance Dental	Total
\$ 1,640,134	\$ 8,845,166
<u>1,640,134</u>	<u>8,845,166</u>
1,347,421	5,393,329
-	250,574
-	<u>3,684,397</u>
<u>1,347,421</u>	<u>9,328,300</u>
292,713	<u>(483,134)</u>
109	109
-	<u>321,223</u>
<u>292,822</u>	<u>(161,802)</u>
-	2,034,398
-	<u>(31,690)</u>
<u>292,822</u>	<u>1,840,906</u>
582,535	22,062,682
<u>\$ 875,357</u>	<u>\$ 23,903,588</u>

Arapahoe County, Colorado
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2007

	Governmental Activities - Internal Service Funds			
	Central Services	Self Insurance Liability	Employee Flex Benefit	Worker's Compensation
Cash flows from operating activities				
Cash received for interfund services provided	\$ 4,795,138	\$ 367,725	\$ 867,056	\$ 1,035,003
Cash payments for services and supplies	(1,207,204)	(839,583)	(905,663)	(1,152,139)
Net cash provided (used) by operating activities	<u>3,587,934</u>	<u>(471,858)</u>	<u>(38,607)</u>	<u>(117,136)</u>
Cash flows from noncapital financing activities				
Transfers in from other funds	828,266	1,015,000	31,132	160,000
Transfers out to other funds	-	(31,690)	-	-
Net cash provided by non capital financing activities	<u>828,266</u>	<u>983,310</u>	<u>31,132</u>	<u>160,000</u>
Cash flows from capital and related financing activities				
Acquisition of property and equipment	(4,313,379)	-	-	-
Proceeds from sale of capital assets	412,319	-	-	-
Net cash (used) by capital and related financing activities	<u>(3,901,060)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities				
Interest received	-	-	-	-
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and investments	515,140	511,452	(7,475)	42,864
Cash and investments, January 1, 2007	10,944,877	2,551,504	84,375	2,047,768
Cash and investments, December 31, 2007	<u>\$ 11,460,017</u>	<u>\$ 3,062,956</u>	<u>\$ 76,900</u>	<u>\$ 2,090,632</u>
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 25,980	\$ (200,720)	\$ (2,460)	\$ (598,647)
Adjustments to reconcile operating income to Net cash provided (used) by operating activities:				
Depreciation	3,684,397	-	-	-
Donated Asset	(52,752)	-	-	-
(Increase) decrease in accounts receivable	(87,199)	-	-	(159)
Increase in inventory	(30,551)	-	-	-
Increase (decrease) in accounts payable	48,059	10,862	2,270	(1,330)
Increase (decrease) in claims payable	-	(282,000)	-	483,000
(Decrease) in flex benefits payable	-	-	(38,417)	-
Total adjustments	<u>3,561,954</u>	<u>(271,138)</u>	<u>(36,147)</u>	<u>481,511</u>
Net cash provided (used) by operating activities	<u>\$ 3,587,934</u>	<u>\$ (471,858)</u>	<u>\$ (38,607)</u>	<u>\$ (117,136)</u>

Self Insurance Dental	Total
\$ 1,640,134 (1,389,748)	\$ 8,705,056 (5,494,337)
<u>250,386</u>	<u>3,210,719</u>
-	2,034,398
-	(31,690)
<u>-</u>	<u>2,002,708</u>
-	(4,313,379)
-	412,319
<u>-</u>	<u>(3,901,060)</u>
<u>109</u>	<u>109</u>
<u>109</u>	<u>109</u>
250,495	1,312,476
718,920	16,347,444
<u>\$ 969,415</u>	<u>\$ 17,659,920</u>
\$ 292,713	\$ (483,134)
-	3,684,397
-	(52,752)
-	(87,358)
-	(30,551)
(42,327)	17,534
-	201,000
-	(38,417)
<u>(42,327)</u>	<u>3,693,853</u>
<u>\$ 250,386</u>	<u>\$ 3,210,719</u>

FIDUCIARY FUNDS

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, 2007**

	Agency Funds			Ending Balance 12/31/2007
	Beginning Balance 01/01/2007	Additions	Deletions	
<u>TREASURER'S AGENCY FUND</u>				
Assets				
Cash and investments	\$ 28,121,399	\$ 5,622,917,442	\$ 5,622,671,377	\$ 28,367,464
Total assets	<u>\$ 28,121,399</u>	<u>\$ 5,622,917,442</u>	<u>\$ 5,622,671,377</u>	<u>\$ 28,367,464</u>
Liabilities				
Due to other governments	\$ 14,573,171	\$ 704,684,561	\$ 707,621,903	\$ 11,635,829
Other deposits payable	8,528,722	\$ 999,662,750	995,042,451	13,149,021
Warrants payable	5,019,506	\$ 163,607,462	165,044,354	3,582,614
Total liabilities	<u>\$ 28,121,399</u>	<u>\$ 1,867,954,773</u>	<u>\$ 1,867,708,708</u>	<u>\$ 28,367,464</u>
<u>ARAPAHOE COUNTY PUBLIC TRUSTEE</u>				
Assets				
Cash and investments	\$ 1,718,751	\$ 64,300,649	\$ 65,058,153	\$ 961,247
Restricted escrow	745,375	2,479,391	2,126,768	1,097,998
Total assets	<u>\$ 2,464,126</u>	<u>\$ 66,780,040</u>	<u>\$ 67,184,921</u>	<u>\$ 2,059,245</u>
Liabilities				
Other deposits payable	\$ 1,685,391	\$ 64,300,649	\$ 65,024,793	\$ 961,247
Due to other governments	778,735	2,446,031	2,126,768	1,097,998
Total liabilities	<u>\$ 2,464,126</u>	<u>\$ 66,746,680</u>	<u>\$ 67,151,561</u>	<u>\$ 2,059,245</u>
<u>INMATE SENTENCING AGENCY FUND</u>				
Assets				
Cash and investments	\$ 35,441	\$ 330,119	\$ 277,604	\$ 87,956
Total assets	<u>\$ 35,441</u>	<u>\$ 330,119</u>	<u>\$ 277,604</u>	<u>\$ 87,956</u>
Liabilities				
Other deposits payable	\$ 35,441	\$ 330,119	\$ 277,604	\$ 87,956
Total liabilities	<u>\$ 35,441</u>	<u>\$ 330,119</u>	<u>\$ 277,604</u>	<u>\$ 87,956</u>
<u>TOTAL AGENCY FUNDS</u>				
Assets				
Cash and investments	\$ 29,875,591	\$ 5,687,548,210	\$ 5,688,007,134	\$ 29,416,667
Restricted escrow	745,375	2,479,391	2,126,768	1,097,998
Total assets	<u>\$ 30,620,966</u>	<u>\$ 5,690,027,601</u>	<u>\$ 5,690,133,902</u>	<u>\$ 30,514,665</u>
Liabilities				
Due to other governments	\$ 15,351,906	\$ 707,130,592	\$ 709,748,671	\$ 12,733,827
Other deposits payable	10,249,554	1,064,293,518	\$ 1,060,344,848	14,198,224
Warrants payable	5,019,506	163,607,462	165,044,354	3,582,614
Total liabilities	<u>\$ 30,620,966</u>	<u>\$ 1,935,031,572</u>	<u>\$ 1,935,137,873</u>	<u>\$ 30,514,665</u>

Arapahoe County, Colorado
E-911 Authority-Component Unit
Governmental Funds Balance Sheet/Statement of Net Assets
December 31, 2007

	<u>General</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
Assets			
Cash	\$ 6,906,506	\$	\$ 6,906,506
Accounts receivable	253,447		253,447
Prepaid items	23,679		23,679
Total current assets	<u>7,183,632</u>		<u>7,183,632</u>
Capital assets, depreciable		1,598,891	1,598,891
Less accumulated depreciation		<u>(1,130,235)</u>	<u>(1,130,235)</u>
Net capital assets		468,656	468,656
Total assets	<u>7,183,632</u>	<u>468,656</u>	<u>7,652,288</u>
Liabilities and fund balance/net assets			
Liabilities			
Accounts payable	54,244		54,244
Total liabilities	<u>54,244</u>		<u>54,244</u>
Fund balances			
Unreserved, undesignated	7,129,388	(7,129,388)	
Total fund balance	<u>7,129,388</u>	<u>(7,129,388)</u>	
Total liabilities and fund balances	<u>7,183,632</u>	<u>(7,129,388)</u>	<u>54,244</u>
Net assets			
Invested in capital assets net of related debt		468,656	468,656
Unrestricted		7,129,388	7,129,388
Total net assets	<u>\$</u>	<u>\$ 7,598,044</u>	<u>\$ 7,598,044</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, 2007

	<u>General</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Expenditures/expenses			
Governmental activities			
Public safety	\$ 789,642	\$	\$ 789,642
Capital	318,383	(318,383)	
Depreciation		248,050	248,050
Total expenditures/ expenses	<u>1,108,025</u>	<u>(70,333)</u>	<u>1,037,692</u>
Program revenues			
Charges for services	<u>2,526,249</u>		<u>2,526,249</u>
General revenues			
Interest earnings	<u>374,775</u>		<u>374,775</u>
Total revenues	<u>2,901,024</u>		<u>2,901,024</u>
Excess of revenues over expenditures	1,792,999	(1,792,999)	
Changes in net assets		1,863,332	1,863,332
Fund balance/ net assets- beginning	<u>5,336,389</u>		<u>5,734,712</u>
Fund balance/ net assets- ending	<u>\$ 7,129,388</u>	<u>\$</u>	<u>\$ 7,598,044</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, 2007

	Budgeted Amounts		Actual	Variance
	Original	Final		With Final Budget Positive/(Negative)
Revenues				
Charges for services	\$ 2,399,400	\$ 2,399,400	\$ 2,526,249	\$ 126,849
Investment earnings	79,000	79,000	374,775	295,775
Total revenues	<u>2,478,400</u>	<u>2,478,400</u>	<u>2,901,024</u>	<u>422,624</u>
Expenditures				
Current				
Public safety	1,818,700	1,818,700	789,642	1,029,058
Capital				
Public safety	1,420,000	1,420,000	318,383	1,101,617
Total expenditures	<u>3,238,700</u>	<u>3,238,700</u>	<u>1,108,025</u>	<u>2,130,675</u>
Excess of revenues over expenditures	(760,300)	(760,300)	1,792,999	2,553,299
Fund balance - beginning	5,336,389	5,336,389	5,336,389	-
Fund balance - ending	<u>\$ 4,576,089</u>	<u>\$ 4,576,089</u>	<u>\$ 7,129,388</u>	<u>\$ 2,553,299</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
Table 3	Fund Balances, Governmental Funds.....	E-6
Table 4	Changes in Fund Balances, Governmental Funds.....	E-8

Revenue Capacity

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

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

Debt Capacity

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

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

Demographic and Economic Information

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

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

Operating Information

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

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

Data Source:

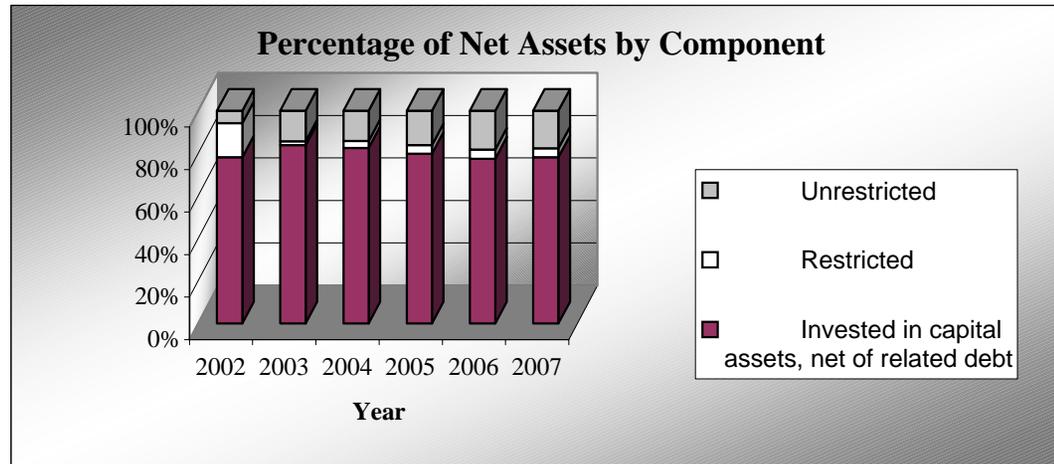
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement No. 34 in the calendar year 2002 therefore schedules presenting government-wide financial data do not precede that year.

ARAPAHOE COUNTY, COLORADO

Table 1

**Net Assets by Component
Last Six Fiscal Years
December 31, 2007**

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Governmental Activities						
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
Restricted	88,706,206	10,529,815	20,473,808	26,366,686	29,162,660	32,165,309
Unrestricted	32,077,261	83,917,756	87,258,836	103,255,358	124,149,948	134,927,706
Total governmental activities net assets	\$ 554,504,167	\$ 587,100,686	\$ 616,575,710	\$ 641,254,188	\$ 680,983,202	\$ 765,455,177



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ARAPAHOE COUNTY, COLORADO

Table 2

**Changes in Net Assets
Last Six Fiscal Years
December 31, 2007**

	Fiscal Year					
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Expenses						
Governmental activities:						
General Government	\$ 65,523,336	\$ 58,438,742	\$ 62,518,202	\$ 59,820,890	\$ 57,700,314	\$ 63,300,479
Public Safety	56,928,062	59,161,145	60,518,504	63,539,291	67,080,316	71,309,677
Judicial Services	13,202,917	9,916,808	10,387,736	10,747,046	10,602,243	11,622,405
Health & Welfare	59,090,187	65,014,698	64,064,480	64,882,465	65,316,053	68,886,438
Highways & Streets	23,049,902	18,571,817	19,938,280	21,389,942	20,060,450	25,004,995
Water & Wastewater	754,895	1,047,314	1,095,717	1,372,651	2,208,123	1,675,251
Airport	2,153,515	364,888	364,888	364,888	364,888	374,688
Culture & Recreation	602,376	749,128	6,814,316	13,069,857	13,922,358	15,887,027
Interest on long-term debt	6,756,315	7,633,007	7,348,480	7,339,414	8,047,712	8,121,674
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>
Program Revenues						
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
Public Safety	4,550,951	4,384,751	4,175,224	21,571,124	22,630,096	23,628,766
Judicial Services	-	-	-	-	-	-
Health & Welfare	319,307	445,334	470,913	444,138	476,029	485,962
Highways & Streets	2,641,076	1,450,058	2,115,008	2,074,511	1,983,898	3,396,200
Water & Wastewater	-	-	-	500	-	-
Airport	-	-	-	-	-	-
Culture & Recreation	157,404	169,404	166,158	281,466	194,051	188,358
Operating Grants and Contributions:						
General Government	\$ 901,188	\$ 225,509	\$ 292,993	\$ 462,424	\$ 362,847	\$ 726,253
Public Safety	1,073,288	760,035	592,983	3,891,460	3,068,921	4,060,388
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
Highways & Streets	8,495,907	6,788,227	9,640,030	8,376,773	13,926,298	10,267,441
Water & Wastewater	5,907,492	-	-	372,215	3,232,516	4,142,847
Airport	-	-	-	-	-	-
Culture & Recreation	30,856	66,939	76,958	27,599	425,228	26,119
Capital grants and Contributions:						
General Government	\$ -	\$ -	\$ -	\$ 110,250	\$ 1,175,424	\$ -
Public Safety	-	-	101,375	265,117	342,196	6,088
Judicial Services	-	-	-	-	-	-
Health & Welfare	-	-	-	-	-	20,341
Highways & Streets	25,549,312	32,450,033	18,243,885	14,488,068	4,400,241	61,862,505
Water & Wastewater	-	-	-	-	-	-
Airport	-	-	-	-	-	-
Culture & Recreation	379,023	413,365	429,154	441,443	699,329	532,286
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>
Net (Expense)/Revenue						
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)
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Property taxes	\$ 95,148,057	\$ 104,584,825	\$ 107,590,725	\$ 110,046,618	\$ 115,183,174	\$ 119,397,961
Sales taxes (1)	-	-	15,174,598	17,877,970	17,842,681	19,306,838
Other taxes	9,048,409	9,339,557	10,539,573	9,109,643	9,570,342	9,928,556
Investment income	5,959,027	2,621,307	4,318,676	5,558,907	11,246,283	15,866,207
Miscellaneous	14,186,931	4,244,082	4,273,592	1,992,801	1,233,574	4,149,679
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>
Extraordinary item	-	-	-	-	4,275,000	-
Change in Net Assets						
Governmental activities	\$ 26,912,021	\$ 34,488,262	\$ 29,475,024	\$ 24,678,478	\$ 39,179,139	\$ 84,471,975

(1) Sales tax collection began in 2004

ARAPAHOE COUNTY, COLORADO

Table 3

**Fund Balances, Governmental Funds
Last Six Fiscal Years
December 31, 2007**

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
General Fund						
Reserved	\$ 1,240,677	\$ 1,769,351	\$ 1,166,711	\$ 1,272,994	\$ 1,859,396	\$ 1,428,152
Unreserved	6,973,717	7,602,465	9,616,933	17,053,197	27,928,653	48,008,034
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>
All Other Governmental Funds						
Reserved	\$ 53,918,779	\$ 45,918,732	\$ 36,718,121	\$ 55,168,150	\$ 61,566,777	\$ 52,079,074
Unreserved	51,946,603	56,121,025	71,974,926	91,947,337	92,026,105	85,106,967
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>\$ 153,592,882</u>	<u>\$ 137,186,041</u>

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ARAPAHOE COUNTY, COLORADO

Table 4

**Changes in Fund Balances, Governmental Funds
Last Six Fiscal Years
December 31, 2007**

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Revenues						
Taxes	\$ 104,196,466	\$ 113,924,381	\$ 133,304,896	\$ 137,034,229	\$ 142,596,196	\$ 148,633,355
Licenses and Permits	5,417,311	4,262,490	5,735,345	4,567,259	4,372,554	4,727,828
Intergovernmental	73,482,498	74,711,367	78,613,243	83,993,103	68,153,764	67,446,760
Charges for Services	20,500,472	22,959,637	21,007,016	21,042,576	47,357,627	46,865,997
Fines	1,507,214	1,093,343	639,077	785,472	808,757	938,603
Investment Earnings	5,958,886	2,621,254	4,318,675	5,558,907	11,246,281	15,866,208
Interfund Revenues and Rentals	2,435,524	2,261,953	2,314,416	2,313,077	2,689,473	3,407,789
Interest on Loan to Component Unit	1,642,691	1,589,643	1,585,696	1,583,945	1,596,898	1,560,383
Developer Contributions	-	-	-	-	1,071,547	163,630
Miscellaneous	4,473,996	6,313,565	5,390,856	2,188,342	789,859	3,048,831
Total Revenues	\$ 219,615,058	\$ 229,737,633	\$ 252,909,220	\$ 259,066,910	\$ 280,682,956	\$ 292,659,384
Expenditures						
General Government	\$ 54,590,820	\$ 55,592,430	\$ 59,021,795	\$ 56,683,458	\$ 58,883,500	\$ 59,119,225
Public Safety	51,658,252	53,471,694	55,067,036	58,825,264	63,285,652	66,225,968
Judicial Services	13,190,708	9,900,252	10,371,758	10,721,527	10,569,358	11,534,723
Health and Welfare	59,615,753	64,769,219	63,855,150	65,460,066	65,146,077	68,384,170
Highways and Streets	26,856,038	14,222,775	15,017,991	15,949,856	16,783,085	19,180,829
Water and Wastewater	90	82,154	53,612	84,478	884,654	80,522
Airport	1,500,000	-	-	-	-	9,800
Culture and Recreation	580,670	716,339	6,840,843	13,021,607	13,228,239	15,506,016
Capital Outlay	70,327,448	20,387,334	18,386,039	19,249,181	37,630,609	34,096,302
Debt Service						
Principal	3,379,219	6,020,183	7,149,738	7,204,173	5,503,094	7,832,487
Interest	6,392,001	8,570,944	7,365,208	7,093,843	7,106,442	8,041,596
Debt Issuance Costs	5,899,441	-	-	-	811,523	3,225
Intergovernmental transfer to Centennial	263,858	-	-	-	-	-
Total Expenditures	\$ 294,254,298	\$ 233,733,324	\$ 243,129,170	\$ 254,293,453	\$ 279,832,233	\$ 290,014,863
Excess of revenues over (under) expenditures	\$ (74,639,240)	\$ (3,995,691)	\$ 9,780,050	\$ 4,773,457	\$ 850,723	\$ 2,644,521

Other Financing Sources (Uses)

Transfers In	\$ 29,522,725	\$ 14,782,721	\$ 15,801,245	\$ 11,185,836	\$ 16,045,208	\$ 29,598,579
Transfers Out	(29,950,725)	(15,969,134)	(17,516,176)	(11,937,188)	(17,415,030)	(31,441,287)
Capital Leases	2,871,745	288,040	-	13,028,205	-	-
Capital Contributions	3,164,865	-	-	110,250	-	-
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
Refunding Bonds Issued	63,870,000	-	-	-	-	-
Premium (discount) on Bonds	(659,667)	-	-	-	1,706,086	-
Long-term Notes Payable	-	-	-	-	16,049,975	-
Total other financing sources (uses)	\$ 70,059,776	\$ 767,232	\$ (1,714,931)	\$ 41,191,529	\$ 13,409,581	\$ 756,775
Extraordinary item	-	-	-	-	4,275,000	-
Net Change in Fund Balances	\$ (4,579,464)	\$ (3,228,459)	\$ 8,065,119	\$ 45,964,986	\$ 18,535,304	\$ 3,401,296
Debt service as a percentage of noncapital expenditures	6.99%	6.83%	6.45%	6.08%	5.54%	6.20%

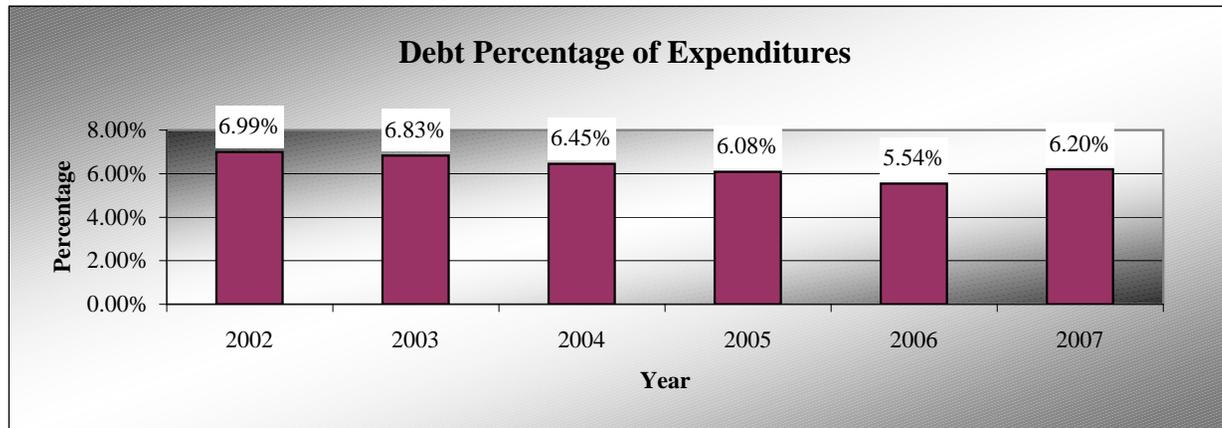


Table 5

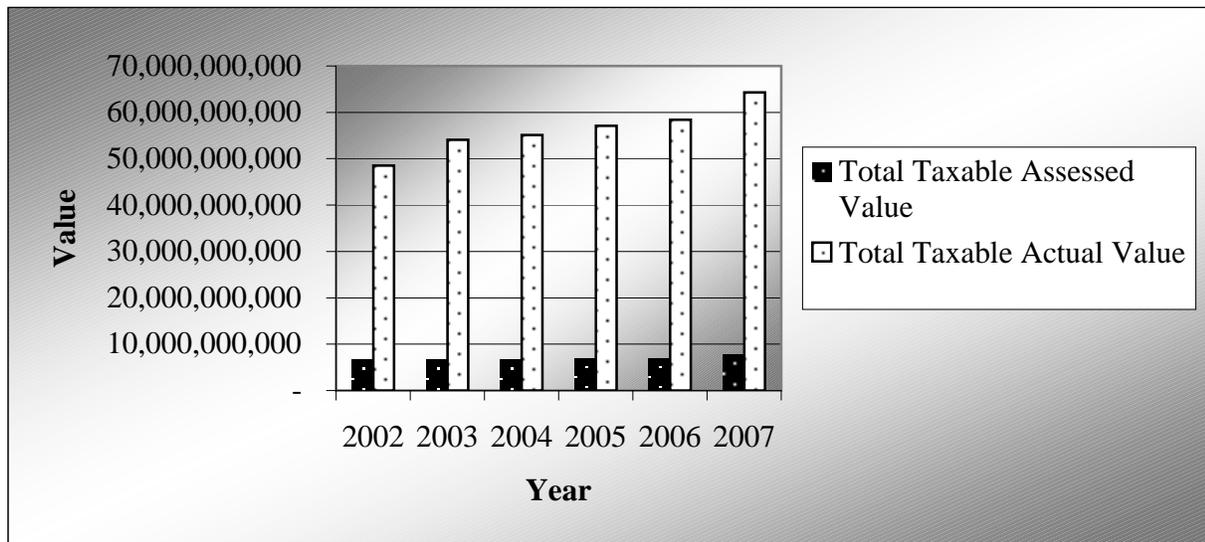
ARAPAHOE COUNTY, COLORADO

**Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
December 31, 2007**

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Vacant	Agricultural	Other Natural Resources
1998	\$ 2,170,661,880	\$ 1,730,824,920	\$ 74,675,740	\$ 115,151,780	\$ 7,380,020	\$ 4,570,990
1999	2,498,964,250	2,341,755,580	75,725,920	187,496,660	7,842,400	3,541,310
2000	2,592,279,870	2,481,724,520	71,742,770	172,401,670	8,398,420	3,956,460
2001	3,264,800,820	2,725,132,250	66,772,730	265,904,750	7,683,210	5,258,830
2002	3,389,682,930	2,675,292,910	56,490,250	267,901,970	7,772,540	4,504,100
2003	3,443,470,550	2,551,708,600	46,622,300	246,271,900	8,569,130	4,209,220
2004	3,525,011,050	2,579,353,950	39,778,480	243,086,960	9,316,020	4,845,650
2005	3,693,248,930	2,510,113,510	38,435,840	253,854,830	9,110,590	5,849,760
2006	3,793,083,480	2,553,086,780	36,574,210	249,054,490	9,343,150	6,941,710
2007	\$ 4,149,223,900	\$ 2,881,577,130	\$ 38,006,330	\$ 291,633,820	\$ 10,099,980	\$ 6,487,460

Source: Arapahoe County Assessor's Office

State Assessed	Tax-Exempt Property	Total Taxable Assessed Value	Total Taxable Actual Value	Total Direct Tax rate
\$ 186,625,690	\$ 443,509,220	\$ 4,289,891,020	\$ 28,186,645,272	25.059
229,617,400	510,831,980	5,344,943,520	28,950,022,449	24.581
250,826,000	483,849,940	5,581,329,710	34,547,613,064	22.525
265,377,700	508,676,380	6,600,930,290	35,894,373,313	22.803
316,122,110	583,042,100	6,717,766,810	48,511,866,775	22.692
289,365,900	612,743,630	6,590,217,600	54,103,554,508	22.679
266,765,100	846,509,190	6,668,157,210	55,113,869,001	25.038
283,819,500	946,964,840	6,794,432,960	57,080,798,063	25.333
272,494,000	972,509,970	6,920,577,820	58,423,210,708	25.958
\$ 309,434,800	\$ 1,035,456,060	\$ 7,686,463,420	\$ 64,311,406,839	25.013



ARAPAHOE COUNTY, COLORADO

Table 6

**Direct and Overlapping Property Tax Rates
(rate per \$1,000 of assessed value)
Last Ten Fiscal Years
December 31, 2007**

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
County Direct Rates							
General	11.597	11.380	10.327	10.681	9.960	9.960	11.030
Special Revenue	4.363	4.169	3.379	3.332	4.068	4.042	4.110
L.E.A.D. & Library	9.099	9.032	8.819	8.790	8.664	8.677	9.898
Total direct rate	25.059	24.581	22.525	22.803	22.692	22.679	25.038
City & Town Rates							
Aurora	11.940	11.507	11.796	10.594	12.193	11.409	11.161
Bennett	-	-	-	11.950	11.950	11.950	11.950
Bow-Mar	18.338	18.959	16.416	17.450	14.342	15.224	14.737
Centennial	-	-	-	-	4.982	4.996	5.015
Cherry Hills	7.300	7.300	7.300	7.300	7.300	7.300	7.300
Columbine	8.726	12.635	11.594	12.203	9.517	9.567	10.086
Deer Trail	20.307	20.307	16.287	17.104	13.615	13.999	15.004
Englewood	7.397	7.340	7.055	7.030	7.438	7.770	8.310
Foxfield	4.789	4.789	4.225	4.450	3.910	30.541	27.232
Glendale	8.420	8.420	8.420	8.420	8.420	8.420	8.420
Greenwood Village	2.932	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	6.662
Sheridan	6.307	6.444	5.536	5.824	5.453	5.453	7.896
School Districts							
Aurora	61.203	60.935	53.799	53.686	49.978	49.825	47.964
Bennett	41.946	33.788	32.397	29.982	29.272	30.121	30.072
Byers	45.438	53.701	49.162	49.093	44.688	44.844	44.560
Cherry Creek	57.444	61.059	53.093	52.397	46.889	47.331	49.654
Deer Trail	40.217	39.287	39.373	37.461	33.689	34.187	33.121
Englewood	41.395	46.483	42.765	42.544	38.842	39.485	39.431
Littleton	54.534	54.163	47.789	47.126	41.290	45.380	45.304
Sheridan	47.620	46.550	37.780	46.641	42.150	43.580	40.836
Strasburg	44.985	44.984	45.030	56.502	52.441	52.821	51.676
Special Districts	.028-67.5	.028-66.26	.028-50.0	.028-47.5	.027-70.0	.026-84.148	.027-76.5

Source: Assessor's Abstract of Assessments and Levies

<u>2005</u>	<u>2006</u>	<u>2007</u>
11.631	11.998	11.398
3.820	4.085	3.819
9.882	9.875	9.796
<u>25.333</u>	<u>25.958</u>	<u>25.013</u>

11.079	10.867	10.701
11.950	11.950	11.950
15.420	16.378	13.901
5.031	5.031	4.958
7.300	13.117	13.117
10.403	10.918	9.810
15.905	15.745	16.573
8.320	8.400	8.173
28.054	27.167	23.728
14.920	18.670	18.670
2.932	2.932	2.932
6.662	6.662	6.662
7.963	8.145	7.981

47.003	45.745	45.530
37.903	34.156	34.246
36.451	33.910	33.603
51.132	51.129	47.397
33.000	30.169	27.432
44.419	40.354	37.211
50.515	48.907	46.791
40.634	39.419	38.294
49.666	50.631	50.631

.027-90.0 .027-90.0 .028-90.0

ARAPAHOE COUNTY, COLORADO

Table 7

Principal Property Tax Payers
Current Year and Ten Years Ago
December 31, 2007

Taxpayer	2007			1998		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Qwest Corp	\$ 100,547,900	1	1.31%			-
Xcel Energy	81,982,970	2	1.07%	\$ 59,877,360	2	1.40%
Verizon FKA Airtouch Comm	44,767,900	3	0.58%	-		-
Columbia HealthOne LLC	36,330,280	4	0.47%	24,998,010	4	0.59%
Greenwood Property Corp	29,000,010	5	0.38%	13,340,000	7	0.31%
Property Colorado OBJLW	22,330,010	6	0.29%	17,545,000	5	0.41%
Crescent Peakview Tower	13,050,000	7	0.17%	-		-
FSP Greenwood Plaza Corp	12,760,000	8	0.17%	-		-
NRFC Denver Holding LLC	12,760,000	9	0.17%	-		-
Weingarten/Miller/Aurora II	12,180,000	10	0.16%	-		-
US West Communications	-		-	60,238,700	1	1.41%
OEA Inc	-		-	28,492,840	3	0.67%
TCI Natl Digital Television	-		-	15,415,980	6	0.36%
MCI Telecommunications	-		-	10,907,000	8	0.26%
EOP-Millennium LLC	-		-	9,541,000	9	0.22%
Galleria Acquisition Inc	-		-	9,280,000	10	0.22%
Total	<u>\$ 365,709,070</u>		<u>4.77%</u>	<u>\$ 249,635,890</u>		<u>5.85%</u>

Source: Assessor's Tax Roll

ARAPAHOE COUNTY, COLORADO

Table 8

Property Tax Levies and Collections
Last Ten Fiscal Years
December 31, 2007

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	
1998	\$ 63,741,079	\$ 63,613,597	99.8%	\$ 105,000	\$ 63,718,597	100.0%	
1999	63,813,349	63,685,723	99.8%	125,000	63,810,723	100.0%	
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%	

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

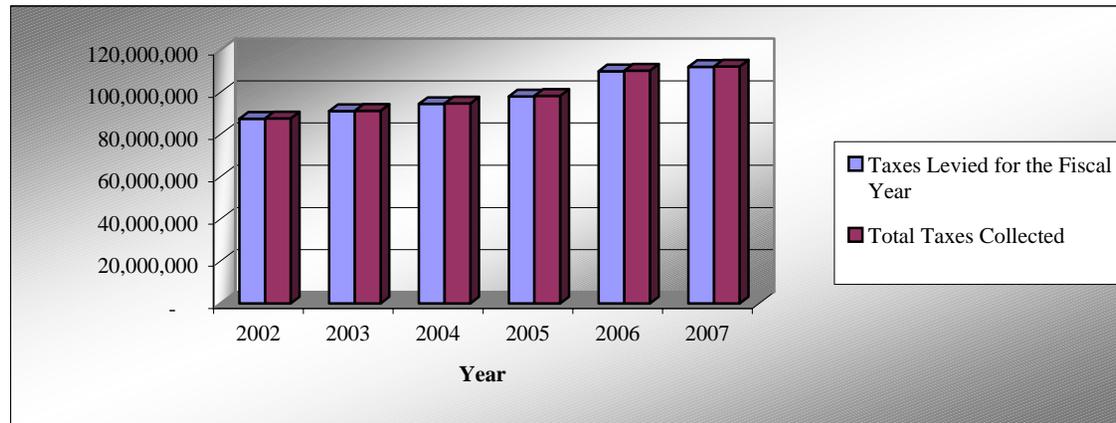


Table 9

ARAPAHOE COUNTY, COLORADO

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
December 31, 2007

Fiscal Year	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Total	Percentage of Personal Income	Percentage of Actual Value of Taxable Property
1998	-	-	-	-	-
1999	-	-	-	-	-
2000	-	-	-	-	-
2001	-	-	-	-	-
2002	-	-	-	-	-
2003	-	-	-	-	-
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-

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Table 10

ARAPAHOE COUNTY, COLORADO

Computation of Direct and Overlapping Debt
December 31, 2007

<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>
Cities & Towns:			
City of Aurora	\$ 36,545	82.00%	\$ 29,966,900
Town of Bow Mar	540,000	70.00%	378,000
Town of Columbine Valley	85,000	100.00%	85,000
City of Englewood	12,000,000	100.00%	12,000,000
City of Sheridan	1,415,000	100.00%	1,415,000
Town of Foxfield	2,170,000	100.00%	2,170,000
Total cities & towns			\$ 46,014,900
School Districts:			
Englewood	\$ 27,530,145	100.00%	\$ 27,530,145
Sheridan	21,630,000	100.00%	21,630,000
Chery Creek	402,325,000	100.00%	402,325,000
Littleton	107,935,000	100.00%	107,935,000
Aurora	204,270,000	69.00%	140,946,300
Bennett	10,325,000	49.00%	5,059,250
Strasburg	11,639,187	35.00%	4,073,715
Byers	2,430,000	56.00%	1,360,800
Total school districts			\$ 710,860,210
Special Districts:			
Adonea Metro District #2	\$ 16,799,946	100.00%	\$ 16,799,946
Antelope Water System General Improvement	3,035,000	100.00%	3,035,000
Arapahoe Estates Water	970,377	100.00%	970,377
Arapahoe Park & Recreation	15,375,000	100.00%	15,375,000
Arapahoe Water & Wastewater Public Improvement	101,358,570	99.99%	101,357,556
Antelope Hills General Improvement	201,800	100.00%	201,800
Aurora Centretech Metro	18,980,000	100.00%	18,980,000
Aspen Grove Business Improvement	9,100,000	100.00%	9,100,000

Centennial Downs Metro	12,875,000	100.00%	12,875,000
Centennial 25 Metro	2,300,000	100.00%	2,300,000
Chaparral Metro	520,000	100.00%	520,000
Columbia Metro	2,275,000	100.00%	2,275,000
Copperleaf Metro District #2	26,875,000	100.00%	26,875,000
Conservatory Metro	25,045,000	100.00%	25,045,000
Cornerstar Metro	37,000,000	100.00%	37,000,000
Country Homes Metro District A	220,000	100.00%	220,000
Cross Creek Metro District #2	10,710,000	100.00%	10,710,000
Dove Valley Metro	43,300,000	100.00%	43,300,000
Eagle Bend Metro District #2	38,500,000	100.00%	38,500,000
East Quincy Highlands Metro	3,510,000	100.00%	3,510,000
East Smoky Hill Metro District #1	4,225,000	100.00%	4,225,000
East Smoky Hill Metro District #2	9,175,000	100.00%	9,175,000
Foxfield Metro District #1	1,625,000	100.00%	1,625,000
Galleria Metro	5,935,000	100.00%	5,935,000
Goldsmith Metro Blk K	5,300,000	100.00%	5,300,000
Goldsmith Metro Debt Only	20,720,000	51.20%	10,608,640
Goldsmith Metro	26,020,000	46.30%	12,047,260
Goodman Metro	4,870,000	100.00%	4,870,000
Greenwood Metro	4,375,000	99.00%	4,331,250
Heritage Greens Metro	1,405,000	100.00%	1,405,000
Heather Gardens Metro	815,000	100.00%	815,000
High Plains Metro	24,000,000	100.00%	24,000,000
Highline Business Improvement	3,725,000	100.00%	3,725,000
Highline Glen Metro	220,000	100.00%	220,000
Hills at Cherry Creek Metro	1,690,000	100.00%	1,690,000
Inverness Water & Sanitation	23,415,000	69.00%	16,156,350
Inverness Metro Improvement	4,405,000	70.00%	3,083,500
Landmark Metro	1,970,000	100.00%	1,970,000
Tallgrass Metro	17,925,000	100.00%	17,925,000
Panorama Metro	8,575,000	100.00%	8,575,000
Parker Jordan Metro	20,070,000	100.00%	20,070,000
Parkview Metro District Bonds	-	100.00%	-
Piney Creek Village Metro	6,600,000	100.00%	6,600,000
Pioneer Hills Metro	4,585,000	100.00%	4,585,000
Polo Reserve Metro	1,320,000	100.00%	1,320,000

Table 10

ARAPAHOE COUNTY, COLORADO

Computation of Direct and Overlapping Debt
December 31, 2007

<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	5,865,000	38.00%	2,228,700
Serenity Ridge Metro District #2	6,750,000	100.00%	6,750,000
Smoky Hill Metro	705,000	100.00%	705,000
Sorrel Ranch Metro	14,410,000	100.00%	14,410,000
Southeast Public Improvement Metro	7,480,000	58.00%	4,338,400
Southglenn Metro	77,000,000	100.00%	77,000,000
Southgate At Centennial Metro	1,235,000	100.00%	1,235,000
Southpark Metro	2,705,000	89.00%	2,407,450
Southshore Metro District #2	10,000,000	100.00%	10,000,000
South Suburban Rec/Park Bonds Cherry Hills	-	100.00%	-
South Suburban Rec/Park District	32,350,000	79.00%	25,556,500
Sterling Hills Metro	2,070,000	100.00%	2,070,000
Sterling Hills West Metro	15,240,000	100.00%	15,240,000
Sundance Hills Metro	805,000	100.00%	805,000
Tallyn's Reach Metro District #2	6,630,000	100.00%	6,630,000
Tallyn's Reach Metro District #3	19,585,000	100.00%	19,585,000
Tollgate Crossing Metro District #2	12,038,509	100.00%	12,038,509
Traditions Metro District #2	4,775,000	100.00%	4,775,000
Wheatlands Metro District #2	21,650,000	100.00%	21,650,000
Willow Trace Metro	9,970,000	100.00%	9,970,000
Total special districts			\$ 776,601,238
Subtotal, overlapping debt			\$ 1,533,476,348
Total direct debt			-
Total direct and overlapping debt			\$ 1,533,476,348

Source: Arapahoe County Finance Department

ARAPAHOE COUNTY, COLORADO

Table 11

**Legal Debt Margin Information
Last Five Fiscal Years
December 31, 2007**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</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
Statutory Debt Limit 3% (1)	200,371,588	196,564,849	198,905,687	207,617,335	230,593,905
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>
Total net debt as a percentage of debt limit	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, 2007

Year	Population (1)		Households (1)	
	Arapahoe County	Seven County Denver Metro	Total	Average Size
1998	478,570	2,220,225	194,600	2.41
1999	486,089	2,273,675	201,325	2.40
2000	497,310	2,400,570	195,500	2.46
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

Year	Per Capita Income (2)	Unemployment Rate (3)	Median Age (1)	School Enrollment (4)
1998	38,333	2.7%	34.9	100,342
1999	40,668	2.3%	34.9	101,698
2000	44,081	2.0%	35.2	104,801
2001	47,030	3.2%	34.5	107,842
2002	43,109	5.7%	34.2	109,252
2003	45,013	5.7%	34.5	110,160
2004	46,645	5.6%	34.5	110,241
2005	47,039	5.0%	34.5	111,603
2006	49,458	5.0%	34.5	112,785
2007	*	4.3%	36.1	114,617

(1) Figures for 1998-2002 Colorado Division of Local Government, Demographic Section.
Figures 2003-2007 Denver Regional Council of Governments.

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

(3) Colorado Department of Labor

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

* PCI for 2007, from the U.S. Bureau of Economic Analysis, 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, 2007

Employer	2007			1998		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Cherry Creek School District	7,408	1	2.62%	5,855	1	2.25%
Aurora Public Schools	4,635	2	1.64%	4,032	2	1.55%
City of Aurora	3,345	3	1.18%	3,040	3	1.17%
Great West Life	2,614	4	0.93%			
Littleton School District	2,613	5	0.93%	2,153	7	0.83%
Raytheon Company	2,057	6	0.73%	1,654	9	0.64%
Arapahoe County	1,838	7	0.65%	1,494	10	0.57%
Columbia HCA	1,726	8	0.61%	1,970	8	0.76%
Qwest	1,517	9	0.54%	2,634	4	1.01%
Oppenheimer Management	1,463	10	0.52%			
TCI				2,615	5	1.00%
Fascorp				2,377	6	0.91%
Total	29,216		10.35%	27,824		10.69%

Source: Colorado Department of Labor & Employment

ARAPAHOE COUNTY, COLORADO

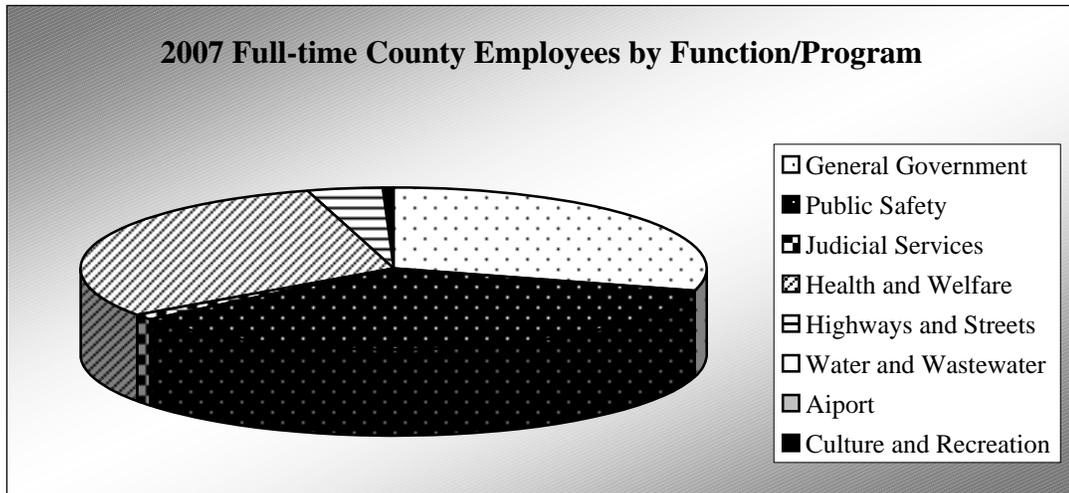
Table 14

**Full-time Equivalent County Employees by Function/Program
Last Six Fiscal Years (1)
December 31, 2007**

<u>Function/Program</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Government	548.50	553.50	555.00	558.00	558.00	563.25
Public Safety	627.50	631.50	637.25	643.50	647.00	660.50
Judicial Services	18.50	18.50	18.50	18.50	19.30	22.50
Health and Welfare	468.75	492.75	477.25	503.25	514.75	578.50
Highways and Streets	73.50	73.50	74.50	74.50	74.50	76.50
Water and Wastewater	7.00	7.00	9.30	9.30	8.80	-
Aiport	-	-	-	-	-	-
Culture and Recreation	-	-	4.50	4.50	5.00	8.50
Total	1,743.75	1,776.75	1,776.30	1,811.55	1,827.35	1,909.75

(1) Prior years data was not available.

Source: Arapahoe County Finance Department



ARAPAHOE COUNTY, COLORADO

Table 15

**Operating Indicators by Function/Program
Last Five Fiscal Years (1)
December 31, 2007**

<u>Function/Program</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Government					
Motor vehicle renewals	332,401	340,174	349,725	354,498	369,244
Registered voters (active & inactive)	334,648	364,385	324,442	331,097	309,390
Voter turnout	108,440	234,725	126,484	171,920	78,247
Public Safety (2)					
Criminals arrested and put in jail	2,000	2,380	2,546	13,449	7,106
DUI arrests	600	800	825	573	559
Traffic violators stopped and cited	5,500	6,500	7,000	69,217	27,444
Number of E-911 calls	38,254	53,200	54,800	60,563	63,132
Judicial Services (2)					
Felony cases filed	3,545	3,710	3,420	238	3,029
Misdemeanor cases filed	28,860	23,296	25,913	2,119	2,196
Health and Welfare					
Average number of food stamp cases	96,707	109,658	113,886	118,020	116,125
Highways and Streets					
Sweeping pass miles	2,522	2,468	3,114	4,448	2,387
Finished concrete curb & gutter (linear feet)	1,810	6,150	4,679	2,180	1,079
Tons of asphalt applied	26,333	29,015	24,403	22,405	22,825
Water and Wastewater					
Number of water quality projects	2	20	2	35	-
Culture & Recreation					
Number of building permits issued	3,030	3,055	2,815	2,277	2,633

(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 Two Fiscal Years (1)
December 31, 2007**

<u>Function/Program</u>	<u>Fiscal Year</u>	
	<u>2006</u>	<u>2007</u>
General Government		
Square footage of buildings	277,005	272,788
Voting machines	1,275	1,275
Public Safety		
Square footage of detention center	291,955	291,955
Square footage of other buildings	129,867	121,588
Number of patrol vehicles	138	135
Judicial Services		
Square footage of buildings	251,115	201,167
Health and Welfare		
Square footage of buildings	44,865	167,660
Highways and Streets		
Total centerline miles of county roads	518	529
Paved lane miles	959	999
Unpaved lane miles	525	527
Culture and Recreation		
Number of parks	6	6
Total Open Space and Parks Acreage	447	798

(1) Prior years data was not available.

Sources: Various Arapahoe County Departments
Colorado Department of Transportation