

ARAPAHOE COUNTY COLORADO

# COLORADO'S FIRST



## Comprehensive Annual Financial Report Year Ended December 31, 2013



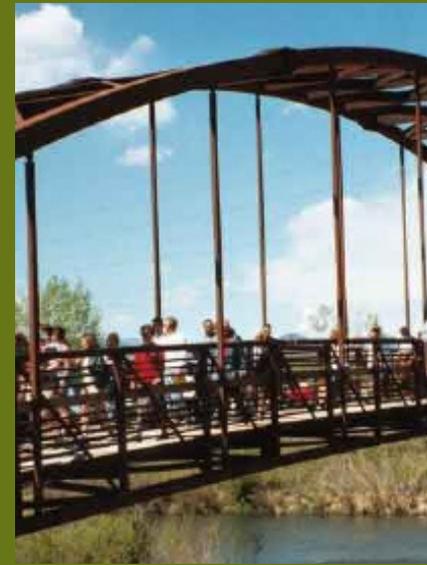
ARAPAHOE COUNTY  
COLORADO'S FIRST

Department of Finance  
5334 South Prince Street  
Littleton, Colorado 80120-1136  
[www.arapahoegov.com](http://www.arapahoegov.com)

### **Reasonable Accommodation Policy**

In accordance with the Americans with Disabilities Act, this material is available in alternative formats upon request. Please contact the Finance Department, located at: 5334 S. Prince Street, Littleton, Colorado, 80120-1136, by telephone: (303) 795-4620, by e-mail: [Finance2@ArapahoeGov.com](mailto:Finance2@ArapahoeGov.com), or by TDD: (303) 795-4644 for assistance.

# ARAPAHOE COUNTY COLORADO



## Comprehensive Annual Financial Report Year Ended December 31, 2013

## 2013 ACKNOWLEDGEMENTS

### BOARD OF COUNTY COMMISSIONERS

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

### ELECTED OFFICIALS

Matt Crane ..... Clerk and Recorder  
Corbin Sakdol ..... Assessor  
Sue Sandstrom ..... Treasurer  
Dr. Kelly Lear-Kaul ..... Coroner  
George Brauchler ..... District Attorney  
David C. Walcher ..... Sheriff

### FINANCE DEPARTMENT

Janet J. Kennedy, CPA ..... Finance Director  
Steve Oliver, CPA ..... Accounting Manager  
Lynn Obremski, CPA ..... Senior Accountant  
Dennis Palamet, Retired CPA ..... Accountant II  
Erik Burge ..... Accountant II  
Loren Kohler ..... Accountant II  
Sandra Gronquist ..... Accountant II  
Tammy Smith ..... Accounting Coordinator  
Ann Jagow ..... SAP Functional Administrator  
Debbie McCarty SAP Functional Administrator  
Jon Rajewich ..... SAP Functional Administrator

# COLORADO'S FIRST



ARAPAHOE COUNTY  
COLORADO'S FIRST



**ARAPAHOE COUNTY, COLORADO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED DECEMBER 31, 2013**

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5334 South Prince Street  
Littleton, Colorado 80120-1136  
Phone: 303-795-4620  
Fax: 303-738-7929  
[www.arapahoegov.com](http://www.arapahoegov.com)  
[finance@arapahoegov.com](mailto:finance@arapahoegov.com)

June 25, 2014

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

JANET J. KENNEDY, CPA  
Director

Colorado state law requires that every general purpose local government publish a complete set of audited financial statements. This report is published and hereby submitted to fulfill that requirement for the year ended 12/31/2013.

This report includes information on the financial activities of Arapahoe County (hereafter referred to as the County). Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position of the County as a whole and its various funds. All required disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

Arapahoe County financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed Certified Public Accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of Arapahoe County present fairly, in all material respects, the financial position of the County. The independent auditors have issued an unmodified ("clean") opinion on Arapahoe County's financial statements for the year ended December 31, 2013. The independent auditors' report is presented as the first component of the financial section of this report.

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

### **Profile of Arapahoe County**

Arapahoe County, incorporated in 1902, is located in the north central part of the State. The County is located in the southeastern portion of the Denver metropolitan area and covers approximately 850 square miles. Arapahoe County, with the county seat located in the City of Littleton, is the third largest county in the State of Colorado with a population of about 604,000. 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 approximately 330 local improvement and service districts within the County.

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

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

|                                  |            |
|----------------------------------|------------|
| Nancy Doty (Chair) .....         | District 1 |
| Nancy Sharpe .....               | District 2 |
| Rod Bockenfeld .....             | District 3 |
| Nancy Jackson .....              | District 4 |
| Bill Holen (Chair Pro Tem) ..... | District 5 |

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

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

|                           |                    |
|---------------------------|--------------------|
| Corbin Sakdol .....       | Assessor           |
| Sue Sandstrom .....       | Treasurer          |
| Dr. Kelly Lear-Kaul ..... | Coroner            |
| Matt Crane .....          | Clerk and Recorder |
| George Brauchler .....    | District Attorney  |
| David Walcher .....       | Sheriff            |

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

**Budget Process**

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

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

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

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

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

### **Local Economy**

Arapahoe County is located on the southeast portion of a major metropolitan area. Its economy is greatly influenced by the economy of the state and the entire Denver metro area. The local economy does generally follow the national economic trends. The County has a diversified economic base with numerous city and other local governments, many schools, military bases, shopping centers, health care facilities and high tech businesses contributing to the activity. Growth in residential and commercial construction, the real estate market, employment, consumer spending, and inflation all play a role in the local economy.

The Colorado economy has continued to grow at a more robust pace than the nation as a whole during the recovery from the recession. Colorado's more diverse economy during the most recent recession and recovery has allowed for job growth, stronger consumer spending, and the start of a rebound in real estate. The State's unemployment rate has trended slightly lower than the nation as a whole, and is estimated to be 7.0% for 2013 and then drop to 6.7% for 2014. The agriculture and oil and gas industries have helped to boost the State's economy during the economic recovery, but this growth might be impacted by Federal decisions around the deficit reduction debate and other national or international economic events. Home prices and the real estate market are recovering and commercial construction has improved. Although this growth generates additional revenue, it also results in additional expenses for the local government.

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

The County currently projects revenues, expenditures and available fund balances for 5 year periods to help determine its financial position and plan for the future. It is the County's intent each year to structurally balance the General Fund operating budget, meaning that budgeted ongoing expenditures do not exceed budgeted ongoing revenues. The available fund balance at the end of one year (in excess of policy reserves) can then be used to budget for capital projects and other one-time uses in the following year.

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

- Maintaining a structurally balanced General Fund operating budget
- Funding total compensation recommendations to recognize and retain a quality workforce
- Collaborate with elected offices and departments to find efficiencies and reductions
- Fund capital needs while limiting the use of fund balance

For 2014, the County has planned on \$10.7 million in capital improvements. Planned projects include: Roads/Infrastructure (\$3.1 million), relocation of Probation to Lima Plaza (\$2.3 million), New World Software upgrade or replacement (\$1.75 million), Altura Plaza remodel (\$1.3 million) and a third floor court room at the ACJC (\$.9 million). In planning for 2014, the General Fund was balanced with a surplus of \$487,000. This was the result of measures implemented by the Executive Budget Committee and the Board of County Commissioners with the cooperation of all County departments and elected offices. The 2014 adopted budget funded a 2.0% performance based salary increase pool for employees. The County continues to find efficiencies in operations to hold down future operating costs. The County's Align Arapahoe initiative is a proactive countywide strategic planning and management system designed to boost performance and efficiency and to help Arapahoe County meet today's priorities and tomorrow's challenges by aligning the County's activities to its mission, vision, and values.

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

The uncertainty surrounding revenue growth and the impact it will have on future County operations is a concern of the Board of County Commissioners and the Executive Budget Committee. Property tax is the largest and most important source of revenue for the County. The market and assessed values, as well as related revenue collections, lag the current economy by one or two years. Therefore, despite an increase

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

in some of the County's revenues such as land recording fees and motor vehicle registrations and licensing, a potential turnaround in property tax revenue may occur after the 2013 assessment period. That means a possible increase in revenues may occur in 2016.

The County faced the current economic uncertainty by structurally balancing the 2014 General Fund budget and included a modest surplus. During the past several years, the Executive Budget Committee's guidance to departments and elected offices repeatedly emphasized how the economic downturn has impacted the County's fiscal condition, and that balancing the operating budget would require difficult decisions and creative solutions. This approach continued during the development of the 2014 budget and the General Fund operating budget was balanced through voluntary reductions in department and elected offices. It also includes a small operating surplus to guard against the economic uncertainty. The operating surplus built into the General Fund budget could serve as a buffer against flat property tax revenues next year and provide a reasonable head start on any budget reduction measures that would need to be implemented if the current revenue growth trends reverse or stagnate.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Arapahoe County Government for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2012. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

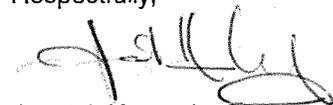
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, the contents of which conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

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-five consecutive years (fiscal years ended 1987 – 2012). We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA.

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

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

Respectfully,



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



Government Finance Officers Association

**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, 2012**

Executive Director/CEO

# ARAPAHOE COUNTY, COLORADO

## LIST OF PRINCIPAL OFFICERS

---

### Board of County Commissioners (BOCC)

---

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

### Elected Officials Other Than BOCC

---

Corbin Sakdol..... Assessor  
Matt Crane ..... Clerk and Recorder  
Dr. Kelly Lear-Kaul ..... Coroner  
George Brauchler ..... District Attorney  
David C. Walcher ..... Sheriff  
Sue Sandstrom ..... Treasurer

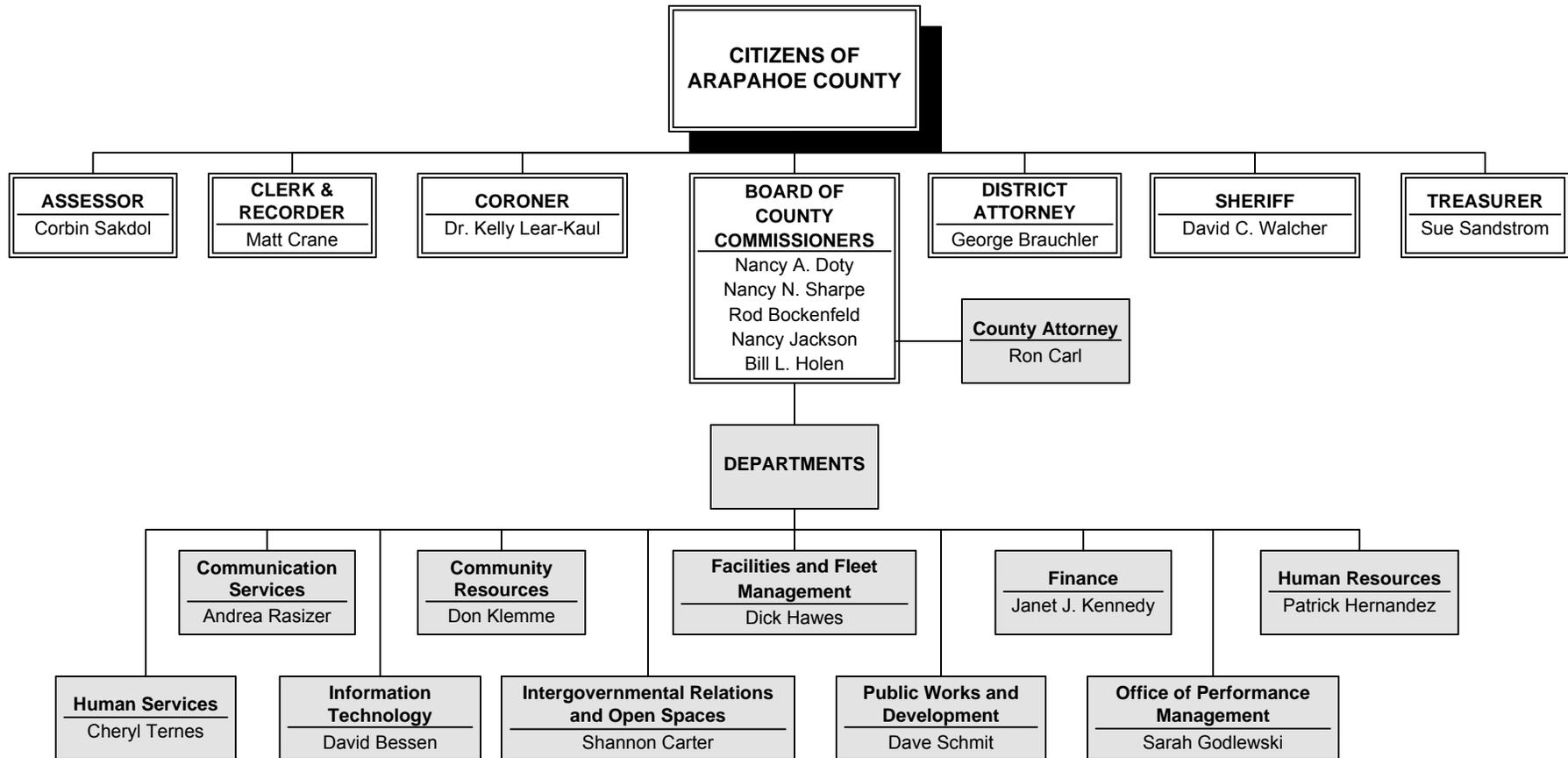
### Department Directors

---

Andrea Rasizer ..... Communication Services  
Don Klemme ..... Community Resources  
Ron Carl ..... County Attorney  
Dick Hawes ..... Facilities and Fleet Management  
Janet J. Kennedy ..... Finance  
Patrick Hernandez ..... Human Resources  
Cheryl Ternes ..... Human Services  
David Bessen ..... Information Technology  
Shannon Carter ..... Intergovernmental Relations and Open Spaces  
Sarah Godlewski ..... Office of Performance Management  
Dave Schmit ..... Public Works & Development

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# ARAPAHOE COUNTY GOVERNMENT ORGANIZATIONAL CHART



A-7



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CliftonLarsonAllen

CliftonLarsonAllen LLP  
CLAconnect.com

## INDEPENDENT AUDITORS' REPORT

Board of County Commissioners  
Arapahoe County, Colorado

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental 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, 2013, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Arapahoe County Public Airport Authority or Arapahoe County Water and Wastewater Authority, both of which are discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Arapahoe County Public Airport Authority and Arapahoe County Water and Wastewater Authority, is based solely on the reports 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

***Opinions***

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Arapahoe County, Colorado as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General Fund, the Social Services Fund, and the Open Spaces Sales Tax Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension disclosures on pages B-4 - B-18 and C-68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Arapahoe County, Colorado's basic financial statements. The supplementary information, combining and individual financial statements and schedules and the statements of component unit without separately presented financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information, combining and individual financial statements and schedules and the statements of component unit without separately presented financial statements are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, combining and individual financial statements and schedules and the statements of component unit without separately presented financial statements is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of County Commissioners  
Arapahoe County, Colorado

The introductory section and statistical section listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2014, on our consideration of Arapahoe County, Colorado'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 result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Arapahoe County, Colorado's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Clifton Larson Allen LLP".

Greenwood Village, Colorado  
June 25, 2014

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## ARAPAHOE COUNTY, COLORADO

December 31, 2013

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### INTRODUCTION

In this Management's Discussion and Analysis (MD&A) section of the Comprehensive Annual Financial Report (CAFR), we provide readers with a narrative overview and analysis of the financial activities of Arapahoe County, Colorado (the County), for the fiscal year ended December 31, 2013. When analyzing financial activities of the current fiscal year, it is useful to compare current fiscal year information with comparable information of the previous fiscal year. This discussion and analysis is also intended to serve as an introduction to the County's basic financial statements. We encourage readers to consider the information presented here in conjunction with the information presented in the letter of transmittal and basic financial statements to enhance their understanding of the County's financial activity and performance.

### OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The Basic Financial Statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the financial statements.

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

#### Government-wide Financial Statements

The government-wide financial statements 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 Position 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, deferred inflows of resources and revenues and related assets and deferred outflows of resources not reported in fund financial statements are recorded in the government-wide financial statements independent of the cash flows related to these items. Fiduciary fund assets held by a governmental entity for other parties either as trustee or agent are not included in the government-wide financial statements because they cannot be used to finance the governmental entity's own operating programs.

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

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### ARAPAHOE COUNTY, COLORADO

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Component units are reported in the financial statements as either blended or discretely presented component units. The financial activity of blended component units can be objectively viewed as an extension of the general purpose government because their governing bodies are substantively the same and there is a financial benefit or burden relationship between the primary government and the component unit. Additional criteria for blending include whether or not the component unit provide services entirely or almost entirely to the primary government or otherwise exclusively or almost exclusively benefits the primary government even though it does not provide services directly to it. When the component unit's financial activities are blended into the County's financial statements, the activities are presented as if they were executed by the general local government. The 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 general purpose government and the blended component units are identified in the government-wide financial statements as the primary government. The following component units have been blended into the the County's 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
- Arapahoe County Retirement Trust Fund

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 the County in the government-wide financial statements. The following component units have been presented as discrete component units in the County's government-wide financial statements:

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

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

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

The government-wide financial statements can be found on pages C-1 to C-3 of this annual report.

#### **Fund Financial Statements**

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### ARAPAHOE COUNTY, COLORADO

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All of the funds of the County can be divided into three categories:

- Governmental Funds
- Proprietary Funds
- Fiduciary Funds

**Governmental Funds** - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, because governmental fund financial statements measurement focus is on near-term inflows and outflows of current financial resources, as well as on balances of current financial resources available at the end of the fiscal year, these financial statements provide information about the ability of the fund to finance current activities and operate within the planned appropriations and budgets. Such information may be useful in evaluating a government's ability to meet its near-term financing and appropriation related requirements.

All current financial resources contained in a governmental fund, other than the general fund, are available only for carrying on the specific activities or attaining the certain objectives in accordance with special regulations, restrictions or limitations related to the purpose for which these funds were created. Therefore, all of the current financial resources contained in these governmental funds are considered to be assigned to the purpose for which the fund was created. The General Fund is used to account for all governmental fund activities that are not specifically accounted for in the other governmental funds. Therefore, the General Fund is the only governmental fund that contains positive unassigned funds in addition to assigned funds in its fund balance.

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

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

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### ARAPAHOE COUNTY, COLORADO

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In this annual report, the County reports on twenty-four individual governmental funds. Information is presented separately in the fund financial statements for the General Fund, Social Services Fund, and Open Spaces Sales Tax Fund, all of which are considered major funds. Individual fund balance sheets for these major funds are presented in the Statement of Revenues, Expenditures and Changes in Fund Balance. The remaining twenty-one governmental funds are combined into a single, aggregated presentation as Other Governmental 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 nonmajor funds is provided on pages D-1 to D-36 in the Combining Financial Statements and Schedules section of this annual report.

**Proprietary Funds** – The fund financial statements contain two types of proprietary funds: enterprise funds and internal service funds.

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

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. The County uses five internal service funds to account for the following activities: the accumulation and allocation of equipment and materials costs, employee benefits, and self-insurance activities. The measurement focus for internal service funds is economic resources and the basis of accounting used is full accrual accounting. The revenue and expenses of the internal service funds have been eliminated in the government-wide Statement of Activities. The balance sheets of the internal service funds have been merged in the government-wide Statement of Net Position.

The five internal service funds are combined into a single, aggregated presentation as Governmental Activities – Internal Service Funds in the fund financial statements in the Basic Financial Statements section. These statements can be found on pages C-15 to C-17 of this annual report. Financial information related to the individual internal service funds is provided on pages D-37 to D-44 in the Combining Financial Statements and Schedules section 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 the County's programs or operations. The County uses four fiduciary funds; one trust fund and three agency funds.

The activities of the Arapahoe County Retirement Trust is presented in the Basic Financial Statements section of this annual report.

The total of the three agency funds are combined into a single, aggregated presentation as Agency Funds - Total in the fund financial statements in the Basic Financial Statements section of this annual report. The Agency Funds – Total presentation does not include a statement presenting the activities that change the agency funds net position as part of the Basic Financial Statements. The basis of accounting for the agency funds is full accrual accounting. Financial information related to the individual agency funds is provided on pages D-45 and D-49 in the Combining Financial Statements and Schedules section of this annual report.

A Statement of Fiduciary Net Position is presented in the fund financial statements for both the Arapahoe County Retirement Trust and the Agency Funds. A Statement of Changes in Fiduciary Net Position 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.

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

**ARAPAHOE COUNTY, COLORADO**

**December 31, 2013**

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**Notes to the Financial Statements**

The notes to the Basic Financial Statements provide a more detailed explanation of some of the information contained in the financial statements that is essential to gain a better understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages C-21 through C-65 of this annual report.

**Budgetary Comparisons**

The 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-12 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-36 in the Combining Financial Statements and Schedules Section of this annual report.

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

**Condensed Statement of Net Position**

The following table provides a condensed comparative presentation of the County's government-wide Statement of Net Position for the primary government for 2013 and 2012.

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|                                       | <b>Governmental Activities</b> |                       |
|---------------------------------------|--------------------------------|-----------------------|
|                                       | <b>2013</b>                    | <b>2012</b>           |
| <b>Assets</b>                         |                                |                       |
| Current and other assets              | \$ 352,085,676                 | \$ 350,041,525        |
| Capital assets                        | 847,227,757                    | 848,799,708           |
| Total assets                          | <u>1,199,313,433</u>           | <u>1,198,841,233</u>  |
| <b>Deferred outflows of resources</b> | <u>2,321,456</u>               | <u>2,600,987</u>      |
| <b>Liabilities</b>                    |                                |                       |
| Current and other liabilities         | 33,397,872                     | 36,423,380            |
| Long-term liabilities                 | 254,590,065                    | 256,435,070           |
| Total liabilities                     | <u>287,987,937</u>             | <u>292,858,450</u>    |
| <b>Deferred inflows of resources</b>  | <u>138,412,208</u>             | <u>135,515,568</u>    |
| <b>Net position</b>                   |                                |                       |
| Net investment in capital assets      | 644,821,342                    | 638,601,615           |
| Restricted                            | 43,700,491                     | 38,816,576            |
| Unrestricted                          | <u>86,712,911</u>              | <u>95,650,011</u>     |
| Net position                          | <u>\$ 775,234,744</u>          | <u>\$ 773,068,202</u> |

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

**ARAPAHOE COUNTY, COLORADO**

**December 31, 2013**

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**Condensed Statement of Activities**

The following table provides a condensed comparative presentation of the County's government-wide Statement of Activities for the primary government for 2013 and 2012.

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|                                    | <b>Governmental Activities</b> |                       |
|------------------------------------|--------------------------------|-----------------------|
|                                    | <b>2013</b>                    | <b>2012</b>           |
| <b>Revenues</b>                    |                                |                       |
| Program revenues:                  |                                |                       |
| Charges for services               | \$ 47,983,408                  | \$ 46,456,340         |
| Operating grants and contributions | 68,447,537                     | 71,376,630            |
| Capital grants and contributions   | 1,022,829                      | 732,511               |
| General revenues:                  |                                |                       |
| Property taxes                     | 137,284,487                    | 137,159,101           |
| Sales tax                          | 21,058,410                     | 19,424,283            |
| Other taxes                        | 9,140,147                      | 8,650,925             |
| Investment income                  | 533,928                        | 1,340,297             |
| Build America Bonds credit         | 1,057,602                      | 1,158,381             |
| Other revenues                     | 7,531,559                      | 8,792,643             |
| Total revenues                     | <u>294,059,907</u>             | <u>295,091,111</u>    |
| <b>Expenses</b>                    |                                |                       |
| General government                 | 64,146,957                     | 63,495,280            |
| Public safety                      | 80,106,733                     | 77,703,126            |
| Judicial services                  | 12,389,454                     | 12,364,714            |
| Health & welfare                   | 82,262,092                     | 82,520,568            |
| Highways & streets                 | 21,739,230                     | 24,707,635            |
| Water & wastewater                 | 3,450,708                      | 3,610,897             |
| Airport                            | 1,563                          | 6,282                 |
| Culture and recreation             | 18,398,769                     | 18,017,062            |
| Interest on long-term debt         | 9,397,859                      | 10,648,886            |
| Total expenses                     | <u>291,893,365</u>             | <u>293,074,450</u>    |
| Increase in net position           | 2,166,542                      | 2,016,661             |
| Net position - January 1           | <u>773,068,202</u>             | <u>771,051,541</u>    |
| Net position - December 31         | <u>\$ 775,234,744</u>          | <u>\$ 773,068,202</u> |

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

**Analysis of Government-wide Financial Position**

Net position is the amount by which a government's assets and deferred outflows of resources exceed its liabilities and deferred inflows of resources at the end of the fiscal year. As of December 31, 2013 and 2012, the County's primary government assets and deferred outflows of resources exceeded liabilities

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### ARAPAHOE COUNTY, COLORADO

December 31, 2013

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and deferred inflows of resources by \$775.2 million and \$773.1 million respectively indicating that the net position of the primary government increased by \$2.2 million.

The County's net investment in capital assets, \$644.8 million (83.2% of net position) in 2013 and \$638.6 million (82.6% of net position) in 2012, is the largest portion of the County's primary government net position. Capital assets include land, land improvements, bridges, water and sewer lines, roads, buildings, building improvements, leasehold improvements, vehicles, furniture and equipment. These capital assets are used to provide services or utility to citizens. Consequently, they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional \$43.7 million (5.6% of net position) in 2013 and \$38.8 million (5.0% of net position) in 2012 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 position, \$86.7 million (11.2% of net position) in 2013 and \$95.7 million (12.3% of net position) in 2012 represents unrestricted net position that may be used to meet ongoing obligations to citizens and creditors. The balance of unrestricted net position at the end of 2013 decreased by \$9 million (9.4%) from the balance in unrestricted net position at the end of 2012.

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/ expenditure) until the future period(s). The County has one item that qualifies for reporting in this category. It is the deferred outflows of resources resulting from the refunding on bonds reported in the government-wide Statement of Net Position. This deferred outflow of resources results from the difference in the carrying value of refunded debt and the reacquisition price of the refunding debt. This amount, \$2.3 million was deferred and amortized over the life of the old debt.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has one item that qualifies for the reporting in this category. It is the deferred inflow of resources for property tax revenue, \$138,412,208, which is deferred in the year the taxes are levied, 2013, and measurable and recognized as an inflow of resources in the period they are collected, 2014.

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

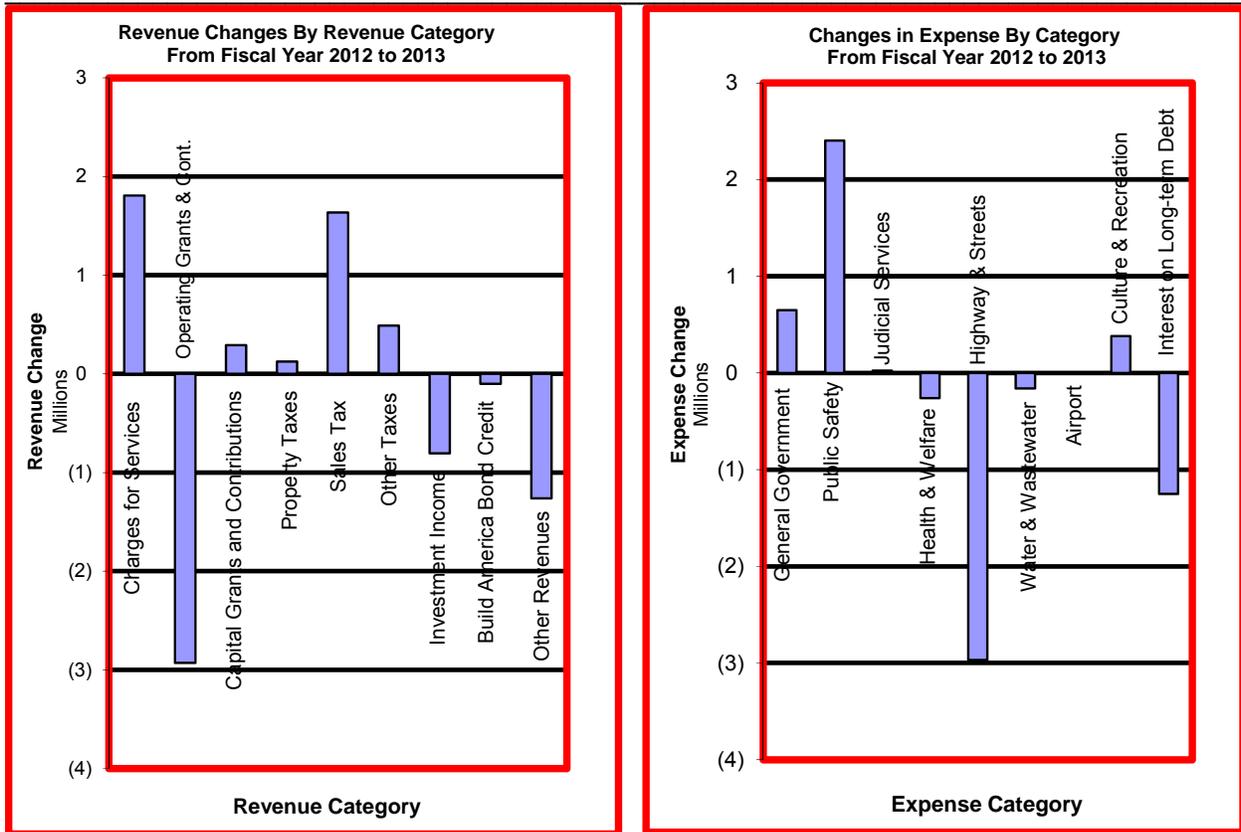
Government-wide revenues for the County were greater than expenses by \$2.2 million during fiscal year 2013 while government-wide revenues for 2012 were greater than expenses by \$2.0 million. Revenues in the government-wide Statement of Activities for 2013 decreased \$1.0 million (0.4%) from revenues for 2012, while expenses in the government-wide Statement of Activities for 2013 decreased \$1.2 million (0.4%) from expenses for 2012.

The changes from fiscal year 2012 to 2013 in the revenue and expense categories in the condensed comparative government-wide Statement of Activities are presented in the following bar charts:

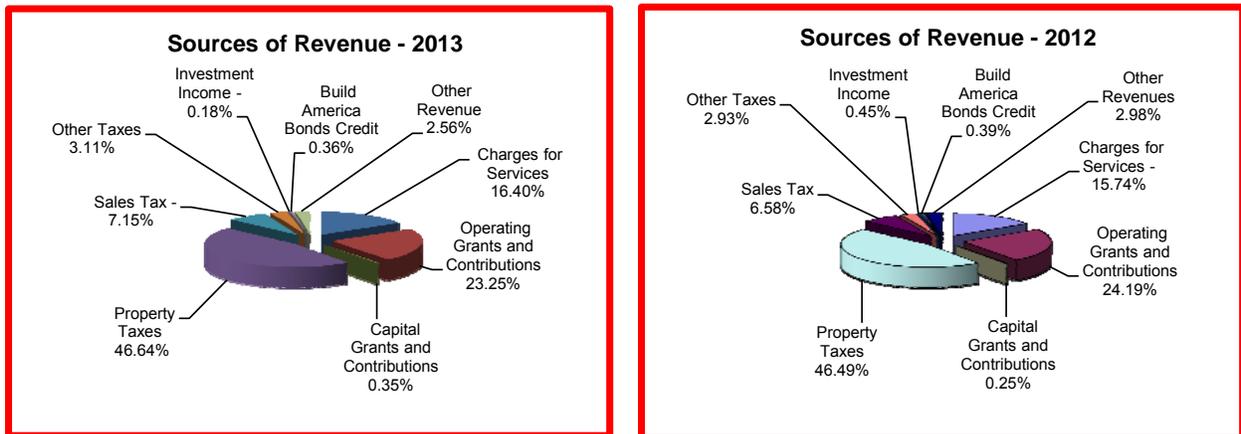
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**ARAPAHOE COUNTY, COLORADO**

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A comparison of the component sources of revenue used in the condensed comparative government-wide Statement of Activities for 2013 and 2012 is presented in the following pie charts:



The County received fewer donated assets in 2013 than in 2012. Donated assets decreased from approximately \$0.14 million in 2012 to approximately \$0.06 million in 2013, a decrease of approximately \$0.08 million. Donated assets included roads, road improvements, and rights-of-way and homeland security related assets, and complement the revenues of the County because the donated assets provide service (utility) to the citizens of the County.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### ARAPAHOE COUNTY, COLORADO

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There were no notable changes in the revenue line items in the condensed comparative government-wide Statement of Activities for the primary government (i.e., changes greater than \$2 million and 10% from fiscal year 2012 to 2013).

The sources of revenue as a percentage of the total revenue for the primary government varied slightly from fiscal year 2012 to 2013. The largest increase in the percentage of sources of revenue was a 0.7% increase in the percentage of charges for services to total revenues. The largest decrease in the percentage of sources of revenue was a 0.9% decrease in percentage of operating grants and contributions to total revenues.

The Highways and Streets expense line item is the only line in the condensed comparative government-wide Statement of Activities that had a notable change (a change greater than \$2 million and 10%) in its balance from fiscal year 2012 to 2013. The line item for Highways and Streets decreased \$3 million (12%) from \$24.7 million in 2012 to \$21.7 million in 2013. This decrease was primarily due to large infrastructure projects, which consisted primarily of projects in the study and planning and preliminary design stages in 2013. Infrastructure expenses usually increase when large projects are in the final design and construction phases of the projects.

## ANALYSIS OF BALANCES OF FUND FINANCIAL STATEMENTS

### Fund Financial Statements Overview

The County uses fund accounting to ensure and demonstrate compliance with finance-related regulations, requirements, restrictions or limitations and to report the financial position and financial activity of the funds. Fund financial statements reinforce the government-wide financial statements by providing additional information related to regulations, requirements, restrictions or limitations used to report the financial position and financial activity of the funds. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

### Governmental Funds

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

At the end of fiscal year 2013, the following three major governmental funds, the General Fund, the Social Services Fund and the Open Spaces Sales Tax Fund, were included in the fund financial statements. These major funds are reported separately in the County's basic financial statements.

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 County. The General Fund's fund balance was \$50.5 million as of December 31, 2013 and \$47.1 million as of December 31, 2012.

As a measure of the General Fund's ability to meet its financing and revenue generating needs, it is useful to compare the total of the assigned and unassigned fund balance at the end of fiscal year 2013 to the budgeted total program expenditures and transfers for the following fiscal year, 2014. The total of the assigned and unassigned fund balance of the General Fund at the end of fiscal year 2013, \$44.8 million, less the budgeted use of this fund balance in 2014, \$4.6 million, is \$40.2 million which represents 24% of the

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### ARAPAHOE COUNTY, COLORADO

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adopted budget for General Fund total program expenditures and transfers-out for 2014 of \$162.3 million, or 25% of the adopted budget for General Fund total program revenues and transfers-in of \$157.7 million. This indicates that approximately a 24.5% combination of budgeted revenue short falls and expenditures over budgeted expenditures could be sustained during 2014 before the liquidity of the General Fund is compromised, and use of the maintained required liquidity reserves is required.

The County's budget is prepared according to Colorado statutes. The most significant budgeted fund is the General Fund. The following is a condensed budget variance analysis for the General Fund for 2013:

| General Fund Budget Variance Analysis |                      |                     |                      |                      |           |
|---------------------------------------|----------------------|---------------------|----------------------|----------------------|-----------|
|                                       | Budget               |                     | Final Budget         | Actual               | Variance  |
|                                       | Original Budget      | Amendments          |                      |                      |           |
| Fund Balance - January 1, 2013        | \$ 28,659,363        | \$ -                | \$ 28,659,363        | \$ 28,659,363        |           |
| Revenues and Other Financing Sources  | 153,384,807          | 1,195,860           | 154,580,667          | 156,203,146          | 1,622,479 |
| Expenditures and Other Financing Uses | 158,588,473          | 1,918,815           | 160,507,288          | 152,520,501          | 7,986,787 |
| Fund Balance - December 31, 2013      | <u>\$ 23,455,697</u> | <u>\$ (722,955)</u> | <u>\$ 22,732,742</u> | <u>\$ 32,342,008</u> |           |

In 2013, the Board of County Commissioners originally appropriated a total of \$158.6 million for General Fund expenditures and other financing uses. This appropriated total was amended to \$160.5 million in the final budget, an increase of \$1.9 million (1.2%). The Board of County Commissioners also originally estimated \$153.4 million of General Fund revenues and other financing sources for 2013. This estimate was revised to \$154.6 million in the final budget, an increase of \$1.2 million (0.8%). The primary reason for the \$1.2 increase in the original General Fund revenue and other financing sources budget during 2013 was a transfer from the Social Services Fund to the General Fund. The General Fund expenditures and other financing uses budget increase of \$1.9 million during 2013 was primarily caused by appropriations of 2012 unspent General Fund appropriations and a supplementary budget for \$0.25 million for a County ADA compliance study.

Actual General Fund revenues and other financing sources of \$156.2 million was greater than the General Fund final budgeted revenues and other financing sources final budget, \$154.6 million, by \$1.6 million, a 1.0% variance. Actual General Fund expenditures and other financing uses of \$152.5 million was less than the General Fund final appropriated expenditures and other financing uses of \$160.5 million by \$8 million, a 5.3% variance.

The General Fund budget to actual revenue variance that occurred during 2013 was primarily due to increases in building permit fees, motor vehicle license fees, land recording fees, and Public Works Department Planning Division and Engineering Division fees.

The total variance for expenditures and other financing sources spread across all expenditure categories in 2013. The largest dollar amount of actual expenditure to budget savings occurred in the following departments: public safety, administrative services, information technology, and the Clerk and Recorder's Office. Of the \$8 million variance, \$5.7 million (71%) was attribute to those departments. In addition, \$3.4 (42.5%) of the \$8.0 variance was attributable to salary and benefits cost savings.

Total expenditures in the General Fund increased by \$1.2 million (0.87%), from \$138.7 million in fiscal year 2012 to \$139.9 million in fiscal year 2013. General Fund revenue decreased by \$1.5 million (0.96%) from \$156.8 million in 2012 to \$155.3 million in 2013.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### ARAPAHOE COUNTY, COLORADO

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Individual increases or decreases within individual revenue and expenditure categories are not considered significant, therefore, these are not discussed further in this management discussion and analysis.

#### **Social Services Fund**

This fund is mandated by the State of Colorado and is used to account for participation by the County in Federal and State public welfare programs. The fund balance decreased \$.6 million (6%) from \$9.4 million at the end of fiscal year 2012 to \$8.8 million at the end of 2013. Nearly all of the \$8.8 million fund balance at the end of 2013 was assigned.

Revenues decreased by approximately \$1 million (2.1%) from \$47.8 million in 2012 to \$46.8 million in 2013. The Social Services Department was funded approximately 73.3% in 2012 and 72.8% in 2013 from State and Federal grant monies and 26.7% in 2012 and 27.2% in 2013 by County property and other taxes. Individual increases or decreases within the Federal and State revenue categories and the individual property and other taxes were not considered significant and are not discussed further in this management discussion and analysis.

Expenditures decreased \$0.4 million (0.9%) from approximately \$46.9 million in 2012 to approximately \$46.5 million in 2013. Assistance payments for community programs in Arapahoe County are administered and authorized by the County and paid for by both the State of Colorado and the County. In 2013, the County's funding for community assistance programs within the County decreased by \$2.4 million (4.6%) while payments authorized by the County for community assistance programs funded by the State of Colorado increased by \$4.2 million (3.3%).

#### **Open Spaces Sales Tax Fund**

This fund was established to collect and preserve open space within the County. The total fund balance increased \$4.9 million from \$28.3 million in 2012 to \$33.2 million in 2013. The \$33.2 million fund balance in 2013 is fully restricted.

The fund collected approximately \$21.1 million in sales tax and received \$0.14 million in investment income during 2013. Other revenue sources were nominal in 2013. Sales tax revenues increased \$1.7 million (8.8%) from 19.4 million in 2012 to 21.1 million in 2013. Other revenues in 2013 remained consistent in comparison to 2012 revenues.

Total expenditures were \$16.7 million for the Open Spaces Sales Tax Fund in 2013. Expenditures decreased by approximately \$1.2 million (6.8%) from 2012 to 2013. The fund expended approximately \$14.5 million, 87% of total expenditures, in grants and share back payments from sales tax proceeds to incorporated municipalities and other governmental entities in 2013.

#### **Nonmajor Governmental Funds**

The total fund balance of the combined nonmajor governmental funds decreased by approximately \$4.6 million (7.1%) from \$64.7 million in 2012 to \$60.1 million in 2013.

In 2013, the Arapahoe County Water and Wastewater Public Improvement District (PID) Fund was reclassified as a nonmajor fund and was added to the Other Governmental Funds column (Nonmajor Governmental Funds column) in the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance. As a result, the fund balance amount of \$1.7 million for the Arapahoe County Water and Wastewater Public Improvement District (PID) Fund was added to the Other Governmental Funds column. The remaining fund balance of the nonmajor funds decreased by \$2.6 million during 2013. This decrease was primarily due to a decrease in the fund balance of the Capital

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

**ARAPAHOE COUNTY, COLORADO**

**December 31, 2013**

Expenditure Fund of \$8.9 million. Various funds experienced an increase in the fund balance including; the Infrastructure Fund of \$3.9 million, and increases in the Road & Bridge Fund and the Homeland Security Fund of \$1.4 million and \$1.0 million, respectively. The \$1.4 million and \$1.0 million variances in the Road & Bridge Fund and the Homeland Security Fund are within the range of normally expected operational variances for those funds.

The \$8.9 million decrease in the fund balance of Capital Expenditure Fund was primarily caused by the following four large capital projects for which the construction and implementation cost were primarily incurred in 2013, and for which a major part of the funding was transferred from the General Fund to the Capital Expenditure Fund in 2012 and re-appropriated in 2013.

| <b>Capital Project</b>                            | <b>Amount<br/>(in millions)</b> |
|---|---------------------------------|
| Arapahoe County Justice Center Lobby & Elevator   | \$ 3.9                          |
| Human Resources Management System                 | 2.4                             |
| Arapahoe County Justice Center Parking Lot        | 1.8                             |
| Peoria Fleet Management and Road & Bridge Complex | 1.8                             |
|   | <u>\$ 9.9</u>                   |

The \$3.9 million increase in the fund balance of the Infrastructure Fund resulted from the County's annual recurring transfers from the General Fund, \$4 million, as well as other recurring revenues. These revenues included; license and permits, intergovernmental revenues and developer contributions, which were greater than project expenditures primarily because most major projects were in the planning and preliminary design phases during the 2013 fiscal year.

**Proprietary Funds**

There are two types of proprietary funds, enterprise funds and internal service funds. Enterprise funds are used to report the financial position and activities of funds that provide services to the public that are not provided by the County's governmental funds. The County does not use enterprise funds. Internal service funds are used to report the financial position and activities of funds that provide services to the other funds of the County. The County has only internal service funds. The internal service funds of the County are the Central Services Fund, the Liability Self Insurance Fund, the Employee Flex Benefit Fund, the Worker's Compensation Fund and the Dental Self-Insurance Fund. The net position for the County's internal service funds increased \$1.1 million (3.8%) from \$28.9 million in 2012 to \$30 million in 2013.

Of the \$30 million of the total net position of the proprietary funds in 2013, \$27.1 million (90.3 %) was the net position 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 the replacement of the assets. It is also used to distribute the costs of central services (primarily postage and fleet maintenance, parts and fuel charges) to departments of the County. Of the \$27.1 million net position in the Central Services Fund at the end of 2013, \$8.3 million was invested in capital assets net of accumulated depreciation, and approximately \$18.8 million was available to replace expiring movable assets in the future.

**Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The fiduciary funds are not included in the government-wide financial statements because the resources

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### ARAPAHOE COUNTY, COLORADO

December 31, 2013

of these funds are not available to support the County's programs or operations. Therefore, they are not discussed in this Management Discussion & Analysis.

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

##### Capital Assets

Arapahoe County's investment in capital assets (net of accumulated depreciation) for its governmental activities was \$848.8 million as of December 31, 2012, and \$847.2 million as of December 31, 2013.

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 (net of accumulated depreciation) decreased \$1.6 million (0.2%) during fiscal year 2013. A summary of the County's capital assets (net of depreciation) is as follows:

|                                       | Arapahoe County Government's Capital Assets |                |
|---------------------------------------|---|----------------|
|                                       | (Net of Accumulated Depreciation)           |                |
|                                       | Governmental Activities                     |                |
|                                       | 2013  | 2012           |
| Land                                  | \$ 40,911,146                               | \$ 40,911,146  |
| Easements                             | 4,322,860                                   | 4,322,860      |
| Right of Ways                         | 309,971,761                                 | 309,971,761    |
| WaterRights                           | 51,616,042                                  | 51,616,042     |
| Construction in Progress              | 19,955,863                                  | 7,415,925      |
| Capital Assets Not Being Depreciated: | 426,777,672                                 | 414,237,734    |
| Land Improvements                     | 8,418,528                                   | 8,892,296      |
| Buildings and Improvements            | 177,832,459                                 | 185,183,731    |
| Furniture and Equipment               | 12,616,214                                  | 10,902,550     |
| Infrastructure                        | 221,582,884                                 | 229,583,397    |
| Capital Assets Being Depreciated:     | 420,450,085                                 | 434,561,974    |
| Total                                 | \$ 847,227,757                              | \$ 848,799,708 |

There were no significant infrastructure construction activities or purchase of capital assets during 2013. Infrastructure activity that occurred during the year primarily consisted of the performance of infrastructure planning studies and the preliminary design of future infrastructure capital projects.

The only notable increase in capital asset activity during 2013 was in the category of construction in progress, more specifically in the area of non-infrastructure construction projects. Construction in progress increased \$12.6 million (170.3%) from \$7.4 million in 2012 to \$20 million in 2013. This increase was primarily due to significant construction in progress on the following five large projects that were not completed by the end of 2013. The following table shows these five projects and their respective amounts:

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

ARAPAHOE COUNTY, COLORADO

December 31, 2013

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| <b>Capital Project</b>                            | <b>Amount<br/>(in millions)</b> |
|---|---------------------------------|
| Arapahoe County Justice Center Lobby & Elevator   | \$ 3.9                          |
| Human Resources Management System                 | 2.4                             |
| ACWWA PID Chamber's Reservoir Pump Station        | 2.1                             |
| Arapahoe County Justice Center Parking Lot        | 1.8                             |
| Peoria Fleet Management and Road & Bridge Complex | 1.8                             |
|   | <u>\$ 12.0</u>                  |

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Additional information on Arapahoe County capital assets can be found in the Notes to the Financial Statements located on pages C-27, C-28 and C-40 of this annual report.

**Outstanding Long-Term Debt**

At the end of fiscal year 2013, the County had two bond issues, two long-term note payables, two certificates of participation and four capital lease purchase agreements outstanding. The certificates of participation were issued by the Arapahoe County Building Finance Corporation.

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|                               | <b>Arapahoe County Government<br/>Summary of Outstanding Debt</b> |                       |
|-------------------------------|---|-----------------------|
|                               | <b>Governmental Activities</b>                                    |                       |
|                               | <b>2013</b>   | <b>2012</b>           |
| Bonds                         | \$ 115,868,284  | \$ 116,735,398        |
| Certificates of Participation | 36,540,975  | 41,150,696            |
| Long-term Notes               | 37,701,231  | 38,793,793            |
| Lease Purchase Agreements     | 14,617,381  | 16,119,193            |
| <b>Total Outstanding Debt</b> | <u>\$ 204,727,871</u>   | <u>\$ 212,799,080</u> |

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The County's total long-term debt decreased \$8.1 million in 2013. The balance of outstanding bonds decreased approximately \$0.9 million during 2013 while the outstanding balance of certificates of participation, long-term notes and lease purchase agreements decreased approximately \$7.2 million.

Additional information about the County's long-term debt can be found in Note 11 - Changes in Long-Term Liabilities in the notes to the financial statements on pages C-28 and C-44 to C-51 of this annual report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### ARAPAHOE COUNTY, COLORADO

December 31, 2013

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

##### Decisions

- **General Fund Assigned and Unassigned Fund Balance.** Arapahoe County has appropriated \$4.6 million of the 2013 General Fund assigned and unassigned fund balance of \$44.8 million for spending in the 2014 fiscal year budget.
- **Property Tax Mill Levy.** The total mill levy of Arapahoe County, not including the blended component units, was 17.15 mills in 2013 and 17.13 mills in 2014. This total mill levy decreased 0.02 mills (0.1%) from 2013 to 2014. The mill levy for both years includes the permanent Tabor base of mill levy of 15.821 plus a taxpayer approved mill levy for Tabor exempt funds for developmental disabilities of 1.000 mills plus a mill levy adjustment for refunds and abatements granted in the prior tax year of 0.309 mills.

##### Economic Condition Indicators

- **Unemployment Rate** - The unemployment rate, not seasonably adjusted, for Arapahoe County was 6.5% for year-ended 2013, which is a decrease from the rate of 7.8% for the year-ended 2012. This rate compares favorably to the Denver-metro area's unemployment rate of 6.6% and the state's unemployment rate of 6.8 % for 2013.
- **Building Permits** – The County issues building permits for the unincorporated area of the County. The number of single family residence building permits issued in 2013 increased 40% from 178 building permits issued in 2012 to 249 building permits issued in 2013. The number of multi-family residential (unit) building permits decreased 17% from 296 building permits issued in 2012 to 247 building permits issued in 2013. The number of commercial new construction, remodeling and tenant finish building permits increased 5% from 206 building permits in 2012 to 210 building permits in 2013.
- **Mortgage Foreclosures** – The number of mortgage foreclosures decreased from 2012 to 2013. There were 3,587 mortgage foreclosures in 2012 and 1,700 in 2013.

##### **REQUESTS FOR INFORMATION**

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

**Arapahoe County, Colorado**  
**Statement of Net Position**  
**December 31, 2013**

|  | Primary Government      | Component Units      |                                   |  |
|--|-------------------------|----------------------|-----------------------------------|--|
|  | Governmental Activities | E-911 Authority      | Arapahoe County Airport Authority | Arapahoe County Water and Wastewater Authority |
| <b>Assets</b>                                  |                         |                      |                                   |  |
| Cash and investments                           | \$ 152,983,776          | \$ 10,788,315        | \$ 5,167,989                      | \$ 20,973,624                                  |
| Accounts receivable                            | 12,270,319              | 326,737              | 958,114                           | 2,310,296                                      |
| Property tax receivable, net                   | 138,412,208             | -                    | -                                 | -  |
| Due from other governments                     | 1,613,322               | -                    | 194,546                           | -  |
| Inventories                                    | 566,048                 | -                    | -                                 | -  |
| Prepaid and other items                        | 98,535                  | -                    | 142,424                           | 175,154  |
| Restricted cash and investments                | 41,621,468              | -                    | 1,595,775                         | 7,668,989                                      |
| Due from component unit                        | 4,520,000               | -                    | -                                 | -  |
| <b>Total non-capital assets</b>                | <b>352,085,676</b>      | <b>11,115,052</b>    | <b>8,058,848</b>                  | <b>31,128,063</b>                              |
| Non-depreciable capital assets                 | 426,777,672             | -                    | 31,658,260                        | 125,233,247                                    |
| Depreciable capital assets                     | 420,450,085             | 438,599              | 18,276,687                        | 44,019,572                                     |
| <b>Total capital assets</b>                    | <b>847,227,757</b>      | <b>438,599</b>       | <b>49,934,947</b>                 | <b>169,252,819</b>                             |
| <b>Total assets</b>                            | <b>1,199,313,433</b>    | <b>11,553,651</b>    | <b>57,993,795</b>                 | <b>200,380,882</b>                             |
| <b>Deferred outflows of resources</b>          |                         |                      |                                   |  |
| Refunding of bonds                             | 2,321,456               | -                    | 1,258,360                         | 2,063,596                                      |
| <b>Total deferred outflows of resources</b>    | <b>2,321,456</b>        | <b>-</b>             | <b>1,258,360</b>                  | <b>2,063,596</b>                               |
| <b>Liabilities</b>                             |                         |                      |                                   |  |
| Accounts payable and other current liabilities | 20,952,447              | 62,375               | 802,838                           | 2,305,288                                      |
| Accrued interest payable                       | 1,379,215               | -                    | 36,601                            | 628,198  |
| Due to other governments                       | 589,726                 | -                    | -                                 | -  |
| Unearned revenue                               | 10,476,484              | -                    | 2,120                             | -  |
| Noncurrent liabilities:                        |                         |                      |                                   |  |
| Long-term debt due within one year             | 9,059,238               | -                    | 1,992,706                         | 1,367,528                                      |
| Long-term debt due in more than one year       | 207,640,002             | -                    | 5,208,096                         | 132,463,695                                    |
| Net pension obligation                         | 35,735,825              | -                    | -                                 | -  |
| Estimated claims payable greater than one year | 2,155,000               | -                    | -                                 | -  |
| <b>Total liabilities</b>                       | <b>287,987,937</b>      | <b>62,375</b>        | <b>8,042,361</b>                  | <b>136,764,709</b>                             |
| <b>Deferred inflows of resources</b>           |                         |                      |                                   |  |
| Property tax revenue                           | 138,412,208             | -                    | -                                 | -  |
| Water charges                                  | -                       | -                    | -                                 | 119,323  |
| <b>Total deferred inflows of resources</b>     | <b>138,412,208</b>      | <b>-</b>             | <b>-</b>                          | <b>119,323</b>                                 |
| <b>Net position</b>                            |                         |                      |                                   |  |
| Net investment in capital assets               | 644,821,342             | 438,599              | 43,428,499                        | 41,521,087                                     |
| Restricted for:                                |                         |                      |                                   |  |
| TABOR reserve                                  | 5,936,782               | -                    | -                                 | -  |
| Debt service and reserves                      | 457,310                 | -                    | -                                 | 7,668,989                                      |
| Park development                               | 577,095                 | -                    | -                                 | -  |
| Conservation                                   | 894,210                 | -                    | -                                 | -  |
| Open space                                     | 33,190,735              | -                    | -                                 | -  |
| Developer contributions                        | 1,676,493               | -                    | -                                 | -  |
| Public safety                                  | 535,746                 | -                    | -                                 | -  |
| Recording                                      | 432,120                 | -                    | -                                 | -  |
| Capital lease restrictive covenant             | -                       | -                    | 1,595,775                         | -  |
| Unrestricted                                   | 86,712,911              | 11,052,677           | 6,185,520                         | 16,370,370                                     |
| <b>Total net position</b>                      | <b>\$ 775,234,744</b>   | <b>\$ 11,491,276</b> | <b>\$ 51,209,794</b>              | <b>\$ 65,560,446</b>                           |

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

**Arapahoe County, Colorado**  
**Statement of Activities**  
**For the Year Ended December 31, 2013**

| Functions/Programs                             | Program Revenues     |                      |                                    |                                  |
|--|----------------------|----------------------|------------------------------------|----------------------------------|
|  | Expenses             | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| <b>Primary Government</b>                      |                      |                      |                                    |                                  |
| General government                             | \$ 64,146,957        | \$ 20,250,845        | \$ 198,373                         | \$ 8,411                         |
| Public safety                                  | 80,106,733           | 25,860,963           | 3,470,396                          | 62,207                           |
| Judicial services                              | 12,389,454           | -                    | -                                  | -                                |
| Health and welfare                             | 82,262,092           | 445,771              | 55,446,824                         | 5,461                            |
| Highways and streets                           | 21,739,230           | 713,619              | 9,110,175                          | 279,095                          |
| Water and wastewater                           | 3,450,708            | -                    | -                                  | -                                |
| Airport  | 1,563                | -                    | -                                  | -                                |
| Culture and recreation                         | 18,398,769           | 712,210              | 221,769                            | 667,655                          |
| Interest on long-term debt                     | 9,397,859            | -                    | -                                  | -                                |
| <b>Total governmental activities</b>           | <b>291,893,365</b>   | <b>47,983,408</b>    | <b>68,447,537</b>                  | <b>1,022,829</b>                 |
| <b>Component Units</b>                         |                      |                      |                                    |                                  |
| E-911  | 2,425,695            | 2,460,972            | -                                  | -                                |
| Arapahoe County Airport Authority              | 7,823,557            | 6,973,909            | 1,511,717                          | -                                |
| Arapahoe County Water and Wastewater Authority | 18,719,822           | 17,062,043           | -                                  | 3,325,478                        |
| <b>Total component units:</b>                  | <b>\$ 28,969,074</b> | <b>\$ 26,496,924</b> | <b>\$ 1,511,717</b>                | <b>\$ 3,325,478</b>              |

**General revenues**  
Property taxes  
Sales tax  
Other taxes  
Investment income  
Build America Bonds credit  
Miscellaneous  
Total general revenues  
Change in net position  
Net position - beginning  
Net position - ending

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

Net (Expense) Revenue and Changes in Net Position

| Primary Government Total | Component Units      |                                   |  |
|--------------------------|----------------------|-----------------------------------|--|
|                          | E-911 Authority      | Arapahoe County Airport Authority | Arapahoe County Water and Wastewater Authority |
| \$ (43,689,328)          | \$ -                 | \$ -                              | \$ -   |
| (50,713,167)             | -                    | -                                 | -  |
| (12,389,454)             | -                    | -                                 | -  |
| (26,364,036)             | -                    | -                                 | -  |
| (11,636,341)             | -                    | -                                 | -  |
| (3,450,708)              | -                    | -                                 | -  |
| (1,563)                  | -                    | -                                 | -  |
| (16,797,135)             | -                    | -                                 | -  |
| (9,397,859)              | -                    | -                                 | -  |
| <u>(174,439,591)</u>     | <u>-</u>             | <u>-</u>                          | <u>-</u>                                       |
| -                        | 35,277               | -                                 | -  |
| -                        | -                    | 662,069                           | -  |
| -                        | -                    | -                                 | 1,667,699                                      |
| <u>\$ -</u>              | <u>\$ 35,277</u>     | <u>\$ 662,069</u>                 | <u>\$ 1,667,699</u>                            |
| 137,284,487              | -                    | -                                 | -  |
| 21,058,410               | -                    | -                                 | -  |
| 9,140,147                | -                    | -                                 | -  |
| 533,928                  | 68,921               | 64,258                            | 18,689   |
| 1,057,602                | -                    | -                                 | 1,854,684                                      |
| 7,531,559                | 270                  | -                                 | -  |
| <u>176,606,133</u>       | <u>69,191</u>        | <u>64,258</u>                     | <u>1,873,373</u>                               |
| 2,166,542                | 104,468              | 726,327                           | 3,541,072                                      |
| 773,068,202              | 11,386,808           | 50,483,467                        | 62,019,374                                     |
| <u>\$ 775,234,744</u>    | <u>\$ 11,491,276</u> | <u>\$ 51,209,794</u>              | <u>\$ 65,560,446</u>                           |

**Arapahoe County, Colorado**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2013**

|  | General               | Social<br>Services   | Open Spaces<br>Sales Tax | Other<br>Governmental |
|--|-----------------------|----------------------|--------------------------|-----------------------|
| <b>Assets</b>  |                       |                      |                          |                       |
| Cash and investments   | \$ 51,678,456         | \$ 17,969,238        | \$ -                     | \$ 58,670,811         |
| Restricted cash and investments  | 97,333                | -                    | 38,117,776               | 3,406,359             |
| Accounts receivable  | 3,651,379             | 1,719,419            | 3,568,886                | 4,825,092             |
| Taxes receivable, net  | 95,779,539            | 11,674,911           | -                        | 30,957,758            |
| Due from other funds   | 1,005,202             | -                    | -                        | -                     |
| Prepaid items  | 14,497                | 19,626               | -                        | 64,412                |
| Due from Airport Authority   | -                     | -                    | -                        | 4,520,000             |
| Inventories  | -                     | -                    | -                        | 67,576                |
| <b>Total assets</b>  | <b>\$ 152,226,406</b> | <b>\$ 31,383,194</b> | <b>\$ 41,686,662</b>     | <b>\$ 102,512,008</b> |
| <b>Liabilities</b>   |                       |                      |                          |                       |
| Accounts payable   | \$ 2,976,011          | \$ 916,870           | \$ 8,481,022             | \$ 3,796,620          |
| Accrued expenditures   | 2,311,633             | 759,287              | 14,905                   | 316,609               |
| Due to other governments   | 945                   | 28,525               | -                        | -                     |
| Due to other funds   | -                     | -                    | -                        | 1,005,202             |
| Unearned revenue - other   | 35,863                | 9,178,441            | -                        | 1,262,180             |
| <b>Total liabilities</b>   | <b>5,324,452</b>      | <b>10,883,123</b>    | <b>8,495,927</b>         | <b>6,380,611</b>      |
| <b>Deferred inflows of resources</b>   |                       |                      |                          |                       |
| Property tax revenue   | 95,779,539            | 11,674,911           | -                        | 30,957,758            |
| Long-term receivable-airport authority                                       | -                     | -                    | -                        | 4,520,000             |
| Unavailable revenue-costs of prosecution                                     | 284,634               | -                    | -                        | -                     |
| Unavailable revenue-delinquent property taxes                                | 55,710                | -                    | -                        | -                     |
| Unavailable revenue-elections  | 278,950               | -                    | -                        | -                     |
| Unavailable revenue-grants   | -                     | -                    | -                        | 602,292               |
| <b>Total deferred inflows of resources</b>                                   | <b>96,398,833</b>     | <b>11,674,911</b>    | <b>-</b>                 | <b>36,080,050</b>     |
| <b>Fund balances (deficits)</b>  |                       |                      |                          |                       |
| Nonspendable   | 14,497                | 19,626               | -                        | 131,988               |
| Restricted   | 5,721,746             | -                    | 33,190,735               | 7,106,700             |
| Committed  | -                     | -                    | -                        | 32,769,338            |
| Assigned   | 6,715,072             | 8,805,534            | -                        | 20,506,345            |
| Unassigned   | 38,051,806            | -                    | -                        | (463,024)             |
| <b>Total fund balances (deficits)</b>  | <b>50,503,121</b>     | <b>8,825,160</b>     | <b>33,190,735</b>        | <b>60,051,347</b>     |
| <b>Total liabilities, deferred inflows of resources<br/>and fund balance</b> | <b>\$ 152,226,406</b> | <b>\$ 31,383,194</b> | <b>\$ 41,686,662</b>     | <b>\$ 102,512,008</b> |

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

Total  
Governmental

\$ 128,318,505  
41,621,468  
13,764,776  
138,412,208  
1,005,202  
98,535  
4,520,000  
67,576

\$ 327,808,270

\$ 16,170,523  
3,402,434  
29,470  
1,005,202  
10,476,484

31,084,113

138,412,208  
4,520,000  
284,634  
55,710  
278,950  
602,292

144,153,794

166,111  
46,019,181  
32,769,338  
36,026,951  
37,588,782

152,570,363

\$ 327,808,270

**Arapahoe County, Colorado**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**To the Statement of Net Position**  
**December 31, 2013**

Amounts reported for governmental activities in the Statement of Net Position (page C-1) are different because:

|  |    |                           |
|--|----|---------------------------|
| Total fund balances - governmental funds (page C-5)  | \$ | 152,570,363               |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.  |    | 838,976,220               |
| The deferred charge on refunding of bonds is not an available resource and, therefore, is not reported in the funds.   |    | 2,321,456                 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.   |    | 5,741,586                 |
| Internal service funds are used by management to charge the cost 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 Position. |    | 29,999,655                |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.   |    | <u>(254,374,536)</u>      |
| Net position of governmental activities  | \$ | <u><u>775,234,744</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, 2013**

|   | General              | Social<br>Services  | Open Spaces<br>Sales Tax | Other<br>Governmental |
|---|----------------------|---------------------|--------------------------|-----------------------|
| <b>Revenues</b>   |                      |                     |                          |                       |
| Taxes   |                      |                     |                          |                       |
| Property taxes  | \$ 95,041,412        | \$ 11,590,557       | \$ -                     | \$ 30,596,808         |
| Sales tax   | -                    | -                   | 21,058,410               | -                     |
| Other taxes   | 6,686,176            | 815,414             | -                        | 1,638,557             |
| Licenses and permits                                      | 5,635,129            | -                   | -                        | 656,370               |
| Intergovernmental   | 2,050,535            | 34,071,353          | 836                      | 34,746,246            |
| Charges for services                                      | 40,114,210           | 22,391              | 78,941                   | 2,245,415             |
| Fines and forfeitures                                     | 649,834              | -                   | -                        | 1,022,433             |
| Investment earnings                                       | 220,339              | -                   | 144,486                  | 169,103               |
| Interfund revenues and rentals                            | 3,785,166            | -                   | -                        | 239,144               |
| Repayment from comp unit-principal & interest             | -                    | -                   | -                        | 1,591,390             |
| Developer contributions                                   | -                    | -                   | -                        | 242,452               |
| Build America Bonds credit                                | -                    | -                   | -                        | 1,057,602             |
| Miscellaneous   | 1,118,566            | 318,140             | 368,591                  | 457,918               |
| <b>Total revenue</b>                                      | <b>155,301,367</b>   | <b>46,817,855</b>   | <b>21,651,264</b>        | <b>74,663,438</b>     |
| <b>Expenditures</b>                                       |                      |                     |                          |                       |
| <b>Current</b>  |                      |                     |                          |                       |
| General government  | 57,290,148           | -                   | -                        | 430,172               |
| Public safety   | 63,513,114           | -                   | -                        | 11,109,106            |
| Judicial services   | 12,319,363           | -                   | -                        | -                     |
| Health and welfare  | 8,829,005            | 46,414,770          | -                        | 28,174,183            |
| Highways and streets                                      | -                    | -                   | -                        | 14,754,234            |
| Water and wastewater                                      | -                    | -                   | -                        | 115,122               |
| Airport   | -                    | -                   | -                        | 1,563                 |
| Culture and recreation                                    | -                    | -                   | 16,656,306               | 1,219,157             |
| <b>Total current</b>                                      | <b>141,951,630</b>   | <b>46,414,770</b>   | <b>16,656,306</b>        | <b>55,803,537</b>     |
| <b>Capital</b>  |                      |                     |                          |                       |
| General government  | 28,253               | -                   | -                        | 12,874,493            |
| Public safety   | 10,188               | -                   | -                        | 627,945               |
| Judicial services   | -                    | -                   | -                        | 715,117               |
| Health and welfare  | -                    | 56,926              | -                        | -                     |
| Highways and streets                                      | -                    | -                   | -                        | 51,850                |
| Water and wastewater                                      | -                    | -                   | -                        | 2,095,039             |
| Culture and recreation                                    | -                    | -                   | 1,845                    | -                     |
| <b>Total capital</b>                                      | <b>38,441</b>        | <b>56,926</b>       | <b>1,845</b>             | <b>16,364,444</b>     |
| <b>Debt</b>   |                      |                     |                          |                       |
| Principal   | -                    | -                   | -                        | 7,780,421             |
| Interest  | -                    | -                   | -                        | 9,486,734             |
| Debt administration fees                                  | -                    | -                   | -                        | 6,080                 |
| <b>Total debt service</b>                                 | <b>-</b>             | <b>-</b>            | <b>-</b>                 | <b>17,273,235</b>     |
| <b>Total expenditures</b>                                 | <b>141,990,071</b>   | <b>46,471,696</b>   | <b>16,658,151</b>        | <b>89,441,216</b>     |
| Excess (deficiency) of revenues over (under) expenditures | 13,311,296           | 346,159             | 4,993,113                | (14,777,778)          |
| <b>Other financing sources (uses)</b>                     |                      |                     |                          |                       |
| Transfers in  | 901,779              | -                   | -                        | 15,472,236            |
| Transfers out   | (10,759,422)         | (879,577)           | (76,952)                 | (5,380,164)           |
| <b>Total other financing sources (uses)</b>               | <b>(9,857,643)</b>   | <b>(879,577)</b>    | <b>(76,952)</b>          | <b>10,092,072</b>     |
| <b>Net change in fund balance</b>                         | <b>3,453,653</b>     | <b>(533,418)</b>    | <b>4,916,161</b>         | <b>(4,685,706)</b>    |
| Fund balance - beginning                                  | 47,049,468           | 9,358,578           | 28,274,574               | 64,737,053            |
| <b>Fund balance - ending</b>                              | <b>\$ 50,503,121</b> | <b>\$ 8,825,160</b> | <b>\$ 33,190,735</b>     | <b>\$ 60,051,347</b>  |

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

Total  
Governmental

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\$ 137,228,777  
21,058,410  
9,140,147  
6,291,499  
70,868,970  
42,460,957  
1,672,267  
533,928  
4,024,310  
1,591,390  
242,452  
1,057,602  
2,263,215

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298,433,924

57,720,320  
74,622,220  
12,319,363  
83,417,958  
14,754,234  
115,122  
1,563  
17,875,463

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260,826,243

12,902,746  
638,133  
715,117  
56,926  
51,850  
2,095,039  
1,845

---

16,461,656

7,780,421  
9,486,734  
6,080

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17,273,235

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294,561,134

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3,872,790

16,374,015  
(17,096,115)

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(722,100)

3,150,690

149,419,673

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\$ 152,570,363

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**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, 2013**

Amounts reported for governmental activities in the Statement of Activities (page C-3) are different because:

|  |                     |
|--|---------------------|
| Net Change in Fund Balances - total governmental funds (page C-9)  | \$ 3,150,690        |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period. | (2,016,825)         |
| The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.   | 78,234              |
| Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.   | 1,221,586           |
| The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, however, there is no effect on net position.  | 7,780,421           |
| Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.   | 88,876              |
| Some revenues reported in the governmental funds have been reported in the Statement of Activities in prior periods.   | (2,995,872)         |
| 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 the governmental funds.  | (6,273,203)         |
| The internal service funds are used by management to charge the costs of insurance and other services to individual funds. The net expense of certain activities of internal service funds is reported with governmental activities.   | <u>1,132,635</u>    |
| Change in net position of governmental activities  | <u>\$ 2,166,542</u> |

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

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**Arapahoe County, Colorado**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2013**

|   | Budgeted Amounts    |                     | Actual              | Variance<br>with Final Budget |
|---|---------------------|---------------------|---------------------|-------------------------------|
|   | Original            | Final               |                     |                               |
| <b>Revenues</b>   |                     |                     |                     |                               |
| Taxes   |                     |                     |                     |                               |
| Property taxes  | \$ 95,232,236       | \$ 95,232,236       | \$ 95,041,412       | \$ (190,824)                  |
| Other taxes   | 6,450,000           | 6,450,000           | 6,686,176           | 236,176                       |
| Licenses and permits  | 4,668,656           | 4,674,960           | 5,635,129           | 960,169                       |
| Intergovernmental   | 2,308,700           | 2,454,270           | 2,050,535           | (403,735)                     |
| Charges for services  | 37,245,197          | 37,279,209          | 40,114,210          | 2,835,001                     |
| Fines and forfeitures   | 652,000             | 652,000             | 649,834             | (2,166)                       |
| Investment earnings   | 2,300,500           | 2,300,500           | 220,339             | (2,080,161)                   |
| Interfund revenues and rentals                                  | 4,045,333           | 4,045,333           | 3,785,166           | (260,167)                     |
| Miscellaneous   | 482,185             | 590,380             | 1,118,566           | 528,186                       |
| <b>Total revenue</b>  | <b>153,384,807</b>  | <b>153,678,888</b>  | <b>155,301,367</b>  | <b>1,622,479</b>              |
| <b>Expenditures</b>   |                     |                     |                     |                               |
| <b>Current</b>  |                     |                     |                     |                               |
| General government  |                     |                     |                     |                               |
| Administrative services   | 6,953,052           | 7,201,116           | 5,318,365           | 1,882,751                     |
| Assessor's Office   | 4,987,243           | 4,987,243           | 4,669,305           | 317,938                       |
| Board of County Commissioners                                   | 956,717             | 956,717             | 922,660             | 34,057                        |
| BOCC-Administration   | 589,732             | 597,732             | 593,404             | 4,328                         |
| Clerk and Recorder's Office                                     | 8,359,716           | 8,647,092           | 8,011,627           | 635,465                       |
| Communication Services Department                               | 1,290,386           | 1,292,568           | 1,193,536           | 99,032                        |
| County Attorney   | 2,568,736           | 2,568,736           | 2,470,894           | 97,842                        |
| Facilities and Fleet Management                                 | 7,858,455           | 7,831,496           | 7,463,080           | 368,416                       |
| Finance   | 2,986,557           | 3,149,774           | 2,837,035           | 312,739                       |
| Human Resources   | 1,726,913           | 1,730,521           | 1,679,985           | 50,536                        |
| Information Technology  | 12,761,002          | 12,812,297          | 11,893,422          | 918,875                       |
| Office of Performance Management                                | 256,429             | 331,726             | 213,541             | 118,185                       |
| Open Spaces & Intergovernmental Relations                       | 63,919              | 63,919              | 56,967              | 6,952                         |
| Public Works and Development                                    | 6,544,445           | 6,757,768           | 6,469,076           | 288,692                       |
| Treasurer's Office  | 2,041,784           | 2,041,784           | 1,732,931           | 308,853                       |
| <b>Total general government</b>                                 | <b>59,945,086</b>   | <b>60,970,489</b>   | <b>55,525,828</b>   | <b>5,444,661</b>              |
| Public safety   | 64,771,811          | 65,519,958          | 63,256,667          | 2,263,291                     |
| Judicial services   | 12,319,364          | 12,319,364          | 12,319,363          | 1                             |
| Health and welfare  | 9,137,082           | 9,118,217           | 8,829,005           | 289,212                       |
| <b>Total current</b>  | <b>146,173,343</b>  | <b>147,928,028</b>  | <b>139,930,863</b>  | <b>7,997,165</b>              |
| <b>Capital</b>  |                     |                     |                     |                               |
| General government  | -                   | -                   | 20,028              | (20,028)                      |
| Public safety   | 9,650               | 19,838              | 10,188              | 9,650                         |
| <b>Total capital</b>  | <b>9,650</b>        | <b>19,838</b>       | <b>30,216</b>       | <b>(10,378)</b>               |
| <b>Total expenditures</b>                                       | <b>146,182,993</b>  | <b>147,947,866</b>  | <b>139,961,079</b>  | <b>7,986,787</b>              |
| Excess (deficiency) of<br>revenues over (under)<br>expenditures | 7,201,814           | 5,731,022           | 15,340,288          | 9,609,266                     |
| <b>Other financing sources (uses)</b>                           |                     |                     |                     |                               |
| Transfers in  | -                   | 901,779             | 901,779             | -                             |
| Transfers out   | (12,405,480)        | (12,559,422)        | (12,559,422)        | -                             |
| <b>Total other financing sources (uses)</b>                     | <b>(12,405,480)</b> | <b>(11,657,643)</b> | <b>(11,657,643)</b> | <b>-</b>                      |
| <b>Net change in fund balance</b>                               | <b>(5,203,666)</b>  | <b>(5,926,621)</b>  | <b>3,682,645</b>    | <b>9,609,266</b>              |
| Fund balance - beginning  | 28,659,363          | 28,659,363          | 28,659,363          | -                             |
| Fund balance - ending   | \$ 23,455,697       | \$ 22,732,742       | \$ 32,342,008       | \$ 9,609,266                  |

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, 2013**

|   | Budgeted Amounts    |                     | Actual              | Variance<br>with Final Budget |
|---|---------------------|---------------------|---------------------|-------------------------------|
|   | Original            | Final               |                     |                               |
| <b>Revenues</b>   |                     |                     |                     |                               |
| Taxes   |                     |                     |                     |                               |
| Property taxes  | \$ 11,614,765       | \$ 11,614,765       | \$ 11,590,557       | \$ (24,208)                   |
| Other taxes   | 770,000             | 770,000             | 815,414             | 45,414                        |
| Intergovernmental   | 36,249,353          | 36,539,091          | 34,071,353          | (2,467,738)                   |
| Charges for services  | 35,000              | 35,000              | 22,391              | (12,609)                      |
| Miscellaneous   | 350,000             | 564,058             | 318,140             | (245,918)                     |
| Total revenue   | <u>49,019,118</u>   | <u>49,522,914</u>   | <u>46,817,855</u>   | <u>(2,705,059)</u>            |
| <b>Expenditures</b>   |                     |                     |                     |                               |
| <b>Current</b>  |                     |                     |                     |                               |
| Health and welfare  | 49,505,185          | 50,349,570          | 46,414,770          | 3,934,800                     |
| <b>Capital</b>  |                     |                     |                     |                               |
| Health and welfare  | -                   | 28,646              | 56,926              | (28,280)                      |
| Total expenditures  | <u>49,505,185</u>   | <u>50,378,216</u>   | <u>46,471,696</u>   | <u>3,906,520</u>              |
| Excess (deficiency) of<br>revenues over (under)<br>expenditures | <u>(486,067)</u>    | <u>(855,302)</u>    | <u>346,159</u>      | <u>1,201,461</u>              |
| <b>Other financing sources (uses)</b>                           |                     |                     |                     |                               |
| Transfers out   | (21,000)            | (879,577)           | (879,577)           | -                             |
| Total other financing sources (uses)                            | <u>(21,000)</u>     | <u>(879,577)</u>    | <u>(879,577)</u>    | <u>-</u>                      |
| Net change in fund balance                                      | (507,067)           | (1,734,879)         | (533,418)           | 1,201,461                     |
| Fund balance - beginning  | 9,358,578           | 9,358,578           | 9,358,578           | -                             |
| Fund balance - ending   | <u>\$ 8,851,511</u> | <u>\$ 7,623,699</u> | <u>\$ 8,825,160</u> | <u>\$ 1,201,461</u>           |

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

**Arapahoe County, Colorado**  
**Open Spaces Sales Tax**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2013**

|   | Budgeted Amounts     |                     | Actual               | Variance<br>with Final Budget |
|---|----------------------|---------------------|----------------------|-------------------------------|
|   | Original             | Final               |                      |                               |
| <b>Revenues</b>   |                      |                     |                      |                               |
| Sales tax   | \$ 17,408,098        | \$ 17,408,098       | \$ 21,058,410        | \$ 3,650,312                  |
| Intergovernmental   | -                    | -                   | 836                  | 836                           |
| Charges for services  | 60,000               | 60,000              | 78,941               | 18,941                        |
| Investment earnings   | 300,000              | 300,000             | 144,486              | (155,514)                     |
| Miscellaneous   | -                    | 55,919              | 368,591              | 312,672                       |
| <b>Total revenue</b>  | <u>17,768,098</u>    | <u>17,824,017</u>   | <u>21,651,264</u>    | <u>3,827,247</u>              |
| <b>Expenditures</b>   |                      |                     |                      |                               |
| <b>Current</b>  |                      |                     |                      |                               |
| Culture and recreation  | 17,658,146           | 45,644,483          | 16,656,306           | 28,988,177                    |
| <b>Capital</b>  |                      |                     |                      |                               |
| Culture and recreation  | 33,000               | 215,326             | 1,845                | 213,481                       |
| <b>Total expenditures</b>                                       | <u>17,691,146</u>    | <u>45,859,809</u>   | <u>16,658,151</u>    | <u>29,201,658</u>             |
| Excess (deficiency) of<br>revenues over (under)<br>expenditures | <u>76,952</u>        | <u>(28,035,792)</u> | <u>4,993,113</u>     | <u>33,028,905</u>             |
| <b>Other financing sources (uses)</b>                           |                      |                     |                      |                               |
| Transfers out   | (76,952)             | (76,952)            | (76,952)             | -                             |
| <b>Total other financing sources (uses)</b>                     | <u>(76,952)</u>      | <u>(76,952)</u>     | <u>(76,952)</u>      | <u>-</u>                      |
| <b>Net change in fund balance</b>                               | <u>-</u>             | <u>(28,112,744)</u> | <u>4,916,161</u>     | <u>33,028,905</u>             |
| Fund balance - beginning  | 28,274,574           | 28,274,574          | 28,274,574           | -                             |
| <b>Fund balance - ending</b>                                    | <u>\$ 28,274,574</u> | <u>\$ 161,830</u>   | <u>\$ 33,190,735</u> | <u>\$ 33,028,905</u>          |

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

**Arapahoe County Government  
Statement of Net Position  
Proprietary Funds  
December 31, 2013**

|  | Governmental Activities<br>Internal Service<br>Funds |
|--|--|
| <b>Assets</b>                                |  |
| Current assets                               |  |
| Cash and investments                         | \$ 24,665,271  |
| Accounts receivable                          | 118,863  |
| Inventory                                    | 498,472  |
| Total current assets                         | 25,282,606   |
| <b>Noncurrent assets</b>                     |  |
| Capital assets                               |  |
| Buildings and improvements                   | 17,628   |
| Vehicles and equipment                       | 31,075,753   |
| Computer systems                             | 8,048,250  |
| Furniture and office equipment               | 121,360  |
| Less: accumulated depreciation               | (31,011,454)   |
| Total noncurrent assets (net of accum. dep.) | 8,251,537  |
| Total assets                                 | 33,534,143   |
| <b>Liabilities</b>                           |  |
| Current liabilities                          |  |
| Accounts payable                             | 403,488  |
| Estimated claims payable                     | 976,000  |
| Noncurrent claims payable                    | 2,155,000  |
| Total liabilities                            | 3,534,488  |
| <b>Net position</b>                          |  |
| Net investment in capital assets             | 8,251,537  |
| Unrestricted                                 | 21,748,118   |
| Total net position                           | \$ 29,999,655  |

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

**Arapahoe County Government**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2013**

|   | Governmental Activities<br>Internal Service<br>Funds |
|---|--|
| <b>Operating revenues</b>                 |  |
| Charges for sales and service             | \$ 8,418,649   |
| Total operating revenue                   | 8,418,649  |
| <b>Operating expenses</b>                 |  |
| Cost of sales and services                | 5,320,060  |
| Administration                            | 106,311  |
| Depreciation                              | 3,375,675  |
| Total operating expenses                  | 8,802,046  |
| Operating income (loss)                   | (383,397)  |
| <b>Nonoperating revenue (expenses)</b>    |  |
| Insurance recoveries                      | 320,776  |
| Gain on sale of assets                    | 463,564  |
| Loss on sale of assets                    | (16,435)   |
| Income before contributions and transfers | 384,508  |
| Contributions other                       | 26,027   |
| Transfers in                              | 746,116  |
| Transfers out                             | (24,016)   |
| Change in net position                    | 1,132,635  |
| Total net position - beginning            | 28,867,020   |
| Total net position - ending               | \$ 29,999,655  |

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, 2013**

|   | Governmental Activities<br>Internal Service<br>Funds |
|---|--|
|   | Funds  |
| <b>Cash flows from operating activities</b>   |  |
| Cash received for interfund services provided   | \$ 8,751,601   |
| Cash payments for services and supplies   | (6,065,319)  |
| Net cash provided by operating activities   | 2,686,282  |
| <b>Cash flows from noncapital financing activities</b>  |  |
| Transfers in from other funds   | 746,116  |
| Transfers out to other funds  | (24,016)   |
| Net cash provided by non capital financing activities   | 722,100  |
| <b>Cash flows from capital and related financing activities</b>   |  |
| Acquisition of property and equipment   | (3,732,722)  |
| Proceeds from sale of capital assets  | 463,564  |
| Insurance Proceeds  | 320,776  |
| Net cash used for capital and related financing activities  | (2,948,382)  |
| Net increase in cash and investments  | 460,000  |
| Cash and investments, January 1, 2013   | 24,205,271   |
| Cash and investments, December 31, 2013   | \$ 24,665,271  |
| <b>Reconciliation of operating loss to net cash provided by operating activities:</b>                     |  |
| Operating income (loss)   | \$ (383,397)   |
| Adjustments to reconcile operating loss to net cash provided by operating activities:                     |  |
| Depreciation expense  | 3,375,675  |
| (Increase) decrease in current assets:  |  |
| Accounts receivable   | 332,952  |
| Inventory   | 20,069   |
| Increase (decrease) in current liabilities:   |  |
| Accounts payable  | (93,065)   |
| Claims payable  | (507,678)  |
| Flex benefits payable   | (58,274)   |
| Total Adjustments   | 3,069,679  |
| Net cash provided by operating activities   | \$ 2,686,282   |
| <b>Non-cash capital activities</b>  |  |
| Contributions of capital assets:  |  |
| Transferred assets purchased in a governmental fund to a proprietary fund for future replacement purposes | \$ 17,616  |
| Donation of assets  | 8,411  |
| Total contributions of capital assets   | \$ 26,027  |

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

**Arapahoe County, Colorado**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2013**

|   | Arapahoe County<br>Retirement Trust | Agency Funds<br>Total |
|---|-------------------------------------|-----------------------|
| <b>Assets</b>                                   |                                     |                       |
| Cash and investments:                           | \$ -                                | \$ 34,482,107         |
| Restricted escrow                               | -                                   | 1,135,321             |
| Investments:                                    |                                     |                       |
| Money market funds                              | 3,076,708                           | -                     |
| Equity securities                               | 106,622,819                         | -                     |
| Real estate investments                         | 18,687,213                          | -                     |
| Fixed income securities                         | 56,963,120                          | -                     |
| Hedge Funds                                     | 38,885,376                          | -                     |
| International Equity                            | 38,181,209                          | -                     |
| Total cash and investments                      | 262,416,445                         | 35,617,428            |
| Receivables:                                    |                                     |                       |
| Accounts receivable                             | 182,654                             | -                     |
| Dividends and interest                          | 34                                  | -                     |
| Property taxes                                  | -                                   | 640,096,126           |
| Other assets                                    | -                                   | 12,099                |
| Total assets                                    | 262,599,133                         | 675,725,653           |
| <b>Liabilities</b>                              |                                     |                       |
| Accounts payable                                | 162,886                             | 5,380                 |
| Due to other governments                        | -                                   | 667,252,829           |
| Other deposits payable                          | -                                   | 8,197,067             |
| Warrants payable                                | -                                   | 270,377               |
| Total liabilities                               | 162,886                             | 675,725,653           |
| <b>Net Position</b>                             |                                     |                       |
| Net position held in trust for pension benefits | \$ 262,436,247                      |                       |

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

**Arapahoe County, Colorado**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**for the Year Ended December 31, 2013**

|   | Arapahoe County<br>Retirement Trust |
|---|-------------------------------------|
| <b>ADDITIONS</b>                              |                                     |
| Contributions:                                |                                     |
| Employer                                      | \$ 7,723,972                        |
| Plan Members                                  | 7,709,530                           |
| Total Contributions                           | 15,433,502                          |
| Investment Income:                            |                                     |
| Net Appreciation in Fair Value of Investments | 29,284,708                          |
| Interest and Dividends                        | 3,207,332                           |
| Total Investment Income                       | 32,492,040                          |
| Investment Expenses                           | (1,544,418)                         |
| Net Investment Income                         | 30,947,622                          |
| Total Additions                               | 46,381,124                          |
| <br><b>DEDUCTIONS</b>                         |                                     |
| Benefits to Plan Members                      | 17,517,586                          |
| Refund of Contributions                       | 3,510,796                           |
| Administrative Expenses                       | 462,321                             |
| Total Deductions                              | 21,490,703                          |
| Change in Net Position                        | 24,890,421                          |
| Net Position - Beginning of Year              | 237,545,826                         |
| Net Position - End of Year                    | \$ 262,436,247                      |

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

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

**December 31, 2013**

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

This summary of significant accounting policies of Arapahoe County, Colorado (the County) is presented to assist in understanding the County's financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America (US GAAP) as applied to government units, and have been consistently applied in the preparation of the financial statements. The preparation of the financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates. The following is a summary of the significant accounting policies of the County.

**Financial Reporting Entity**

Arapahoe County was incorporated under the laws of the State of Colorado in 1902. The County provides a wide range of services to its residents including public safety, highways and streets, parks and open space, conservation, health and social services, public improvements and general administration. The County is governed by an elected five-member Board of County Commissioners. The Board of County Commissioners serves as the administrative and policy-making body of the County. The primary government of the County includes the activities of six other elected officials – the Assessor, Clerk and Recorder, Coroner, District Attorney, Treasurer, and the Sheriff.

The accompanying financial statements present the financial activities of the County and its component units. The Governmental Accounting Standards Board (GASB) has specified the criteria used in defining the financial reporting entity:

The financial reporting entity consists of the primary government and its component units.

A primary government is any state, general-purpose local or special-purpose government, which meets the following criteria: a) it has a separately elected governing body; b) it is legally separate; and c) it is fiscally independent of other state and local governments. A primary government consists of all the organizations that make up its legal entity. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are, for financial reporting purposes, part of the primary government.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body *and* (1) it is able to impose its will on that organization *or* (2) there is a financial benefit or burden relationship with the primary government. In addition, the primary government may choose to include an organization in the reporting entity that does not meet either of these criteria because the nature and significance of the component unit's relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

**Blended Component Units**

These financial statements present the County (the primary government) and its component units as required by US GAAP. The component units included in the County's reporting entity are reported using the blended and the discretely presented methods as appropriate for each component unit. The blended method reports the financial data of the component unit as part of the primary government. This method is used when any of the following circumstances are met:

1) The component unit's governing body is substantively the same as the governing body of the primary government; *and* a) there is a financial benefit or burden relationship between the primary government and the component unit *or* b) management of the primary government has operational responsibility for the component unit.

## Arapahoe County, Colorado

### Notes to the Financial Statements

December 31, 2013

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2) The component unit provides services entirely or almost entirely to the primary government.

3) The component unit's total debt outstanding, including leases, is expected to be repaid entirely or almost entirely with resources of the primary government.

The following entities are included in the financial statements as blended component units based upon meeting the criteria for blending and/or their significant financial and operational relationships to the County:

**Arapahoe County Law Enforcement Authority** – The Arapahoe County Law Enforcement Authority (ALEA) is a special district that provides law enforcement services in the unincorporated areas of the County. The Board of County Commissioners serves as the Board of the ALEA. The County Sheriff is the Chief Operating Officer. The Arapahoe County Law Enforcement Authority is reported as a Special Revenue Fund.

**Arapahoe County Housing Authority** – The Arapahoe County Housing Authority (the Authority) supports the improvement of housing conditions and community facilities for low and moderate-income individuals. The Board of County Commissioners serves as the entire board for the Authority. The Authority is referred to in this Comprehensive Annual Financial Report (CAFR) as the Community Development Fund and is reported as a Special Revenue Fund.

**Arapahoe County Recreation District** – The Arapahoe County Recreation District (the District) is a special district that provides parks and recreation services in the Southeast part of the urbanized area of the County. The Board of County Commissioners serves as the entire board for the District and therefore makes all decisions controlling the District's activities and finances. The Arapahoe County Recreation District is reported as a Capital Projects Fund.

**Arapahoe County Water and Wastewater Public Improvement District** - The Arapahoe County Water and Wastewater Public Improvement District (PID) was formed in 2001 to provide capital infrastructure funding for the service district located in the south central part of the County. In November 2001, the taxpayers within the PID voted to authorize the issuance of \$165,000,000 in General Obligation Bonds to finance water and wastewater projects. The Board of County Commissioners maintains control over operations and fiscal matters since they serve as the *ex officio* Board of Directors for the PID. The Arapahoe County Water and Wastewater Public Improvement District is reported as a Capital Projects Fund.

**Arapahoe County Building Finance Corporation** – The Arapahoe County Building Finance Corporation (ACBFC) is a not-for-profit corporation that issues certificates of participation for funding the construction of facilities that are leased to the County through a lease purchase agreement. The Board of County Commissioners do not hold positions on the board for the ACBFC, however, the Board of County Commissioners appoint all members of the ACBFC board. The Arapahoe County Building Finance Corporation is reported as a Debt Service Fund.

**Arapahoe County Retirement Trust Fund** – The Arapahoe County Retirement Trust Fund manages the retirement benefits for County employees. The Arapahoe County Retirement Plan (the Plan) is a single employer defined benefit pension plan established by the County to provide pension benefits for its employees. The Plan is administered by a Retirement Board consisting of five members: the incumbent County Treasurer, two County employees elected by plan members, and two registered electors of the County appointed by the Board of County Commissioners. The five-member Retirement Board reviews information about the County's retirement fund and is responsible for assessing the fund's fiscal health. The Plan is considered part of the County's financial reporting entity and is included as a blended component unit. The Arapahoe County Retirement Trust Fund is reported as a Fiduciary Fund.

# Arapahoe County, Colorado

## Notes to the Financial Statements

December 31, 2013

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### Discretely Presented Component Units

Discrete component units are reported in separate columns on the government-wide financial statements to emphasize the legal separation between these organizations and the primary government. The following entities are included in the financial statements as discretely presented component units:

**Arapahoe County Airport Authority** – The Arapahoe County Public Airport Authority (the Authority) is governed pursuant to the provisions of the Colorado Public Airport Authority Act. The Authority was formed for the statutory purposes of acquiring and improving an airport, air navigational facilities, and related facilities and for financing the cost of such acquisitions and improvements. The Authority operates Centennial Airport, which is located in Arapahoe and Douglas Counties.

The Authority is governed by an eight-member board. The board is comprised of three Arapahoe County Commissioners and two additional members who are appointed by the Commissioners. These five members are the full voting board of the Authority. The Authority also includes three non-voting members who are appointed by the Douglas County Board of County Commissioners.

The interrelationship in certain financing arrangements between the County and the Authority has resulted in a financial benefit/burden relationship. The County is legally obligated to assume the responsibility for payment of these financial arrangements in the event of default by the Authority; therefore, the County is financially accountable for the Authority. The Arapahoe County Airport Authority is included as a discrete component unit within the County's financial reporting entity.

**Arapahoe County Water and Wastewater Authority** – The Arapahoe County Water and Wastewater Authority (ACWWA) is a political subdivision that was created in 1988 pursuant to an intergovernmental agreement between Arapahoe County and the Arapahoe Water and Sanitation District (the District). ACWWA encompasses approximately 5,200 acres and provides water, wastewater, and storm water services to citizens and businesses within the service area to include Arapahoe County and parts of northern Douglas County. Other areas within ACWWA's service area include the Town of Foxfield and a residential subdivision in northwest Elbert County. In addition, ACWWA provides wholesale wastewater treatment service to the Cottonwood Water and Sanitation District in Douglas County.

On February 6, 2002, the County entered into an intergovernmental agreement with the Arapahoe County Water and Wastewater Public Improvement District (PID). The PID was organized in 2001 pursuant to the provisions of the Colorado Revised Statutes Title 30, Article 20, Part 5 for the purpose of constructing certain public improvements to serve customers within and without its jurisdictional boundaries. The Intergovernmental Agreement (IGA) was amended and restated, in part to have the PID replace the District as a party to the IGA. The PID retains ACWWA as its management agency pursuant to this management agreement. In consideration for ACWWA's commitment to provide management service, the PID agreed to issue general obligations bonds, certify a mill levy on property within the PID at a level sufficient to make the annual debt service payments as identified in the PID's annual capital plan, thus, creating a financial benefit/burden relationship between ACWWA and the PID. ACWWA has no statutory authority to levy any taxes to finance the issuance of general obligation debt or for general operations.

A nine-member Board of Directors appointed by the Arapahoe County Board of Commissioners governs ACWWA. Two of the nine members are Board of County Commissioners. These two Board of County Commissioners appoint seven additional members to the Board creating the nine-member board.

The Arapahoe County Water and Wastewater Authority is presented as a discrete component unit within the County's financial reporting entity. This component unit is separate and distinct from the Arapahoe County Water and Wastewater Public Improvement District (PID).

# Arapahoe County, Colorado

## Notes to the Financial Statements

December 31, 2013

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**E-911 Authority** – The Arapahoe County E-911 Emergency Communications Service Authority (E-911 Authority) was formed in 1987 by an Intergovernmental Agreement (IGA) between Arapahoe County and various cities, towns, and fire protection districts within Arapahoe County. The E-911 Authority was formed as a separate legal entity to fund the purchase and maintenance of the E-911 network for emergency communication service. The E-911 Authority includes all of Arapahoe County with the exception of the City of Aurora. The E-911 Authority covers approximately 712 square miles and serves over 288,000 citizens.

The E-911 Authority is governed by Colorado statutes and the IGA. The Board of Directors for the E-911 Authority are appointed to two-year terms by the Arapahoe County Board of County Commissioners pursuant to the IGA. The Board of Directors is comprised of five members: two representatives of the law enforcement community, two representatives from the fire rescue community and one at-large member.

The County provides accounting and treasury services for the E-911 Authority although the E-911 Authority publishes its own budget. The E-911 Authority is included as a discretely presented component unit within the County's financial reporting entity.

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

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

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

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

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) are designed to provide readers with a broad overview of the County's finances as a whole. These financial statements 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 statements included in the government-wide financial statements are:

The **Statement of Net Position** - The Statement of Net Position presents information related to assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the net of all four categories being reported as the County's net position.

The **Statement of Activities** – The Statement of Activities presents information demonstrating the change in net position during the current fiscal year. The Statement of Activities reflects both the direct expenses and net cost of each function of the County's governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each government function is self-financing or draws from the general revenues of the County.

# Arapahoe County, Colorado

## Notes to the Financial Statements

December 31, 2013

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As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are taxes and other charges between the functions of the government, which have not been eliminated. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

Separate government-wide and fund financial statements are presented, however, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. The fiduciary funds use the accrual basis of accounting, but 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.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's internal service funds are charges to the entity for services which include; postage, oil and gas, vehicles and insurance, and funding for the replacement of movable capital assets. Operating expenses include administrative expenses, cost of sales and services, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Governmental Funds** - Governmental funds are used to account for the County's governmental activities. Governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e., when they are both measurable and available). Revenues are considered 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, unmatured interest on general long-term debt which is recognized when due, and expenditures related to compensated absences and claims and judgments, are recognized when the obligations are matured (i.e., expected to be liquidated with expendable available financial resources). Capital asset acquisitions are reported as expenditures in governmental funds.

The County reports the following major governmental funds:

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

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

# Arapahoe County, Colorado

## Notes to the Financial Statements

December 31, 2013

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The **Open Spaces Sales Tax Fund** - The Open Spaces Sales Tax Fund is a special revenue fund which accounts for the revenues received from the 0.25% sales and use tax originally approved by the voters in 2003 for the acquisition, development, and maintenance of open space, trails, and parks. In 2011, the voters approved the extension of the program to 2023. Several grants have been obtained for specific purposes in addition to monies contributed on joint projects by other entities. These monies are restricted by grant documents and contracts to be used solely for these projects.

Additionally, the County reports the following fund types:

**Internal Service Funds** – The internal service funds account for operations that provide services to other departments or agencies of the County on a cost-reimbursement basis. The internal service funds provide services for; postage, oil and gas, vehicles, and funding for the replacement of movable capital assets. Self-insurance programs for employee benefits, property and liability are also accounted for in these funds.

**Fiduciary Funds** - The fiduciary funds are used to account for resources held for the benefit of outside parties, including other governments. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The fiduciary funds reported by the County include the Retirement Trust Fund and Agency Funds.

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

**Agency Funds** – Agency funds are custodial in nature and are used to account for assets that the County holds for others in an agency capacity (i.e., taxes collected by the Clerk and Recorder for the benefit of other governments). The Public Trustee's agency fund collects fees pertaining to foreclosures and deeds of trust. The Inmate Sentencing Fund holds funds on behalf of inmates.

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

#### **Cash**

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

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

#### **Investments**

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

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

**December 31, 2013**

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**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 inflows of resources in the year they are levied and measurable. These deferred property tax inflows of resources 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 17th. The County bills and collects its own property taxes and the taxes for various other entities. Collection and distribution of taxes to the various taxing entities is done by the 10th of every month following the month of collection by the Treasurer.

**Receivables/Payables**

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

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

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

**Inventories and Prepaid Items**

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

Items recorded as prepaid items in both the government-wide and fund financial statements include certain payments to vendors that reflect costs applicable to future accounting periods.

**Capital Assets**

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

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

# Arapahoe County, Colorado

## Notes to the Financial Statements

December 31, 2013

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

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

### Compensated Absences

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

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

### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The County has one item that qualifies for reporting in this category. It is the deferred charge on refunding of bonds reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has one type of item that qualifies for the reporting in this category. It is for property tax revenue which is considered a deferred inflow of resources in the year the taxes are levied and measurable and are recognized as an inflow of resources in the period they are collected.

Some items are considered deferred inflows of resources under the modified accrual basis of accounting and are only reported in the governmental funds. One item that qualifies for reporting in this category is the item *unavailable revenue*. The County reports unavailable revenue from several sources: grants, a long-term

# Arapahoe County, Colorado

## Notes to the Financial Statements

December 31, 2013

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receivable due from the airport authority, costs of prosecution, elections, and delinquent property taxes. These amounts are recognized as an inflow of resources in the period the revenue becomes 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 Position. Long-term debt premiums and discounts are deferred and amortized over the term of the long-term debt. Long-term debt payable is reported net of the applicable unamortized premiums or discounts. Long-term debt issuance costs are reported as an outflow of resources.

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

### Fund Equity

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

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

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

The County discontinued reporting the Board Designated and the Building Maintenance funds as separate Special Revenue funds. Both of these funds are included in the General Fund per GASB Statement No. 54.

The Board of County Commissioners has a formal fund balance reserve policy. This policy is adopted through resolution each year for the purpose of maintaining a satisfactory level of unappropriated fund balance reserves in order to insure a continued strong financial position within the County and to conform to the requirements of the

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

**December 31, 2013**

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Taxpayer's Bill of Rights (TABOR). For this financial report, the amount of the Board reserves that pertains to TABOR have been separated from the total and are considered Restricted as per the definition above. The remaining amount does not meet the GASB Statement No. 54 requirements of a stabilization agreement. Instead, they are considered to be a minimum fund balance policy. Per GASB Statement No. 54, these amounts are required to be reported as part of Unassigned Fund Balance in the General Fund and Assigned Fund Balance in any other funds. The amounts approved by the Board Policy, excluding the TABOR portion, and included in Fund Balance are as follows:

General Fund - \$11,497,604  
Social Services - \$1,688,085  
Arapahoe Law Enforcement Authority - \$922,457  
Road & Bridge - \$2,555,061

**Net Position**

The County reports *restricted* net position when constraints placed on resources are (a) externally imposed by creditors, grantors, contributors, laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

*Net investment in capital assets* is a portion of net position that represents the County's net investment in its capital assets. The portion of net position that is categorized as *unrestricted* has not been classified as either *net investment in capital assets* or *restricted* net position.

**Estimates**

The preparation of financial statements in conformity with US GAAP 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 expenditures during the reporting period. Significant estimates in the financial statements include the value of the hedge and real estate funds, which are only found with the Retirement Trust Fund. Significant estimates affecting the Retirement Plan include the actuarial assumptions relating to investment rates of return and mortality tables. Actual results could differ from those estimates.

**Encumbrance Accounting**

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

**Arapahoe County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2013**

**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 Position.**

The governmental fund Balance Sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide Statement of Net Position. 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 \$254,374,536 is as follows:

|   |                |
|---|----------------|
| Bonds and Certificates of Participation Payable   | \$ 150,110,000 |
| Less: Net Bond Discount/Premium   | 2,299,259      |
| Note Payable  | 36,847,015     |
| Plus: Premium on Note Payable   | 854,216        |
| Capital Leases Payable  | 14,617,381     |
| Landfill - Post Closure Costs Payable   | 400,000        |
| Compensated Absences  | 11,571,369     |
| Total Long-Term Debt  | 216,699,240    |
| <br>  |                |
| Accrued Interest Payable  | 1,379,215      |
| Net Pension Obligation  | 35,735,825     |
| Social Services Advance from State  | 560,256        |
| <br>  |                |
| Net adjustment to reduce fund balance - total governmental funds<br>to arrive at net position - governmental activities | \$ 254,374,536 |

Another element of that reconciliation states that “other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.” The details of this \$5,741,586 is as follows:

|  |              |
|--|--------------|
| Long-Term Receivable-Airport Authority   | \$ 4,520,000 |
| Receivables:   |              |
| Costs of Prosecution   | 284,634      |
| Delinquent Property Taxes  | 55,710       |
| Elections  | 278,950      |
| Grants   | 602,292      |
| <br>   |              |
| Net adjustment to increase total governmental funds<br>to arrive at net position - governmental activities | \$ 5,741,586 |

**Arapahoe County, Colorado**  
**Notes to the Financial Statements**  
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**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 governmental 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 position 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 these assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this (\$2,016,825) difference are as follows:

|  |                       |
|--|-----------------------|
| Capital Outlay   | \$ 16,461,656         |
| Depreciation Expense   | <u>(18,478,481)</u>   |
| Net adjustment to decrease net changes in fund balances -<br>total governmental funds to arrive at changes in net position<br>of governmental activities | <u>\$ (2,016,825)</u> |

Another element of that reconciliation states that "the net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position." The details of this \$78,234 difference are as follows:

|  |                  |
|--|------------------|
| Transferred assets purchased in a governmental fund to a proprietary fund<br>for future replacement purposes   | \$ (17,616)      |
| Donations of capital assets increase net position in the Statement<br>of Activities, but do not appear in governmental because they are not<br>financial resources | <u>95,850</u>    |
| Net adjustment to increase net changes in fund balances -<br>total governmental funds to arrive at changes in net position<br>of governmental activities           | <u>\$ 78,234</u> |

**Arapahoe County, Colorado**  
**Notes to the Financial Statements**  
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Another element of that reconciliation states that “some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this (\$6,273,203) difference are as follows:

|   |    |                           |
|---|----|---------------------------|
| Compensated Absences Expense  | \$ | (457,346)                 |
| Pension Expense   |    | (5,915,857)               |
| Landfill Expense  |    | <u>100,000</u>            |
|   |    |                           |
| Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities. | \$ | <u><u>(6,273,203)</u></u> |

Another element of that reconciliation states that “some revenues reported in the governmental funds have been reported in the Statement of Activities in prior periods.” The details of this (\$2,995,872) difference are as follows:

|   |    |                           |
|---|----|---------------------------|
| Lease Purchase Payment from Airport Authority   | \$ | (1,360,000)               |
| Grant Revenues  |    | <u>(1,635,872)</u>        |
|   |    |                           |
| Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities. | \$ | <u><u>(2,995,872)</u></u> |

Another element of that reconciliation states that “revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this \$1,221,586 difference are as follows:

|   |    |                         |
|---|----|-------------------------|
| Earned but Unavailable Revenue:   |    |                         |
| Costs of Prosecution  | \$ | 284,634                 |
| Delinquent Property Taxes   |    | 55,710                  |
| Elections   |    | 278,950                 |
| Grants  |    | <u>602,292</u>          |
|   |    |                         |
| Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities. | \$ | <u><u>1,221,586</u></u> |

**Arapahoe County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2013**

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**NOTE 3: LEGAL COMPLIANCE - BUDGETS**

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

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

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

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

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

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

# Arapahoe County, Colorado

## Notes to the Financial Statements

December 31, 2013

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

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

|   | Primary<br>Government | Discrete<br>Component Units | Agency<br>Funds      | Total Reporting<br>Entity |
|---|-----------------------|-----------------------------|----------------------|---------------------------|
| Cash and Investments                                      | \$ 152,983,776        | \$ 36,929,928               | \$ 34,482,107        | \$ 224,395,811            |
| Restricted Cash and Investments                           | 41,621,468            | 9,264,764                   | 1,135,321            | 52,021,553                |
| <b>Total Cash and Investments</b>                         | <b>\$ 194,605,244</b> | <b>\$ 46,194,692</b>        | <b>\$ 35,617,428</b> | <b>\$ 276,417,364</b>     |
| Total Cash Deposits (including CD's)                      |                       |                             |                      | \$ 66,562,952             |
| Total Investments   |                       |                             |                      | 209,854,412               |
| <b>Total Cash Deposits and Investments (Book Balance)</b> |                       |                             |                      | <b>\$ 276,417,364</b>     |

Restricted Cash and Investments are recorded for the following purposes:

|  | Primary<br>Government | Discrete<br>Component Units | Agency<br>Funds     | Total<br>Reporting Entity |
|--|-----------------------|-----------------------------|---------------------|---------------------------|
| Debt Reserves                                    | \$ 1,594,197          | \$ 9,244,989                | \$ -                | \$ 10,839,186             |
| Debt Proceeds                                    | 1,200,000             | -                           | -                   | 1,200,000                 |
| Legal/Contractual Obligations                    | 38,827,271            | 19,775                      | -                   | 38,847,046                |
| Public Trustee Statutory Reserve                 | -                     | -                           | 1,135,321           | 1,135,321                 |
| <b>Total Restricted Cash<br/>and Investments</b> | <b>\$ 41,621,468</b>  | <b>\$ 9,264,764</b>         | <b>\$ 1,135,321</b> | <b>\$ 52,021,553</b>      |

**Deposits**

Colorado State Statutes, specifically the Public Deposit Protection Act (PDPA) of 1989, require all public monies to be deposited in financial institutions that have been designated as eligible public depositories. Eligible public depositories must pledge eligible collateral for any amounts in excess of the required Federal Deposit Insurance Corporation (FDIC) amount, as promulgated by the Colorado Division of Banking, having a market value in excess of 102% of the aggregate uninsured public deposits. At December 31, 2013, the County's carrying amount of cash deposits was \$26,345,662. Of the County's bank balances totaling \$41,310,547, \$1,929,804 was covered by FDIC and \$39,380,743 was collateralized under PDPA. The component units' carrying amount of deposits with banks was \$40,217,290 and the bank balance was \$40,571,246.

**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, 2013**

### Authorized Investments

The County has adopted a formal investment policy that limits the County's investments to investments within the confines of the Colorado Revised Statutes, sections: 30-10-708, 11-10.5-101, 24-75-601, 24-75-603 & 24-75-702. Investments authorized under these statutes include:

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

As of December 31, 2013, the County had the following investments:

| <u>Investment Type</u>                           | <u>Investment Maturities</u> |                       |                   |                   | <u>Total</u>          |
|--|------------------------------|-----------------------|-------------------|-------------------|-----------------------|
|  | <u>Less than 1 Year</u>      | <u>1-5 Years</u>      | <u>5-10 Years</u> | <u>10 Years +</u> |                       |
| <b>Primary Government and Agency Funds:</b>      |                              |                       |                   |                   |                       |
| JP Morgan U.S. Govt Money Market Funds           | \$ 4,174,855                 | \$ -                  | \$ -              | \$ -              | \$ 4,174,855          |
| U.S. Agency Securities:                          |                              |                       |                   |                   |                       |
| Federal National Mortgage Association            | -                            | 34,525,805            | -                 | -                 | 34,525,805            |
| Discount Note                                    | 1,578,170                    | -                     | -                 | -                 | 1,578,170             |
| Federal Home Loan Bank                           | 7,561,154                    | -                     | -                 | -                 | 7,561,154             |
| Federal Farm Credit Bank                         | -                            | 7,250,310             | -                 | -                 | 7,250,310             |
| Federal Home Loan Mortgage Corporation           | -                            | 9,890,650             | -                 | -                 | 9,890,650             |
| Local Government Investment Pools                | 77,151,883                   | -                     | -                 | -                 | 77,151,883            |
| Foreign Corporate Bonds                          | -                            | 20,100,044            | -                 | -                 | 20,100,044            |
| Corporate Bonds                                  | -                            | 33,817,530            | -                 | -                 | 33,817,530            |
| U.S. Agency Strips & Coupons                     | 31,957                       | 125,169               | 129,597           | 130,300           | 417,023               |
| U.S. Treasury Obligations                        | 16,031                       | 7,393,555             | -                 | -                 | 7,409,586             |
| <b>Total Primary Government and Agency Funds</b> | <b>\$ 90,514,050</b>         | <b>\$ 113,103,063</b> | <b>\$ 129,597</b> | <b>\$ 130,300</b> | <b>\$ 203,877,010</b> |
| <b>Component Units:</b>                          |                              |                       |                   |                   |                       |
| Local Government Investment Pools                | \$ 3,806,566                 | \$ -                  | \$ -              | \$ -              | \$ 3,806,566          |
| U.S. Agency Securities:                          |                              |                       |                   |                   |                       |
| Federal National Mortgage Association            | -                            | 298,845               | -                 | -                 | 298,845               |
| Discount Note                                    | 1,578,170                    | -                     | -                 | -                 | 1,578,170             |
| Federal Farm Credit Bank                         | -                            | 274,854               | -                 | -                 | 274,854               |
| Other Investments                                | 18,967                       | -                     | -                 | -                 | 18,967                |
| <b>Total Component Units</b>                     | <b>\$ 5,403,703</b>          | <b>\$ 573,699</b>     | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ 5,977,402</b>   |
| <b>Total Investments</b>                         | <b>\$ 95,917,753</b>         | <b>\$ 113,676,762</b> | <b>\$ 129,597</b> | <b>\$ 130,300</b> | <b>\$ 209,854,412</b> |

# Arapahoe County, Colorado

## Notes to the Financial Statements

**December 31, 2013**

As of December 31, 2013, the County had invested in local government investment pools which include the Colorado Local Government Liquid Asset Trust (COLOTRUST), and the Colorado Surplus Asset Fund Trust (CSAFE). The local government investment pools are investment vehicles which were established for local government entities in Colorado to pool surplus funds. Both pools are similar to money market funds, with each share valued at \$1.00. COLOTRUST offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities, Federal Instrumentality Securities, Agency Securities, Collateralized Bank Deposits, Repurchase Agreements, and Tri-Party Repurchase Agreements. COLOTRUST PLUS+ may also invest in Commercial Paper that, at the time of purchase, is rated in its highest rating category by one or more nationally recognized statistical rating organizations that regularly rate such obligations, and highly rated corporate bonds. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal mechanisms of the pooled funds. The custodian's internal records identify the investments owned by each pool investor. The investment pools are routinely monitored by the Colorado Division of Securities with regard to operations and investments. As of December 31, 2013, the County, including component units, had \$3,837,426 invested in COLOTRUST and \$77,121,023 invested in CSAFE.

### Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization including Standards & Poor's (S&P), Moody's Investor Service (Moody's) and Fitch Ratings (Fitch). The following table displays the ratings for the County's investments at December 31, 2013:

| Investment Type                            | S&P<br>AA+           | S&P<br>AA-           | S&P<br>AA            | S&P<br>A-1+         | S&P<br>AAAm          | Moody's<br>Aaa      | Not<br>Rated     | Total                 |
|--|----------------------|----------------------|----------------------|---------------------|----------------------|---------------------|------------------|-----------------------|
| <b>Primary Govt and Agency Funds:</b>      |                      |                      |                      |                     |                      |                     |                  |                       |
| JP Morgan U.S. Govt Money Market Funds     | \$ -                 | \$ -                 | \$ -                 | \$ -                | \$ 4,174,855         | \$ -                | \$ -             | \$ 4,174,855          |
| U.S. Agency Securities:                    |                      |                      |                      |                     |                      |                     |                  |                       |
| Federal National Mortgage Association      | 34,525,805           | -                    | -                    | -                   | -                    | -                   | -                | 34,525,805            |
| Discount Note                              | -                    | -                    | -                    | 1,578,170           | -                    | -                   | -                | 1,578,170             |
| Federal Home Loan Bank                     | 7,561,154            | -                    | -                    | -                   | -                    | -                   | -                | 7,561,154             |
| Federal Farm Credit Bank                   | 7,250,310            | -                    | -                    | -                   | -                    | -                   | -                | 7,250,310             |
| Federal Home Loan Mortgage Corporation     | 9,890,650            | -                    | -                    | -                   | -                    | -                   | -                | 9,890,650             |
| Local Government Investment Pools          | -                    | -                    | -                    | -                   | 77,151,883           | -                   | -                | 77,151,883            |
| Corporate Bonds                            | 6,547,262            | 11,655,671           | 10,165,360           | -                   | -                    | 5,449,237           | -                | 33,817,530            |
| Foreign Corporate Bonds                    | -                    | 20,100,044           | -                    | -                   | -                    | -                   | -                | 20,100,044            |
| U.S. Treasury Obligations                  | 7,393,555            | -                    | -                    | -                   | 16,031               | -                   | -                | 7,409,586             |
| U.S. Agency Strips & Coupons               | 385,066              | -                    | -                    | 31,957              | -                    | -                   | -                | 417,023               |
| <b>Total Primary Govt and Agency Funds</b> | <b>\$ 73,553,802</b> | <b>\$ 31,755,715</b> | <b>\$ 10,165,360</b> | <b>\$ 1,610,127</b> | <b>\$ 81,342,769</b> | <b>\$ 5,449,237</b> | <b>\$ -</b>      | <b>\$ 203,877,010</b> |
| <b>Component Units:</b>                    |                      |                      |                      |                     |                      |                     |                  |                       |
| Local Government Investment Pools          | \$ -                 | \$ -                 | \$ -                 | \$ -                | \$ 3,806,566         | \$ -                | \$ -             | \$ 3,806,566          |
| U.S. Agency Securities:                    |                      |                      |                      |                     |                      |                     |                  |                       |
| Federal National Mortgage Association      | 298,845              | -                    | -                    | -                   | -                    | -                   | -                | 298,845               |
| Discount Note                              | -                    | -                    | -                    | 1,578,170           | -                    | -                   | -                | 1,578,170             |
| Federal Farm Credit Bank                   | 274,854              | -                    | -                    | -                   | -                    | -                   | -                | 274,854               |
| Other Investments                          | -                    | -                    | -                    | -                   | -                    | -                   | 18,967           | 18,967                |
| <b>Total Component Units</b>               | <b>\$ 573,699</b>    | <b>\$ -</b>          | <b>\$ -</b>          | <b>\$ 1,578,170</b> | <b>\$ 3,806,566</b>  | <b>\$ -</b>         | <b>\$ 18,967</b> | <b>\$ 5,977,402</b>   |
| <b>Total Investments</b>                   | <b>\$ 74,127,501</b> | <b>\$ 31,755,715</b> | <b>\$ 10,165,360</b> | <b>\$ 3,188,297</b> | <b>\$ 85,149,335</b> | <b>\$ 5,449,237</b> | <b>\$ 18,967</b> | <b>\$ 209,854,412</b> |

**Arapahoe County, Colorado**  
**Notes to the Financial Statements**  
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**Custodial Credit Risk**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's safekeeping bank must meet the following requirements under the County's investment policy; the purchase and sale of securities and repurchase agreements shall be settled on a delivery versus payment basis, ownership of all securities shall be perfected in the name of the County Treasurer, and sufficient evidence to title shall be consistent with modern investment, banking and commercial practices. At December 31, 2013, all of the County's investments are held in the name of the County.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment instrument, the greater the sensitivity of its fair value to changes in market interest rates. The County's investment policy maintains that the portfolio is to remain sufficiently liquid to meet all cash requirements that may be reasonably anticipated. One of the ways the County manages its exposure to interest rate risk is by laddering maturities evenly to provide continuous cash flow and liquidity needed for operations. In accordance with its investment policy, the County's investments are limited to maturities not exceeding five years from the date of trade settlement. The U.S. Agency Strips and Coupons with maturities in excess of five years totaling \$259,897 were purchased over 20 years ago and are considered immaterial.

**Concentrations Risk**

Concentration risk is the risk of loss attributed to the magnitude of the County's investments in a single issuer. The County's investment policy states that the County shall diversify its investments to avoid incurring unreasonable risks inherent in over-investment in specific instruments, individual financial institutions or maturities. The County seeks diversification to reduce overall portfolio risk while attaining market rates of return to enable the County to meet its anticipated cash requirements. Investments in any one issuer (other than mutual funds and external investment pools) that represent 5% or more of the County's total investments are as follows:

| <b>Investment Type</b>                | <b>Fair Value</b> | <b>Percent of Investment Portfolio</b> |
|---------------------------------------|-------------------|--|
| Federal National Mortgage Association | \$36,103,975      | 18%                                    |

The component units' investments in any one issuer (other than mutual funds and external investment pools) that represent 5% or more of the component units' total investments are as follows:

| <b>Investment Type</b>                | <b>Fair Value</b> | <b>Percent of Investment Portfolio</b> |
|---------------------------------------|-------------------|--|
| Federal National Mortgage Association | \$1,877,015       | 31%                                    |

**Arapahoe County, Colorado**  
**Notes to the Financial Statements**  
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**Foreign Currency Risk**

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. All of the County's investments, including its holdings in foreign corporate bonds, are denominated in U.S. currency and therefore, not subject to foreign currency risk.

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

Interfund receivable and payable balances arise due to short-term cash flow needs in certain nonmajor governmental funds. At December 31, 2013, the balances are as follows:

|                | <b>Due To</b>       | <b>Due From</b>     |
|----------------|---------------------|---------------------|
| General Fund   | \$ 1,005,202        | \$ -                |
| Nonmajor Funds | -                   | 1,005,202           |
| <b>Total</b>   | <b>\$ 1,005,202</b> | <b>\$ 1,005,202</b> |

During 2013, the County transferred monies among various funds; the principal reason for the transfers was to support the ongoing operations of the receiving fund. The transfers between funds are as follows:

|                            | <b>Transfers In</b>  | <b>Transfers Out</b> |
|----------------------------|----------------------|----------------------|
| General Fund               | \$ 901,779           | \$ 10,759,422        |
| Social Services Fund       | -                    | 879,577              |
| Open Spaces Sales Tax Fund | -                    | 76,952               |
| Internal Service Funds     | 746,116              | 24,016               |
| Nonmajor Funds             | 15,472,236           | 5,380,164            |
| <b>Total</b>               | <b>\$ 17,120,131</b> | <b>\$ 17,120,131</b> |

**Arapahoe County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2013**

**NOTE 6: CAPITAL ASSETS**

**Primary Government**

The capital asset activity for the Arapahoe County primary government as of December 31, 2013 was as follows:

|  | <b>Beginning<br/>Balance</b> | <b>Increases</b>    | <b>Decreases</b>      | <b>Ending<br/>Balance</b> |
|--|------------------------------|---------------------|-----------------------|---------------------------|
| <b>Governmental Activities:</b>              |                              |                     |                       |                           |
| Capital Assets Not Being Depreciated:        |                              |                     |                       |                           |
| Land   | \$ 40,911,146                | \$ -                | \$ -                  | \$ 40,911,146             |
| Easements                                    | 4,322,860                    | -                   | -                     | 4,322,860                 |
| Right of Ways                                | 309,971,761                  | -                   | -                     | 309,971,761               |
| Water Rights                                 | 51,616,042                   | -                   | -                     | 51,616,042                |
| Construction in Progress                     | 7,415,925                    | 13,737,017          | (1,197,079)           | 19,955,863                |
| Total Capital Assets Not Being Depreciated   | <u>414,237,734</u>           | <u>13,737,017</u>   | <u>(1,197,079)</u>    | <u>426,777,672</u>        |
| Capital Assets Being Depreciated:            |                              |                     |                       |                           |
| Land Improvements                            | 10,486,488                   | 60,970              | -                     | 10,547,458                |
| Buildings                                    | 290,639,275                  | 983,120             | -                     | 291,622,395               |
| Furniture and Equipment                      | 56,537,173                   | 6,626,120           | (6,076,959)           | 57,086,334                |
| Infrastructure                               | 340,848,322                  | 88,492              | -                     | 340,936,814               |
| Total Capital Assets Being Depreciated       | <u>698,511,258</u>           | <u>7,758,702</u>    | <u>(6,076,959)</u>    | <u>700,193,001</u>        |
| Less Accumulated Depreciation:               |                              |                     |                       |                           |
| Land Improvements                            | (1,594,192)                  | (534,738)           | -                     | (2,128,930)               |
| Buildings                                    | (105,455,544)                | (8,334,392)         | -                     | (113,789,936)             |
| Furniture and Equipment                      | (45,634,623)                 | (4,896,021)         | 6,060,524             | (44,470,120)              |
| Infrastructure                               | (111,264,925)                | (8,089,005)         | -                     | (119,353,930)             |
| Total Accumulated Depreciation               | <u>(263,949,284)</u>         | <u>(21,854,156)</u> | <u>6,060,524</u>      | <u>(279,742,916)</u>      |
| Total Capital Assets Being Depreciated, Net  | <u>434,561,974</u>           | <u>(14,095,454)</u> | <u>(16,435)</u>       | <u>420,450,085</u>        |
| Total Primary Government Capital Assets, Net | <u>\$ 848,799,708</u>        | <u>\$ (358,437)</u> | <u>\$ (1,213,514)</u> | <u>\$ 847,227,757</u>     |

Depreciation expense was charged to functions/programs of the primary government during the year ended December 31, 2013 as follows:

**Governmental Activities**

|  |                      |
|--|----------------------|
| General Government                                 | \$ 4,406,088         |
| Public Safety                                      | 5,359,935            |
| Health and Welfare                                 | 1,031,840            |
| Highways and Streets                               | 7,127,286            |
| Water and Wastewater                               | 3,331,656            |
| Culture and Recreation                             | 597,351              |
| Total Governmental Activities Depreciation Expense | <u>\$ 21,854,156</u> |

**Arapahoe County, Colorado**

**Notes to the Financial Statements**

**December 31, 2013**

**Discretely presented component units**

Capital asset activity for the E-911 Authority for the year ended December 31, 2013 was as follows:

|  | <b>Beginning<br/>Balance</b> | <b>Increases</b>           | <b>Decreases</b>   | <b>Ending<br/>Balance</b> |
|--|------------------------------|----------------------------|--------------------|---------------------------|
| Capital Assets Being Depreciated:      |                              |                            |                    |                           |
| Furniture and Equipment                | \$ 5,425,766                 | \$ -                       | \$ -               | \$ 5,425,766              |
| Total Capital Assets Being Depreciated | <u>5,425,766</u>             | <u>-</u>                   | <u>-</u>           | <u>5,425,766</u>          |
| Less Accumulated Depreciation:         |                              |                            |                    |                           |
| Furniture and Equipment                | (4,685,032)                  | (302,135)                  | -                  | (4,987,167)               |
| Total Accumulated Depreciation         | <u>(4,685,032)</u>           | <u>(302,135)</u>           | <u>-</u>           | <u>(4,987,167)</u>        |
| <b>Total E-911 Capital Assets, Net</b> | <u><b>\$ 740,734</b></u>     | <u><b>\$ (302,135)</b></u> | <u><b>\$ -</b></u> | <u><b>\$ 438,599</b></u>  |

Capital asset activity for the Arapahoe County Public Airport Authority for the year ended December 31, 2013 was as follows:

|  | <b>Beginning<br/>Balance</b> | <b>Increases</b>             | <b>Decreases</b>           | <b>Ending<br/>Balance</b>   |
|--|------------------------------|------------------------------|----------------------------|-----------------------------|
| Capital Assets Not Being Depreciated:              |                              |                              |                            |                             |
| Land   | \$ 26,199,510                | \$ -                         | \$ -                       | \$ 26,199,510               |
| Construction in Progress                           | 3,952,015                    | 1,953,799                    | (447,064)                  | 5,458,750                   |
| Total Capital Assets Not Being Depreciated         | <u>30,151,525</u>            | <u>1,953,799</u>             | <u>(447,064)</u>           | <u>31,658,260</u>           |
| Capital Assets Being Depreciated:                  |                              |                              |                            |                             |
| Site Improvements                                  | 1,010,963                    | -                            | -                          | 1,010,963                   |
| Buildings and Improvements                         | 17,043,576                   | 136,724                      | (13,611)                   | 17,166,689                  |
| Runways, Taxiways and Ramps                        | 37,776,526                   | 91,444                       | -                          | 37,867,970                  |
| Furniture and Equipment                            | 6,348,377                    | 460,809                      | (68,055)                   | 6,741,131                   |
| Total Capital Assets Being Depreciated             | <u>62,179,442</u>            | <u>688,977</u>               | <u>(81,666)</u>            | <u>62,786,753</u>           |
| Less Accumulated Depreciation:                     |                              |                              |                            |                             |
| Site Improvements                                  | (516,482)                    | (25,262)                     | -                          | (541,744)                   |
| Buildings and Improvements                         | (14,173,395)                 | (375,758)                    | 7,482                      | (14,541,671)                |
| Runways, Taxiways and Ramps                        | (22,323,856)                 | (2,775,322)                  | -                          | (25,099,178)                |
| Furniture and Equipment                            | (3,832,720)                  | (562,808)                    | 68,055                     | (4,327,473)                 |
| Total Accumulated Depreciation                     | <u>(40,846,453)</u>          | <u>(3,739,150)</u>           | <u>75,537</u>              | <u>(44,510,066)</u>         |
| <b>Total Capital Assets Being Depreciated, Net</b> | <u><b>21,332,989</b></u>     | <u><b>(3,050,173)</b></u>    | <u><b>(6,129)</b></u>      | <u><b>18,276,687</b></u>    |
| <b>Total Airport Authority Capital Assets, Net</b> | <u><b>\$ 51,484,514</b></u>  | <u><b>\$ (1,096,374)</b></u> | <u><b>\$ (453,193)</b></u> | <u><b>\$ 49,934,947</b></u> |

**Arapahoe County, Colorado**

**Notes to the Financial Statements**

**December 31, 2013**

Capital Asset Activity for the Arapahoe County Water and Wastewater Authority for the year ended December 31, 2013 was as follows:

|   | Beginning<br>Balance  | Increases           | Decreases             | Ending<br>Balance     |
|---|-----------------------|---------------------|-----------------------|-----------------------|
| Capital Assets Not Being Depreciated:                                       |                       |                     |                       |                       |
| Land  | \$ 2,063,196          | \$ -                | \$ -                  | \$ 2,063,196          |
| Water Rights  | 122,644,802           | 29,064              | -                     | 122,673,866           |
| Less: Depletion   | (1,303,938)           | (80,622)            | -                     | (1,384,560)           |
| Net Water Rights  | <u>121,340,864</u>    | <u>(51,558)</u>     | <u>-</u>              | <u>121,289,306</u>    |
| Construction in Progress  | <u>3,135,250</u>      | <u>3,965,683</u>    | <u>(5,220,188)</u>    | <u>1,880,745</u>      |
| Total Capital Assets Not Being Depreciated                                  | <u>126,539,310</u>    | <u>3,914,125</u>    | <u>(5,220,188)</u>    | <u>125,233,247</u>    |
| Capital Assets Being Depreciated:   |                       |                     |                       |                       |
| Water System  | 41,778,768            | 5,220,188           | -                     | 46,998,956            |
| Sewer System  | 15,097,364            | 22,694              | -                     | 15,120,058            |
| Buildings, Equipments, and Projects   | <u>3,254,315</u>      | <u>-</u>            | <u>-</u>              | <u>3,254,315</u>      |
| Total Capital Assets Being Depreciated                                      | <u>60,130,447</u>     | <u>5,242,882</u>    | <u>-</u>              | <u>65,373,329</u>     |
| Less Accumulated Depreciation:  |                       |                     |                       |                       |
| Water System  | (8,013,064)           | (1,906,464)         | -                     | (9,919,528)           |
| Sewer System  | (8,278,466)           | (700,899)           | -                     | (8,979,365)           |
| Buildings, Equipments, and Projects   | <u>(2,209,713)</u>    | <u>(245,151)</u>    | <u>-</u>              | <u>(2,454,864)</u>    |
| Total Accumulated Depreciation  | <u>(18,501,243)</u>   | <u>(2,852,514)</u>  | <u>-</u>              | <u>(21,353,757)</u>   |
| Total Capital Assets Being Depreciated, Net                                 | <u>41,629,204</u>     | <u>2,390,368</u>    | <u>-</u>              | <u>44,019,572</u>     |
| Total Arapahoe County Water and Wastewater<br>Authority Capital Assets, Net | <u>\$ 168,168,514</u> | <u>\$ 6,304,493</u> | <u>\$ (5,220,188)</u> | <u>\$ 169,252,819</u> |

**NOTE 7: DEFERRED INFLOWS OF RESOURCES – UNAVAILABLE REVENUE**

Under both the accrual and modified accrual basis of accounting, revenue may be recognized only when earned. Therefore, the government-wide Statement of Net Position as well as the governmental funds defer revenue recognition in connection with resources that have been received as of year-end, but not yet earned. Assets recognized in connection with a transaction before the earnings process is complete are offset by a corresponding liability classified under the category: deferred inflows of resources.

Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized in the current period. Revenue must also be susceptible to accrual (i.e. measurable and available to finance expenditures of the current period). Governmental funds report deferred inflows of resources in connection with receivables for revenues not considered available to liquidate liabilities of the current period. The County considers revenues available if they are collected within 60 days after year-end. At December 31, 2013, items considered unavailable to finance expenditures of the current fiscal period totaled \$1,221,586.

**NOTE 8: DEFICIT FUND BALANCES**

The Grant Fund and the Homeland Security Fund had deficit fund balances at December 31, 2013 of (\$255,159) and (\$139,155), respectively. The revenue to offset the deficit is currently reported as deferred inflows of resources because it is unavailable but will be recognized as earned revenue as soon as the funds are collected.

**Arapahoe County, Colorado**

**Notes to the Financial Statements**

**December 31, 2013**

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**NOTE 9: CAPITAL COMMITMENTS**

The County has contractual commitments for capital construction projects, capital asset purchase contracts, information technology and communication service contracts, professional services contracts, and rent and miscellaneous services contracts as of December 31, 2013. These commitments have not been paid, nor recorded as a liability in the financial statements. The amounts of these commitments are as follows:

| <u>Commitment Type</u>                                 | <u>Amount</u>       |
|--|---------------------|
| Capital Construction Project Contracts                 | \$ 2,827,195        |
| Infrastructure and Capital Asset Maintenance Contracts | 1,429,371           |
| Capital Asset Purchase Contracts                       | 1,247,505           |
| Professional Services Contracts                        | 1,159,268           |
| Rent and Services Contracts                            | 747,885             |
| Information Technology and Communications Contracts    | 306,887             |
|  | <u>\$ 7,718,111</u> |

Developers contribute funds to the County to help pay for County infrastructure costs related to their developments. The contributions are recorded as revenue in the capital project funds. These infrastructure projects are typically 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 2013, \$242,452 was contributed to the County by developers and is recorded as revenue for which development improvement projects must be completed by the County in the future.

The totals by major and nonmajor governmental funds reflect significant encumbrances with a balance in excess of \$100,000 at December 31, 2013. The total amounts are as follows:

|                                |                     |
|--------------------------------|---------------------|
| Major Funds                    | \$ 613,345          |
| Nonmajor Funds                 | <u>1,676,187</u>    |
| Total Significant Encumbrances | <u>\$ 2,289,532</u> |

**NOTE 10: DEFERRED COMPENSATION PLANS**

The County offers its employees an opportunity to participate voluntarily in a deferred compensation plan. This plan, created in accordance with Internal Revenue Code Section 457, is maintained by a third party administrator, International City Management Association Retirement Corporation (ICMA-RC). The plan permits employees to defer a portion of their salary until future years. In 2013, employees could voluntarily elect to have amounts withheld from their compensation up to age of 50 of \$17,000 per year and above the age of 50 to \$22,500 per year. The amounts withheld are deposited to each participant's account, according to each participant's investment direction, making the plan funded. The deferred compensation balance is not available to employees until termination, retirement, death, or an unforeseeable emergency.

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

**Arapahoe County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2013**

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

Long-term liability activity for the year ended December 31, 2013 is as follows:

|   | Beginning<br>Balance  | Additions           | Deletions            | Ending<br>Balance     | Due Within<br>One Year |
|---|-----------------------|---------------------|----------------------|-----------------------|------------------------|
| General obligation bonds payable  |                       |                     |                      |                       |                        |
| ACWWA PID 2009 A&B Bonds  | \$ 56,075,000         | \$ -                | \$ -                 | \$ 56,075,000         | \$ -                   |
| ACWWA PID 2012 Refunding Bonds  | 59,020,000            | -                   | 740,000              | 58,280,000            | 910,000                |
| Less - Deferred amounts for issuance discounts<br>and premiums on bonds payable | 1,640,398             | -                   | 127,114              | 1,513,284             | -                      |
| Total Bonds Payable   | <u>116,735,398</u>    | <u>-</u>            | <u>867,114</u>       | <u>115,868,284</u>    | <u>910,000</u>         |
| Notes payable   |                       |                     |                      |                       |                        |
| ACWWA PID - 2005  | 26,270,000            | -                   | -                    | 26,270,000            | -                      |
| ACWWA PID - 2006  | 11,595,625            | -                   | 1,018,610            | 10,577,015            | 1,040,632              |
| Plus - Deferred amounts related to issuance<br>premiums on notes payable        | 928,168               | -                   | 73,952               | 854,216               | -                      |
| Total Notes Payable   | <u>38,793,793</u>     | <u>-</u>            | <u>1,092,562</u>     | <u>37,701,231</u>     | <u>1,040,632</u>       |
| Certificates of participation payable   |                       |                     |                      |                       |                        |
| Judicial Complex Refunding  | 5,880,000             | -                   | 1,360,000            | 4,520,000             | 1,430,000              |
| 2006 Refunding of 2000 Building Project   | 34,395,000            | -                   | 3,160,000            | 31,235,000            | 3,315,000              |
| Less: Deferred amounts for bond<br>Discounts/Premiums                           | 875,696               | -                   | 89,721               | 785,975               | -                      |
| Total Certificates of Participation Payable                                     | <u>41,150,696</u>     | <u>-</u>            | <u>4,609,721</u>     | <u>36,540,975</u>     | <u>4,745,000</u>       |
| Capital leases  |                       |                     |                      |                       |                        |
| Fairgrounds Event & Livestock Facility  | 844,304               | -                   | 271,594              | 572,710               | 281,319                |
| Water Facility  | 264,434               | -                   | 264,434              | -                     | -                      |
| Parkland  | 2,391,830             | -                   | 111,778              | 2,280,052             | 117,242                |
| District Attorney Office Building   | 3,435,000             | -                   | 515,000              | 2,920,000             | 535,000                |
| Lima Ridge  | 9,183,625             | -                   | 339,006              | 8,844,619             | 354,579                |
| Total Capital Leases  | <u>16,119,193</u>     | <u>-</u>            | <u>1,501,812</u>     | <u>14,617,381</u>     | <u>1,288,140</u>       |
| Landfill - Post closure costs payable   | 500,000               | -                   | 100,000              | 400,000               | 100,000                |
| Compensated absences  | 11,114,022            | 9,298,179           | 8,840,832            | 11,571,369            | 975,466                |
| Total Long-term Liabilities   | <u>\$ 224,413,102</u> | <u>\$ 9,298,179</u> | <u>\$ 17,012,041</u> | <u>\$ 216,699,240</u> | <u>\$ 9,059,238</u>    |

The Arapahoe County Water and Wastewater Public Improvement District (PID) Bonds are paid out of a Capital Projects Fund. All other General Long-Term Debt (except compensated absences) is paid for out of the 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 Spaces Sales Tax Funds.

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

**December 31, 2013**

**Bonds**

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

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

| <b>Date</b> | <b>Principal</b>     | <b>Interest</b>      | <b>Total</b>          |
|-------------|----------------------|----------------------|-----------------------|
| 2014        | \$ -                 | \$ 3,533,897         | \$ 3,533,897          |
| 2015        | -                    | 3,533,898            | 3,533,898             |
| 2016        | -                    | 3,533,897            | 3,533,897             |
| 2017        | -                    | 3,533,898            | 3,533,898             |
| 2018        | -                    | 3,533,897            | 3,533,897             |
| 2019-2023   | -                    | 17,669,488           | 17,669,488            |
| 2024-2028   | 1,345,000            | 17,598,938           | 18,943,938            |
| 2029-2033   | 3,405,000            | 17,112,431           | 20,517,431            |
| 2034-2038   | 37,850,000           | 13,834,698           | 51,684,698            |
| 2039        | 13,475,000           | 873,180              | 14,348,180            |
| Total       | <u>\$ 56,075,000</u> | <u>\$ 84,758,222</u> | <u>\$ 140,833,222</u> |

**Arapahoe County Water and Wastewater Public Improvement District Series 2012 Refunding Bonds**

On September 27, 2012, the Arapahoe County Water & Waste Water Public Improvement District issued General Obligation Refunding Bonds in the amount of \$59,020,000 to refund the Arapahoe County Water & Waste Water Public Improvement District 2002 Series A & B Bonds. As a result, the Arapahoe County Water & Waste Water Public Improvement District 2002 Series A & B Bonds were liquidated and removed from the County's government-wide financial statements.

The refunding of the Arapahoe County Water & Waste Water Public Improvement District 2002 Series A & B Bonds resulted in a deferred outflow of resources of \$1,114,008 that is required by GASB Statement No. 65 to be recorded in the Statement of Net Position and amortized over the life of the new (refunding) debt. Future debt payments are as follows:

**Arapahoe County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2013**

| <b>Date</b> | <b>Principal</b>     | <b>Interest</b>      | <b>Total</b>         |
|-------------|----------------------|----------------------|----------------------|
| 2014        | \$ 910,000           | \$ 1,772,625         | \$ 2,682,625         |
| 2015        | 1,025,000            | 1,736,225            | 2,761,225            |
| 2016        | 1,235,000            | 1,695,225            | 2,930,225            |
| 2017        | 1,395,000            | 1,645,825            | 3,040,825            |
| 2018        | 1,605,000            | 1,590,025            | 3,195,025            |
| 2019-2023   | 11,685,000           | 6,943,175            | 18,628,175           |
| 2024-2028   | 18,745,000           | 4,982,088            | 23,727,088           |
| 2029-2032   | 21,680,000           | 1,689,450            | 23,369,450           |
| Total       | <u>\$ 58,280,000</u> | <u>\$ 22,054,638</u> | <u>\$ 80,334,638</u> |

**Notes Payable**

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

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

| <b>Date</b> | <b>Principal</b>     | <b>Interest</b>      | <b>Total</b>         |
|-------------|----------------------|----------------------|----------------------|
| 2014        | \$ -                 | \$ 1,297,906         | \$ 1,297,906         |
| 2015        | -                    | 1,297,906            | 1,297,906            |
| 2016        | -                    | 1,297,906            | 1,297,906            |
| 2017        | -                    | 1,297,906            | 1,297,906            |
| 2018        | -                    | 1,297,906            | 1,297,906            |
| 2019-2023   | 1,315,000            | 6,489,533            | 7,804,533            |
| 2024-2028   | 1,180,000            | 5,995,376            | 7,175,376            |
| 2029-2033   | 7,545,000            | 5,943,750            | 13,488,750           |
| 2034-2035   | 16,230,000           | 1,227,250            | 17,457,250           |
| Total       | <u>\$ 26,270,000</u> | <u>\$ 26,145,439</u> | <u>\$ 52,415,439</u> |

**Arapahoe County, Colorado**

**Notes to the Financial Statements**

**December 31, 2013**

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

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

| <b>Date</b> | <b>Principal</b>     | <b>Interest</b>     | <b>Total</b>         |
|-------------|----------------------|---------------------|----------------------|
| 2014        | \$ 1,040,632         | \$ 401,346          | \$ 1,441,978         |
| 2015        | 1,079,175            | 370,640             | 1,449,815            |
| 2016        | 1,106,706            | 338,796             | 1,445,502            |
| 2017        | 1,139,740            | 306,140             | 1,445,880            |
| 2018        | 1,161,764            | 282,860             | 1,444,624            |
| 2019-2022   | 5,048,998            | 739,289             | 5,788,287            |
| Total       | <u>\$ 10,577,015</u> | <u>\$ 2,439,071</u> | <u>\$ 13,016,086</u> |

**Certificates of Participation**

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

**Judicial Complex Refunding Certificates of Participation**

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

| <b>Date</b> | <b>Principal</b>    | <b>Interest</b>   | <b>Total</b>        |
|-------------|---------------------|-------------------|---------------------|
| 2014        | \$ 1,430,000        | \$ 237,300        | \$ 1,667,300        |
| 2015        | 1,505,000           | 162,225           | 1,667,225           |
| 2016        | 1,585,000           | 83,213            | 1,668,213           |
| Total       | <u>\$ 4,520,000</u> | <u>\$ 482,738</u> | <u>\$ 5,002,738</u> |

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

**December 31, 2013**

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

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

| <b>Date</b> | <b>Principal</b>     | <b>Interest</b>     | <b>Total</b>         |
|-------------|----------------------|---------------------|----------------------|
| 2014        | \$ 3,315,000         | \$ 1,283,300        | \$ 4,598,300         |
| 2015        | 3,455,000            | 1,133,500           | 4,588,500            |
| 2016        | 3,625,000            | 973,063             | 4,598,063            |
| 2017        | 3,785,000            | 799,625             | 4,584,625            |
| 2018        | 3,990,000            | 625,200             | 4,615,200            |
| 2019-2021   | 13,065,000           | 837,600             | 13,902,600           |
| Total       | <u>\$ 31,235,000</u> | <u>\$ 5,652,288</u> | <u>\$ 36,887,288</u> |

**Capital Leases**

The following is an analysis of assets acquired through capital leases as of December 31, 2013:

**Arapahoe County Fairgrounds Event and Livestock Facility**

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

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

| <b>Date</b> | <b>Principal</b>  | <b>Interest</b>  | <b>Total</b>      |
|-------------|-------------------|------------------|-------------------|
| 2014        | \$ 281,319        | \$ 17,851        | \$ 299,170        |
| 2015        | 291,391           | 7,779            | 299,170           |
| Total       | <u>\$ 572,710</u> | <u>\$ 25,630</u> | <u>\$ 598,340</u> |

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

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

# Arapahoe County, Colorado

## Notes to the Financial Statements

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

The interest rate imposed on the renegotiated amount remains at 6% per annum, compounded monthly. The amortization period is 120 months.

The County elected to payoff the lease in 2013. The remaining principal and interest owed to Pure Cycle was paid on April 1, 2013.

### Parkland Lease Purchase-Zions First National Bank

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

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

| Date      | Principal           | Interest          | Total               |
|-----------|---------------------|-------------------|---------------------|
| 2014      | \$ 117,242          | \$ 108,728        | \$ 225,970          |
| 2015      | 122,973             | 102,997           | 225,970             |
| 2016      | 128,984             | 96,986            | 225,970             |
| 2017      | 135,290             | 90,680            | 225,970             |
| 2018      | 141,903             | 84,067            | 225,970             |
| 2019-2023 | 820,600             | 309,247           | 1,129,847           |
| 2024-2027 | 813,060             | 90,818            | 903,878             |
| Total     | <u>\$ 2,280,052</u> | <u>\$ 883,523</u> | <u>\$ 3,163,575</u> |

### District Attorney Office Building Lease Purchase

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

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

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| <b>Date</b>  | <b>Principal</b>    | <b>Interest</b>   | <b>Total</b>        |
|--------------|---------------------|-------------------|---------------------|
| 2014         | \$ 535,000          | \$ 121,535        | \$ 656,535          |
| 2015         | 555,000             | 97,991            | 652,991             |
| 2016         | 585,000             | 73,466            | 658,466             |
| 2017         | 610,000             | 47,742            | 657,742             |
| 2018         | 635,000             | 20,819            | 655,819             |
| <b>Total</b> | <b>\$ 2,920,000</b> | <b>\$ 361,553</b> | <b>\$ 3,281,553</b> |

**Lima Ridge Lease Purchase**

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

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

| <b>Date</b>  | <b>Principal</b>    | <b>Interest</b>     | <b>Total</b>         |
|--------------|---------------------|---------------------|----------------------|
| 2014         | \$ 354,579          | \$ 390,754          | \$ 745,333           |
| 2015         | 370,869             | 374,465             | 745,334              |
| 2016         | 387,906             | 357,427             | 745,333              |
| 2017         | 405,727             | 339,607             | 745,334              |
| 2018         | 424,366             | 320,968             | 745,334              |
| 2019-2023    | 2,432,799           | 1,293,868           | 3,726,667            |
| 2024-2028    | 3,045,367           | 681,300             | 3,726,667            |
| 2029-2030    | 1,423,006           | 67,660              | 1,490,666            |
| <b>Total</b> | <b>\$ 8,844,619</b> | <b>\$ 3,826,049</b> | <b>\$ 12,670,668</b> |

**Landfill – Post-Closure Costs**

The County previously owned and operated a landfill. The County did not estimate or accrue post-closure costs while the landfill was in operation. This landfill was closed in 1987 and is no longer in operation. The County shares remedial action costs with Waste Management Inc. The County pays 75% of the remedial costs. The County pays for all post-closure costs. Each year Waste Management bills the County when actual costs have been determined. The County's cost for the past year was \$82,067. When the landfill was closed in 1987 the State Department of Public Health and Environment placed the landfill on a 30-year monitoring program. After 30 years, provided all testing was satisfactory, the County would no longer be liable for ongoing monitoring costs. Discussions with the State have indicated that while it is not definite, there has been nothing yet to suggest that monitoring will be required after the initial 30-year period. That could change if circumstances warrant but it seems to be the best

**Arapahoe County, Colorado**

**Notes to the Financial Statements**

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projection currently available. Costs have averaged just under \$100,000 annually for the last ten years. Discussions with Waste Management indicate that there is no additional balloon or one-time costs at the end of the monitoring period. Therefore, the best estimate of liability is \$400,000 with \$100,000 being payable within one year. However, the actual post-closure costs may be higher or lower due to inflation/deflation and changes in technology or in applicable laws and regulations. This amount is recorded as a long-term liability on the government-wide financial statements as of December 31, 2013.

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

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

**Arapahoe County Public Airport Authority**

Long-term liability activity for the year ended December 31, 2013, is as follows:

|                             | <b>Beginning<br/>Balance</b> | <b>Additions</b> | <b>Deletions</b>    | <b>Ending<br/>Balance</b> | <b>Due Within<br/>One Year</b> |
|-----------------------------|------------------------------|------------------|---------------------|---------------------------|--------------------------------|
| Capital Lease Payable       | \$ 5,880,000                 | \$ -             | \$ 1,360,000        | \$ 4,520,000              | \$ 1,430,000                   |
| Notes Payable               | 3,155,274                    | -                | 546,310             | 2,608,964                 | 562,706                        |
| Net Unamortized Premium     | 96,468                       | -                | 24,630              | 71,838                    | -                              |
| Total Long-term Liabilities | <u>\$ 9,131,742</u>          | <u>\$ -</u>      | <u>\$ 1,930,940</u> | <u>\$ 7,200,802</u>       | <u>\$ 1,992,706</u>            |

**Capital Lease**

This capital lease is payable to Arapahoe County, Colorado. It was originally dated November 1, 1986 and then renegotiated on September 3, 2002. Payments of principal and interest are due on a semiannual basis through 2016. The capital lease bears a varying interest rate of 3.25% to 5.25%. This lease is secured by land. The total assets purchased with these capital lease funds is \$26,038,745.

There are a number of covenants contained in the lease agreement. At December 31, 2013, the Arapahoe County Public Airport Authority (the Authority) believes it is in compliance with these restrictive covenants.

Scheduled capital lease principal and interest payments are as follows:

| <b>Date</b> | <b>Principal</b>    | <b>Interest</b>   | <b>Total</b>        |
|-------------|---------------------|-------------------|---------------------|
| 2014        | \$ 1,430,000        | \$ 237,300        | \$ 1,667,300        |
| 2015        | 1,505,000           | 162,225           | 1,667,225           |
| 2016        | 1,585,000           | 83,213            | 1,668,213           |
| Total       | <u>\$ 4,520,000</u> | <u>\$ 482,738</u> | <u>\$ 5,002,738</u> |

# Arapahoe County, Colorado

## Notes to the Financial Statements

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### Note Payable

In 2007, the Authority obtained a loan in the amount of \$5,400,000 from the Colorado Department of Transportation (CDOT) for the purchase of land and a restrictive covenant on land. The loan bears interest at the rate of 3% on the unpaid balance, compounded annually. The Authority is making 10 annual installments with the first payment made on October 4, 2008. The loan is secured by a security interest in the Authority's fuel tax refund revenue.

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

Scheduled note principal and interest payments are as follows:

| Date  | Principal           | Interest          | Total               |
|-------|---------------------|-------------------|---------------------|
| 2014  | \$ 562,706          | \$ 85,939         | \$ 648,645          |
| 2015  | 579,596             | 69,049            | 648,645             |
| 2016  | 852,055             | 43,998            | 896,053             |
| 2017  | 614,607             | 18,438            | 633,045             |
| Total | <u>\$ 2,608,964</u> | <u>\$ 217,424</u> | <u>\$ 2,826,388</u> |

### Commitments and Contingencies-Rental Agreements

The Authority has operating rental agreements with fixed base operators 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:

| Year       | Amount                |
|------------|-----------------------|
| 2014       | \$ 1,847,092          |
| 2015       | 1,846,592             |
| 2016       | 1,847,066             |
| 2017       | 1,872,129             |
| 2018       | 1,892,935             |
| Thereafter | <u>161,394,696</u>    |
|            | <u>\$ 170,700,510</u> |

Revenues under these leases amounted to \$2,399,914 during 2013. Included in this amount are a percentage of revenue fees associated with these leases.

The Authority has entered into lease agreements with the FAA to lease approximately 2,100 square feet of the Authority's tower, and approximately 2,300 square feet of the Authority's administrative office building. The tower lease had an expiration date of July 9, 2006. The FAA did not exercise the option to purchase the tower. The

**Arapahoe County, Colorado**

**Notes to the Financial Statements**

**December 31, 2013**

lease was renegotiated in 2006 at an amount equivalent to the tower repairs and maintenance and expires September 30, 2015. The office space lease expires September 30, 2020. Rental income under these leases amounted to \$90,216 during 2013. The earning stream from this agreement is included in the amounts disclosed above.

**Defeased Debt**

During 2002, the Authority, in conjunction with Arapahoe County, refunded Certificates of Participation totaling \$15,760,000. As a result, payments under the refunded capital leases are considered to be defeased, and the liability has been removed from the books. At December 31, 2013, the Authority's share of the amount of defeased debt outstanding is \$5,381,438.

**Arapahoe County Water and Wastewater Authority (ACWWA)**

ACWWA's long-term liabilities consisted of the following for the year ended December 31, 2013:

|                             | <b>Beginning<br/>Balance</b> | <b>Additions</b>  | <b>Deletions</b>    | <b>Ending<br/>Balance</b> | <b>Due Within<br/>One Year</b> |
|-----------------------------|------------------------------|-------------------|---------------------|---------------------------|--------------------------------|
| Series 2006 Revenue Bonds   | \$ 20,680,000                | \$ -              | \$ 625,000          | \$ 20,055,000             | \$ 645,000                     |
| 2006 Bond Premium           | 309,261                      | -                 | 26,433              | 282,828                   | -                              |
| Series 2007 Revenue Bonds   | 16,425,000                   | -                 | 485,000             | 15,940,000                | 505,000                        |
| Series 2009A Revenue Bonds  | 91,545,000                   | -                 | -                   | 91,545,000                | -                              |
| Series 2012 Revenue Bonds   | 5,525,000                    | -                 | -                   | 5,525,000                 | -                              |
| Total Bonds Payable         | 134,484,261                  | -                 | 1,136,433           | 133,347,828               | 1,150,000                      |
| Compensated Absences        | 300,883                      | 301,491           | 118,979             | 483,395                   | 217,528                        |
| Total Long-term Liabilities | <u>\$ 134,785,144</u>        | <u>\$ 301,491</u> | <u>\$ 1,255,412</u> | <u>\$ 133,831,223</u>     | <u>\$ 1,367,528</u>            |

**Series 2006 Refunding Bonds**

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

**Revenue Refunding and Improvement Bonds, Series 2007**

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

**Series 2009A Revenue Bonds**

On December 8, 2009, ACWWA issued \$91,545,000, in Taxable Water and Wastewater Revenue Direct Pay Build America Bonds (BAB) with interest rates ranging from 3.61% to 6.68%. The revenue refunding and improvement bonds are due in annual principal and interest installments of \$5,516,894 to \$15,804,642 until December 2039. ACWWA is eligible to receive a 35% interest subsidy credit on its interest payments for these bonds subject to Section 6431 of the Internal Revenue Code. To receive BAB credits, ACWWA must file a form 8038-CP between 45 and 90 days prior to the corresponding interest payment date. Such credits, if received by ACWWA, are required under the bond resolution to be deposited to the Build America Bond Interest account of

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the Build America Bond Fund. There is no assurance, however, that ACWWA will receive all or any of the BAB credits which it expects to receive. ACWWA will be required to pay interest on the 2009A bonds regardless of whether BAB payments are received. ACWWA received interest subsidies in the amount of \$1,854,684 during 2013. In accordance with the Trust Indenture, as of December 31, 2013, \$7,115,881 was held in reserves.

**Series 2009B Revenue Bonds**

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

**Series 2012 Revenue Refunding Loan**

On October 18, 2012, ACWWA refunded the Series 2009B Revenue Bonds and entered into a loan agreement with Colorado State Bank and Trust dated October 18, 2012 in the amount of \$5,525,000. Principal and interest payments are due June 1 and December 1 in varying amounts through December 1, 2022, with a fixed interest rate of 2.17%. In accordance with the Trust Indenture, as of December 31, 2013, \$553,108 was held in reserves.

**Pledged Revenue and Debt Coverage Requirements**

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

**Refunding**

On October 18, 2012, ACWWA issued \$5,525,000 in Revenue Refunding loan dated October 18, 2012 for the refunding of the Series 2009B Tax-Exempt Water and Wastewater Revenue Bonds. Bond proceeds were transferred by the bond resolution to pay the costs of issuance and the remaining proceeds placed in a special fund and trust account for the purpose of paying the principal of, premium if any and interest on the refunded bonds as they become due and payable.

On October 18, 2012, ACWWA advance refunded and defeased (debt legally satisfied) \$5,362,857 of Water and Wastewater Revenue Bonds, Tax-Exempt Series 2009B, dated December 8, 2009 with interest rates ranging from 2.0% to 2.5%. ACWWA advanced refunded the Series 2009B bonds to reduce its total debt service payments over the next three years by almost \$5,225,909 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$201,012. ACWWA incurred issuance cost in the amount of \$63,100. The defeased bonds are not considered a liability of ACWWA since sufficient funds in the amount of \$5,463,172 were deposited with a trustee and invested in U.S. government securities for the purpose of paying the principal and interest of the defeased bonds until the call date, at which point the bonds will be repaid in its entirety from the remaining funds in the escrow account. The bonds will be redeemed on December 1, 2014. As of December 31, 2013, the outstanding principal balance of the bonds was \$2,170,000.

ACWWA's long-term liabilities will mature as follows:

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**Notes to the Financial Statements**  
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| Date      | Principal             | Interest              | Total                 |
|-----------|-----------------------|-----------------------|-----------------------|
| 2014      | \$ 1,150,000          | \$ 7,538,374          | \$ 8,688,374          |
| 2015      | 2,855,000             | 7,487,888             | 10,342,888            |
| 2016      | 2,945,000             | 7,384,624             | 10,329,624            |
| 2017      | 3,050,000             | 7,250,789             | 10,300,789            |
| 2018      | 4,220,000             | 7,104,466             | 11,324,466            |
| 2019-2023 | 22,185,000            | 32,785,989            | 54,970,989            |
| 2024-2028 | 21,640,000            | 27,524,662            | 49,164,662            |
| 2029-2033 | 26,835,000            | 20,871,021            | 47,706,021            |
| 2034-2038 | 33,370,000            | 11,814,413            | 45,184,413            |
| 2039      | 14,815,000            | 989,642               | 15,804,642            |
| Total     | <u>\$ 133,065,000</u> | <u>\$ 130,751,868</u> | <u>\$ 263,816,868</u> |

**NOTE 13: OPERATING LEASES**

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

| City Center Market Place |                   |
|--------------------------|-------------------|
| Future Maturities        |                   |
| 2014                     | 93,959            |
| 2015                     | 97,686            |
| 2016                     | 49,789            |
|                          | <u>\$ 241,434</u> |

Rent expense for 2013 was \$90,343.

**NOTE 14: SELF INSURANCE PLANS**

**Self Insurance Liability Plan** - In 1982, Arapahoe County established a self-insurance plan to provide liability and property coverage for County assets and operations. The plan is administered by the County. When appropriate, the County utilizes third-party consultants and attorneys to handle bodily injury claims and certain other claims. Excess insurance is maintained that limits the County's liability to certain levels depending on the nature of the claim. The estimate liability claims was determined by an actuarial analysis of current claims and an estimate of incurred but not reported (IBNR) claims at December 31, 2013. This plan is an internal service fund.

# Arapahoe County, Colorado

## Notes to the Financial Statements

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**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, 2013 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 Plan is not part of a public entity risk pool. The estimated claim liability at December 31, 2013 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.

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. The following table displays the change in the balances of the claims liabilities:

|                                       | <b>Liability</b>  | <b>Worker's Comp</b> | <b>Dental</b>      | <b>Total</b>        |
|---------------------------------------|-------------------|----------------------|--------------------|---------------------|
| Unpaid Claims, January 1, 2012        | \$ 730,000        | \$ 2,260,000         | \$ 65,000          | \$ 3,055,000        |
| Incurred Claims (including IBNR)      | 534,147           | 1,090,096            | 1,247,915          | 2,872,158           |
| Claim Payments                        | <u>(70,469)</u>   | <u>(977,096)</u>     | <u>(1,240,915)</u> | <u>(2,288,480)</u>  |
| Unpaid Claims, December 31, 2012      | 1,193,678         | 2,373,000            | 72,000             | 3,638,678           |
| Incurred Claims (including IBNR)      | 265,118           | 713,964              | 1,238,274          | 2,217,356           |
| Claim Payments                        | <u>(628,796)</u>  | <u>(836,964)</u>     | <u>(1,259,274)</u> | <u>(2,725,034)</u>  |
| Unpaid Claims, December 31, 2013      | <u>\$ 830,000</u> | <u>\$ 2,250,000</u>  | <u>\$ 51,000</u>   | <u>\$ 3,131,000</u> |
| Claims Expected to be Paid in 2014    | \$ 250,000        | \$ 675,000           | \$ 51,000          | \$ 976,000          |
| Claims Expected to be Paid after 2014 | <u>580,000</u>    | <u>1,575,000</u>     | <u>-</u>           | <u>2,155,000</u>    |
| Unpaid Claims, December 31, 2013      | <u>\$ 830,000</u> | <u>\$ 2,250,000</u>  | <u>\$ 51,000</u>   | <u>\$ 3,131,000</u> |

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

# Arapahoe County, Colorado

## Notes to the Financial Statements

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

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

**Plan Summary of Significant Accounting Policies**

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

**Funding Policy**

The contribution requirements of plan members are established by the Retirement Board in agreement with the Board of County Commissioners, which establishes the employer contribution. The employer must at least match the contribution of the employee. Both parties of this plan contribute the same percentage. Effective January 2010, the contribution rate for employee/employer contributions was raised to 7.0%. Effective January 2012, the contribution rate for employee/employer contributions was increased to 7.5%.

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

|   | 2013                 | 2012                 | 2011                 |
|---|----------------------|----------------------|----------------------|
| Annual required contribution (ARC)            | \$ 13,572,119        | \$ 11,807,180        | \$ 10,684,309        |
| Interest on net pension obligation            | 2,236,498            | 1,903,893            | 1,613,515            |
| Adjust to annual required contributions       | <u>(2,168,788)</u>   | <u>(1,846,253)</u>   | <u>(1,536,110)</u>   |
| Annual pension cost (APC)                     | 13,639,829           | 11,864,820           | 10,761,714           |
| Contributions made                            | <u>(7,723,972)</u>   | <u>(7,430,087)</u>   | <u>(6,890,012)</u>   |
| Increase (Decrease) in Net Pension Obligation | 5,915,857            | 4,434,733            | 3,871,702            |
| NPO beginning of year                         | <u>29,819,968</u>    | <u>25,385,235</u>    | <u>21,513,533</u>    |
| NPO end of year                               | <u>\$ 35,735,825</u> | <u>\$ 29,819,968</u> | <u>\$ 25,385,235</u> |

|                               |       |       |       |
|-------------------------------|-------|-------|-------|
| Percentage of APC Contributed | 56.6% | 62.6% | 64.0% |
|-------------------------------|-------|-------|-------|

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The Net Pension Obligation is liquidated by the General Fund.

**Funded Status and Funding Progress**

As of January 1, 2013, the most recent actuarial valuation date, the Plan was 64.7% funded. The actuarial accrued liability for benefits was \$372,666,488 and the actuarial value of assets was \$241,039,070, resulting in an unfunded actuarial accrued liability of \$131,627,418. The covered payroll (annual payroll of active employees covered by the plan) was \$98,983,554 and the ratio of unfunded actuarial accrued liability to covered payroll was 133.0%.

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

**Actuarial Methods and Assumptions**

In the January 1, 2013 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 3.5% to 6.3% per year. A 2.5% rate of inflation was used in the calculations. No cost of living increases are included in the assumptions. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value over a five year period. The UAAL is being amortized on a level dollar method on an open basis over a 20-year amortization period.

**Investments**

All investments and net appreciation in fair value of investments, interest, dividends for the years ended December 31, 2013, were obtained or derived from information supplied to the plan administrator and certified as complete and accurate by U.S Bank, the trustee of the Plan.

|   | <u>2013</u>    |
|---|----------------|
| Total Investments                             | \$ 262,416,445 |
| Dividend Interest and Other Receivables       | 182,688        |
| Net Appreciation in Fair Value of Investments | 29,284,708     |
| Interest and Dividend Income                  | 3,207,332      |

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

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

# Arapahoe County, Colorado

## Notes to the Financial Statements

December 31, 2013

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The following is a summary of the Plan's fixed income investments at December 31, 2013 with average credit ratings based on Standard & Poor's (S&P) and Moody's rating scales:

|   | <u>December 31, 2013</u> |
|---|--------------------------|
| Pacific Investment Management Company (PIMCO) |                          |
| Total return retirement fund - institutional  |                          |
| class shares:                                 |                          |
| Fair Value                                    | \$ 27,806,320            |
| Average rating of underlying investments      | AA-                      |
| JP Morgan                                     |                          |
| Core Bond Fund                                |                          |
| Fair Value                                    | \$ 16,438,162            |
| Average rating                                | AA                       |
| Sankaty Senior Loan Fund LP                   |                          |
| Core Bond Fund                                |                          |
| Fair Value                                    | \$ 12,718,638            |
| Average rating                                | B1                       |
| US Bank Money Market                          |                          |
| Fund #6                                       |                          |
| Fair Value                                    | \$ 3,076,708             |
| Average rating                                | not rated                |

**Interest Rate Risk** - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Interest rate risk exposure is dictated by each manager's agreement. Each portfolio is managed in accordance with investment guidelines as stated in the Plan's investment policy. As of December 31, 2013, the Plan held the following fixed income investments:

|  | <u>December 31, 2013</u> |
|--|--------------------------|
| PIMCO:                                       |                          |
| Total return retirement fund - institutional |                          |
| class shares:                                |                          |
| Balance                                      | \$ 27,806,320            |
| Modified duration (in years)                 | 5.4                      |

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

**December 31, 2013**

JP Morgan

Core Bond Fund

|                              |               |
|------------------------------|---------------|
| Balance                      | \$ 16,438,162 |
| Modified duration (in years) | 4.7           |

Sankaty Senior Loan Fund LP

Core Bond Fund

|                              |               |
|------------------------------|---------------|
| Balance                      | \$ 12,718,638 |
| Modified duration (in years) | 0.3           |

Investments in money market funds of \$3,076,708 for December 31, 2013 have an average maturity of less than 122 days.

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

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

The Plan uses the following asset allocation strategy to achieve the Plan's objectives. The target allocation is allowable under the plan and has been adopted by the Board. The percentages are based on the market value of the investments. The asset allocation strategy was last changed in September 2013 and is updated at various times as appropriate.

| <u>Asset Class</u>   | <u>Current Target</u> | <u>Allowable Range</u> |
|----------------------|-----------------------|------------------------|
| Domestic Equity      | 35%                   | 30%-40%                |
| International Equity | 15%                   | 10%-20%                |
| Total Equity         | 50%                   | 45%-55%                |
| Fixed Income         | 25%                   | 25%-35%                |
| Hedge Fund-of-Funds  | 15%                   | 5%-15%                 |
| Real Estate          | 10%                   | 5%-15%                 |

**Arapahoe County, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2013**

The following investments represent five percent or more of the Plan's net position as of December 31, 2013:

|  | <u>2013</u>   |
|--|---------------|
| Vanguard Inst'l Index                          | \$ 44,662,111 |
| Blackstone Alternative Asset Management        | 38,885,376    |
| PIMCO Total Return Fund                        | 27,806,320    |
| American Euro Pacific Growth Funds             | 21,610,252    |
| Aberdeen Emerging Funds                        | 16,570,958    |
| JPMorgan Chase Commingled Pension              | 16,438,162    |
| T. Rowe Price Structured Research Common Trust | 15,706,018    |
| Tortoise MLP                                   | 15,657,298    |
| Vanguard Division Growth Fund                  | 15,647,229    |
| UBS Realty Investors LLC                       | 15,186,856    |
| Pyramis Small/Mid Cap                          | 14,950,163    |

**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.

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

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

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

**NOTE 16: CONTINGENCIES**

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

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

# Arapahoe County, Colorado

## Notes to the Financial Statements

December 31, 2013

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### NOTE 17: TAX SPENDING AND DEBT LIMITATIONS

The 1992 amendment to Article X, Section 20 of the State Constitution, the Taxpayer's Bill of Rights (TABOR), limits the revenue raising and spending abilities of the State and local governments. It prohibits any increase in the mill levy without a vote of the citizens, requires any revenue collected in excess of the fiscal year spending limit to be refunded in the following year, and requires the establishment of an "emergency reserve" equal to 3% of fiscal year expenditures.

The County's financial activity provides the basis for calculation of the limitations, which is 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 their own 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, 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 since these funds exist for the employees benefit, have been excluded from the calculation by the Amendment, and/or have been excluded by a Colorado Supreme Court decision.

Fiscal year spending is defined by the TABOR Amendment as "all district 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 permanently reduced it to 15.821 mills in 1998.

The Law Enforcement Authority levied 4.982 mills in 2013 and 2012.

Emergency reserves at or in excess of three percent of calculated fiscal year spending have been established and presented as a restriction of fund balance for the County and for the non-exempt component units. The Board of County Commissioners designates another 8.0% of the current years initial adopted operational budget for emergency purposes.

Based upon Arapahoe County's interpretation of the above Amendment the County believes it falls within the TABOR limits for 2013.

# Arapahoe County, Colorado

## Notes to the Financial Statements

December 31, 2013

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**NOTE 18: CONDUIT DEBT**

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

Periodically, under the above Act, the County issues industrial revenue bonds, single-family mortgage revenue bonds, multi-family mortgage revenue bonds, construction loan revenue bonds and special obligation revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of private, industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The County is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2013, the aggregate principal amount payable for the bonds is \$93,766,261.

**NOTE 19: IMPLEMENTATION OF NEW ACCOUNTING PRONOUNCEMENTS**

In November 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. GASB Statement No. 61 amends Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, to address reporting entity issues that have arisen since the issuance of these Statements. Statement No. 61 provides guidance on including, presenting and disclosing information regarding component units as well as the equity interest transactions of a financial reporting entity. In addition, Statement No. 61 clarifies the criteria for blending component units and presenting business-type component units. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012. The County has adopted this Statement for the fiscal year ending December 31, 2013.

In March 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 66, *Technical Corrections*. GASB 66 enhances the usefulness of financial reports by resolving conflicting guidance which resulted from the issuance of two pronouncements; Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. The County has adopted this Statement for the fiscal year ending December 31, 2013.

# Arapahoe County, Colorado

## Notes to the Financial Statements

December 31, 2013

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

Nonspendable, restricted, committed, and assigned fund balances of the governmental funds consist of the following:

|                               | Major Special Revenue Funds |                     |                          |                       |                       |
|-------------------------------|-----------------------------|---------------------|--------------------------|-----------------------|-----------------------|
|                               | General<br>Fund             | Social<br>Services  | Open Spaces<br>Sales Tax | Other<br>Governmental | Total                 |
| <b>Fund Balances</b>          |                             |                     |                          |                       |                       |
| <b>Nonspendable:</b>          |                             |                     |                          |                       |                       |
| Inventory                     | \$ -                        | \$ -                | \$ -                     | \$ 67,576             | \$ 67,576             |
| Prepaid expenditures          | 14,497                      | 19,626              | -                        | 64,412                | 98,535                |
| <b>Total Nonspendable</b>     | <u>14,497</u>               | <u>19,626</u>       | <u>-</u>                 | <u>131,988</u>        | <u>166,111</u>        |
| <b>Restricted for:</b>        |                             |                     |                          |                       |                       |
| TABOR                         | 5,721,746                   | -                   | -                        | 215,036               | 5,936,782             |
| Conservation Trust            | -                           | -                   | -                        | 894,210               | 894,210               |
| Developer Contributions       | -                           | -                   | -                        | 1,676,493             | 1,676,493             |
| Debt Service                  | -                           | -                   | -                        | 1,576,000             | 1,576,000             |
| Park Development              | -                           | -                   | -                        | 577,095               | 577,095               |
| Public Safety                 | -                           | -                   | -                        | 535,746               | 535,746               |
| Recording                     | -                           | -                   | -                        | 432,120               | 432,120               |
| Open Space, Parks and Trails  | -                           | -                   | 33,190,735               | -                     | 33,190,735            |
| Water Projects - Debt Service | -                           | -                   | -                        | 1,200,000             | 1,200,000             |
| <b>Total Restricted</b>       | <u>5,721,746</u>            | <u>-</u>            | <u>33,190,735</u>        | <u>7,106,700</u>      | <u>46,019,181</u>     |
| <b>Committed to:</b>          |                             |                     |                          |                       |                       |
| BOCC/Emergencies              | -                           | -                   | -                        | 603,465               | 603,465               |
| Capital Projects/Replacements | -                           | -                   | -                        | 8,107,511             | 8,107,511             |
| Highways & Streets            | -                           | -                   | -                        | 23,286,766            | 23,286,766            |
| Public Safety                 | -                           | -                   | -                        | 295,458               | 295,458               |
| Water Projects                | -                           | -                   | -                        | 476,138               | 476,138               |
| <b>Total Committed</b>        | <u>-</u>                    | <u>-</u>            | <u>-</u>                 | <u>32,769,338</u>     | <u>32,769,338</u>     |
| <b>Assigned to:</b>           |                             |                     |                          |                       |                       |
| General Government            | 298,464                     | -                   | -                        | -                     | 298,464               |
| Culture and Recreation        | -                           | -                   | -                        | 1,951,733             | 1,951,733             |
| Debt Service                  | -                           | -                   | -                        | 123,289               | 123,289               |
| Facilities and Fleet          | 410,464                     | -                   | -                        | -                     | 410,464               |
| Human Services                | -                           | 8,212,139           | -                        | -                     | 8,212,139             |
| Information Technology        | 95,744                      | -                   | -                        | -                     | 95,744                |
| Public Safety                 | 776,291                     | -                   | -                        | 7,888,688             | 8,664,979             |
| Public Works                  | 194,522                     | -                   | -                        | 6,327,667             | 6,522,189             |
| Recording                     | 358,938                     | -                   | -                        | -                     | 358,938               |
| Subsequent Year Expenditures  | 4,580,649                   | 593,395             | -                        | 4,214,968             | 9,389,012             |
| <b>Total Assigned</b>         | <u>6,715,072</u>            | <u>8,805,534</u>    | <u>-</u>                 | <u>20,506,345</u>     | <u>36,026,951</u>     |
| <b>Unassigned</b>             | <u>38,051,806</u>           | <u>-</u>            | <u>-</u>                 | <u>(463,024)</u>      | <u>37,588,782</u>     |
| <b>Total Fund Balance</b>     | <u>\$ 50,503,121</u>        | <u>\$ 8,825,160</u> | <u>\$ 33,190,735</u>     | <u>\$ 60,051,347</u>  | <u>\$ 152,570,363</u> |

**Arapahoe County, Colorado**

**Notes to the Financial Statements**

**December 31, 2013**

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

As part of the County's implementation of GASB Statement No. 54 (see Note 1, Fund Equity), certain special revenue funds reported in the years prior to December 31, 2011 no longer qualify as special revenue funds, and have been combined with the General Fund for reporting purposes. In accordance with GASB Statement No. 41, Budgetary Comparison Schedules – Perspective Differences, the activity of such funds is not included in the General Fund budgetary comparison schedule. The following is a reconciliation of the General Fund budgetary comparison schedule to the General Fund as reported in the Statement of Revenues, Expenditures and Changes in Fund Balance for the year ended December 31, 2013.

**Revenues**

Actual amounts "revenues" from the General Fund budgetary comparison schedule \$ 155,301,367

Adjustments:

The County reports revenue of the Building Maintenance Fund as part of the General Fund for reporting purposes, in the Statement of Revenues, Expenditures and Changes in Fund Balance. -

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Total General Fund revenues as reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance \$ 155,301,367

**Expenditures**

Actual amounts "expenditures" from the General Fund budgetary comparison schedule \$ 139,961,079

Adjustments:

The County reports expenditures of the Building Maintenance Fund as part of the General Fund for reporting purposes, in the Statement of Revenues, Expenditures and Changes in Fund Balance. 2,028,992

Total General Fund expenditures as reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance \$ 141,990,071

**Other financing sources (uses)**

Actual amounts "other financing sources (uses)" from the General Fund budgetary comparison schedule \$ (11,657,643)

Adjustments:

The County reports other financing sources (uses) of the Building Maintenance Fund as part of the General Fund for reporting purposes, in the Statement of Revenues, Expenditures and Changes in Fund Balance. 1,800,000

Total General Fund other financing sources (uses) as reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance \$ (9,857,643)

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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

| Actuarial Valuation Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial<br>Accrued<br>Liability<br>(b) | Unfunded<br>(Overfunded)<br>(b-a) | Funded Ratio<br>(%)<br>(a/b) | Covered<br>Payroll<br>(c) | UAAL as a<br>Percentage<br>of Covered<br>Payroll (%)<br>(b-a/c) |
|--------------------------|--|--|-----------------------------------|------------------------------|---------------------------|---|
| 1/1/2011                 | 248,196,924                            | 336,226,280                              | 88,029,356                        | 73.8%                        | 100,055,914               | 88.0%   |
| 1/1/2012                 | 244,819,165                            | 350,428,241                              | 105,609,076                       | 69.9%                        | 97,089,282                | 108.8%  |
| 1/1/2013                 | 241,039,070                            | 372,666,488                              | 131,627,418                       | 64.7%                        | 98,983,554                | 133.0%  |

Note: This schedule is based on the actuarial valuation as of 1/1/13.

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## **SUPPLEMENTARY INFORMATION**

Arapahoe County Department of Human Services  
EBT Authorization Schedule  
For Calendar Year 2013

| Program  | A<br><u>County EBT<br/>Authorizations<br/>per Whole Year<br/>Report</u> | B<br><u>County Share of<br/>Authorizations</u> | C<br><u>Expenditures<br/>By County<br/>Warrant</u> | D<br><u>County EBT<br/>Authorizations<br/>plus Expenditures<br/>by County Warrant<br/>(Col. A + Col. C)</u> | E<br><u>Total<br/>Expenditures<br/>(Col. B + Col. C)</u> |
|--|---|--|--|---|--|
| Colo Works (TANF)  | \$ 9,386,039  | \$ 1,714,416                                   | \$ 5,408,151                                       | \$ 14,794,190   | \$ 7,122,567   |
| Child Care Direct EBT  | 8,088,715   | 853,856  |  | 8,088,715   | 853,856  |
| Child Care Administration  |   |  | 793,202  | 793,202   | 793,202  |
| Child Welfare Administration 100%  |   |  | 2,525,686  | 2,525,686   | 2,525,686  |
| Child Welfare Administration 80/20%  |   |  | 10,515,667   | 10,515,667  | 10,515,667   |
| Child Welfare Residential Mental Health  | 454,560   | 88,205   |  | 454,560   | 88,205   |
| Child Welfare Case Services  | 69,781  | 14,749   | 30,084   | 99,865  | 44,833   |
| Child Welfare Out-of-Home (OOH)  | 9,878,696   | 1,977,315                                      |  | 9,878,696   | 1,977,315  |
| Child Welfare Related Child Care   | 287,383   | 57,961   | 32,065   | 319,448   | 90,026   |
| Child Welfare Subsidized Adoption  | 5,507,727   | 1,097,341                                      |  | 5,507,727   | 1,097,341  |
| Regular Administration   | 8,037   | 8,037  | 8,167,114  | 8,175,151   | 8,175,151  |
| Non-Allocated Programs:  |   |  |  |   |  |
| Medicaid Administration  |   |  | 619,937  | 619,937   | 619,937  |
| AwDC - Adults Without Dependent Children   |   |  |  |   |  |
| Paris Funding  |   |  | 17,488   | 17,488  | 17,488   |
| Food Assistance Administration   |   |  | 340,664  | 340,664   | 340,664  |
| EBT Administration   | 42,989  | 42,989   |  | 42,989  | 42,989   |
| Core Services:   |   |  |  |   |  |
| Mental Health  | 144,291   |  |  | 144,291   |  |
| ADAD   | 305,025   | 237  |  | 305,025   | 237  |
| SEA  |   |  | 41,885   | 41,885  | 41,885   |
| Other FICF   | 1,531,844   | 2,624  | (134,769)  | 1,397,075   | (132,145)  |
| 80/20%   | 187,420   | 37,484   | 2,985,436  | 3,172,856   | 3,022,920  |
| Low-Income Energy Assistance   | 2,197,157   |  | 377,380  | 2,574,537   | 377,380  |
| Adult Protective Services  | 396,262   | 79,252   |  | 396,262   | 79,252   |
| Aid to Needy Disabled  | 749,108   | 149,822  |  | 749,108   | 149,822  |
| Home Care Allowance  | 894,749   | 44,737   |  | 894,749   | 44,737   |
| Old Age Pension  | 12,751,588  |  | 150,039  | 12,901,627  | 150,039  |
| Food Assistance Direct EBT & Fraud Administration  | 85,279,882  |  | 64,813   | 85,344,695  | 64,813   |
| Food Assistance Job Search   |   |  | 625,952  | 625,952   | 625,952  |
| Title XX Caseworker Training   |   |  | 6,950  | 6,950   | 6,950  |
| IV-E Independent Living  |   |  | 182,684  | 182,684   | 182,684  |
| County Wide Cost Allocation Plan Pass Thru   |   |  | 4,571,874  | 4,571,874   | 4,571,874  |
| Audit Adjustments  | (8,601)   | 8,601  |  | (8,601)   | 8,601  |
| Medicaid Collections   | (3,303)   |  |  | (3,303)   |  |
| <b>Total Net EBT Authorizations/Subtotal</b>   |   |  |  |   |  |
| <b>State Adjustments/NON-EBT</b>   | <b>138,149,349</b>  | <b>6,177,626</b>                               | <b>37,322,302</b>                                  | <b>175,471,651</b>  | <b>43,499,928</b>  |
| Child Welfare RTC/CHRP Adjustments   | 240,045   | 48,009   |  | 240,045   | 48,009   |
| IV-D Retained State Collections  | (795,072)   | (159,014)                                      |  | (795,072)   | (159,014)  |
| Child Support Enforcement  | 76,448  | 96,460   | 5,654,603  | 5,731,051   | 5,751,063  |
| Other Local Sources  |   |  | 503,931  | 503,931   | 503,931  |
| Excess Parental Fees   |   |  | 398,387  | 398,387   | 398,387  |
| Other Grants   |   |  | 58,176   | 58,176  | 58,176   |
| <b>Grand Totals</b>  | <b>\$ 137,670,770</b>   | <b>\$ 6,163,081</b>                            | <b>\$ 43,937,399</b>                               | <b>\$ 181,608,169</b>   | <b>\$ 50,100,480</b>                                     |
|  |   |  | <b>*** CONTROL TOTALS</b>                          | <b>181,608,169</b>  | <b>47,351,273</b>  |
| Differences noted:   |   |  |  |   |  |
| Net increase to Total Expenditures due to accruals   |   |  |  |   | 349,464  |
| Net decrease to Total Expenditures due to County Wide Cost Allocation Plan costs not recorded to Fund 11   |   |  |  |   | (4,405,570)  |
| Net increase to Total Expenditures due to county expenditures not recorded to County Financial Management System (CFMS)  |   |  |  |   | 140,553  |
| Net increase to Total Expenditures due to Fund to Fund transfers not recorded to CFMS  |   |  |  |   | 879,577  |
| Net decrease to Total Expenditures due to IV-D balance sheet items, and refunds  |   |  |  |   | (56,485)   |
| Net increase to Total Expenditures due to collection items recorded in revenue and not as offset to expenditure  |   |  |  |   | 343,254  |
|  |   |  | <b>County Human Services Total</b>                 |   | <b>47,351,273</b>  |
| A. Assistance payments authorized by the Arapahoe County Department of Human Services. These county authorizations are paid by the Colorado Department of Human Services via QUEST debit cards - Electronic Benefit Transfer. These amounts include EBT adjustments such as payment returns and collections. The amounts can be isolated in CFMS by adding up the account code sequences 65793-65799, 53940-53945 and 65788-65789.     |   |  |  |   |  |
| B. Net County Share of EBT authorizations. These amounts are settled monthly by a reduction of the Due To/From State settlement payment made to Arapahoe County at the end of the month following the period close. These amounts correspond to county share amounts of the EBT net authorizations paid (see A Above). Amounts can be isolated by adding up account code 11320 figures for EBT program and function code combinations. |   |  |  |   |  |
| C. Expenditures made by county warrant or other county payment methods.  |   |  |  |   |  |
| D. This represents the total cost of the assistance programs that are administered by the Arapahoe County Department of Human Services.  |   |  |  |   |  |
| E. The amount is reconcilable to the expenditures on the Social Services Fund-Statement of Revenues, Expenditures and Changes in Fund Balance.   |   |  |  |   |  |
| *** Control figures for column D taken from the CFMS Expenditure/Revenue-Whole Year Report "total expenditure" column. For column E, the County SAP ZFAR Detail for expenditure accounts. Difference between Grand Total of column D and Control Total of Column D is due to rounding.   |   |  |  |   |  |
| Difference between Grand Total of column E and Control Total of column E is shown in Differences Noted.  |   |  |  |   |  |

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

|                                     |                                |
|-------------------------------------|--------------------------------|
| <b>LOCAL HIGHWAY FINANCE REPORT</b> | City or County:<br>Arapahoe    |
|                                     | YEAR ENDING :<br>December 2013 |

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

**I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE**

| ITEM   | A. Local Motor-Fuel Taxes | B. Local Motor-Vehicle Taxes | C. Receipts from State Highway-User Taxes | D. Receipts from Federal Highway Administration |
|--|---------------------------|------------------------------|---|---|
| 1. Total receipts available                  |                           |                              |   |   |
| 2. Minus amount used for collection expenses |                           |                              |   |   |
| 3. Minus amount used for nonhighway purposes |                           |                              |   |   |
| 4. Minus amount used for mass transit        |                           |                              |   |   |
| 5. Remainder used for highway purposes       |                           |                              |   |   |

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

| ITEM  | AMOUNT     | ITEM  | AMOUNT     |
|---|------------|---|------------|
| <b>A. Receipts from local sources:</b>                      |            | <b>A. Local highway disbursements:</b>            |            |
| 1. Local highway-user taxes                                 |            | 1. Capital outlay (from page 2)                   | 1,228,837  |
| a. Motor Fuel (from Item I.A.5.)                            |            | 2. Maintenance:                                   | 4,757,188  |
| b. Motor Vehicle (from Item I.B.5.)                         |            | 3. Road and street services:                      |            |
| c. Total (a.+b.)  |            | a. Traffic control operations                     | 242,359    |
| 2. General fund appropriations                              | 4,885,426  | b. Snow and ice removal                           | 819,948    |
| 3. Other local imposts (from page 2)                        | 6,517,310  | c. Other  | 0          |
| 4. Miscellaneous local receipts (from page 2)               | 663,245    | d. Total (a. through c.)                          | 1,062,307  |
| 5. Transfers from toll facilities                           | 0          | 4. General administration & miscellaneous         | 5,446,547  |
| 6. Proceeds of sale of bonds and notes:                     |            | 5. Highway law enforcement and safety             | 568,456    |
| a. Bonds - Original Issues                                  | 0          | 6. Total (1 through 5)                            | 13,063,335 |
| b. Bonds - Refunding Issues                                 | 0          | <b>B. Debt service on local obligations:</b>      |            |
| c. Notes  | 0          | 1. Bonds:   |            |
| d. Total (a. + b. + c.)                                     | 0          | a. Interest                                       | 0          |
| 7. Total (1 through 6)                                      | 12,065,981 | b. Redemption                                     | 0          |
| <b>B. Private Contributions</b>                             | 260,182    | c. Total (a. + b.)                                | 0          |
| <b>C. Receipts from State government</b><br>(from page 2)   | 8,706,307  | 2. Notes:   |            |
| <b>D. Receipts from Federal Government</b><br>(from page 2) | 0          | a. Interest                                       | 0          |
| <b>E. Total receipts (A.7 + B + C + D)</b>                  | 21,032,470 | b. Redemption                                     | 0          |
|   |            | c. Total (a. + b.)                                | 0          |
|   |            | 3. Total (1.c + 2.c)                              | 0          |
|   |            | <b>C. Payments to State for highways</b>          |            |
|   |            | <b>D. Payments to toll facilities</b>             |            |
|   |            | <b>E. Total disbursements (A.6 + B.3 + C + D)</b> | 13,063,335 |

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

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

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

|  | A. Beginning Balance | B. Total Receipts | C. Total Disbursements | D. Ending Balance | E. Reconciliation |
|--|----------------------|-------------------|------------------------|-------------------|-------------------|
|  | 79,392,462           | 21,032,470        | 13,063,335             | 87,361,597        | 0                 |

Notes and Comments:

|                                     |                                       |
|-------------------------------------|---------------------------------------|
| <b>LOCAL HIGHWAY FINANCE REPORT</b> | STATE:<br>Colorado                    |
|                                     | YEAR ENDING (mm/yy):<br>December 2013 |

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

| ITEM                              | AMOUNT                    | ITEM                                      | AMOUNT                    |
|-----------------------------------|---------------------------|---|---------------------------|
| <b>A.3. Other local imposts:</b>  |                           | <b>A.4. Miscellaneous local receipts:</b> |                           |
| a. Property Taxes and Assessments | 5,769,949                 | a. Interest on investments                | 21,734                    |
| b. Other local imposts:           |                           | b. Traffic Fines & Penalties              | 0                         |
| 1. Sales Taxes                    | 0                         | c. Parking Garage Fees                    | 0                         |
| 2. Infrastructure & Impact Fees   | 341,461                   | d. Parking Meter Fees                     | 0                         |
| 3. Liens                          | 0                         | e. Sale of Surplus Property               | 0                         |
| 4. Licenses                       | 0                         | f. Charges for Services                   | 53,640                    |
| 5. Specific Ownership &/or Other  | 405,900                   | g. Other Misc. Receipts                   | 572,689                   |
| 6. Total (1. through 5.)          | 747,361                   | h. Other                                  | 15,183                    |
| c. Total (a. + b.)                | 6,517,310                 | i. Total (a. through h.)                  | 663,246                   |
|                                   | (Carry forward to page 1) |   | (Carry forward to page 1) |

| ITEM                                     | AMOUNT    | ITEM                                       | AMOUNT                    |
|--|-----------|--|---------------------------|
| <b>C. Receipts from State Government</b> |           | <b>D. Receipts from Federal Government</b> |                           |
| 1. Highway-user taxes                    | 8,119,474 | 1. FHWA (from Item I.D.5.)                 |                           |
| 2. State general funds                   |           | 2. Other Federal agencies:                 |                           |
| 3. Other State funds:                    |           | a. Forest Service                          |                           |
| a. State bond proceeds                   |           | b. FEMA                                    |                           |
| b. Project Match                         |           | c. HUD                                     |                           |
| c. Motor Vehicle Registration            | 314,909   | d. Federal Transit Admin                   |                           |
| d. Other (Specify) - DOLA Grant          | 0         | e. U.S. Corps of Engineers                 |                           |
| e. Other (Shared Pjt Reimbursements)     | 271,924   | f. Other Federal                           |                           |
| f. Total (a. through e.)                 | 586,833   | g. Total (a. through f.)                   |                           |
| 4. Total (1. + 2. + 3.f)                 | 8,706,307 | 3. Total (1. + 2.g)                        |                           |
|  |           |  | (Carry forward to page 1) |

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

|   | ON NATIONAL<br>HIGHWAY<br>SYSTEM<br>(a) | OFF NATIONAL<br>HIGHWAY<br>SYSTEM<br>(b) | TOTAL<br>(c)              |
|---|---|--|---------------------------|
| <b>A.1. Capital outlay:</b>                         |   |  |                           |
| a. Right-Of-Way Costs                               | 0                                       | 0  | 0                         |
| b. Engineering Costs                                | 235,694                                 | 989,017                                  | 1,224,711                 |
| c. Construction:                                    |   |  |                           |
| (1). New Facilities                                 | 0                                       | 0  | 0                         |
| (2). Capacity Improvements                          | 2,001                                   | 0  | 2,001                     |
| (3). System Preservation                            | 0                                       | 0  | 0                         |
| (4). System Enhancement & Operation                 | 0                                       | 2,125                                    | 2,125                     |
| (5). Total Construction (1) + (2) + (3) + (4)       | 2,001                                   | 2,125                                    | 4,126                     |
| d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5) | 237,695                                 | 991,142                                  | 1,228,837                 |
|   |   |  | (Carry forward to page 1) |

**Notes and Comments:**

**Arapahoe County, Colorado**  
**Building Maintenance Administration**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2013**

|   | Budgeted Amounts |             | Actual       | Variance<br>with Final Budget |
|---|------------------|-------------|--------------|-------------------------------|
|   | Original         | Final       |              |                               |
| <b>Revenues</b>   |                  |             |              |                               |
| Total revenue   | -                | -           | -            | -                             |
| <b>Expenditures</b>   |                  |             |              |                               |
| <b>Current</b>  |                  |             |              |                               |
| General government  | 1,594,769        | 2,334,784   | 1,764,320    | 570,464                       |
| Public safety   | 198,250          | 271,387     | 256,447      | 14,940                        |
| Judicial services   | -                | 23,500      | -            | 23,500                        |
| <b>Capital</b>  |                  |             |              |                               |
| General government  | -                | -           | 8,225        | (8,225)                       |
| Total expenditures  | 1,793,019        | 2,629,671   | 2,028,992    | 600,679                       |
| Excess (deficiency) of<br>revenues over (under)<br>expenditures | (1,793,019)      | (2,629,671) | (2,028,992)  | 600,679                       |
| <b>Other financing sources (uses)</b>                           |                  |             |              |                               |
| Transfers in  | 1,800,000        | 1,800,000   | 1,800,000    | -                             |
| Total other financing sources (uses)                            | 1,800,000        | 1,800,000   | 1,800,000    | -                             |
| Net change in fund balance                                      | 6,981            | (829,671)   | (228,992)    | 600,679                       |
| Fund balance - beginning  | 1,468,825        | 1,468,825   | 1,468,825    | -                             |
| Fund balance - ending   | \$ 1,475,806     | \$ 639,154  | \$ 1,239,833 | \$ 600,679                    |

**Arapahoe County, Colorado**  
**Board Designated**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2013**

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

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## NONMAJOR GOVERNMENTAL FUNDS

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### SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes. The County's Nonmajor Special Revenue Funds include the following:

**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. Pursuant to Colorado State Statute (Section 30-28-133(4), C.R.S.) and Arapahoe County subdivision regulations, 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 by the Arapahoe/Douglas Works! Division of the Community Resources Department. The revenue in this fund originates as Federal funds, with the State acting as a pass-through agency. The Federal funds sources include the Workforce Investment Act (WIA), Temporary Assistance to Needy Families program, the Wagner Peyser Act and the Employment First Act. The purpose of this fund is to provide services to adults and youth wishing to enter the labor market. Services include basic and occupational skill assessments, workshops, tuition reimbursement for training, bus passes, career counseling and job placement. Arapahoe/Douglas Works! also partners with community based organizations, educational institutions and the business community to act as a bridge between job seekers and employers.

**Road and Bridge Fund** – Required by Colorado state law, this fund accounts for the design, construction, and maintenance of transportation infrastructure within the County. Revenues for this fund are primarily from property tax, highway user tax, and specific ownership tax, with use restrictions imposed by state statute.

**Conservation Trust Fund** – This fund accounts for revenue received from State lottery proceeds to be used for conservation programs, including the acquisition, development, and maintenance of parks and other public recreational facilities within the County. Lottery funds disbursed to counties on a per capita basis.

**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. Colorado counties are authorized by state law (Section 30-25-107 C.R.S.) to maintain a contingency fund.

**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.

## NONMAJOR GOVERNMENTAL FUNDS (continued)

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**Sheriff Commissary Fund** – This fund includes the Detention Facility’s commissary operations, the inmate industries program, and the ADMIT (Arapahoe Diverts the Mentally Ill for Treatment) program. The fund’s revenue is generated from commissary sales such as fees for barber services, telephone charges, and inmate industry operations. The fund’s expenditures are primarily related to inmate services such as counseling, educational and rehabilitation programs, and library services.

**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, forfeitures and restitution. State law restricts spending in this fund to law enforcement activities.

**Developmental Disabilities Fund** – This fund is used to account for revenues derived from a 1.000 mill levy approved by the voters to be used in providing services for residents with developmental disabilities in Arapahoe County.

**Grants Fund** – This fund is used to account for revenues and expenditures of programs funded by federal, state, and/or local grant awards.

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

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

### CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources collected and used for the acquisition or construction of major capital facilities. The County’s Capital Project Funds include the following:

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

**Infrastructure Fund** – This fund is used to track construction costs of individual road, highway, and drainage projects. Revenues in this fund include; interest earnings, developer contributions, transportation improvement fees, local, state, and federal matching funds, as well as unmatched County funds. Expenditures for this fund include all county transportation, highway, road, bridges, and drainage infrastructure projects.

**Arapahoe County Recreation District Fund** – This fund is used to account for recreational facilities within a district located in the Southeast part of the urbanized area of Arapahoe County. These facilities include the Arapahoe County Community Park, the Cheyenne Arapaho Park, Welch Park, Cherry Creek Ecological Park, and various trails within the District. The District is located between I-25 and Smoky Hill Road and between I-225 and the Arapahoe-Douglas County Line. Property taxes paid by property owners that reside within the District and specific ownership tax revenues provide for day-to-day operating and maintenance costs.

## **NONMAJOR GOVERNMENTAL FUNDS (continued)**

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**Arapahoe County Water and Wastewater Public Improvement District (PID) Fund** – The Arapahoe County Water and Wastewater Public Improvement District (PID) was formed in 2001 to construct various water and sewer facilities and to refinance the debt of the Arapahoe Water and Sanitation District. Property tax revenue for the PID is used to pay the scheduled debt service on the outstanding bonds and debt issued by the District.

### **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. The County's Debt Service Funds include the following:

**Equipment Lease Purchase Fund** – This fund is used to account for capital lease purchases. In 2013, the following leases were accounted for in this fund:

1. Fairgrounds Event and Livestock Facility Lease purchase agreement through Chase Equipment Leasing Incorporated in the amount of \$2,500,000 entered into in 2005 and maturing in 2015.
2. 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.
3. District Attorney Office Building lease purchase agreement with JPMorgan Chase Bank, N.A. in the amount of \$5,300,000 entered into in 2008 and matures in 2018.
4. Lima Ridge lease purchase agreement with the Banc of America Public Capital Corp. in the amount of \$9,650,000 entered into in 2011 and matures in 2030.
5. 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 and resulted in a new lease amount of \$616,976 and a maturity date of 2027. The County elected to pay off this lease in 2013.

**The Arapahoe County Building Finance Corporation Debt Service Fund** – This fund is used to account for the transactions related to the funding of the construction of facilities that are leased to Arapahoe County Government. The Arapahoe County Building Finance Corporation (ACBFC) owns the CentrePoint Plaza Building, the Sheriff/Coroner Administration Building, and the Arapahoe County Justice Center. The ACBFC leases these facilities to the County pursuant to the terms of Certificates of Participation issued by the Corporation.

**Arapahoe County, Colorado  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2013**

|  | Nonmajor Special Revenue |              |                          |                          |
|--|--------------------------|--------------|--------------------------|--------------------------|
|  | Electronic<br>Filing     | Cash-In-Lieu | Law Enforc.<br>Authority | Arapahoe/Doug.<br>Works! |
| <b>Assets</b>  |                          |              |                          |                          |
| Cash and investments   | \$ 431,298               | \$ 575,094   | \$ 8,238,737             | \$ -                     |
| Restricted cash and investments                                      | -                        | -            | -                        | -                        |
| Accounts receivable  | 822                      | 2,001        | 53,055                   | 1,305,096                |
| Taxes receivable, net  | -                        | -            | 5,047,894                | -                        |
| Prepaid items  | -                        | -            | -                        | 742                      |
| Due from airport authority   | -                        | -            | -                        | -                        |
| Inventories  | -                        | -            | -                        | -                        |
| Total assets   | \$ 432,120               | \$ 577,095   | \$ 13,339,686            | \$ 1,305,838             |
| <b>Liabilities</b>   |                          |              |                          |                          |
| Accounts payable   | \$ -                     | \$ -         | \$ 21,614                | \$ 49,713                |
| Accrued expenditures   | -                        | -            | 130,376                  | 119,737                  |
| Due to other funds   | -                        | -            | -                        | 472,106                  |
| Unearned revenue - other   | -                        | -            | -                        | 664,282                  |
| Total liabilities  | -                        | -            | 151,990                  | 1,305,838                |
| <b>Deferred inflows of resources</b>                                 |                          |              |                          |                          |
| Property tax revenue   | -                        | -            | 5,047,894                | -                        |
| Long-term receivable-airport authority                               | -                        | -            | -                        | -                        |
| Unavailable revenue-grants   | -                        | -            | -                        | -                        |
| Total deferred inflows of resources                                  | -                        | -            | 5,047,894                | -                        |
| <b>Fund balances (deficits)</b>                                      |                          |              |                          |                          |
| Nonspendable   | -                        | -            | -                        | 742                      |
| Restricted   | 432,120                  | 577,095      | 177,861                  | -                        |
| Committed  | -                        | -            | -                        | -                        |
| Assigned   | -                        | -            | 7,961,941                | -                        |
| Unassigned   | -                        | -            | -                        | (742)                    |
| Total fund balances (deficits)                                       | 432,120                  | 577,095      | 8,139,802                | -                        |
| Total liabilities, deferred inflows of resources<br>and fund balance | \$ 432,120               | \$ 577,095   | \$ 13,339,686            | \$ 1,305,838             |

Nonmajor Special Revenue

| Road and<br>Bridge   | Conservation<br>Trust | Contingent        | Comm. Network<br>Replacement | Sheriff's<br>Commissary | Community<br>Development |
|----------------------|-----------------------|-------------------|------------------------------|-------------------------|--------------------------|
| \$ 6,383,468         | \$ 962,776            | \$ 603,465        | \$ 295,851                   | \$ 662,718              | \$ 212,308               |
| -                    | -                     | -                 | -                            | -                       | -                        |
| 960,560              | -                     | -                 | -                            | 128,350                 | 62,498                   |
| 5,702,548            | -                     | -                 | -                            | -                       | -                        |
| 1,168                | -                     | -                 | -                            | -                       | -                        |
| -                    | -                     | -                 | -                            | -                       | -                        |
| <u>\$ 13,047,744</u> | <u>\$ 962,776</u>     | <u>\$ 603,465</u> | <u>\$ 295,851</u>            | <u>\$ 791,068</u>       | <u>\$ 274,806</u>        |
| \$ 400,719           | \$ 68,566             | \$ -              | \$ 393                       | \$ 86,326               | \$ 48,724                |
| 16,668               | -                     | -                 | -                            | 11,281                  | 5,285                    |
| -                    | -                     | -                 | -                            | -                       | -                        |
| -                    | -                     | -                 | -                            | -                       | 220,797                  |
| <u>417,387</u>       | <u>68,566</u>         | <u>-</u>          | <u>393</u>                   | <u>97,607</u>           | <u>274,806</u>           |
| 5,702,548            | -                     | -                 | -                            | -                       | -                        |
| -                    | -                     | -                 | -                            | -                       | -                        |
| <u>5,702,548</u>     | <u>-</u>              | <u>-</u>          | <u>-</u>                     | <u>-</u>                | <u>-</u>                 |
| 1,168                | -                     | -                 | -                            | -                       | -                        |
| -                    | 894,210               | -                 | -                            | -                       | -                        |
| 6,926,641            | -                     | 603,465           | 295,458                      | 693,461                 | -                        |
| -                    | -                     | -                 | -                            | -                       | -                        |
| <u>6,927,809</u>     | <u>894,210</u>        | <u>603,465</u>    | <u>295,458</u>               | <u>693,461</u>          | <u>-</u>                 |
| <u>\$ 13,047,744</u> | <u>\$ 962,776</u>     | <u>\$ 603,465</u> | <u>\$ 295,851</u>            | <u>\$ 791,068</u>       | <u>\$ 274,806</u>        |

(continued)

**Arapahoe County, Colorado**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds (continued)**  
**December 31, 2013**

|  | Nonmajor Special Revenue |                               |              |                            |
|--|--------------------------|-------------------------------|--------------|----------------------------|
|  | Forfeited<br>Property    | Developmental<br>Disabilities | Grants       | Homeland Security<br>Grant |
| <b>Assets</b>  |                          |                               |              |                            |
| Cash and investments   | \$ 534,454               | \$ 96                         | \$ -         | \$ -                       |
| Restricted cash and investments                                      | -                        | -                             | -            | -                          |
| Accounts receivable  | 65,803                   | -                             | 1,122,765    | 973,700                    |
| Taxes receivable, net  | -                        | 7,343,347                     | -            | -                          |
| Prepaid items  | -                        | -                             | 392          | -                          |
| Due from airport authority   | -                        | -                             | -            | -                          |
| Inventories  | -                        | -                             | 67,576       | -                          |
| Total assets   | \$ 600,257               | \$ 7,343,443                  | \$ 1,190,733 | \$ 973,700                 |
| <b>Liabilities</b>   |                          |                               |              |                            |
| Accounts payable   | \$ 64,511                | \$ 96                         | \$ 547,726   | \$ 616,839                 |
| Accrued expenditures   | -                        | -                             | 22,948       | 8,442                      |
| Due to other funds   | -                        | -                             | 257,603      | 275,493                    |
| Unearned revenue - other   | -                        | -                             | 304,175      | 72,926                     |
| Total liabilities  | 64,511                   | 96                            | 1,132,452    | 973,700                    |
| <b>Deferred inflows of resources</b>                                 |                          |                               |              |                            |
| Property tax revenue   | -                        | 7,343,347                     | -            | -                          |
| Long-term receivable-airport authority                               | -                        | -                             | -            | -                          |
| Unavailable revenue-grants   | -                        | -                             | 313,440      | 139,155                    |
| Total deferred inflows of resources                                  | -                        | 7,343,347                     | 313,440      | 139,155                    |
| <b>Fund balances (deficits)</b>                                      |                          |                               |              |                            |
| Nonspendable   | -                        | -                             | 67,968       | -                          |
| Restricted   | 535,746                  | -                             | -            | -                          |
| Committed  | -                        | -                             | -            | -                          |
| Assigned   | -                        | -                             | -            | -                          |
| Unassigned   | -                        | -                             | (323,127)    | (139,155)                  |
| Total fund balances (deficits)                                       | 535,746                  | -                             | (255,159)    | (139,155)                  |
| Total liabilities, deferred inflows of resources<br>and fund balance | \$ 600,257               | \$ 7,343,443                  | \$ 1,190,733 | \$ 973,700                 |

Nonmajor Special Revenue

Nonmajor Capital Projects

| Nonmajor Special Revenue |                      | Nonmajor Capital Projects |                      |                               |                     | Arap. County<br>Water and<br>Wastewater PID |
|--------------------------|----------------------|---------------------------|----------------------|-------------------------------|---------------------|---|
| Fair                     | Total                | Capital<br>Expenditure    | Infrastructure       | Arap. County<br>Rec. District |                     |   |
| \$ 42,222                | \$ 18,942,487        | \$ 11,930,046             | \$ 25,095,085        | \$ 1,960,434                  | \$ 630,906          | \$ 1,200,003                                |
| -                        | -                    | 612,159                   | -                    | -                             | -                   | 118   |
| -                        | 4,674,650            | -                         | 150,324              | -                             | -                   | -   |
| -                        | 18,093,789           | 4,470,157                 | -                    | 829,558                       | 7,564,254           | -   |
| -                        | 2,302                | -                         | -                    | -                             | -                   | -   |
| -                        | -                    | -                         | -                    | -                             | -                   | -   |
| -                        | 67,576               | -                         | -                    | -                             | -                   | -   |
| <u>\$ 42,222</u>         | <u>\$ 41,780,804</u> | <u>\$ 17,012,362</u>      | <u>\$ 25,245,409</u> | <u>\$ 2,789,992</u>           | <u>\$ 9,395,281</u> |   |
| \$ -                     | \$ 1,905,227         | \$ 1,591,425              | \$ 132,453           | \$ 11,876                     | \$ 154,889          |   |
| -                        | 314,737              | -                         | -                    | 1,872                         | -                   |   |
| -                        | 1,005,202            | -                         | -                    | -                             | -                   |   |
| -                        | 1,262,180            | -                         | -                    | -                             | -                   |   |
| <u>-</u>                 | <u>4,487,346</u>     | <u>1,591,425</u>          | <u>132,453</u>       | <u>13,748</u>                 | <u>154,889</u>      |   |
| -                        | 18,093,789           | 4,470,157                 | -                    | 829,558                       | 7,564,254           |   |
| -                        | -                    | -                         | -                    | -                             | -                   |   |
| -                        | 452,595              | -                         | 149,697              | -                             | -                   |   |
| <u>-</u>                 | <u>18,546,384</u>    | <u>4,470,157</u>          | <u>149,697</u>       | <u>829,558</u>                | <u>7,564,254</u>    |   |
| -                        | 69,878               | -                         | -                    | -                             | -                   |   |
| -                        | 2,617,032            | -                         | 1,676,493            | 37,175                        | 1,200,000           |   |
| -                        | 898,923              | 8,107,511                 | 23,286,766           | -                             | 476,138             |   |
| 42,222                   | 15,624,265           | 2,843,269                 | -                    | 1,909,511                     | -                   |   |
| -                        | (463,024)            | -                         | -                    | -                             | -                   |   |
| <u>42,222</u>            | <u>18,747,074</u>    | <u>10,950,780</u>         | <u>24,963,259</u>    | <u>1,946,686</u>              | <u>1,676,138</u>    |   |
| <u>\$ 42,222</u>         | <u>\$ 41,780,804</u> | <u>\$ 17,012,362</u>      | <u>\$ 25,245,409</u> | <u>\$ 2,789,992</u>           | <u>\$ 9,395,281</u> |   |

(continued)

**Arapahoe County, Colorado**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds (continued)**  
**December 31, 2013**

|  | Nonmajor Debt Service |                             |   |                     |
|--|-----------------------|-----------------------------|---|---------------------|
|  | Total                 | Equipment<br>Lease Purchase | Arap. County<br>Building<br>Finance Corp. | Total               |
| <b>Assets</b>  |                       |                             |   |                     |
| Cash and investments   | \$ 39,616,471         | \$ 6,960                    | \$ 104,893                                | \$ 111,853          |
| Restricted cash and investments  | 1,812,162             | -                           | 1,594,197                                 | 1,594,197           |
| Accounts receivable  | 150,442               | -                           | -   | -                   |
| Taxes receivable, net  | 12,863,969            | -                           | -   | -                   |
| Prepaid items  | -                     | 62,110                      | -   | 62,110              |
| Due from airport authority   | -                     | -                           | 4,520,000                                 | 4,520,000           |
| Inventories  | -                     | -                           | -   | -                   |
| <b>Total assets</b>  | <b>\$ 54,443,044</b>  | <b>\$ 69,070</b>            | <b>\$ 6,219,090</b>                       | <b>\$ 6,288,160</b> |
| <b>Liabilities</b>   |                       |                             |   |                     |
| Accounts payable   | \$ 1,890,643          | \$ -                        | \$ 750                                    | \$ 750              |
| Accrued expenditures   | 1,872                 | -                           | -   | -                   |
| Due to other funds   | -                     | -                           | -   | -                   |
| Unearned revenue - other   | -                     | -                           | -   | -                   |
| <b>Total liabilities</b>   | <b>1,892,515</b>      | <b>-</b>                    | <b>750</b>                                | <b>750</b>          |
| <b>Deferred inflows of resources</b>   |                       |                             |   |                     |
| Property tax revenue   | 12,863,969            | -                           | -   | -                   |
| Long-term receivable-airport authority                                       | -                     | -                           | 4,520,000                                 | 4,520,000           |
| Unavailable revenue-grants   | 149,697               | -                           | -   | -                   |
| <b>Total deferred inflows of resources</b>                                   | <b>13,013,666</b>     | <b>-</b>                    | <b>4,520,000</b>                          | <b>4,520,000</b>    |
| <b>Fund balances (deficits)</b>  |                       |                             |   |                     |
| Nonspendable   | -                     | 62,110                      | -   | 62,110              |
| Restricted   | 2,913,668             | -                           | 1,576,000                                 | 1,576,000           |
| Committed  | 31,870,415            | -                           | -   | -                   |
| Assigned   | 4,752,780             | 6,960                       | 122,340                                   | 129,300             |
| Unassigned   | -                     | -                           | -   | -                   |
| <b>Total fund balances (deficits)</b>  | <b>39,536,863</b>     | <b>69,070</b>               | <b>1,698,340</b>                          | <b>1,767,410</b>    |
| <b>Total liabilities, deferred inflows of resources<br/>and fund balance</b> | <b>\$ 54,443,044</b>  | <b>\$ 69,070</b>            | <b>\$ 6,219,090</b>                       | <b>\$ 6,288,160</b> |

Total  
Nonmajor  
Governmental

\$ 58,670,811  
3,406,359  
4,825,092  
30,957,758  
64,412  
4,520,000  
67,576

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\$ 102,512,008

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\$ 3,796,620  
316,609  
1,005,202  
1,262,180

---

6,380,611

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30,957,758  
4,520,000  
602,292

---

36,080,050

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131,988  
7,106,700  
32,769,338  
20,506,345  
(463,024)

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60,051,347

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\$ 102,512,008

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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, 2013**

|   | Nonmajor Special Revenue |                   |                          |                          |
|---|--------------------------|-------------------|--------------------------|--------------------------|
|   | Electronic<br>Filing     | Cash-In-Lieu      | Law Enforc.<br>Authority | Arapahoe/Doug.<br>Works! |
| <b>Revenues</b>   |                          |                   |                          |                          |
| Taxes   |                          |                   |                          |                          |
| Property taxes  | \$ -                     | \$ -              | \$ 4,826,001             | \$ -                     |
| Other taxes   | -                        | -                 | 337,592                  | -                        |
| Licenses and permits  | -                        | -                 | -                        | -                        |
| Intergovernmental   | -                        | -                 | 46,524                   | 10,182,843               |
| Charges for services  | 147,993                  | 90,906            | 276,657                  | 123,023                  |
| Fines and forfeitures   | -                        | -                 | 893,214                  | -                        |
| Investment earnings   | -                        | -                 | 61,011                   | -                        |
| Interfund revenues and rentals                                  | -                        | -                 | -                        | 11,996                   |
| Repayment from comp unit-principal & interest                   | -                        | -                 | -                        | -                        |
| Developer contributions   | -                        | -                 | -                        | -                        |
| Build America Bonds credit                                      | -                        | -                 | -                        | -                        |
| Miscellaneous   | -                        | -                 | 290                      | 191,718                  |
| Total revenue   | <u>147,993</u>           | <u>90,906</u>     | <u>6,441,289</u>         | <u>10,509,580</u>        |
| <b>Expenditures</b>   |                          |                   |                          |                          |
| <b>Current</b>  |                          |                   |                          |                          |
| General government  | 139,412                  | -                 | -                        | -                        |
| Public safety   | -                        | -                 | 6,578,734                | -                        |
| Health and welfare  | -                        | -                 | -                        | 10,509,580               |
| Highways and streets  | -                        | -                 | -                        | -                        |
| Water and wastewater  | -                        | -                 | -                        | -                        |
| Airport   | -                        | -                 | -                        | -                        |
| Culture and recreation  | -                        | -                 | -                        | -                        |
| Total current   | <u>139,412</u>           | <u>-</u>          | <u>6,578,734</u>         | <u>10,509,580</u>        |
| <b>Capital</b>  |                          |                   |                          |                          |
| General government  | -                        | -                 | -                        | -                        |
| Public safety   | -                        | -                 | -                        | -                        |
| Judicial services   | -                        | -                 | -                        | -                        |
| Highways and streets  | -                        | -                 | -                        | -                        |
| Water and wastewater  | -                        | -                 | -                        | -                        |
| Total capital   | <u>-</u>                 | <u>-</u>          | <u>-</u>                 | <u>-</u>                 |
| <b>Debt</b>   |                          |                   |                          |                          |
| Principal   | -                        | -                 | -                        | -                        |
| Interest  | -                        | -                 | -                        | -                        |
| Debt administration fees  | -                        | -                 | -                        | -                        |
| Total debt service  | <u>-</u>                 | <u>-</u>          | <u>-</u>                 | <u>-</u>                 |
| Total expenditures  | <u>139,412</u>           | <u>-</u>          | <u>6,578,734</u>         | <u>10,509,580</u>        |
| Excess (deficiency) of<br>revenues over (under)<br>expenditures | <u>8,581</u>             | <u>90,906</u>     | <u>(137,445)</u>         | <u>-</u>                 |
| <b>Other financing sources (uses)</b>                           |                          |                   |                          |                          |
| Transfers in  | -                        | -                 | -                        | -                        |
| Transfers out   | -                        | -                 | (15,850)                 | -                        |
| Total other financing sources (uses)                            | <u>-</u>                 | <u>-</u>          | <u>(15,850)</u>          | <u>-</u>                 |
| Net change in fund balance                                      | 8,581                    | 90,906            | (153,295)                | -                        |
| Fund balance - beginning  | 423,539                  | 486,189           | 8,293,097                | -                        |
| Fund balance - ending   | <u>\$ 432,120</u>        | <u>\$ 577,095</u> | <u>\$ 8,139,802</u>      | <u>\$ -</u>              |

Nonmajor Special Revenue

| Road and<br>Bridge  | Conservation<br>Trust | Contingent        | Comm. Network<br>Replacement | Sheriff's<br>Commissary | Community<br>Development |
|---------------------|-----------------------|-------------------|------------------------------|-------------------------|--------------------------|
| \$ 5,769,949        | \$ -                  | \$ -              | \$ -                         | \$ -                    | \$ -                     |
| 405,900             | -                     | -                 | -                            | -                       | -                        |
| 314,909             | -                     | -                 | -                            | -                       | -                        |
| 8,440,772           | 667,655               | -                 | 56,425                       | 1,185,068               | 1,575,488                |
| 53,640              | -                     | -                 | -                            | 17,668                  | -                        |
| -                   | 5,134                 | -                 | -                            | -                       | 788                      |
| -                   | -                     | -                 | -                            | -                       | -                        |
| -                   | -                     | -                 | -                            | -                       | -                        |
| -                   | -                     | -                 | -                            | -                       | -                        |
| 15,183              | -                     | -                 | 66,330                       | -                       | 73,558                   |
| <u>15,000,353</u>   | <u>672,789</u>        | <u>-</u>          | <u>122,755</u>               | <u>1,202,736</u>        | <u>1,649,834</u>         |
| -                   | -                     | -                 | 39,067                       | -                       | -                        |
| -                   | -                     | -                 | -                            | 1,153,775               | -                        |
| 13,340,011          | -                     | -                 | -                            | -                       | 1,679,834                |
| -                   | -                     | -                 | -                            | -                       | -                        |
| -                   | 90,617                | -                 | -                            | -                       | -                        |
| <u>13,340,011</u>   | <u>90,617</u>         | <u>-</u>          | <u>39,067</u>                | <u>1,153,775</u>        | <u>1,679,834</u>         |
| -                   | -                     | -                 | 11,700                       | -                       | -                        |
| -                   | -                     | -                 | -                            | -                       | -                        |
| 10,089              | -                     | -                 | -                            | -                       | -                        |
| -                   | -                     | -                 | -                            | -                       | -                        |
| <u>10,089</u>       | <u>-</u>              | <u>-</u>          | <u>11,700</u>                | <u>-</u>                | <u>-</u>                 |
| -                   | -                     | -                 | -                            | -                       | -                        |
| -                   | -                     | -                 | -                            | -                       | -                        |
| -                   | -                     | -                 | -                            | -                       | -                        |
| <u>13,350,100</u>   | <u>90,617</u>         | <u>-</u>          | <u>50,767</u>                | <u>1,153,775</u>        | <u>1,679,834</u>         |
| <u>1,650,253</u>    | <u>582,172</u>        | <u>-</u>          | <u>71,988</u>                | <u>48,961</u>           | <u>(30,000)</u>          |
| -                   | -                     | -                 | 32,950                       | -                       | 30,000                   |
| (240,513)           | (573,071)             | -                 | (150,000)                    | (400)                   | -                        |
| <u>(240,513)</u>    | <u>(573,071)</u>      | <u>-</u>          | <u>(117,050)</u>             | <u>(400)</u>            | <u>30,000</u>            |
| 1,409,740           | 9,101                 | -                 | (45,062)                     | 48,561                  | -                        |
| 5,518,069           | 885,109               | 603,465           | 340,520                      | 644,900                 | -                        |
| <u>\$ 6,927,809</u> | <u>\$ 894,210</u>     | <u>\$ 603,465</u> | <u>\$ 295,458</u>            | <u>\$ 693,461</u>       | <u>\$ -</u>              |

(continued)

**Arapahoe County, Colorado**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds (continued)**  
**For the Year Ended December 31, 2013**

|   | Nonmajor Special Revenue |                               |                     |                            |
|---|--------------------------|-------------------------------|---------------------|----------------------------|
|   | Forfeited<br>Property    | Developmental<br>Disabilities | Grant               | Homeland Security<br>Grant |
| <b>Revenues</b>   |                          |                               |                     |                            |
| Taxes   |                          |                               |                     |                            |
| Property taxes  | \$ -                     | \$ 7,290,112                  | \$ -                | \$ -                       |
| Other taxes   | -                        | -                             | -                   | -                          |
| Licenses and permits  | -                        | -                             | -                   | -                          |
| Intergovernmental   | -                        | 393                           | 9,554,694           | 3,405,657                  |
| Charges for services  | -                        | -                             | 64,292              | -                          |
| Fines and forfeitures   | 111,551                  | -                             | -                   | -                          |
| Investment earnings   | 4,105                    | -                             | 1,019               | -                          |
| Interfund revenues and rentals                                  | -                        | -                             | -                   | -                          |
| Repayment from comp unit-principal & interest                   | -                        | -                             | -                   | -                          |
| Developer contributions   | -                        | -                             | -                   | -                          |
| Build America Bonds credit                                      | -                        | -                             | -                   | -                          |
| Miscellaneous   | -                        | -                             | 62,811              | -                          |
| Total revenue   | <u>115,656</u>           | <u>7,290,505</u>              | <u>9,682,816</u>    | <u>3,405,657</u>           |
| <b>Expenditures</b>   |                          |                               |                     |                            |
| <b>Current</b>  |                          |                               |                     |                            |
| General government  | -                        | -                             | -                   | -                          |
| Public safety   | 263,216                  | -                             | 741,954             | 2,371,427                  |
| Health and welfare  | -                        | 7,290,505                     | 8,693,417           | -                          |
| Highways and streets  | -                        | -                             | -                   | -                          |
| Water and wastewater  | -                        | -                             | -                   | -                          |
| Airport   | -                        | -                             | -                   | -                          |
| Culture and recreation  | -                        | -                             | -                   | -                          |
| Total current   | <u>263,216</u>           | <u>7,290,505</u>              | <u>9,435,371</u>    | <u>2,371,427</u>           |
| <b>Capital</b>  |                          |                               |                     |                            |
| General government  | -                        | -                             | -                   | -                          |
| Public safety   | -                        | -                             | 7,729               | -                          |
| Judicial services   | -                        | -                             | -                   | -                          |
| Highways and streets  | -                        | -                             | -                   | -                          |
| Water and wastewater  | -                        | -                             | -                   | -                          |
| Total capital   | <u>-</u>                 | <u>-</u>                      | <u>7,729</u>        | <u>-</u>                   |
| <b>Debt</b>   |                          |                               |                     |                            |
| Principal   | -                        | -                             | -                   | -                          |
| Interest  | -                        | -                             | -                   | -                          |
| Debt administration fees  | -                        | -                             | -                   | -                          |
| Total debt service  | <u>-</u>                 | <u>-</u>                      | <u>-</u>            | <u>-</u>                   |
| Total expenditures  | <u>263,216</u>           | <u>7,290,505</u>              | <u>9,443,100</u>    | <u>2,371,427</u>           |
| Excess (deficiency) of<br>revenues over (under)<br>expenditures | <u>(147,560)</u>         | <u>-</u>                      | <u>239,716</u>      | <u>1,034,230</u>           |
| <b>Other financing sources (uses)</b>                           |                          |                               |                     |                            |
| Transfers in  | -                        | -                             | -                   | -                          |
| Transfers out   | (71,026)                 | -                             | (103,084)           | -                          |
| Total other financing sources (uses)                            | <u>(71,026)</u>          | <u>-</u>                      | <u>(103,084)</u>    | <u>-</u>                   |
| Net change in fund balance                                      | (218,586)                | -                             | 136,632             | 1,034,230                  |
| Fund balance - beginning  | 754,332                  | -                             | (391,791)           | (1,173,385)                |
| Fund balance - ending   | <u>\$ 535,746</u>        | <u>\$ -</u>                   | <u>\$ (255,159)</u> | <u>\$ (139,155)</u>        |

Nonmajor Special Revenue

Nonmajor Capital Projects

| Nonmajor Special Revenue |                      | Nonmajor Capital Projects |                      |                            |                                       |
|--------------------------|----------------------|---------------------------|----------------------|----------------------------|---------------------------------------|
| Fair                     | Total                | Capital Expenditure       | Infrastructure       | Arap. County Rec. District | Arap. County Water and Wastewater PID |
| \$ -                     | \$ 17,886,062        | \$ 4,524,708              | \$ -                 | \$ 820,355                 | \$ 7,365,683                          |
| -                        | 743,492              | 318,302                   | -                    | 57,607                     | 519,156                               |
| -                        | 314,909              | -                         | 341,461              | -                          | -                                     |
| -                        | 33,930,451           | 84,156                    | 519,706              | 211,933                    | -                                     |
| 205,467                  | 2,147,046            | -                         | 3,609                | 94,760                     | -                                     |
| -                        | 1,022,433            | -                         | -                    | -                          | -                                     |
| -                        | 72,057               | -                         | 21,734               | 12,798                     | -                                     |
| -                        | 11,996               | -                         | 227,148              | -                          | -                                     |
| -                        | -                    | -                         | -                    | -                          | -                                     |
| -                        | -                    | -                         | 242,452              | -                          | -                                     |
| -                        | -                    | -                         | -                    | -                          | 1,057,602                             |
| 2,032                    | 411,922              | 2,000                     | -                    | 74                         | 510                                   |
| <u>207,499</u>           | <u>56,540,368</u>    | <u>4,929,166</u>          | <u>1,356,110</u>     | <u>1,197,527</u>           | <u>8,942,951</u>                      |
| 24,306                   | 202,785              | 227,387                   | -                    | -                          | -                                     |
| -                        | 11,109,106           | -                         | -                    | -                          | -                                     |
| -                        | 28,173,336           | -                         | -                    | -                          | -                                     |
| -                        | 13,340,011           | -                         | 1,414,223            | -                          | -                                     |
| -                        | -                    | -                         | -                    | -                          | 115,122                               |
| -                        | -                    | -                         | -                    | -                          | -                                     |
| 261,159                  | 351,776              | -                         | -                    | 867,381                    | -                                     |
| <u>285,465</u>           | <u>53,177,014</u>    | <u>227,387</u>            | <u>1,414,223</u>     | <u>867,381</u>             | <u>115,122</u>                        |
| -                        | 11,700               | 12,862,793                | -                    | -                          | -                                     |
| -                        | 7,729                | 620,216                   | -                    | -                          | -                                     |
| -                        | -                    | 715,117                   | -                    | -                          | -                                     |
| -                        | 10,089               | -                         | 41,761               | -                          | -                                     |
| -                        | -                    | -                         | -                    | -                          | 2,095,039                             |
| <u>-</u>                 | <u>29,518</u>        | <u>14,198,126</u>         | <u>41,761</u>        | <u>-</u>                   | <u>2,095,039</u>                      |
| -                        | -                    | -                         | -                    | -                          | 1,758,609                             |
| -                        | -                    | -                         | -                    | -                          | 7,051,089                             |
| -                        | -                    | -                         | -                    | -                          | 3,930                                 |
| <u>-</u>                 | <u>-</u>             | <u>-</u>                  | <u>-</u>             | <u>-</u>                   | <u>8,813,628</u>                      |
| <u>285,465</u>           | <u>53,206,532</u>    | <u>14,425,513</u>         | <u>1,455,984</u>     | <u>867,381</u>             | <u>11,023,789</u>                     |
| <u>(77,966)</u>          | <u>3,333,836</u>     | <u>(9,496,347)</u>        | <u>(99,874)</u>      | <u>330,146</u>             | <u>(2,080,838)</u>                    |
| 83,165                   | 146,115              | 4,612,539                 | 4,000,000            | -                          | -                                     |
| -                        | (1,153,944)          | (4,000,000)               | -                    | (226,220)                  | -                                     |
| <u>83,165</u>            | <u>(1,007,829)</u>   | <u>612,539</u>            | <u>4,000,000</u>     | <u>(226,220)</u>           | <u>-</u>                              |
| 5,199                    | 2,326,007            | (8,883,808)               | 3,900,126            | 103,926                    | (2,080,838)                           |
| 37,023                   | 16,421,067           | 19,834,588                | 21,063,133           | 1,842,760                  | 3,756,976                             |
| <u>\$ 42,222</u>         | <u>\$ 18,747,074</u> | <u>\$ 10,950,780</u>      | <u>\$ 24,963,259</u> | <u>\$ 1,946,686</u>        | <u>\$ 1,676,138</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, 2013**

|   | Nonmajor Debt Service |                             |   |                     |
|---|-----------------------|-----------------------------|---|---------------------|
|   | Total                 | Equipment<br>Lease Purchase | Arap. County<br>Building<br>Finance Corp. | Total               |
| <b>Revenues</b>   |                       |                             |   |                     |
| Taxes   |                       |                             |   |                     |
| Property taxes  | \$ 12,710,746         | \$ -                        | \$ -                                      | \$ -                |
| Other taxes   | 895,065               | -                           | -   | -                   |
| Licenses and permits  | 341,461               | -                           | -   | -                   |
| Intergovernmental   | 815,795               | -                           | -   | -                   |
| Charges for services  | 98,369                | -                           | -   | -                   |
| Fines and forfeitures   | -                     | -                           | -   | -                   |
| Investment earnings   | 34,532                | -                           | 62,514                                    | 62,514              |
| Interfund revenues and rentals                                  | 227,148               | -                           | -   | -                   |
| Repayment from comp unit-principal & interest                   | -                     | -                           | 1,591,390                                 | 1,591,390           |
| Developer contributions   | 242,452               | -                           | -   | -                   |
| Build America Bonds credit                                      | 1,057,602             | -                           | -   | -                   |
| Miscellaneous   | 2,584                 | -                           | 43,412                                    | 43,412              |
| Total revenue   | <u>16,425,754</u>     | <u>-</u>                    | <u>1,697,316</u>                          | <u>1,697,316</u>    |
| <b>Expenditures</b>   |                       |                             |   |                     |
| <b>Current</b>  |                       |                             |   |                     |
| General government  | 227,387               | -                           | -   | -                   |
| Public safety   | -                     | -                           | -   | -                   |
| Health and welfare  | -                     | -                           | 847                                       | 847                 |
| Highways and streets  | 1,414,223             | -                           | -   | -                   |
| Water and wastewater  | 115,122               | -                           | -   | -                   |
| Airport   | -                     | -                           | 1,563                                     | 1,563               |
| Culture and recreation  | 867,381               | -                           | -   | -                   |
| Total current   | <u>2,624,113</u>      | <u>-</u>                    | <u>2,410</u>                              | <u>2,410</u>        |
| <b>Capital</b>  |                       |                             |   |                     |
| General government  | 12,862,793            | -                           | -   | -                   |
| Public safety   | 620,216               | -                           | -   | -                   |
| Judicial services   | 715,117               | -                           | -   | -                   |
| Highways and streets  | 41,761                | -                           | -   | -                   |
| Water and wastewater  | 2,095,039             | -                           | -   | -                   |
| Total capital   | <u>16,334,926</u>     | <u>-</u>                    | <u>-</u>                                  | <u>-</u>            |
| <b>Debt</b>   |                       |                             |   |                     |
| Principal   | 1,758,609             | 1,501,812                   | 4,520,000                                 | 6,021,812           |
| Interest  | 7,051,089             | 701,770                     | 1,733,875                                 | 2,435,645           |
| Debt administration fees  | 3,930                 | -                           | 2,150                                     | 2,150               |
| Total debt service  | <u>8,813,628</u>      | <u>2,203,582</u>            | <u>6,256,025</u>                          | <u>8,459,607</u>    |
| Total expenditures  | <u>27,772,667</u>     | <u>2,203,582</u>            | <u>6,258,435</u>                          | <u>8,462,017</u>    |
| Excess (deficiency) of<br>revenues over (under)<br>expenditures | <u>(11,346,913)</u>   | <u>(2,203,582)</u>          | <u>(4,561,119)</u>                        | <u>(6,764,701)</u>  |
| <b>Other financing sources (uses)</b>                           |                       |                             |   |                     |
| Transfers in  | 8,612,539             | 2,203,582                   | 4,510,000                                 | 6,713,582           |
| Transfers out   | (4,226,220)           | -                           | -   | -                   |
| Total other financing sources (uses)                            | <u>4,386,319</u>      | <u>2,203,582</u>            | <u>4,510,000</u>                          | <u>6,713,582</u>    |
| Net change in fund balance                                      | (6,960,594)           | -                           | (51,119)                                  | (51,119)            |
| Fund balance - beginning  | 46,497,457            | 69,070                      | 1,749,459                                 | 1,818,529           |
| Fund balance - ending   | <u>\$ 39,536,863</u>  | <u>\$ 69,070</u>            | <u>\$ 1,698,340</u>                       | <u>\$ 1,767,410</u> |

Total  
Nonmajor  
Governmental

\$ 30,596,808  
1,638,557  
656,370  
34,746,246  
2,245,415  
1,022,433  
169,103  
239,144  
1,591,390  
242,452  
1,057,602  
457,918  

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74,663,438

430,172  
11,109,106  
28,174,183  
14,754,234  
115,122  
1,563  
1,219,157  

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55,803,537

12,874,493  
627,945  
715,117  
51,850  
2,095,039  

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16,364,444

7,780,421  
9,486,734  
6,080  

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17,273,235

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89,441,216

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(14,777,778)

15,472,236  
(5,380,164)  

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10,092,072

(4,685,706)  
64,737,053

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\$ 60,051,347

**Arapahoe County, Colorado**  
**Electronic Filing Technology**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2013**

|   | Budgeted Amounts  |                  | Actual            | Variance<br>with Final Budget |
|---|-------------------|------------------|-------------------|-------------------------------|
|   | Original          | Final            |                   |                               |
| <b>Revenues</b>   |                   |                  |                   |                               |
| Charges for services  | \$ 132,099        | \$ 132,099       | \$ 147,993        | \$ 15,894                     |
| Total revenue   | <u>132,099</u>    | <u>132,099</u>   | <u>147,993</u>    | <u>15,894</u>                 |
| <b>Expenditures</b>   |                   |                  |                   |                               |
| <b>Current</b>  |                   |                  |                   |                               |
| General government  | -                 | 423,539          | 139,412           | 284,127                       |
| <b>Capital</b>  |                   |                  |                   |                               |
| General government  | 132,099           | 132,099          | -                 | 132,099                       |
| Total expenditures  | <u>132,099</u>    | <u>555,638</u>   | <u>139,412</u>    | <u>416,226</u>                |
| Excess (deficiency) of<br>revenues over (under)<br>expenditures | <u>-</u>          | <u>(423,539)</u> | <u>8,581</u>      | <u>432,120</u>                |
| Fund balance - beginning  | <u>423,539</u>    | <u>423,539</u>   | <u>423,539</u>    | <u>-</u>                      |
| Fund balance - ending   | <u>\$ 423,539</u> | <u>\$ -</u>      | <u>\$ 432,120</u> | <u>\$ 432,120</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, 2013**

|   | Budgeted Amounts  |                  | Actual            | Variance<br>with Final Budget |
|---|-------------------|------------------|-------------------|-------------------------------|
|   | Original          | Final            |                   |                               |
| <b>Revenues</b>   |                   |                  |                   |                               |
| Charges for services  | \$ -              | \$ -             | \$ 90,906         | \$ 90,906                     |
| Total revenue   | <u>-</u>          | <u>-</u>         | <u>90,906</u>     | <u>90,906</u>                 |
| <b>Expenditures</b>   |                   |                  |                   |                               |
| <b>Current</b>  |                   |                  |                   |                               |
| General government  | -                 | 486,189          | -                 | 486,189                       |
| Total expenditures  | <u>-</u>          | <u>486,189</u>   | <u>-</u>          | <u>486,189</u>                |
| Excess (deficiency) of<br>revenues over (under)<br>expenditures | <u>-</u>          | <u>(486,189)</u> | <u>90,906</u>     | <u>577,095</u>                |
| Fund balance - beginning  | 486,189           | 486,189          | 486,189           | -                             |
| Fund balance - ending   | <u>\$ 486,189</u> | <u>\$ -</u>      | <u>\$ 577,095</u> | <u>\$ 577,095</u>             |

**Arapahoe County, Colorado  
Law Enforcement Authority District  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2013**

|   | Budgeted Amounts    |                     | Actual              | Variance<br>with Final Budget |
|---|---------------------|---------------------|---------------------|-------------------------------|
|   | Original            | Final               |                     |                               |
| <b>Revenues</b>   |                     |                     |                     |                               |
| Taxes   |                     |                     |                     |                               |
| Property taxes  | \$ 4,860,416        | \$ 4,860,416        | \$ 4,826,001        | \$ (34,415)                   |
| Other taxes   | 300,000             | 300,000             | 337,592             | 37,592                        |
| Intergovernmental   | 71,600              | 71,600              | 46,524              | (25,076)                      |
| Charges for services  | 125,195             | 257,596             | 276,657             | 19,061                        |
| Fines and forfeitures   | 571,500             | 746,500             | 893,214             | 146,714                       |
| Investment earnings   | -                   | -                   | 61,011              | 61,011                        |
| Miscellaneous   | -                   | -                   | 290                 | 290                           |
| Total revenue   | <u>5,928,711</u>    | <u>6,236,112</u>    | <u>6,441,289</u>    | <u>205,177</u>                |
| <b>Expenditures</b>   |                     |                     |                     |                               |
| <b>Current</b>  |                     |                     |                     |                               |
| Public safety   | 6,394,465           | 6,690,866           | 6,578,734           | 112,132                       |
| Total expenditures  | <u>6,394,465</u>    | <u>6,690,866</u>    | <u>6,578,734</u>    | <u>112,132</u>                |
| Excess (deficiency) of<br>revenues over (under)<br>expenditures | <u>(465,754)</u>    | <u>(454,754)</u>    | <u>(137,445)</u>    | <u>317,309</u>                |
| <b>Other financing sources (uses)</b>                           |                     |                     |                     |                               |
| Transfers out   | (4,850)             | (15,850)            | (15,850)            | -                             |
| Total other financing sources (uses)                            | <u>(4,850)</u>      | <u>(15,850)</u>     | <u>(15,850)</u>     | <u>-</u>                      |
| Net change in fund balance                                      | (470,604)           | (470,604)           | (153,295)           | 317,309                       |
| Fund balance - beginning  | 8,293,097           | 8,293,097           | 8,293,097           | -                             |
| Fund balance - ending   | <u>\$ 7,822,493</u> | <u>\$ 7,822,493</u> | <u>\$ 8,139,802</u> | <u>\$ 317,309</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, 2013**

|   | Budgeted Amounts |                   | Actual            | Variance<br>with Final Budget |
|---|------------------|-------------------|-------------------|-------------------------------|
|   | Original         | Final             |                   |                               |
| <b>Revenues</b>   |                  |                   |                   |                               |
| Intergovernmental   | \$ 9,465,546     | \$ 11,205,780     | \$ 10,182,843     | \$ (1,022,937)                |
| Charges for services  | 55,000           | 124,500           | 123,023           | (1,477)                       |
| Interfund revenues and rentals                                  | 72,216           | 72,216            | 11,996            | (60,220)                      |
| Miscellaneous   | 76,000           | 195,402           | 191,718           | (3,684)                       |
| Total revenue   | <u>9,668,762</u> | <u>11,597,898</u> | <u>10,509,580</u> | <u>(1,088,318)</u>            |
| <b>Expenditures</b>   |                  |                   |                   |                               |
| <b>Current</b>  |                  |                   |                   |                               |
| Health and welfare  | 9,665,562        | 11,594,698        | 10,509,580        | 1,085,118                     |
| Total expenditures  | <u>9,665,562</u> | <u>11,594,698</u> | <u>10,509,580</u> | <u>1,085,118</u>              |
| Excess (deficiency) of<br>revenues over (under)<br>expenditures | <u>3,200</u>     | <u>3,200</u>      | <u>-</u>          | <u>(3,200)</u>                |
| <b>Other financing sources (uses)</b>                           |                  |                   |                   |                               |
| Transfers out   | (3,200)          | (3,200)           | -                 | 3,200                         |
| Total other financing sources (uses)                            | <u>(3,200)</u>   | <u>(3,200)</u>    | <u>-</u>          | <u>3,200</u>                  |
| Net change in fund balance                                      | -                | -                 | -                 | -                             |
| Fund balance - beginning  | -                | -                 | -                 | -                             |
| Fund balance - ending   | <u>\$ -</u>      | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ -</u>                   |

**Arapahoe County, Colorado**  
**Road and Bridge**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2013**

|   | Budgeted Amounts    |                     | Actual              | Variance<br>with Final Budget |
|---|---------------------|---------------------|---------------------|-------------------------------|
|   | Original            | Final               |                     |                               |
| <b>Revenues</b>   |                     |                     |                     |                               |
| Taxes   |                     |                     |                     |                               |
| Property taxes  | \$ 5,781,991        | \$ 5,781,991        | \$ 5,769,949        | \$ (12,042)                   |
| Other taxes   | 425,000             | 425,000             | 405,900             | (19,100)                      |
| Licenses and permits  | 287,000             | 287,000             | 314,909             | 27,909                        |
| Intergovernmental   | 7,980,000           | 8,210,540           | 8,440,772           | 230,232                       |
| Charges for services  | -                   | 22,500              | 53,640              | 31,140                        |
| Miscellaneous   | 50,000              | 50,183              | 15,183              | (35,000)                      |
| Total revenue   | <u>14,523,991</u>   | <u>14,777,214</u>   | <u>15,000,353</u>   | <u>223,139</u>                |
| <b>Expenditures</b>   |                     |                     |                     |                               |
| <b>Current</b>  |                     |                     |                     |                               |
| Highways and streets  | 14,830,771          | 15,963,976          | 13,340,011          | 2,623,965                     |
| <b>Capital</b>  |                     |                     |                     |                               |
| Highways and streets  | -                   | -                   | 10,089              | (10,089)                      |
| Total expenditures  | <u>14,830,771</u>   | <u>15,963,976</u>   | <u>13,350,100</u>   | <u>2,613,876</u>              |
| Excess (deficiency) of<br>revenues over (under)<br>expenditures | <u>(306,780)</u>    | <u>(1,186,762)</u>  | <u>1,650,253</u>    | <u>2,837,015</u>              |
| <b>Other financing sources (uses)</b>                           |                     |                     |                     |                               |
| Transfers out   | <u>(76,600)</u>     | <u>(240,513)</u>    | <u>(240,513)</u>    | <u>-</u>                      |
| Total other financing sources (uses)                            | <u>(76,600)</u>     | <u>(240,513)</u>    | <u>(240,513)</u>    | <u>-</u>                      |
| Net change in fund balance                                      | <u>(383,380)</u>    | <u>(1,427,275)</u>  | <u>1,409,740</u>    | <u>2,837,015</u>              |
| Fund balance - beginning  | 5,518,069           | 5,518,069           | 5,518,069           | -                             |
| Fund balance - ending   | <u>\$ 5,134,689</u> | <u>\$ 4,090,794</u> | <u>\$ 6,927,809</u> | <u>\$ 2,837,015</u>           |

**Arapahoe County, Colorado  
Conservation Trust  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2013**

|   | Budgeted Amounts    |                   | Actual            | Variance<br>with Final Budget |
|---|---------------------|-------------------|-------------------|-------------------------------|
|   | Original            | Final             |                   |                               |
| <b>Revenues</b>   |                     |                   |                   |                               |
| Intergovernmental   | \$ 500,000          | \$ 500,000        | \$ 667,655        | \$ 167,655                    |
| Investment earnings   | -                   | -                 | 5,134             | 5,134                         |
| Total revenue   | <u>500,000</u>      | <u>500,000</u>    | <u>672,789</u>    | <u>172,789</u>                |
| <b>Expenditures</b>   |                     |                   |                   |                               |
| <b>Current</b>  |                     |                   |                   |                               |
| Culture and recreation  | -                   | 300,000           | 90,617            | 209,383                       |
| <b>Capital</b>  |                     |                   |                   |                               |
| Culture and recreation  | -                   | 393,403           | -                 | 393,403                       |
| Total expenditures  | <u>-</u>            | <u>693,403</u>    | <u>90,617</u>     | <u>602,786</u>                |
| Excess (deficiency) of<br>revenues over (under)<br>expenditures | <u>500,000</u>      | <u>(193,403)</u>  | <u>582,172</u>    | <u>775,575</u>                |
| <b>Other financing sources (uses)</b>                           |                     |                   |                   |                               |
| Transfers out   | (381,366)           | (573,071)         | (573,071)         | -                             |
| Total other financing sources (uses)                            | <u>(381,366)</u>    | <u>(573,071)</u>  | <u>(573,071)</u>  | <u>-</u>                      |
| Net change in fund balance                                      | 118,634             | (766,474)         | 9,101             | 775,575                       |
| Fund balance - beginning  | 885,109             | 885,109           | 885,109           | -                             |
| Fund balance - ending   | <u>\$ 1,003,743</u> | <u>\$ 118,635</u> | <u>\$ 894,210</u> | <u>\$ 775,575</u>             |

**Arapahoe County, Colorado**  
**Contingent**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2013**

|   | Budgeted Amounts |            | Actual     | Variance<br>with Final Budget |
|---|------------------|------------|------------|-------------------------------|
|   | Original         | Final      |            |                               |
| <b>Revenues</b>   |                  |            |            |                               |
| Total revenue   | \$ -             | \$ -       | \$ -       | \$ -                          |
| <b>Expenditures</b>   |                  |            |            |                               |
| Total expenditures  | -                | -          | -          | -                             |
| Excess (deficiency) of<br>revenues over (under)<br>expenditures | -                | -          | -          | -                             |
| Fund balance - beginning  | 603,465          | 603,465    | 603,465    | -                             |
| Fund balance - ending   | \$ 603,465       | \$ 603,465 | \$ 603,465 | \$ -                          |

**Arapahoe County, Colorado**  
**Communications Network Replacement**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2013**

|   | Budgeted Amounts  |                  | Actual            | Variance<br>with Final Budget |
|---|-------------------|------------------|-------------------|-------------------------------|
|   | Original          | Final            |                   |                               |
| <b>Revenues</b>   |                   |                  |                   |                               |
| Intergovernmental   | \$ 59,150         | \$ 68,750        | \$ 56,425         | \$ (12,325)                   |
| Miscellaneous   | -                 | -                | 66,330            | 66,330                        |
| Total revenue   | <u>59,150</u>     | <u>68,750</u>    | <u>122,755</u>    | <u>54,005</u>                 |
| <b>Expenditures</b>   |                   |                  |                   |                               |
| <b>Current</b>  |                   |                  |                   |                               |
| General government  | 92,100            | 264,384          | 39,067            | 225,317                       |
| <b>Capital</b>  |                   |                  |                   |                               |
| General government  | -                 | 27,836           | 11,700            | 16,136                        |
| Total expenditures  | <u>92,100</u>     | <u>292,220</u>   | <u>50,767</u>     | <u>241,453</u>                |
| Excess (deficiency) of<br>revenues over (under)<br>expenditures | <u>(32,950)</u>   | <u>(223,470)</u> | <u>71,988</u>     | <u>295,458</u>                |
| <b>Other financing sources (uses)</b>                           |                   |                  |                   |                               |
| Transfers in  | 32,950            | 32,950           | 32,950            | -                             |
| Transfers out   | (150,000)         | (150,000)        | (150,000)         | -                             |
| Total other financing sources (uses)                            | <u>(117,050)</u>  | <u>(117,050)</u> | <u>(117,050)</u>  | <u>-</u>                      |
| Net change in fund balance                                      | <u>(150,000)</u>  | <u>(340,520)</u> | <u>(45,062)</u>   | <u>295,458</u>                |
| Fund balance - beginning  | 340,520           | 340,520          | 340,520           | -                             |
| Fund balance - ending   | <u>\$ 190,520</u> | <u>\$ -</u>      | <u>\$ 295,458</u> | <u>\$ 295,458</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, 2013**

|   | Budgeted Amounts  |                  | Actual            | Variance<br>with Final Budget |
|---|-------------------|------------------|-------------------|-------------------------------|
|   | Original          | Final            |                   |                               |
| <b>Revenues</b>   |                   |                  |                   |                               |
| Charges for services  | \$ 1,488,100      | \$ 1,488,100     | \$ 1,185,068      | \$ (303,032)                  |
| Fines and forfeitures   | -                 | -                | 17,668            | 17,668                        |
| Total revenue   | <u>1,488,100</u>  | <u>1,488,100</u> | <u>1,202,736</u>  | <u>(285,364)</u>              |
| <b>Expenditures</b>   |                   |                  |                   |                               |
| <b>Current</b>  |                   |                  |                   |                               |
| Public safety   | 1,829,985         | 2,132,600        | 1,153,775         | 978,825                       |
| Total expenditures  | <u>1,829,985</u>  | <u>2,132,600</u> | <u>1,153,775</u>  | <u>978,825</u>                |
| Excess (deficiency) of<br>revenues over (under)<br>expenditures | <u>(341,885)</u>  | <u>(644,500)</u> | <u>48,961</u>     | <u>693,461</u>                |
| <b>Other financing sources (uses)</b>                           |                   |                  |                   |                               |
| Transfers out   | (400)             | (400)            | (400)             | -                             |
| Total other financing sources (uses)                            | <u>(400)</u>      | <u>(400)</u>     | <u>(400)</u>      | <u>-</u>                      |
| Net change in fund balance                                      | <u>(342,285)</u>  | <u>(644,900)</u> | <u>48,561</u>     | <u>693,461</u>                |
| Fund balance - beginning  | 644,900           | 644,900          | 644,900           | -                             |
| Fund balance - ending   | <u>\$ 302,615</u> | <u>\$ -</u>      | <u>\$ 693,461</u> | <u>\$ 693,461</u>             |

**Arapahoe County, Colorado  
Community Development  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2013**

|   | Budgeted Amounts |                  | Actual           | Variance<br>with Final Budget |
|---|------------------|------------------|------------------|-------------------------------|
|   | Original         | Final            |                  |                               |
| <b>Revenues</b>   |                  |                  |                  |                               |
| Intergovernmental   | \$ 4,726,003     | \$ 4,726,003     | \$ 1,575,488     | \$ (3,150,515)                |
| Investment earnings   | -                | -                | 788              | 788                           |
| Miscellaneous   | 233,820          | 233,820          | 73,558           | (160,262)                     |
| Total revenue   | <u>4,959,823</u> | <u>4,959,823</u> | <u>1,649,834</u> | <u>(3,309,989)</u>            |
| <b>Expenditures</b>   |                  |                  |                  |                               |
| <b>Current</b>  |                  |                  |                  |                               |
| Health and welfare  | 4,989,573        | 4,989,573        | 1,679,834        | 3,309,739                     |
| Total expenditures  | <u>4,989,573</u> | <u>4,989,573</u> | <u>1,679,834</u> | <u>3,309,739</u>              |
| Excess (deficiency) of<br>revenues over (under)<br>expenditures | <u>(29,750)</u>  | <u>(29,750)</u>  | <u>(30,000)</u>  | <u>(250)</u>                  |
| <b>Other financing sources (uses)</b>                           |                  |                  |                  |                               |
| Transfers in  | 30,000           | 30,000           | 30,000           | -                             |
| Transfers out   | (250)            | (250)            | -                | 250                           |
| Total other financing sources (uses)                            | <u>29,750</u>    | <u>29,750</u>    | <u>30,000</u>    | <u>250</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, 2013**

|   | Budgeted Amounts |           | Actual     | Variance<br>with Final Budget |
|---|------------------|-----------|------------|-------------------------------|
|   | Original         | Final     |            |                               |
| <b>Revenues</b>   |                  |           |            |                               |
| Fines and forfeitures   | \$ -             | \$ 57,956 | \$ 111,551 | \$ 53,595                     |
| Investment earnings   | -                | -         | 4,105      | 4,105                         |
| Total revenue   | -                | 57,956    | 115,656    | 57,700                        |
| <b>Expenditures</b>   |                  |           |            |                               |
| <b>Current</b>  |                  |           |            |                               |
| Public safety   | -                | 567,653   | 263,216    | 304,437                       |
| Total expenditures  | -                | 567,653   | 263,216    | 304,437                       |
| Excess (deficiency) of<br>revenues over (under)<br>expenditures | -                | (509,697) | (147,560)  | 362,137                       |
| <b>Other financing sources (uses)</b>                           |                  |           |            |                               |
| Transfers out   | -                | (244,635) | (71,026)   | 173,609                       |
| Total other financing sources (uses)                            | -                | (244,635) | (71,026)   | 173,609                       |
| Net change in fund balance                                      | -                | (754,332) | (218,586)  | 535,746                       |
| Fund balance - beginning  | 754,332          | 754,332   | 754,332    | -                             |
| Fund balance - ending   | \$ 754,332       | \$ -      | \$ 535,746 | \$ 535,746                    |

**Arapahoe County, Colorado**  
**Developmental Disabilities**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2013**

|   | Budgeted Amounts |                  | Actual           | Variance<br>with Final Budget |
|---|------------------|------------------|------------------|-------------------------------|
|   | Original         | Final            |                  |                               |
| <b>Revenues</b>   |                  |                  |                  |                               |
| Taxes   |                  |                  |                  |                               |
| Property taxes  | \$ 7,307,011     | \$ 7,307,011     | \$ 7,290,112     | \$ (16,899)                   |
| Intergovernmental   | -                | -                | 393              | 393                           |
| Total revenue   | <u>7,307,011</u> | <u>7,307,011</u> | <u>7,290,505</u> | <u>(16,506)</u>               |
| <b>Expenditures</b>   |                  |                  |                  |                               |
| <b>Current</b>  |                  |                  |                  |                               |
| Health and welfare  | 7,307,011        | 7,307,011        | 7,290,505        | 16,506                        |
| Total expenditures  | <u>7,307,011</u> | <u>7,307,011</u> | <u>7,290,505</u> | <u>16,506</u>                 |
| Excess (deficiency) of<br>revenues over (under)<br>expenditures | <u>-</u>         | <u>-</u>         | <u>-</u>         | <u>-</u>                      |
| Fund balance - beginning  | -                | -                | -                | -                             |
| Fund balance - ending   | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>                   |

**Arapahoe County, Colorado**  
**Grants**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2013**

|   | Budgeted Amounts    |                     | Actual              | Variance<br>with Final Budget |
|---|---------------------|---------------------|---------------------|-------------------------------|
|   | Original            | Final               |                     |                               |
| <b>Revenues</b>   |                     |                     |                     |                               |
| Intergovernmental   | \$ 9,999,314        | \$ 11,498,942       | \$ 9,554,694        | \$ (1,944,248)                |
| Charges for services  | 175,000             | 175,000             | 64,292              | (110,708)                     |
| Investment earnings   | -                   | 1,020               | 1,019               | (1)                           |
| Miscellaneous   | 93,149              | 293,471             | 62,811              | (230,660)                     |
| Total revenue   | <u>10,267,463</u>   | <u>11,968,433</u>   | <u>9,682,816</u>    | <u>(2,285,617)</u>            |
| <b>Expenditures</b>   |                     |                     |                     |                               |
| <b>Current</b>  |                     |                     |                     |                               |
| General government  | 940                 | 940                 | -                   | 940                           |
| Public safety   | 102,209             | 1,391,990           | 741,954             | 650,036                       |
| Health and welfare  | 10,171,429          | 10,478,993          | 8,693,417           | 1,785,576                     |
| <b>Capital</b>  |                     |                     |                     |                               |
| Public safety   | -                   | -                   | 7,729               | (7,729)                       |
| Total expenditures  | <u>10,274,578</u>   | <u>11,871,923</u>   | <u>9,443,100</u>    | <u>2,428,823</u>              |
| Excess (deficiency) of<br>revenues over (under)<br>expenditures | <u>(7,115)</u>      | <u>96,510</u>       | <u>239,716</u>      | <u>143,206</u>                |
| <b>Other financing sources (uses)</b>                           |                     |                     |                     |                               |
| Transfers out   | (1,325)             | (104,950)           | (103,084)           | 1,866                         |
| Total other financing sources (uses)                            | <u>(1,325)</u>      | <u>(104,950)</u>    | <u>(103,084)</u>    | <u>1,866</u>                  |
| Net change in fund balance                                      | <u>(8,440)</u>      | <u>(8,440)</u>      | <u>136,632</u>      | <u>145,072</u>                |
| Fund balance - beginning  | (391,791)           | (391,791)           | (391,791)           | -                             |
| Fund balance - ending   | <u>\$ (400,231)</u> | <u>\$ (400,231)</u> | <u>\$ (255,159)</u> | <u>\$ 145,072</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, 2013**

|   | Budgeted Amounts      |                       | Actual              | Variance<br>with Final Budget |
|---|-----------------------|-----------------------|---------------------|-------------------------------|
|   | Original              | Final                 |                     |                               |
| <b>Revenues</b>   |                       |                       |                     |                               |
| Intergovernmental   | \$ -                  | \$ 4,177,745          | \$ 3,405,657        | \$ (772,088)                  |
| Total revenue   | <u>-</u>              | <u>4,177,745</u>      | <u>3,405,657</u>    | <u>(772,088)</u>              |
| <b>Expenditures</b>   |                       |                       |                     |                               |
| <b>Current</b>  |                       |                       |                     |                               |
| Public safety   | -                     | 4,177,745             | 2,371,427           | 1,806,318                     |
| Total expenditures  | <u>-</u>              | <u>4,177,745</u>      | <u>2,371,427</u>    | <u>1,806,318</u>              |
| Excess (deficiency) of<br>revenues over (under)<br>expenditures | <u>-</u>              | <u>-</u>              | <u>1,034,230</u>    | <u>1,034,230</u>              |
| Fund balance - beginning  | (1,173,385)           | (1,173,385)           | (1,173,385)         | -                             |
| Fund balance - ending   | <u>\$ (1,173,385)</u> | <u>\$ (1,173,385)</u> | <u>\$ (139,155)</u> | <u>\$ 1,034,230</u>           |

**Arapahoe County, Colorado**  
**Fair**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2013**

|   | Budgeted Amounts |                  | Actual           | Variance<br>with Final Budget |
|---|------------------|------------------|------------------|-------------------------------|
|   | Original         | Final            |                  |                               |
| <b>Revenues</b>   |                  |                  |                  |                               |
| Charges for services  | \$ 311,956       | \$ 311,956       | \$ 205,467       | \$ (106,489)                  |
| Miscellaneous   | 6,000            | 6,000            | 2,032            | (3,968)                       |
| Total revenue   | <u>317,956</u>   | <u>317,956</u>   | <u>207,499</u>   | <u>(110,457)</u>              |
| <b>Expenditures</b>   |                  |                  |                  |                               |
| <b>Current</b>  |                  |                  |                  |                               |
| General government  | 25,600           | 25,600           | 24,306           | 1,294                         |
| Culture and recreation  | 277,425          | 360,590          | 261,159          | 99,431                        |
| Total expenditures  | <u>303,025</u>   | <u>386,190</u>   | <u>285,465</u>   | <u>100,725</u>                |
| Excess (deficiency) of<br>revenues over (under)<br>expenditures | <u>14,931</u>    | <u>(68,234)</u>  | <u>(77,966)</u>  | <u>(9,732)</u>                |
| <b>Other financing sources (uses)</b>                           |                  |                  |                  |                               |
| Transfers in  | -                | 83,165           | 83,165           | -                             |
| Total other financing sources (uses)                            | <u>-</u>         | <u>83,165</u>    | <u>83,165</u>    | <u>-</u>                      |
| Net change in fund balance                                      | 14,931           | 14,931           | 5,199            | (9,732)                       |
| Fund balance - beginning  | 37,023           | 37,023           | 37,023           | -                             |
| Fund balance - ending   | <u>\$ 51,954</u> | <u>\$ 51,954</u> | <u>\$ 42,222</u> | <u>\$ 9,732</u>               |

**Arapahoe County, Colorado**  
**Capital Expenditure**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2013**

|   | Budgeted Amounts     |                     | Actual               | Variance<br>with Final Budget |
|---|----------------------|---------------------|----------------------|-------------------------------|
|   | Original             | Final               |                      |                               |
| <b>Revenues</b>   |                      |                     |                      |                               |
| Taxes   |                      |                     |                      |                               |
| Property taxes  | \$ 4,534,184         | \$ 4,534,184        | \$ 4,524,708         | \$ (9,476)                    |
| Other taxes   | 300,000              | 300,000             | 318,302              | 18,302                        |
| Intergovernmental   | -                    | -                   | 84,156               | 84,156                        |
| Miscellaneous   | -                    | 34,156              | 2,000                | (32,156)                      |
| Total revenue   | <u>4,834,184</u>     | <u>4,868,340</u>    | <u>4,929,166</u>     | <u>60,826</u>                 |
| <b>Expenditures</b>   |                      |                     |                      |                               |
| <b>Current</b>  |                      |                     |                      |                               |
| General government  | 68,013               | 68,013              | 227,387              | (159,374)                     |
| <b>Capital</b>  |                      |                     |                      |                               |
| General government  | 5,005,096            | 22,550,873          | 12,862,793           | 9,688,080                     |
| Public safety   | 463,000              | 1,033,000           | 620,216              | 412,784                       |
| Judicial services   | -                    | 858,410             | 715,117              | 143,293                       |
| Total expenditures  | <u>5,536,109</u>     | <u>24,510,296</u>   | <u>14,425,513</u>    | <u>10,084,783</u>             |
| Excess (deficiency) of<br>revenues over (under)<br>expenditures | <u>(701,925)</u>     | <u>(19,641,956)</u> | <u>(9,496,347)</u>   | <u>10,145,609</u>             |
| <b>Other financing sources (uses)</b>                           |                      |                     |                      |                               |
| Transfers in  | 4,702,539            | 4,702,539           | 4,612,539            | (90,000)                      |
| Transfers out   | (4,000,000)          | (4,000,000)         | (4,000,000)          | -                             |
| Total other financing sources (uses)                            | <u>702,539</u>       | <u>702,539</u>      | <u>612,539</u>       | <u>(90,000)</u>               |
| Net change in fund balance                                      | 614                  | (18,939,417)        | (8,883,808)          | 10,055,609                    |
| Fund balance - beginning  | 19,834,588           | 19,834,588          | 19,834,588           | -                             |
| Fund balance - ending   | <u>\$ 19,835,202</u> | <u>\$ 895,171</u>   | <u>\$ 10,950,780</u> | <u>\$ 10,055,609</u>          |

**Arapahoe County, Colorado**  
**Infrastructure**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2013**

|   | Budgeted Amounts |              | Actual        | Variance<br>with Final Budget |
|---|------------------|--------------|---------------|-------------------------------|
|   | Original         | Final        |               |                               |
| <b>Revenues</b>   |                  |              |               |                               |
| Licenses and permits  | \$ -             | \$ -         | \$ 341,461    | \$ 341,461                    |
| Intergovernmental   | -                | 56,795       | 519,706       | 462,911                       |
| Charges for services  | -                | -            | 3,609         | 3,609                         |
| Investment earnings   | -                | -            | 21,734        | 21,734                        |
| Interfund revenues and rentals                                  | -                | -            | 227,148       | 227,148                       |
| Developer contributions   | -                | 52,500       | 242,452       | 189,952                       |
| Miscellaneous   | -                | 102,103      | -             | (102,103)                     |
| Total revenue   | -                | 211,398      | 1,356,110     | 1,144,712                     |
| <b>Expenditures</b>   |                  |              |               |                               |
| <b>Current</b>  |                  |              |               |                               |
| Highways and streets  | -                | 22,579,650   | 1,414,223     | 21,165,427                    |
| <b>Capital</b>  |                  |              |               |                               |
| Highways and streets  | 4,000,000        | 2,694,881    | 41,761        | 2,653,120                     |
| Total expenditures  | 4,000,000        | 25,274,531   | 1,455,984     | 23,818,547                    |
| Excess (deficiency) of<br>revenues over (under)<br>expenditures | (4,000,000)      | (25,063,133) | (99,874)      | 24,963,259                    |
| <b>Other financing sources (uses)</b>                           |                  |              |               |                               |
| Transfers in  | 4,000,000        | 4,000,000    | 4,000,000     | -                             |
| Total other financing sources (uses)                            | 4,000,000        | 4,000,000    | 4,000,000     | -                             |
| Net change in fund balance                                      | -                | (21,063,133) | 3,900,126     | 24,963,259                    |
| Fund balance - beginning  | 21,063,133       | 21,063,133   | 21,063,133    | -                             |
| Fund balance - ending   | \$ 21,063,133    | \$ -         | \$ 24,963,259 | \$ 24,963,259                 |

**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, 2013**

|   | Budgeted Amounts    |                     | Actual              | Variance<br>with Final Budget |
|---|---------------------|---------------------|---------------------|-------------------------------|
|   | Original            | Final               |                     |                               |
| <b>Revenues</b>   |                     |                     |                     |                               |
| Taxes   |                     |                     |                     |                               |
| Property taxes  | \$ 830,187          | \$ 830,187          | \$ 820,355          | \$ (9,832)                    |
| Other taxes   | 54,140              | 54,140              | 57,607              | 3,467                         |
| Intergovernmental   | 301,489             | 301,489             | 211,933             | (89,556)                      |
| Charges for services                                      | 53,336              | 53,336              | 94,760              | 41,424                        |
| Investment earnings                                       | -                   | -                   | 12,798              | 12,798                        |
| Miscellaneous   | -                   | -                   | 74                  | 74                            |
| Total revenue   | <u>1,239,152</u>    | <u>1,239,152</u>    | <u>1,197,527</u>    | <u>(41,625)</u>               |
| <b>Expenditures</b>                                       |                     |                     |                     |                               |
| <b>Current</b>  |                     |                     |                     |                               |
| Culture and recreation                                    | 892,934             | 892,934             | 867,381             | 25,553                        |
| <b>Capital</b>  |                     |                     |                     |                               |
| Culture and recreation                                    | 25,000              | 120,000             | -                   | 120,000                       |
| Total expenditures  | <u>917,934</u>      | <u>1,012,934</u>    | <u>867,381</u>      | <u>145,553</u>                |
| Excess (deficiency) of revenues over (under) expenditures | <u>321,218</u>      | <u>226,218</u>      | <u>330,146</u>      | <u>103,928</u>                |
| <b>Other financing sources (uses)</b>                     |                     |                     |                     |                               |
| Transfers out   | (226,220)           | (226,220)           | (226,220)           | -                             |
| Total other financing sources (uses)                      | <u>(226,220)</u>    | <u>(226,220)</u>    | <u>(226,220)</u>    | <u>-</u>                      |
| Net change in fund balance                                | 94,998              | (2)                 | 103,926             | 103,928                       |
| Fund balance - beginning                                  | 1,842,760           | 1,842,760           | 1,842,760           | -                             |
| Fund balance - ending                                     | <u>\$ 1,937,758</u> | <u>\$ 1,842,758</u> | <u>\$ 1,946,686</u> | <u>\$ 103,928</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, 2013**

|   | Budgeted Amounts    |                     | Actual              | Variance<br>with Final Budget |
|---|---------------------|---------------------|---------------------|-------------------------------|
|   | Original            | Final               |                     |                               |
| <b>Revenues</b>   |                     |                     |                     |                               |
| Taxes   |                     |                     |                     |                               |
| Property taxes  | \$ 7,418,468        | \$ 7,418,468        | \$ 7,365,683        | \$ (52,785)                   |
| Other taxes   | 548,360             | 548,360             | 519,156             | (29,204)                      |
| Investment earnings   | 21,000              | 21,000              | -                   | (21,000)                      |
| Build America Bonds credit                                      | 1,158,381           | 1,158,381           | 1,057,602           | (100,779)                     |
| Miscellaneous   | -                   | -                   | 510                 | 510                           |
| Total revenue   | <u>9,146,209</u>    | <u>9,146,209</u>    | <u>8,942,951</u>    | <u>(203,258)</u>              |
| <b>Expenditures</b>   |                     |                     |                     |                               |
| <b>Current</b>  |                     |                     |                     |                               |
| Water and wastewater  | 113,877             | 113,877             | 115,122             | (1,245)                       |
| <b>Capital</b>  |                     |                     |                     |                               |
| Water and wastewater  | -                   | 2,109,537           | 2,095,039           | 14,498                        |
| <b>Debt</b>   |                     |                     |                     |                               |
| Principal   | 1,758,609           | 1,758,609           | 1,758,609           | -                             |
| Interest  | 7,051,094           | 7,051,094           | 7,051,089           | 5                             |
| Debt administration fees  | 2,000               | 2,000               | 3,930               | (1,930)                       |
| Total expenditures  | <u>8,925,580</u>    | <u>11,035,117</u>   | <u>11,023,789</u>   | <u>11,328</u>                 |
| Excess (deficiency) of<br>revenues over (under)<br>expenditures | <u>220,629</u>      | <u>(1,888,908)</u>  | <u>(2,080,838)</u>  | <u>(191,930)</u>              |
| Net change in fund balance                                      | 220,629             | (1,888,908)         | (2,080,838)         | (191,930)                     |
| Fund balance - beginning  | 3,756,976           | 3,756,976           | 3,756,976           | -                             |
| Fund balance - ending   | <u>\$ 3,977,605</u> | <u>\$ 1,868,068</u> | <u>\$ 1,676,138</u> | <u>\$ (191,930)</u>           |

**Arapahoe County, Colorado**  
**Equipment Lease Purchase**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2013**

|   | Budgeted Amounts |             | Actual      | Variance<br>with Final Budget |
|---|------------------|-------------|-------------|-------------------------------|
|   | Original         | Final       |             |                               |
| <b>Revenues</b>   |                  |             |             |                               |
| Total revenue   | \$ -             | \$ -        | \$ -        | \$ -                          |
| <b>Expenditures</b>   |                  |             |             |                               |
| <b>Debt</b>   |                  |             |             |                               |
| Principal   | 1,305,563        | 1,497,268   | 1,501,812   | (4,544)                       |
| Interest  | 706,314          | 706,314     | 701,770     | 4,544                         |
| Total expenditures  | 2,011,877        | 2,203,582   | 2,203,582   | -                             |
| Excess (deficiency) of<br>revenues over (under)<br>expenditures | (2,011,877)      | (2,203,582) | (2,203,582) | -                             |
| <b>Other financing sources (uses)</b>                           |                  |             |             |                               |
| Transfers in  | 2,011,877        | 2,203,582   | 2,203,582   | -                             |
| Total other financing sources (uses)                            | 2,011,877        | 2,203,582   | 2,203,582   | -                             |
| Net change in fund balance                                      | -                | -           | -           | -                             |
| Fund balance - beginning  | 69,070           | 69,070      | 69,070      | -                             |
| Fund balance - ending   | \$ 69,070        | \$ 69,070   | \$ 69,070   | \$ -                          |

**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, 2013**

|   | Budgeted Amounts    |                     | Actual              | Variance<br>with Final Budget |
|---|---------------------|---------------------|---------------------|-------------------------------|
|   | Original            | Final               |                     |                               |
| <b>Revenues</b>   |                     |                     |                     |                               |
| Investment earnings   | \$ 50,000           | \$ 50,000           | \$ 62,514           | \$ 12,514                     |
| Repayment from comp unit-principal & interest                   | 1,600,000           | 1,600,000           | 1,591,390           | (8,610)                       |
| Miscellaneous   | -                   | -                   | 43,412              | 43,412                        |
| Total revenue   | <u>1,650,000</u>    | <u>1,650,000</u>    | <u>1,697,316</u>    | <u>47,316</u>                 |
| <b>Expenditures</b>   |                     |                     |                     |                               |
| <b>Current</b>  |                     |                     |                     |                               |
| Health and welfare  | 2,000               | 2,000               | 847                 | 1,153                         |
| Airport   | 2,000               | 2,000               | 1,563               | 437                           |
| <b>Debt</b>   |                     |                     |                     |                               |
| Principal   | 4,520,000           | 4,520,000           | 4,520,000           | -                             |
| Interest  | 1,733,875           | 1,733,875           | 1,733,875           | -                             |
| Debt administration fees  | 3,500               | 3,500               | 2,150               | 1,350                         |
| Total expenditures  | <u>6,261,375</u>    | <u>6,261,375</u>    | <u>6,258,435</u>    | <u>2,940</u>                  |
| Excess (deficiency) of<br>revenues over (under)<br>expenditures | <u>(4,611,375)</u>  | <u>(4,611,375)</u>  | <u>(4,561,119)</u>  | <u>50,256</u>                 |
| <b>Other financing sources (uses)</b>                           |                     |                     |                     |                               |
| Transfers in  | 4,510,000           | 4,510,000           | 4,510,000           | -                             |
| Total other financing sources (uses)                            | <u>4,510,000</u>    | <u>4,510,000</u>    | <u>4,510,000</u>    | <u>-</u>                      |
| Net change in fund balance                                      | <u>(101,375)</u>    | <u>(101,375)</u>    | <u>(51,119)</u>     | <u>50,256</u>                 |
| Fund balance - beginning  | 1,749,459           | 1,749,459           | 1,749,459           | -                             |
| Fund balance - ending   | <u>\$ 1,648,084</u> | <u>\$ 1,648,084</u> | <u>\$ 1,698,340</u> | <u>\$ (50,256)</u>            |

## PROPRIETARY FUNDS

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### INTERNAL SERVICE FUNDS

Internal Service Funds are a type of proprietary fund used to account for any activity that provides goods and services to other funds, departments, or agencies of the primary government on a cost-reimbursement basis. The County's Internal Service Funds include:

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

**Self-Insurance Liability Fund** – This fund is used to account for the County's self-insurance program for property, liability, automobile, and the cost of insurance that is maintained in excess of the deductible limit.

**Employee Flex Benefit Fund** – This fund accounts for the employees' portion of their pre-tax salaries set aside to be used for reimbursement of qualified health or dependent care expenses. The costs are paid for by interest earnings on deposited and forfeited employee contributions.

**Worker's Compensation Fund** – This fund is used to account for the self-funded program that collects worker compensation monies from appropriate County funds and pays for the worker's 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 Position  
Proprietary Funds  
December 31, 2013**

|   | Governmental Activities - Internal Service Funds |                             |                          |                          |
|---|--|-----------------------------|--------------------------|--------------------------|
|   | Central<br>Service                               | Self Insurance<br>Liability | Employee<br>Flex Benefit | Worker's<br>Compensation |
| <b>Assets</b>                                   |  |                             |                          |                          |
| Current assets:                                 |  |                             |                          |                          |
| Cash and investments                            | \$ 18,584,807                                    | \$ 1,550,137                | \$ 123,714               | \$ 3,093,167             |
| Accounts receivable                             | 31,063   | -                           | 78,000                   | -                        |
| Inventory                                       | 498,472  | -                           | -                        | -                        |
| Total current assets                            | <u>19,114,342</u>                                | <u>1,550,137</u>            | <u>201,714</u>           | <u>3,093,167</u>         |
| Noncurrent assets:                              |  |                             |                          |                          |
| Capital assets:                                 |  |                             |                          |                          |
| Buildings and improvements                      | 17,628   | -                           | -                        | -                        |
| Vehicles and equipment                          | 31,075,753                                       | -                           | -                        | -                        |
| Computer systems                                | 8,048,250  | -                           | -                        | -                        |
| Furniture and office equipment                  | 121,360  | -                           | -                        | -                        |
| Less: accumulated depreciation                  | <u>(31,011,454)</u>                              | <u>-</u>                    | <u>-</u>                 | <u>-</u>                 |
| Total noncurrent assets<br>(net of accum. dep.) | <u>8,251,537</u>                                 | <u>-</u>                    | <u>-</u>                 | <u>-</u>                 |
| Total assets                                    | <u>27,365,879</u>                                | <u>1,550,137</u>            | <u>201,714</u>           | <u>3,093,167</u>         |
| <b>Liabilities</b>                              |  |                             |                          |                          |
| Current liabilities                             |  |                             |                          |                          |
| Accounts payable                                | 260,708  | 543                         | 20,354                   | 85,451                   |
| Estimated claims payable                        | -  | 250,000                     | -                        | 675,000                  |
| Noncurrent claims payable                       | -  | 580,000                     | -                        | 1,575,000                |
| Total liabilities                               | <u>260,708</u>                                   | <u>830,543</u>              | <u>20,354</u>            | <u>2,335,451</u>         |
| <b>Net position</b>                             |  |                             |                          |                          |
| Net investment in capital assets                | 8,251,537  | -                           | -                        | -                        |
| Unrestricted                                    | 18,853,634                                       | 719,594                     | 181,360                  | 757,716                  |
| Total net position                              | <u>\$ 27,105,171</u>                             | <u>\$ 719,594</u>           | <u>\$ 181,360</u>        | <u>\$ 757,716</u>        |

| Self Insurance<br>Dental | Total                |
|--------------------------|----------------------|
| \$ 1,313,446             | \$ 24,665,271        |
| 9,800                    | 118,863              |
| -                        | 498,472              |
| <u>1,323,246</u>         | <u>25,282,606</u>    |
| -                        | 17,628               |
| -                        | 31,075,753           |
| -                        | 8,048,250            |
| -                        | 121,360              |
| -                        | <u>(31,011,454)</u>  |
| -                        | 8,251,537            |
| <u>1,323,246</u>         | <u>33,534,143</u>    |
| 36,432                   | 403,488              |
| 51,000                   | 976,000              |
| -                        | 2,155,000            |
| <u>87,432</u>            | <u>3,534,488</u>     |
| -                        | 8,251,537            |
| 1,235,814                | 21,748,118           |
| <u>\$ 1,235,814</u>      | <u>\$ 29,999,655</u> |

**Arapahoe County Government**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2013**

|   | Governmental Activities - Internal Service Funds |                             |                          |                          |
|---|--|-----------------------------|--------------------------|--------------------------|
|   | Central<br>Service                               | Self Insurance<br>Liability | Employee<br>Flex Benefit | Worker's<br>Compensation |
| <b>Operating revenues</b>                           |  |                             |                          |                          |
| Charges for sales and service                       | \$ 4,788,966                                     | \$ 409,809                  | \$ 869,313               | \$ 1,497,230             |
| Total operating revenue                             | <u>4,788,966</u>                                 | <u>409,809</u>              | <u>869,313</u>           | <u>1,497,230</u>         |
| <b>Operating expenses</b>                           |  |                             |                          |                          |
| Cost of sales and services                          | 1,412,846  | 743,487                     | 819,558                  | 906,590                  |
| Administration                                      | -  | 13,714                      | -                        | 92,597                   |
| Depreciation  | 3,375,675  | -                           | -                        | -                        |
| Total operating expenses                            | <u>4,788,521</u>                                 | <u>757,201</u>              | <u>819,558</u>           | <u>999,187</u>           |
| Operating income (loss)                             | <u>445</u>                                       | <u>(347,392)</u>            | <u>49,755</u>            | <u>498,043</u>           |
| <b>Nonoperating revenue (expenses)</b>              |  |                             |                          |                          |
| Insurance recoveries                                | -  | 320,776                     | -                        | -                        |
| Gain on sale of assets                              | 463,564  | -                           | -                        | -                        |
| Loss on sale of assets                              | (16,435)   | -                           | -                        | -                        |
| Income (loss) before contributions<br>and transfers | <u>447,574</u>                                   | <u>(26,616)</u>             | <u>49,755</u>            | <u>498,043</u>           |
| Contributions other                                 | 26,027   | -                           | -                        | -                        |
| Transfers in  | 640,591  | -                           | 30,000                   | -                        |
| Transfers out                                       | -  | (24,016)                    | -                        | -                        |
| Change in net position                              | <u>1,114,192</u>                                 | <u>(50,632)</u>             | <u>79,755</u>            | <u>498,043</u>           |
| Total net position - beginning                      | <u>25,990,979</u>                                | <u>770,226</u>              | <u>101,605</u>           | <u>259,673</u>           |
| Total net position - ending                         | <u>\$ 27,105,171</u>                             | <u>\$ 719,594</u>           | <u>\$ 181,360</u>        | <u>\$ 757,716</u>        |

| Self Insurance<br>Dental | Total                |
|--------------------------|----------------------|
| \$ 853,331               | \$ 8,418,649         |
| <u>853,331</u>           | <u>8,418,649</u>     |
| 1,437,579                | 5,320,060            |
| -                        | 106,311              |
| -                        | <u>3,375,675</u>     |
| <u>1,437,579</u>         | <u>8,802,046</u>     |
| <u>(584,248)</u>         | <u>(383,397)</u>     |
| -                        | 320,776              |
| -                        | 463,564              |
| -                        | <u>(16,435)</u>      |
| <u>(584,248)</u>         | <u>384,508</u>       |
| -                        | 26,027               |
| 75,525                   | 746,116              |
| -                        | <u>(24,016)</u>      |
| <u>(508,723)</u>         | <u>1,132,635</u>     |
| 1,744,537                | 28,867,020           |
| <u>\$ 1,235,814</u>      | <u>\$ 29,999,655</u> |

**Arapahoe County, Colorado**  
**Combining Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2013**

**Governmental Activities - Internal Service Funds**

|  | Central<br>Service   | Self Insurance<br>Liability | Employee<br>Flex Benefit | Worker's<br>Compensation |
|--|----------------------|-----------------------------|--------------------------|--------------------------|
| <b>Cash flows from operating activities</b>  |                      |                             |                          |                          |
| Cash received for interfund services provided  | \$ 4,810,881         | \$ 720,846                  | \$ 869,313               | \$ 1,497,230             |
| Cash payments for services and supplies  | <u>(1,277,975)</u>   | <u>(1,244,416)</u>          | <u>(928,771)</u>         | <u>(1,112,465)</u>       |
| Net cash provided by (used for) operating activities   | <u>3,532,906</u>     | <u>(523,570)</u>            | <u>(59,458)</u>          | <u>384,765</u>           |
| <b>Cash flows from noncapital financing activities</b>   |                      |                             |                          |                          |
| Transfers in from other funds  | 640,591              | -                           | 30,000                   | -                        |
| Transfers out to other funds   | -                    | (24,016)                    | -                        | -                        |
| Net cash provided by (used for) non capital financing activities   | <u>640,591</u>       | <u>(24,016)</u>             | <u>30,000</u>            | <u>-</u>                 |
| <b>Cash flows from capital and related financing activities</b>  |                      |                             |                          |                          |
| Acquisition of property and equipment  | (3,732,722)          | -                           | -                        | -                        |
| Proceeds from sale of capital assets   | 463,564              | -                           | -                        | -                        |
| Insurance Proceeds   | -                    | 320,776                     | -                        | -                        |
| Net cash provided by (used for) by capital and related financing activities                                  | <u>(3,269,158)</u>   | <u>320,776</u>              | <u>-</u>                 | <u>-</u>                 |
| Net increase (decrease) in cash and investments  | 904,339              | (226,810)                   | (29,458)                 | 384,765                  |
| Cash and investments, January 1, 2013  | <u>17,680,468</u>    | <u>1,776,947</u>            | <u>153,172</u>           | <u>2,708,402</u>         |
| Cash and investments, December 31, 2013  | <u>\$ 18,584,807</u> | <u>\$ 1,550,137</u>         | <u>\$ 123,714</u>        | <u>\$ 3,093,167</u>      |
| <b>Reconciliation of operating income (loss) to net cash provided by (used for) by operating activities:</b> |                      |                             |                          |                          |
| Operating income (loss)  | \$ 445               | \$ (347,392)                | \$ 49,755                | \$ 498,043               |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) by operating activities: |                      |                             |                          |                          |
| Depreciation expense   | 3,375,675            | -                           | -                        | -                        |
| (Increase) decrease in current assets:   |                      |                             |                          |                          |
| Accounts receivable  | 21,915               | 311,037                     | -                        | -                        |
| Inventory  | 20,069               | -                           | -                        | -                        |
| Increase (decrease) in current liabilities:  |                      |                             |                          |                          |
| Accounts payable   | 114,802              | (123,537)                   | (50,939)                 | 9,722                    |
| Claims payable   | -                    | (363,678)                   | -                        | (123,000)                |
| Flex benefits payable  | -                    | -                           | (58,274)                 | -                        |
| Total adjustments  | <u>3,532,461</u>     | <u>(176,178)</u>            | <u>(109,213)</u>         | <u>(113,278)</u>         |
| Net cash provided by (used for) operating activities   | <u>\$ 3,532,906</u>  | <u>\$ (523,570)</u>         | <u>\$ (59,458)</u>       | <u>\$ 384,765</u>        |

| Self Insurance<br>Dental | Total                |
|--------------------------|----------------------|
| \$ 853,331               | \$ 8,751,601         |
| <u>(1,501,692)</u>       | <u>(6,065,319)</u>   |
| <u>(648,361)</u>         | <u>2,686,282</u>     |
| 75,525                   | 746,116              |
| -                        | (24,016)             |
| <u>75,525</u>            | <u>722,100</u>       |
| -                        | (3,732,722)          |
| -                        | 463,564              |
| -                        | 320,776              |
| <u>-</u>                 | <u>(2,948,382)</u>   |
| (572,836)                | 460,000              |
| <u>1,886,282</u>         | <u>24,205,271</u>    |
| <u>\$ 1,313,446</u>      | <u>\$ 24,665,271</u> |
| \$ (584,248)             | \$ (383,397)         |
| -                        | 3,375,675            |
| -                        | 332,952              |
| -                        | 20,069               |
| (43,113)                 | (93,065)             |
| (21,000)                 | (507,678)            |
| -                        | (58,274)             |
| <u>(64,113)</u>          | <u>3,069,679</u>     |
| <u>\$ (648,361)</u>      | <u>\$ 2,686,282</u>  |

**Arapahoe County, Colorado**  
**Schedule of Budgetary Compliance**  
**Proprietary Funds**  
**For the Year Ended December 31, 2013**

|                                    | <u>Final<br/>Budget</u> | <u>Actual</u>       | <u>Variance</u>     |
|------------------------------------|-------------------------|---------------------|---------------------|
| <b>Budgeted proprietary funds:</b> |                         |                     |                     |
| Central Service Fund (1,2)         | \$ 12,226,948           | \$ 5,145,568        | \$ 7,081,380        |
| Self Insurance Liability Fund      | 1,011,100               | 781,217             | 229,883             |
| Employee Flex Benefit Fund         | 1,080,000               | 819,558             | 260,442             |
| Worker's Compensation Fund         | 1,495,000               | 999,187             | 495,813             |
| Self Insurance Dental Fund         | <u>1,870,300</u>        | <u>1,437,579</u>    | <u>432,721</u>      |
| Total                              | <u>\$ 17,683,348</u>    | <u>\$ 9,183,109</u> | <u>\$ 8,500,239</u> |

The schedule of budgetary compliance is included to show compliance at the legal level of control as established by Arapahoe County Appropriation Resolutions, and includes all appropriations not shown elsewhere in this report. Appropriations are reported at the fund level or at the spending agency level if so designated by the resolution.

Final budget and actual totals include transfers and capital expenditures as applicable.

**1) Depreciation Expense**

Depreciation expense is not budgeted in the proprietary funds and is not included in the actual expense totals in the Schedule of Budgetary Compliance. Depreciation expense during 2013 is as follows:

|                      |              |
|----------------------|--------------|
| Central Service Fund | \$ 3,375,675 |
|----------------------|--------------|

**2) Capital Expenditures**

Capital expenditures are budgeted in the proprietary funds and are included in the actual expense totals in the Schedule of Budgetary Compliance. Capital expenditures for 2013 are as follows:

|                      |              |
|----------------------|--------------|
| Central Service Fund | \$ 3,732,722 |
|----------------------|--------------|

## FIDUCIARY FUNDS

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### AGENCY FUNDS

Agency Funds are held by Arapahoe County in a custodial capacity for individuals, governmental entities, and nonpublic organizations, as established by resolution or state statute. The County's agency funds include:

**Treasurer's Fund** – This fund is used to account for the receipt and disbursement of all property tax revenues received by the Treasurer for the County and all other taxing entities in the County.

**Arapahoe County Public Trustee Fund** – This fund is used to account for the fiduciary activities of the Public Trustee including foreclosures and releases of deeds of trust.

**Inmate Sentencing Fund** – This fund is used to account for the receipt and disbursement of monies held on behalf of prison inmates.

**Combining Statement of Changes in Assets and Liabilities  
Fiduciary Funds  
For the Year Ended December 31, 2013**

|  | <b>Agency Funds</b>                       |                          |                          | <b>Ending<br/>Balance<br/>12/31/2013</b> |
|--|---|--------------------------|--------------------------|--|
|  | <b>Beginning<br/>Balance<br/>1/1/2013</b> | <b>Additions</b>         | <b>Deletions</b>         |  |
| <b><u>TREASURER'S AGENCY FUND</u></b>        |   |                          |                          |  |
| <b>Assets</b>                                |   |                          |                          |  |
| Cash and investments                         | \$ 30,305,514                             | \$ 13,789,491,810        | \$ 13,786,158,301        | \$ 33,639,023                            |
| Property taxes receivable                    | 627,592,181                               | 640,096,126              | 627,592,181              | 640,096,126                              |
| Total assets                                 | <u>\$ 657,897,695</u>                     | <u>\$ 14,429,587,936</u> | <u>\$ 14,413,750,482</u> | <u>\$ 673,735,149</u>                    |
| <b>Liabilities</b>                           |   |                          |                          |  |
| Due to other governments                     | \$ 649,434,213                            | \$ 2,286,781,056         | \$ 2,269,958,649         | \$ 666,256,620                           |
| Other deposits payable                       | 7,060,659                                 | 3,483,139,061            | 3,482,991,568            | 7,208,152                                |
| Warrants payable                             | 1,402,823                                 | 529,756,723              | 530,889,169              | 270,377                                  |
| Total liabilities                            | <u>\$ 657,897,695</u>                     | <u>\$ 6,299,676,840</u>  | <u>\$ 6,283,839,386</u>  | <u>\$ 673,735,149</u>                    |
| <b><u>ARAPAHOE COUNTY PUBLIC TRUSTEE</u></b> |   |                          |                          |  |
| <b>Assets</b>                                |   |                          |                          |  |
| Cash and investments                         | \$ 507,302                                | \$ 91,749,305            | \$ 91,642,960            | \$ 613,647                               |
| Restricted escrow                            | 1,433,265                                 | -                        | 297,944                  | 1,135,321                                |
| Other assets                                 | 7,008                                     | 5,091                    | -                        | 12,099                                   |
| Total assets                                 | <u>\$ 1,947,575</u>                       | <u>\$ 91,754,396</u>     | <u>\$ 91,940,904</u>     | <u>\$ 1,761,067</u>                      |
| <b>Liabilities</b>                           |   |                          |                          |  |
| Accounts Payable                             | \$ 15,498                                 | \$ -                     | \$ 10,118                | \$ 5,380                                 |
| Due to other governments                     | 1,274,998                                 | -                        | 278,789                  | 996,209                                  |
| Other deposits payable                       | 657,079                                   | 91,749,305               | 91,646,906               | 759,478                                  |
| Total liabilities                            | <u>\$ 1,947,575</u>                       | <u>\$ 91,749,305</u>     | <u>\$ 91,935,813</u>     | <u>\$ 1,761,067</u>                      |
| <b><u>INMATE SENTENCING AGENCY FUND</u></b>  |   |                          |                          |  |
| <b>Assets</b>                                |   |                          |                          |  |
| Cash and investments                         | \$ 225,708                                | \$ 215,091               | \$ 211,362               | \$ 229,437                               |
| Total assets                                 | <u>\$ 225,708</u>                         | <u>\$ 215,091</u>        | <u>\$ 211,362</u>        | <u>\$ 229,437</u>                        |
| <b>Liabilities</b>                           |   |                          |                          |  |
| Other deposits payable                       | \$ 225,708                                | \$ 215,091               | \$ 211,362               | \$ 229,437                               |
| Total liabilities                            | <u>\$ 225,708</u>                         | <u>\$ 215,091</u>        | <u>\$ 211,362</u>        | <u>\$ 229,437</u>                        |
| <b><u>TOTAL AGENCY FUNDS</u></b>             |   |                          |                          |  |
| <b>Assets</b>                                |   |                          |                          |  |
| Cash and investments                         | \$ 31,038,524                             | \$ 13,881,456,206        | \$ 13,878,012,623        | \$ 34,482,107                            |
| Restricted escrow                            | 1,433,265                                 | -                        | 297,944                  | 1,135,321                                |
| Property taxes receivable                    | 627,592,181                               | 640,096,126              | 627,592,181              | 640,096,126                              |
| Other assets                                 | 7,008                                     | 5,091                    | -                        | 12,099                                   |
| Total assets                                 | <u>\$ 660,070,978</u>                     | <u>\$ 14,521,557,423</u> | <u>\$ 14,505,902,748</u> | <u>\$ 675,725,653</u>                    |
| <b>Liabilities</b>                           |   |                          |                          |  |
| Accounts Payable                             | \$ 15,498                                 | \$ -                     | \$ 10,118                | \$ 5,380                                 |
| Due to other governments                     | 650,709,211                               | 2,286,781,056            | 2,270,237,438            | 667,252,829                              |
| Other deposits payable                       | 7,943,446                                 | 3,575,103,457            | 3,574,849,836            | 8,197,067                                |
| Warrants payable                             | 1,402,823                                 | 529,756,723              | 530,889,169              | 270,377                                  |
| Total liabilities                            | <u>\$ 660,070,978</u>                     | <u>\$ 6,391,641,236</u>  | <u>\$ 6,375,986,561</u>  | <u>\$ 675,725,653</u>                    |

Arapahoe County, Colorado  
E-911 Authority - Component Unit  
Governmental Funds Balance Sheet/Statement of Net Position  
December 31, 2013

|                                     | E-911 Authority<br>Fund     | Adjustments                 | Statement of<br>Net Position |
|-------------------------------------|-----------------------------|-----------------------------|------------------------------|
| <b>Assets</b>                       |                             |                             |                              |
| Cash                                | \$ 10,788,315               | \$ -                        | \$ 10,788,315                |
| Accounts receivable                 | 326,737                     | -                           | 326,737                      |
| Total current assets                | <u>11,115,052</u>           | <u>-</u>                    | <u>11,115,052</u>            |
| Capital assets, depreciable         | -                           | 5,425,766                   | 5,425,766                    |
| Less accumulated depreciation       | -                           | (4,987,167)                 | (4,987,167)                  |
| Net capital assets                  | <u>-</u>                    | <u>438,599</u>              | <u>438,599</u>               |
| Total assets                        | <u><u>11,115,052</u></u>    | <u><u>438,599</u></u>       | <u><u>11,553,651</u></u>     |
| <b>Liabilities</b>                  |                             |                             |                              |
| Accounts payable                    | <u>62,375</u>               | -                           | <u>62,375</u>                |
| Total liabilities                   | <u><u>62,375</u></u>        | <u><u>-</u></u>             | <u><u>62,375</u></u>         |
| <b>Fund balance</b>                 |                             |                             |                              |
| Assigned                            | <u>11,052,677</u>           | <u>(11,052,677)</u>         | <u>-</u>                     |
| Total fund balance                  | <u><u>11,052,677</u></u>    | <u><u>(11,052,677)</u></u>  | <u><u>-</u></u>              |
| Total liabilities and fund balances | <u><u>\$ 11,115,052</u></u> |                             |                              |
| <b>Net position</b>                 |                             |                             |                              |
| Net investment in capital assets    |                             | 438,599                     | 438,599                      |
| Unrestricted                        |                             | <u>11,052,677</u>           | <u>11,052,677</u>            |
| Total net position                  |                             | <u><u>\$ 11,491,276</u></u> | <u><u>\$ 11,491,276</u></u>  |

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, 2013

|   | E-911 Authority<br>Fund | Adjustments       | Statement<br>of Activities |
|---|-------------------------|-------------------|----------------------------|
| <b>Expenditures/expenses</b>              |                         |                   |                            |
| Governmental activities                   |                         |                   |                            |
| Public safety                             | \$ 2,123,560            | \$ -              | \$ 2,123,560               |
| Depreciation                              | -                       | 302,135           | 302,135                    |
| Total expenditures/expenses               | <u>2,123,560</u>        | <u>302,135</u>    | <u>2,425,695</u>           |
| <br><b>Program revenues</b>               |                         |                   |                            |
| Charges for services                      | <u>2,460,972</u>        | -                 | <u>2,460,972</u>           |
| <b>General revenues</b>                   |                         |                   |                            |
| Investment earnings                       | 68,921                  | -                 | 68,921                     |
| Miscellaneous                             | <u>270</u>              | -                 | <u>270</u>                 |
| Total revenues                            | <u>2,530,163</u>        | -                 | <u>2,530,163</u>           |
| <br>Excess of revenues over expenditures  | 406,603                 | (406,603)         | -                          |
| <br>Change in net position                | -                       | 104,468           | 104,468                    |
| <br>Fund balance/net position - beginning | <u>10,646,074</u>       | <u>740,734</u>    | <u>11,386,808</u>          |
| Fund balance/net position - ending        | <u>\$ 11,052,677</u>    | <u>\$ 438,599</u> | <u>\$ 11,491,276</u>       |

**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, 2013**

|                                      | Budgeted Amounts    |                     | Actual               | Variance<br>with Final Budget |
|--------------------------------------|---------------------|---------------------|----------------------|-------------------------------|
|                                      | Original            | Final               |                      |                               |
| <b>Revenues</b>                      |                     |                     |                      |                               |
| Charges for services                 | \$ 2,450,000        | \$ 2,450,000        | \$ 2,460,972         | \$ 10,972                     |
| Investment earnings                  | 125,000             | 125,000             | 68,921               | (56,079)                      |
| Miscellaneous                        | -                   | -                   | 270                  | 270                           |
| <b>Total revenues</b>                | <u>2,575,000</u>    | <u>2,575,000</u>    | <u>2,530,163</u>     | <u>(44,837)</u>               |
| <b>Expenditures</b>                  |                     |                     |                      |                               |
| <b>Current</b>                       |                     |                     |                      |                               |
| Public safety                        | 5,799,325           | 5,799,325           | 2,123,560            | 3,675,765                     |
| <b>Capital</b>                       |                     |                     |                      |                               |
| Public safety                        | 200,000             | 200,000             | -                    | 200,000                       |
| <b>Total expenditures</b>            | <u>5,999,325</u>    | <u>5,999,325</u>    | <u>2,123,560</u>     | <u>3,875,765</u>              |
| Excess of revenues over expenditures | (3,424,325)         | (3,424,325)         | 406,603              | 3,830,928                     |
| Fund balance - beginning             | 10,646,074          | 10,646,074          | 10,646,074           | -                             |
| Fund balance - ending                | <u>\$ 7,221,749</u> | <u>\$ 7,221,749</u> | <u>\$ 11,052,677</u> | <u>\$ 3,830,928</u>           |

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# Arapahoe County, Colorado

## Statistical Section Index

(Unaudited)

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

### 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 Position by Component.....                    | E-2 |
| Table 2 | Changes in Net Position.....                      | 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 Taxpayers .....                        | E-14 |
| Table 8 | Property Tax Levies and Collections.....                  | E-15 |

### Debt Capacity

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

|          |   |      |
|----------|---|------|
| Table 9  | Ratios of Outstanding Debt by Type.....         | 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:

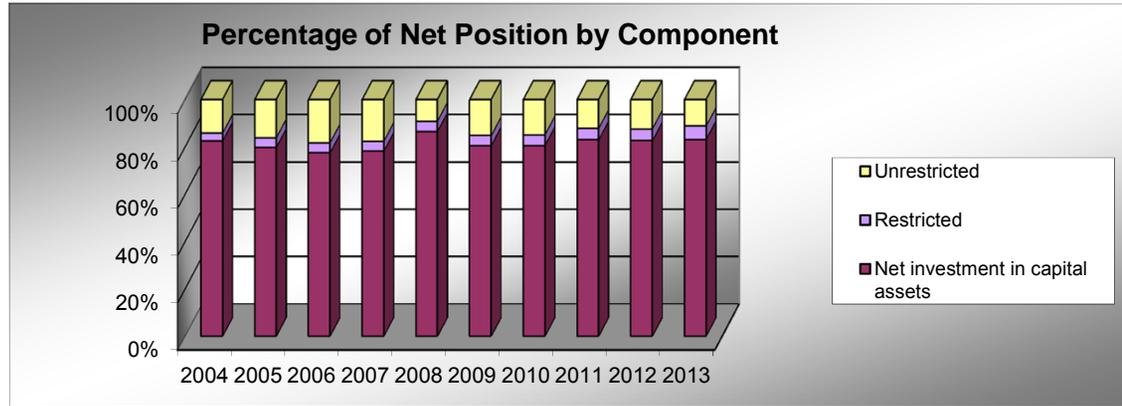
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

ARAPAHOE COUNTY, COLORADO

Table 1

Net Position by Component  
Last Ten Fiscal Years  
December 31, 2013

|  | Fiscal Year    |                |                |                |                |                |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|  | 2004           | 2005           | 2006           | 2007           | 2008           | 2009           | 2010           | 2011           | 2012           | 2013           |
| <b>Governmental Activities</b>             |                |                |                |                |                |                |                |                |                |                |
| Net investment in capital assets           | \$ 508,843,066 | \$ 511,632,144 | \$ 527,670,594 | \$ 598,362,162 | \$ 671,821,630 | \$ 627,194,683 | \$ 628,465,040 | \$ 642,290,143 | \$ 638,601,615 | \$ 644,821,342 |
| Restricted                                 | 20,473,808     | 26,366,686     | 29,162,660     | 32,165,309     | 33,953,349     | 32,785,071     | 35,276,618     | 37,691,869     | 38,816,576     | 43,700,491     |
| Unrestricted                               | 87,258,836     | 103,255,358    | 124,149,948    | 134,927,706    | 70,408,488     | 118,420,367    | 116,293,743    | 93,968,505     | 95,650,011     | 86,712,911     |
| Total governmental activities net position | \$ 616,575,710 | \$ 641,254,188 | \$ 680,983,202 | \$ 765,455,177 | \$ 776,183,467 | \$ 778,400,121 | \$ 780,035,401 | \$ 773,950,517 | \$ 773,068,202 | \$ 775,234,744 |



Data Source:  
Applicable years' comprehensive annual financial report

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**ARAPAHOE COUNTY, COLORADO**

**Changes in Net Position  
Last Ten Fiscal Years  
December 31, 2013**

**Table 2**

|   | <b>Fiscal Year</b>    |                       |                       |                       |                       |                       |                       |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 2004                  | 2005                  | 2006                  | 2007                  | 2008                  | 2009                  | 2010                  | 2011                  | 2012                  | 2013                  |
| <b>Expenses</b>                               |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental activities:                      |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| General Government                            | \$ 62,518,202         | \$ 59,820,890         | \$ 57,700,314         | \$ 63,300,479         | \$ 64,476,171         | \$ 70,545,770         | \$ 65,620,965         | \$ 66,121,995         | \$ 63,495,280         | \$ 64,146,957         |
| Public Safety                                 | 60,518,504            | 63,539,291            | 67,080,316            | 71,309,677            | 73,524,951            | 76,796,036            | 75,458,627            | 76,142,197            | 77,703,126            | 80,106,733            |
| Judicial Services                             | 10,387,736            | 10,747,046            | 10,602,243            | 11,622,405            | 10,479,953            | 12,654,389            | 12,614,228            | 12,223,389            | 12,364,714            | 12,389,454            |
| Health & Welfare                              | 64,064,480            | 64,882,465            | 65,316,053            | 68,886,438            | 74,537,601            | 82,651,797            | 84,731,102            | 83,747,155            | 82,520,568            | 82,262,092            |
| Highways & Streets                            | 19,938,280            | 21,389,942            | 20,060,450            | 25,004,995            | 22,850,253            | 21,286,170            | 23,960,428            | 27,133,757            | 24,707,635            | 21,739,230            |
| Water & Wastewater                            | 1,095,717             | 1,372,651             | 2,208,123             | 1,675,251             | 1,833,715             | 1,712,077             | 3,273,817             | 3,517,485             | 3,610,897             | 3,450,708             |
| Airport                                       | 364,888               | 364,888               | 364,888               | 374,688               | 365,538               | 365,538               | 365,552               | 365,938               | 6,282                 | 1,563                 |
| Culture & Recreation                          | 6,814,316             | 13,069,857            | 13,922,358            | 15,887,027            | 16,668,608            | 18,619,791            | 14,268,965            | 14,261,422            | 18,017,062            | 18,398,769            |
| Interest on long-term debt                    | 7,348,480             | 7,339,414             | 8,047,712             | 8,121,674             | 8,233,227             | 8,124,717             | 10,704,678            | 11,495,570            | 10,648,886            | 9,397,859             |
| <b>Total governmental activities expenses</b> | <b>\$ 233,050,603</b> | <b>\$ 242,526,444</b> | <b>\$ 245,302,457</b> | <b>\$ 266,182,634</b> | <b>\$ 272,970,017</b> | <b>\$ 292,756,285</b> | <b>\$ 290,998,362</b> | <b>\$ 295,008,908</b> | <b>\$ 293,074,450</b> | <b>\$ 291,893,365</b> |
| <b>Program Revenues</b>                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental activities:                      |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Charges for Services:                         |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| General Government                            | \$ 44,545,871         | \$ 28,024,828         | \$ 27,655,416         | \$ 26,745,753         | \$ 24,227,058         | \$ 23,745,686         | \$ 23,430,054         | \$ 15,600,113         | \$ 19,259,850         | \$ 20,250,845         |
| Public Safety                                 | 4,175,224             | 21,571,124            | 22,630,096            | 23,628,766            | 24,272,267            | 24,543,218            | 25,121,132            | 25,957,155            | 26,071,312            | 25,860,963            |
| Judicial Services                             | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Health & Welfare                              | 470,913               | 444,138               | 476,029               | 485,962               | 636,986               | 520,950               | 317,610               | 338,422               | 220,022               | 445,771               |
| Highways & Streets                            | 2,115,008             | 2,074,511             | 1,983,898             | 3,396,200             | 2,325,654             | 375,448               | 326,105               | 361,674               | 542,081               | 713,619               |
| Water & Wastewater                            | -                     | 500                   | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Airport                                       | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Culture & Recreation                          | 166,158               | 281,466               | 194,051               | 188,358               | 218,445               | 218,911               | 245,226               | 368,133               | 363,075               | 712,210               |
| Operating Grants and Contributions:           |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| General Government                            | \$ 292,993            | \$ 462,424            | \$ 362,847            | \$ 726,253            | \$ 233,812            | \$ 369,616            | \$ 201,778            | \$ 532,320            | \$ 587,711            | \$ 198,373            |
| Public Safety                                 | 592,983               | 3,891,460             | 3,068,921             | 4,060,388             | 2,947,398             | 5,059,275             | 3,051,259             | 4,335,027             | 4,012,225             | 3,470,396             |
| Judicial Services                             | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |

|   |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Health & Welfare  | 39,777,911            | 41,787,067            | 44,288,002            | 45,916,061            | 49,692,183            | 57,471,628            | 59,500,186            | 58,958,731            | 56,549,617            | 55,446,824            |
| Highways & Streets  | 9,640,030             | 8,376,773             | 13,926,298            | 10,267,441            | 7,370,732             | 10,388,780            | 11,287,372            | 8,680,840             | 10,085,021            | 9,110,175             |
| Water & Wastewater  | -                     | 372,215               | 3,232,516             | 4,142,847             | 1,988,044             | 862,784               | 156,212               | -                     | -                     | -                     |
| Airport   | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Culture & Recreation                                      | 76,958                | 27,599                | 425,228               | 26,119                | 181,278               | 169,959               | 186,963               | 164,769               | 142,056               | 221,769               |
| <b>Capital grants and Contributions:</b>                  |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| General Government  | \$ -                  | \$ 110,250            | \$ 1,175,424          | \$ -                  | \$ 110,250            | \$ -                  | \$ -                  | \$ 127,990            | \$ -                  | \$ 8,411              |
| Public Safety   | 101,375               | 265,117               | 342,196               | 6,088                 | 13,843                | -                     | -                     | -                     | -                     | 62,207                |
| Judicial Services   | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Health & Welfare  | -                     | -                     | -                     | 20,341                | 2,323                 | 3,479                 | 4,094                 | 4,029                 | 5,877                 | 5,461                 |
| Highways & Streets  | 18,243,885            | 14,488,068            | 4,400,241             | 61,862,505            | 4,047,852             | 6,062,121             | 418,888               | 582,094               | 115,729               | 279,095               |
| Water & Wastewater  | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Airport   | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Culture & Recreation                                      | 429,154               | 441,443               | 699,329               | 532,286               | 534,992               | 503,927               | 478,713               | 495,200               | 610,905               | 667,655               |
| <b>Total governmental activities program revenues</b>     | <b>\$ 120,628,463</b> | <b>\$ 122,618,983</b> | <b>\$ 124,860,492</b> | <b>\$ 182,005,368</b> | <b>\$ 118,803,117</b> | <b>\$ 130,295,782</b> | <b>\$ 124,725,592</b> | <b>\$ 116,506,497</b> | <b>\$ 118,565,481</b> | <b>\$ 117,453,774</b> |
| <b>Net (Expense)/Revenue</b>                              |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental activities                                   |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Total primary government net expense                      | \$ (112,422,140)      | \$ (119,907,461)      | \$ (120,441,965)      | \$ (84,177,266)       | \$ (154,166,900)      | \$ (162,460,503)      | \$ (166,272,770)      | \$ (178,502,411)      | \$ (174,508,969)      | \$ (174,439,591)      |
| <b>General Revenues and Other Changes in Net Position</b> |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental activities:                                  |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Property taxes  | \$ 107,590,725        | \$ 110,046,618        | \$ 115,183,174        | \$ 119,397,961        | \$ 123,865,373        | \$ 131,681,792        | \$ 132,748,945        | \$ 134,792,665        | \$ 137,159,101        | \$ 137,284,487        |
| Sales taxes   | 15,174,598            | 17,877,970            | 17,842,681            | 19,306,838            | 18,209,151            | 16,496,260            | 17,358,730            | 17,568,252            | 19,424,283            | 21,058,410            |
| Other taxes   | 10,539,573            | 9,109,643             | 9,570,342             | 9,928,556             | 9,115,649             | 8,663,686             | 8,243,151             | 7,819,588             | 8,650,925             | 9,140,147             |
| Investment income   | 4,318,676             | 5,558,907             | 11,246,283            | 15,866,207            | 13,437,760            | 5,832,261             | 3,672,457             | 2,337,311             | 1,340,297             | 533,928               |
| Build america bonds credit                                | -                     | -                     | -                     | -                     | -                     | -                     | -                     | 1,158,381             | 1,158,381             | 1,057,602             |
| Miscellaneous   | 4,273,592             | 1,992,801             | 1,233,574             | 4,149,679             | 267,257               | 2,538,060             | 3,642,267             | 8,741,330             | 8,792,643             | 7,531,559             |
| Gain (loss) on sale of assets                             | -                     | -                     | 270,050               | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| <b>Total governmental activities</b>                      | <b>\$ 141,897,164</b> | <b>\$ 144,585,939</b> | <b>\$ 155,346,104</b> | <b>\$ 168,649,241</b> | <b>\$ 164,895,190</b> | <b>\$ 165,212,059</b> | <b>\$ 165,665,550</b> | <b>\$ 172,417,527</b> | <b>\$ 176,525,630</b> | <b>\$ 176,606,133</b> |
| Extraordinary item  | -                     | -                     | 4,275,000             | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| <b>Change in Net Position</b>                             |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental activities                                   | \$ 29,475,024         | \$ 24,678,478         | \$ 39,179,139         | \$ 84,471,975         | \$ 10,728,290         | \$ 2,751,556          | \$ (607,220)          | \$ (6,084,884)        | \$ 2,016,661          | \$ 2,166,542          |

Data Source:  
Applicable years' comprehensive annual financial report

ARAPAHOE COUNTY, COLORADO

Table 3

Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
December 31, 2013

|   | Fiscal Year           |                       |                       |                       |                       |                       |                       |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 2004*                 | 2005*                 | 2006*                 | 2007*                 | 2008*                 | 2009*                 | 2010*                 | 2011                  | 2012                  | 2013                  |
| <b>General Fund</b>                                   |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Nonspendable  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ 28,289             | \$ 15,594             | \$ 14,497             |
| Restricted  | -                     | -                     | -                     | -                     | -                     | -                     | -                     | 5,533,967             | 5,683,857             | 5,721,746             |
| Committed   | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Assigned  | -                     | -                     | -                     | -                     | -                     | -                     | -                     | 5,375,023             | 7,271,891             | 6,715,072             |
| Unassigned  | -                     | -                     | -                     | -                     | -                     | -                     | -                     | 30,723,073            | 34,078,126            | 38,051,806            |
| <b>Prior to 2011</b>                                  |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Reserved  | 1,166,711             | 1,272,994             | 1,859,396             | 1,428,152             | 601,076               | 1,218,913             | 877,805               | -                     | -                     | -                     |
| Unreserved  | 9,616,933             | 17,053,197            | 27,928,653            | 48,008,034            | 39,755,237            | 30,049,809            | 32,120,272            | -                     | -                     | -                     |
| <b>Total General Fund</b>                             | <u>\$ 10,783,644</u>  | <u>\$ 18,326,191</u>  | <u>\$ 29,788,049</u>  | <u>\$ 49,436,186</u>  | <u>\$ 40,356,313</u>  | <u>\$ 31,268,722</u>  | <u>\$ 32,998,077</u>  | <u>\$ 41,660,352</u>  | <u>\$ 47,049,468</u>  | <u>\$ 50,503,121</u>  |
| <b>All Other Governmental Funds</b>                   |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Nonspendable  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ 169,131            | \$ 165,021            | \$ 151,614            |
| Restricted  | -                     | -                     | -                     | -                     | -                     | -                     | -                     | 33,780,233            | 35,457,760            | 40,297,435            |
| Committed   | -                     | -                     | -                     | -                     | -                     | -                     | -                     | 36,424,167            | 42,603,723            | 32,769,338            |
| Assigned  | -                     | -                     | -                     | -                     | -                     | -                     | -                     | 26,478,072            | 25,789,116            | 29,311,879            |
| Unassigned  | -                     | -                     | -                     | -                     | -                     | -                     | -                     | (759,365)             | (1,645,415)           | (463,024)             |
| <b>Prior to 2011</b>                                  |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Reserved  | 36,718,121            | 55,168,150            | 61,566,777            | 52,079,074            | 34,663,632            | 77,470,501            | 24,760,710            | -                     | -                     | -                     |
| Unreserved, reported in:                              |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Cash flow   | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Special revenue fund                                  | 47,684,879            | 65,122,484            | 69,234,684            | 62,829,567            | 64,267,115            | 64,814,855            | 62,820,027            | -                     | -                     | -                     |
| Capital projects fund                                 | 24,290,047            | 26,824,853            | 22,362,294            | 22,277,400            | 35,361,313            | 35,299,241            | 28,177,813            | -                     | -                     | -                     |
| <b>Total all other governmental funds</b>             | <u>\$ 108,693,047</u> | <u>\$ 147,115,487</u> | <u>\$ 153,163,755</u> | <u>\$ 137,186,041</u> | <u>\$ 134,292,060</u> | <u>\$ 177,584,597</u> | <u>\$ 115,758,550</u> | <u>\$ 96,092,238</u>  | <u>\$ 102,370,205</u> | <u>\$ 102,067,242</u> |
| <b>Total General and all other governmental funds</b> | <u>\$ 119,476,691</u> | <u>\$ 165,441,678</u> | <u>\$ 182,951,804</u> | <u>\$ 186,622,227</u> | <u>\$ 174,648,373</u> | <u>\$ 208,853,319</u> | <u>\$ 148,756,627</u> | <u>\$ 137,752,590</u> | <u>\$ 149,419,673</u> | <u>\$ 152,570,363</u> |

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

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**ARAPAHOE COUNTY, COLORADO**

**Table 4**

**Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
December 31, 2013**

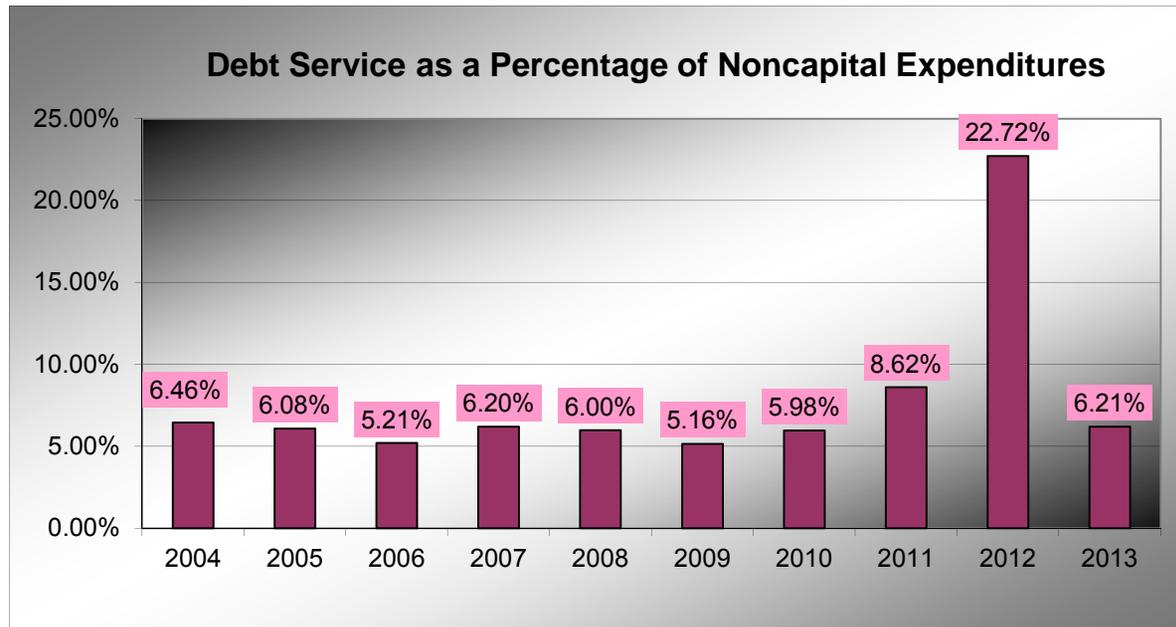
|   | <b>Fiscal Year</b>    |                       |                       |                       |                        |                        |                        |                        |                        |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-----------------------|
|   | 2004                  | 2005                  | 2006                  | 2007                  | 2008                   | 2009                   | 2010                   | 2011                   | 2012                   | 2013                  |
| <b>Revenues</b>                                     |                       |                       |                       |                       |                        |                        |                        |                        |                        |                       |
| Taxes   | \$ 133,304,896        | \$ 137,034,229        | \$ 142,596,196        | \$ 148,633,355        | \$ 152,910,622         | \$ 156,841,739         | \$ 158,350,822         | \$ 160,180,505         | \$ 165,234,310         | \$ 167,427,334        |
| Licenses and Permits                                | 5,735,345             | 4,567,259             | 4,372,554             | 4,727,828             | 4,985,149              | 5,010,913              | 4,462,048              | 4,626,342              | 5,770,321              | 6,291,499             |
| Intergovernmental                                   | 78,613,243            | 83,993,103            | 68,153,764            | 67,446,760            | 64,381,138             | 75,632,862             | 76,404,188             | 73,914,329             | 72,511,100             | 70,868,970            |
| Charges for Services                                | 21,007,016            | 21,042,576            | 47,357,627            | 46,865,997            | 41,715,069             | 39,538,768             | 39,949,208             | 39,927,613             | 42,344,679             | 42,460,957            |
| Fines   | 639,077               | 785,472               | 808,757               | 938,603               | 1,256,099              | 1,455,525              | 1,770,420              | 2,187,374              | 2,276,220              | 1,672,267             |
| Investment Earnings                                 | 4,318,675             | 5,558,907             | 11,246,281            | 15,866,208            | 13,437,761             | 5,832,262              | 3,672,457              | 2,337,311              | 1,340,297              | 533,928               |
| Interfund Revenues and Rentals                      | 2,314,416             | 2,313,077             | 2,689,473             | 3,407,789             | 2,647,830              | 2,863,123              | 2,629,159              | 3,381,894              | 3,871,456              | 4,024,310             |
| Interest on Loan to Component Unit                  | 1,585,696             | 1,583,945             | 1,596,898             | 1,560,383             | 1,579,686              | 1,595,034              | 1,595,759              | 1,617,384              | 1,584,577              | 1,591,390             |
| Developer Contributions                             | -                     | -                     | 1,071,547             | 163,630               | 295,749                | 585,425                | -                      | 306,191                | 101,521                | 242,452               |
| Build America Bonds credit                          | -                     | -                     | -                     | -                     | -                      | -                      | -                      | 1,158,381              | 1,158,381              | 1,057,602             |
| Miscellaneous                                       | 5,390,856             | 2,188,342             | 789,859               | 3,048,831             | 1,245,054              | 2,931,773              | 3,902,719              | 3,089,955              | 2,642,425              | 2,263,215             |
| <b>Total Revenues</b>                               | <b>\$ 252,909,220</b> | <b>\$ 259,066,910</b> | <b>\$ 280,682,956</b> | <b>\$ 292,659,384</b> | <b>\$ 284,454,157</b>  | <b>\$ 292,287,424</b>  | <b>\$ 292,736,780</b>  | <b>\$ 292,727,279</b>  | <b>\$ 298,835,287</b>  | <b>\$ 298,433,924</b> |
| <b>Expenditures</b>                                 |                       |                       |                       |                       |                        |                        |                        |                        |                        |                       |
| General Government                                  | \$ 59,021,795         | \$ 56,683,458         | \$ 58,883,500         | \$ 59,119,225         | \$ 62,002,254          | \$ 60,274,976          | \$ 60,680,392          | \$ 59,409,082          | \$ 57,788,954          | \$ 57,720,320         |
| Public Safety                                       | 55,067,036            | 58,825,264            | 63,285,652            | 66,225,968            | 69,733,643             | 72,770,225             | 71,572,143             | 72,257,100             | 73,438,472             | 74,622,220            |
| Judicial Services                                   | 10,371,758            | 10,721,527            | 10,569,358            | 11,534,723            | 10,551,071             | 12,721,751             | 12,694,119             | 12,099,113             | 12,234,857             | 12,319,363            |
| Health and Welfare                                  | 63,855,150            | 65,460,066            | 65,146,077            | 68,384,170            | 74,338,791             | 82,671,002             | 84,906,821             | 85,820,777             | 84,074,191             | 83,417,958            |
| Highways and Streets                                | 15,017,991            | 15,949,856            | 16,783,085            | 19,180,829            | 17,196,792             | 16,413,516             | 18,167,228             | 19,904,997             | 15,900,164             | 14,754,234            |
| Water and Wastewater                                | 53,612                | 84,478                | 884,654               | 80,522                | 76,053                 | 579,638                | 602,474                | 101,224                | 113,441                | 115,122               |
| Airport   | -                     | -                     | -                     | 9,800                 | 650                    | 650                    | 664                    | 850                    | 6,282                  | 1,563                 |
| Culture and Recreation                              | 6,840,843             | 13,021,607            | 13,228,239            | 15,506,016            | 16,163,173             | 18,094,674             | 13,673,560             | 15,074,698             | 17,521,272             | 17,875,463            |
| Capital Outlay                                      | 18,386,039            | 19,249,181            | 37,630,609            | 34,096,302            | 34,819,984             | 33,676,013             | 73,304,010             | 22,953,275             | 10,144,267             | 16,461,656            |
| Debt Service  |                       |                       |                       |                       |                        |                        |                        |                        |                        |                       |
| Principal   | 7,149,738             | 7,204,173             | 5,503,094             | 7,832,487             | 7,819,177              | 6,277,470              | 6,559,486              | 13,449,250             | 65,774,205             | 7,780,421             |
| Interest  | 7,365,208             | 7,093,843             | 7,106,442             | 8,041,596             | 8,132,886              | 8,079,409              | 10,119,632             | 11,506,597             | 11,361,697             | 9,486,734             |
| Debt Issuance/Admin Costs                           | -                     | -                     | 811,523               | 3,225                 | 53,284                 | 157,375                | 2,450                  | 48,121                 | 1,263,735              | 6,080                 |
| <b>Total Expenditures</b>                           | <b>\$ 243,129,170</b> | <b>\$ 254,293,453</b> | <b>\$ 279,832,233</b> | <b>\$ 290,014,863</b> | <b>\$ 300,887,758</b>  | <b>\$ 311,716,699</b>  | <b>\$ 352,282,979</b>  | <b>\$ 312,625,084</b>  | <b>\$ 349,621,537</b>  | <b>\$ 294,561,134</b> |
| <b>Excess of revenues over (under) expenditures</b> | <b>\$ 9,780,050</b>   | <b>\$ 4,773,457</b>   | <b>\$ 850,723</b>     | <b>\$ 2,644,521</b>   | <b>\$ (16,433,601)</b> | <b>\$ (19,429,275)</b> | <b>\$ (59,546,199)</b> | <b>\$ (19,897,805)</b> | <b>\$ (50,786,250)</b> | <b>\$ 3,872,790</b>   |

**Other Financing Sources (Uses)**

|   |                       |                      |                      |                     |                        |                      |                        |                        |                      |                     |
|---|-----------------------|----------------------|----------------------|---------------------|------------------------|----------------------|------------------------|------------------------|----------------------|---------------------|
| Transfers In  | \$ 15,801,245         | \$ 11,185,836        | \$ 16,045,208        | \$ 29,598,579       | \$ 34,089,983          | \$ 29,288,252        | \$ 18,325,661          | \$ 49,478,206          | \$ 21,451,484        | \$ 16,374,015       |
| Transfers Out   | (17,516,176)          | (11,937,188)         | (17,415,030)         | (31,441,287)        | (35,040,486)           | (31,332,360)         | (18,876,154)           | (50,234,438)           | (20,767,035)         | (17,096,115)        |
| Debt issued   | -                     | 27,190,071           | 51,552,858           | 2,600,000           | 5,300,000              | 56,075,000           | -                      | 9,650,000              | 59,020,000           | -                   |
| Capital Leases  | -                     | 13,028,205           | -                    | -                   | -                      | -                    | -                      | -                      | -                    | -                   |
| Capital Contributions                                   | -                     | 110,250              | -                    | -                   | 110,250                | (396,671)            | -                      | -                      | -                    | -                   |
| Sale of Capital Assets                                  | -                     | 1,614,355            | -                    | -                   | -                      | -                    | -                      | -                      | -                    | -                   |
| Payment to Bond Agent                                   | -                     | -                    | (54,529,516)         | (517)               | -                      | -                    | -                      | -                      | -                    | -                   |
| Premium (discount) on Bonds                             | -                     | -                    | 1,706,086            | -                   | -                      | -                    | -                      | -                      | 1,767,720            | -                   |
| Long-term Notes Payable                                 | -                     | -                    | 16,049,975           | -                   | -                      | -                    | -                      | -                      | -                    | -                   |
| <b>Total other financing sources (uses)</b>             | <b>\$ (1,714,931)</b> | <b>\$ 41,191,529</b> | <b>\$ 13,409,581</b> | <b>\$ 756,775</b>   | <b>\$ 4,459,747</b>    | <b>\$ 53,634,221</b> | <b>\$ (550,493)</b>    | <b>\$ 8,893,768</b>    | <b>\$ 61,472,169</b> | <b>\$ (722,100)</b> |
| Extraordinary item                                      | -                     | -                    | -                    | 4,275,000           | -                      | -                    | -                      | -                      | -                    | -                   |
| <b>Net Change in Fund Balances</b>                      | <b>\$ 8,065,119</b>   | <b>\$ 45,964,986</b> | <b>\$ 14,260,304</b> | <b>\$ 3,401,296</b> | <b>\$ (11,973,854)</b> | <b>\$ 34,204,946</b> | <b>\$ (60,096,692)</b> | <b>\$ (11,004,037)</b> | <b>\$ 10,685,919</b> | <b>\$ 3,150,690</b> |
| Debt service as a percentage of noncapital expenditures | 6.46%                 | 6.08%                | 5.21%                | 6.20%               | 6.00%                  | 5.16%                | 5.98%                  | 8.62%                  | 22.72%               | 6.21%               |

Data Source:

Applicable years' comprehensive annual financial report



**Table 5**

**ARAPAHOE COUNTY, COLORADO**

**Assessed Value and Actual Value of Taxable Property  
Last Ten Fiscal Years  
December 31, 2013**

| <b>Fiscal<br/>Year</b> | <b>Residential<br/>Property</b> | <b>Commercial<br/>Property</b> | <b>Industrial<br/>Property</b> | <b>Vacant</b> | <b>Agricultural</b> |
|------------------------|---------------------------------|--------------------------------|--------------------------------|---------------|---------------------|
| 2004                   | 3,525,011,050                   | 2,579,353,950                  | 39,778,480                     | 243,086,960   | 9,316,020           |
| 2005                   | 3,693,248,930                   | 2,510,113,510                  | 38,435,840                     | 253,854,830   | 9,110,590           |
| 2006                   | 3,793,083,480                   | 2,553,086,780                  | 36,574,210                     | 249,054,490   | 9,343,150           |
| 2007                   | 4,149,223,900                   | 2,881,577,130                  | 38,006,330                     | 291,633,820   | 10,099,980          |
| 2008                   | 4,234,534,700                   | 2,907,703,660                  | 37,189,710                     | 262,746,280   | 10,269,220          |
| 2009                   | 3,954,383,160                   | 3,360,045,380                  | 38,952,380                     | 256,206,470   | 10,747,100          |
| 2010                   | 3,987,486,080                   | 3,352,504,060                  | 33,931,360                     | 235,853,770   | 10,890,300          |
| 2011                   | 3,775,269,790                   | 2,995,807,840                  | 31,667,580                     | 219,167,970   | 12,033,580          |
| 2012                   | 3,794,466,240                   | 2,984,226,260                  | 32,561,730                     | 204,179,330   | 11,863,490          |
| 2013                   | 3,780,177,620                   | 3,123,945,090                  | 33,512,670                     | 190,477,390   | 13,825,160          |

Data Source:  
Arapahoe County Assessor's Office

| Other Natural Resources | State Assessed | Tax-Exempt Property | Total Taxable Assessed Value | Total Taxable Actual Value | Total Direct Tax rate |
|-------------------------|----------------|---------------------|------------------------------|----------------------------|-----------------------|
| 4,845,650               | 266,765,100    | 846,509,190         | 6,668,157,210                | 55,113,869,001             | 25.038                |
| 5,849,760               | 283,819,500    | 946,964,840         | 6,794,432,960                | 57,080,798,063             | 25.333                |
| 6,941,710               | 272,494,000    | 972,509,970         | 6,920,577,820                | 58,423,210,708             | 25.958                |
| 6,487,460               | 309,434,800    | 1,035,456,060       | 7,686,463,420                | 64,311,406,839             | 25.013                |
| 6,135,760               | 329,180,700    | 1,057,226,880       | 7,787,760,030                | 65,438,081,973             | 25.418                |
| 7,589,600               | 334,020,900    | 1,258,930,570       | 7,961,944,990                | 63,482,961,616             | 25.437                |
| 5,210,150               | 342,934,700    | 1,263,684,890       | 7,968,810,420                | 63,812,923,092             | 25.800                |
| 6,624,610               | 387,517,800    | 1,293,261,390       | 7,428,089,170                | 60,010,542,511             | 27.279                |
| 17,992,250              | 417,530,100    | 1,312,493,880       | 7,462,819,400                | 60,300,053,871             | 27.035                |
| 22,654,840              | 455,088,000    | 1,243,090,240       | 7,619,680,770                | 60,703,146,667             | 26.973                |

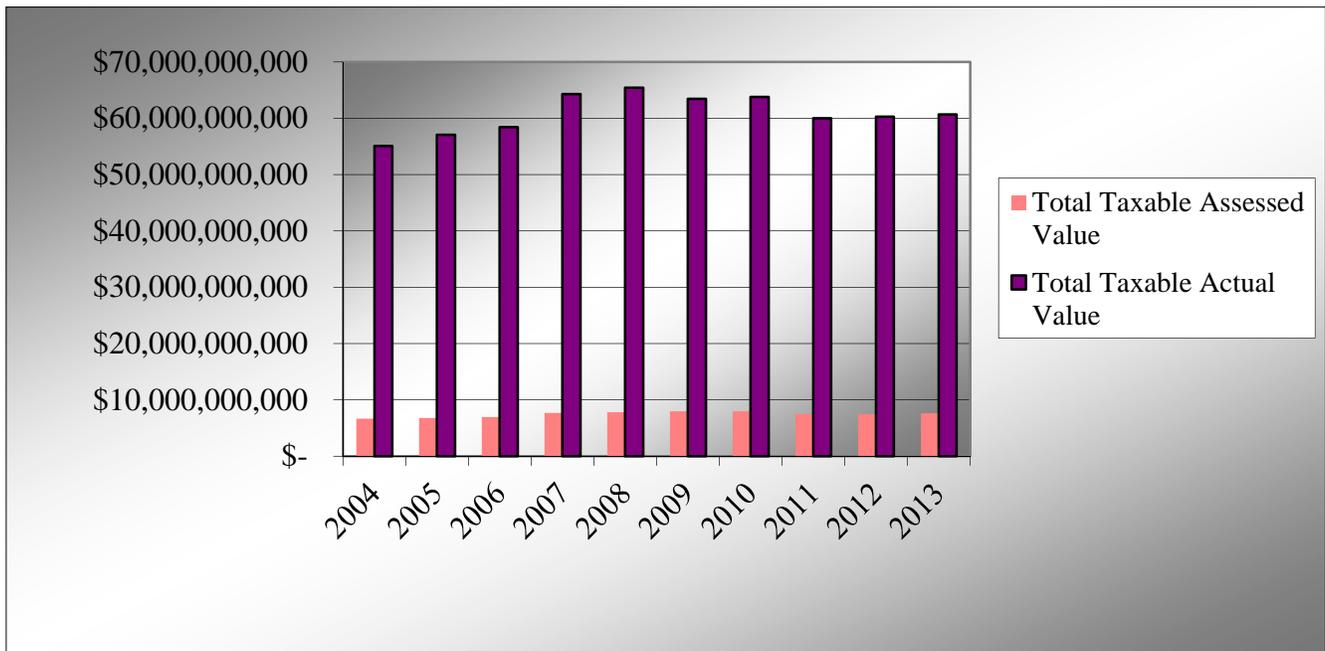


Table 6

**ARAPAHOE COUNTY, COLORADO**  
**Direct and Overlapping Property Tax Rates**  
**(rate per \$1,000 of assessed value)**  
**Last Ten Fiscal Years**  
**December 31, 2013**

|                              | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>County Direct Rates</b>   |             |             |             |             |             |
| General                      | 11.030      | 11.631      | 11.998      | 11.398      | 11.756      |
| Special Revenue              | 4.110       | 3.820       | 4.085       | 3.819       | 3.853       |
| L.E.A.D. & Library           | 9.898       | 9.882       | 9.875       | 9.796       | 9.809       |
| Total direct rate            | 25.038      | 25.333      | 25.958      | 25.013      | 25.418      |
| <b>City &amp; Town Rates</b> |             |             |             |             |             |
| Aurora                       | 11.161      | 11.079      | 10.867      | 10.701      | 10.664      |
| Bennett                      | 11.950      | 11.950      | 11.950      | 11.950      | 11.950      |
| Bow-Mar                      | 14.737      | 15.420      | 16.378      | 13.901      | 14.493      |
| Centennial                   | 5.015       | 5.031       | 5.031       | 4.958       | 5.054       |
| Cherry Hills                 | 7.300       | 7.300       | 13.117      | 13.117      | 13.402      |
| Columbine                    | 10.086      | 10.403      | 10.918      | 9.810       | 8.950       |
| Deer Trail                   | 15.004      | 15.905      | 15.745      | 16.573      | 17.104      |
| Englewood                    | 8.310       | 8.320       | 8.400       | 8.173       | 7.827       |
| Foxfield                     | 27.232      | 28.054      | 27.167      | 23.728      | 21.471      |
| Glendale                     | 8.420       | 14.920      | 18.670      | 18.670      | 18.670      |
| Greenwood Village            | 2.932       | 2.932       | 2.932       | 2.932       | 2.932       |
| Littleton                    | 6.662       | 6.662       | 6.662       | 6.662       | 6.662       |
| Sheridan                     | 7.896       | 7.963       | 8.145       | 7.981       | 8.042       |
| <b>School Districts</b>      |             |             |             |             |             |
| Aurora                       | 47.964      | 47.003      | 45.745      | 45.530      | 53.248      |
| Bennett                      | 30.072      | 37.903      | 34.156      | 34.246      | 35.724      |
| Byers                        | 44.560      | 36.451      | 33.910      | 33.603      | 32.607      |
| Cherry Creek                 | 49.654      | 51.132      | 51.129      | 47.397      | 49.569      |
| Deer Trail                   | 33.121      | 33.000      | 30.169      | 27.432      | 27.355      |
| Englewood                    | 39.431      | 44.419      | 40.354      | 37.211      | 37.195      |
| Littleton                    | 45.304      | 50.515      | 48.907      | 46.791      | 46.650      |
| Sheridan                     | 40.836      | 40.634      | 39.419      | 38.294      | 37.794      |
| Strasburg                    | 51.676      | 49.666      | 50.631      | 50.631      | 50.738      |
| <b>Special Districts</b>     | .027-76.5   | .027-90.0   | .027-90.0   | .028-90.0   | .029-90.0   |

Data Source:  
Assessor's Abstract of Assessments and Levies

|                              | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>County Direct Rates</b>   |             |             |             |             |             |
| General                      | 11.875      | 12.124      | 13.270      | 13.127      | 13.134      |
| Special Revenue              | 3.797       | 3.825       | 4.046       | 4.023       | 3.996       |
| L.E.A.D. & Library           | 9.765       | 9.851       | 9.963       | 9.885       | 9.843       |
| Total direct rate            | 25.437      | 25.800      | 27.279      | 27.035      | 26.973      |
| <b>City &amp; Town Rates</b> |             |             |             |             |             |
| Aurora                       | 10.494      | 10.595      | 10.653      | 10.290      | 10.290      |
| Bennett                      | 11.950      | 11.950      | 11.950      | 11.950      | 11.950      |
| Bow-Mar                      | 14.729      | 15.309      | 16.956      | 17.486      | 18.879      |
| Centennial                   | 5.047       | 5.077       | 5.120       | 5.129       | 5.073       |
| Cherry Hills                 | 13.402      | 13.402      | 13.295      | 13.304      | 13.374      |
| Columbine                    | 9.161       | 9.331       | 9.352       | 9.336       | 9.316       |
| Deer Trail                   | 17.104      | 17.104      | 17.104      | 17.104      | 17.104      |
| Englewood                    | 7.911       | 8.010       | 7.621       | 7.794       | 8.124       |
| Foxfield                     | 21.865      | 21.865      | 23.238      | 20.400      | 20.400      |
| Glendale                     | 18.670      | 18.670      | 18.670      | 18.670      | 18.670      |
| Greenwood Village            | 2.932       | 2.932       | 2.932       | 2.932       | 2.932       |
| Littleton                    | 6.662       | 6.662       | 6.662       | 6.662       | 6.662       |
| Sheridan                     | 7.921       | 7.994       | 8.078       | 8.253       | 8.366       |
| <b>School Districts</b>      |             |             |             |             |             |
| Aurora                       | 53.455      | 53.919      | 54.159      | 63.830      | 67.323      |
| Bennett                      | 33.381      | 33.363      | 33.427      | 33.508      | 33.399      |
| Byers                        | 32.52       | 32.305      | 33.148      | 31.407      | 30.726      |
| Cherry Creek                 | 48.825      | 50.947      | 54.367      | 58.037      | 57.492      |
| Deer Trail                   | 27.342      | 27.319      | 27.293      | 27.309      | 27.221      |
| Englewood                    | 37.199      | 37.495      | 45.858      | 46.719      | 46.874      |
| Littleton                    | 46.081      | 55.389      | 57.530      | 56.935      | 56.985      |
| Sheridan                     | 37.627      | 37.891      | 38.764      | 41.998      | 42.823      |
| Strasburg                    | 49.335      | 46.458      | 42.494      | 41.135      | 39.952      |
| <b>Special Districts</b>     | .030-90.0   | .030-90.0   | .030-90.0   | .030-90.0   | .027-90.0   |

ARAPAHOE COUNTY, COLORADO

Table 7

Principal Property Taxpayers  
Current Year and Nine Years Ago  
December 31, 2013

| Taxpayer                              | 2013                   |      |   | 2004                   |      |   |
|---------------------------------------|------------------------|------|---|------------------------|------|---|
|                                       | Taxable Assessed Value | Rank | Percentage of Total County Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total County Taxable Assessed Value |
| Public Svc Co (Xcel Energy)           | \$ 141,626,610         | 1    | 1.59%   | \$ 82,235,470          | 2    | 1.26%   |
| Qwest                                 | 102,258,600            | 2    | 1.15%   | 86,056,900             | 1    | 1.31%   |
| Verizon Wireless                      | 71,829,600             | 3    | 0.81%   | -                      |      | -   |
| Columbia HealthOne LLC                | 43,500,000             | 4    | 0.49%   | 35,699,010             | 3    | 0.54%   |
| Greenwood Property Corp               | 33,350,000             | 5    | 0.37%   | 28,313,160             | 4    | 0.43%   |
| GPI Plaza Tower LP                    | 23,925,000             | 6    | 0.27%   | -                      |      | -   |
| GK Peakview Tower LLC                 | 14,210,000             | 7    | 0.16%   | -                      |      | -   |
| Palazzo Verdi LLC                     | 13,920,000             | 8    | 0.16%   | -                      |      | -   |
| CREF Tuscany Plaza LLC                | 13,630,001             | 9    | 0.15%   | -                      |      | -   |
| National Digital Television Ctr. Inc. | 13,488,484             | 10   | 0.15%   | -                      |      | -   |
| Property Colorado OBJLW One           | -                      |      | -   | 17,400,010             | 5    | 0.27%   |
| Verizon FKA Airtouch Comm             | -                      |      | -   | 14,681,790             | 6    | 0.22%   |
| Galleria Acquisition Inc.             | -                      |      | -   | 12,614,990             | 7    | 0.19%   |
| Porter Memorial Hospital              | -                      |      | -   | 11,582,440             | 8    | 0.18%   |
| Trinet Realty Investors V Inc         | -                      |      | -   | 11,455,000             | 9    | 0.17%   |
| EOP-Quadrant LLC                      | -                      |      | -   | 10,730,000             | 10   | 0.16%   |
| <b>Total</b>                          | <b>\$ 471,738,295</b>  |      | <b>5.29%</b>                                      | <b>\$ 310,768,770</b>  |      | <b>4.74%</b>                                      |

Data Source:  
Arapahoe County Assessor's Office

Table 8

ARAPAHOE COUNTY, COLORADO

Property Tax Levies and Collections  
Last Ten Fiscal Years  
December 31, 2013

| Fiscal Year | Collected within the Fiscal year of the Levy |               |                    | Total Collections to Date       |                       |                    |
|-------------|--|---------------|--------------------|---------------------------------|-----------------------|--------------------|
|             | Taxes Levied for the Fiscal Year             | Amount        | Percentage of Levy | Collections in Subsequent Years | Total Taxes Collected | Percentage of Levy |
| 2004        | \$ 98,720,931                                | \$ 98,424,768 | 99.7%              | \$ 239,000                      | \$ 98,663,768         | 99.9%              |
| 2005        | 101,846,177                                  | 101,642,485   | 99.8%              | 203,000                         | 101,845,485           | 100.0%             |
| 2006        | 103,601,298                                  | 101,425,671   | 97.9%              | 565,000                         | 101,990,671           | 98.5%              |
| 2007        | 110,093,640                                  | 109,873,453   | 99.8%              | 219,000                         | 110,092,453           | 100.0%             |
| 2008        | 115,983,061                                  | 115,751,095   | 99.8%              | 230,000                         | 115,981,095           | 100.0%             |
| 2009        | 120,721,049                                  | 120,238,165   | 99.6%              | 445,000                         | 120,683,165           | 99.9%              |
| 2010        | 123,574,755                                  | 123,204,031   | 99.7%              | 360,000                         | 123,564,031           | 100.0%             |
| 2011        | 125,349,303                                  | 125,098,604   | 99.8%              | 200,000                         | 125,298,604           | 100.0%             |
| 2012        | 125,727,462                                  | 125,476,007   | 99.8%              | 150,000                         | 125,626,007           | 99.9%              |
| 2013        | 128,155,159                                  | 127,952,802   | 99.8%              | -                               | 127,952,802           | 99.8%              |

Data Source: Arapahoe County Treasurer's Office  
Arapahoe County Assessor's Office Abstract of Assessment and Levies  
Arapahoe County Annual Budget

Note: The difference between the total taxes collected shown on this schedule and the property taxes recorded on the Government-wide Statement of Activities is that the Statement of Activities line item for property taxes includes interest on current tax and property taxes collected on three blended component units not included above (Arapahoe Law Enforcement Authority, Arapahoe County Recreation District and the Arapahoe County Water & Wastewater Public Improvement District.)

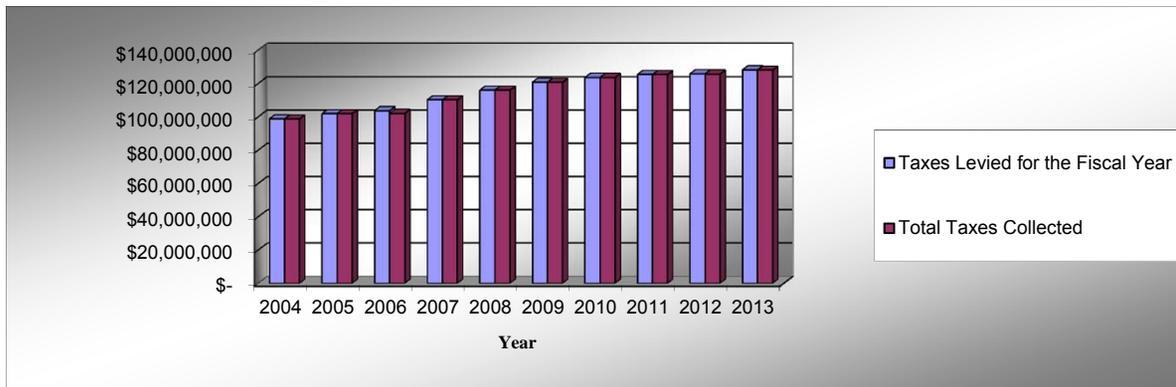


Table 9

ARAPAHOE COUNTY, COLORADO

Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
December 31, 2013

| Fiscal Year | Total Bonds Payable (1) | Total Notes Payable (1) | Total Certificates of Participation Payable (1) | Total Capital Leases (1) | Total Primary Government (1) | Percentage of Personal Income (2) | Percentage of Actual Value of Taxable Property (3) | Total Outstanding Debt Per Capita |
|-------------|-------------------------|-------------------------|---|--------------------------|------------------------------|-----------------------------------|--|-----------------------------------|
| 2004        | 67,671,960              | -                       | 68,673,421                                      | 3,621,498                | 139,966,879                  | 0.57%                             | 2.10%  | 271.67                            |
| 2005        | 65,121,273              | 27,190,071              | 65,537,724                                      | 15,210,528               | 173,059,596                  | 0.69%                             | 2.55%  | 330.01                            |
| 2006        | 62,505,586              | 43,697,934              | 65,229,722                                      | 14,130,291               | 185,563,533                  | 0.69%                             | 2.68%  | 341.71                            |
| 2007        | 60,819,899              | 42,815,966              | 59,701,439                                      | 15,175,838               | 178,513,142                  | 0.63%                             | 2.32%  | 320.78                            |
| 2008        | 59,064,130              | 42,108,191              | 55,939,276                                      | 18,944,343               | 176,055,940                  | 0.62%                             | 2.26%  | 308.74                            |
| 2009        | 114,775,779             | 41,232,834              | 52,017,113                                      | 17,489,736               | 225,515,462                  | 0.78%                             | 2.83%  | 395.47                            |
| 2010        | 114,488,463             | 40,934,625              | 47,936,133                                      | 15,955,489               | 219,314,710                  | 0.75%                             | 2.75%  | 379.14                            |
| 2011        | 114,445,945             | 39,872,693              | 43,876,948                                      | 17,371,307               | 215,566,893                  | 0.78%                             | 2.90%  | 370.30                            |
| 2012        | 116,735,398             | 38,793,793              | 39,649,009                                      | 16,119,193               | 211,297,393                  | 0.73%                             | 2.83%  | 355.97                            |
| 2013        | 115,868,284             | 37,701,231              | 36,540,975                                      | 14,617,381               | 204,727,871                  | 0.66%                             | 2.69%  | 338.73                            |

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

Data Sources:

- (1) Applicable years' comprehensive annual financial report
- (2) Estimates obtained from the state of Colorado Department of Local Affairs
- (3) Arapahoe County Assessor's Office

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Table 10

**ARAPAHOE COUNTY, COLORADO**  
**Computation of Direct and Overlapping Debt**  
**December 31, 2013**

| <u>Governmental Unit</u>                       | <u>General Obligation<br/>Debt Outstanding</u> | <u>Percentage<br/>Applicable to County</u> | <u>County Share of<br/>Direct and Overlapping<br/>Debt</u> |
|--|--|--|--|
| <b>Cities &amp; Towns:</b>                     |  |  |  |
| City of Aurora                                 | \$ 6,630,000                                   | 77.62%                                     | \$ 5,146,206   |
| Town of Bow Mar                                | 175,000  | 70.00%                                     | 122,500  |
| City of Englewood                              | 20,185,000                                     | 100.00%                                    | 20,185,000   |
| City of Sheridan                               | 485,000  | 100.00%                                    | 485,000  |
| Town of Foxfield                               | 975,000  | 100.00%                                    | 975,000  |
| <b>Total cities &amp; towns</b>                |  |  | <b>\$ 26,913,706</b>                                       |
| <b>School Districts:</b>                       |  |  |  |
| Englewood                                      | \$ 63,794,667                                  | 100.00%                                    | \$ 63,794,667  |
| Sheridan                                       | 25,290,491                                     | 100.00%                                    | 25,290,491   |
| Cherry Creek                                   | 531,365,000                                    | 100.00%                                    | 531,365,000  |
| Littleton                                      | 77,095,000                                     | 100.00%                                    | 77,095,000   |
| Aurora   | 362,295,000                                    | 67.00%                                     | 242,737,650  |
| Bennett  | 8,137,000                                      | 50.00%                                     | 4,068,500  |
| Strasburg                                      | 9,665,000                                      | 35.00%                                     | 3,382,750  |
| <b>Total school districts</b>                  |  |  | <b>\$ 947,734,058</b>                                      |
| <b>Special Districts:</b>                      |  |  |  |
| Adonea Metro District #2                       | \$ 16,575,000                                  | 100.00%                                    | \$ 16,575,000  |
| Antelope Water System General Improvement      | 2,660,000                                      | 100.00%                                    | 2,660,000  |
| Arapahoe Estates Water                         | 480,017  | 100.00%                                    | 480,017  |
| Arapahoe Lake Public Park                      | 625,000  | 100.00%                                    | 625,000  |
| Arapahoe Park & Recreation                     | 10,630,000                                     | 100.00%                                    | 10,630,000   |
| Arapahoe Water & Wastewater Public Improvement | 151,202,016                                    | 98.50%                                     | 148,933,986  |
| Antelope Hills General Improvement             | 3,885,000                                      | 100.00%                                    | 3,885,000  |
| Aurora Centretech Metro                        | 16,055,000                                     | 100.00%                                    | 16,055,000   |
| Aspen Grove Business Improvement               | 7,970,000                                      | 100.00%                                    | 7,970,000  |
| Beacon Point Metropolitan District             | 16,555,000                                     | 100.00%                                    | 16,555,000   |
| Centennial Downs Metro                         | 10,670,000                                     | 100.00%                                    | 10,670,000   |
| Centennial 25 Metro                            | 915,000  | 100.00%                                    | 915,000  |
| Cherry Creek Racquet Club Gen Impv Dist        | 610,000  | 100.00%                                    | 610,000  |
| Cherry Creek Vista Metro Rec & Park Dist A     | 2,885,000                                      | 100.00%                                    | 2,885,000  |
| Cherry Creek Vista Metro Rec & Park Dist B     | 1,110,000                                      | 100.00%                                    | 1,110,000  |

|   |            |         |            |
|---|------------|---------|------------|
| Cherry Hills Heights Water & San District | 179,119    | 100.00% | 179,119    |
| Cornerstar Metro District                 | 35,595,000 | 100.00% | 35,595,000 |
| Columbia Metro District                   | 635,000    | 100.00% | 635,000    |
| Columbine Water & Sanitation District     | 111,065    | 100.00% | 111,065    |
| Copperleaf Metro District #2              | 26,875,000 | 100.00% | 26,875,000 |
| Conservatory Metro District               | 23,665,000 | 100.00% | 23,665,000 |
| Country Homes Metro District A            | 250,000    | 100.00% | 250,000    |
| Country Homes Metro District B            | 250,000    | 100.00% | 250,000    |
| Cross Creek Metro District #2             | 5,347,500  | 100.00% | 5,347,500  |
| Dove Valley Metro                         | 50,805,000 | 100.00% | 50,805,000 |
| Eagle Bend Metro District #2              | 35,245,000 | 100.00% | 35,245,000 |
| Eagle's Nest Metro District               | 1,685,000  | 100.00% | 1,685,000  |
| East Quincy Highlands Metro               | 3,045,000  | 100.00% | 3,045,000  |
| East Smoky Hill Metro District #1         | 3,845,000  | 100.00% | 3,845,000  |
| East Smoky Hill Metro District #2         | 7,370,000  | 100.00% | 7,370,000  |
| East Valley Metro                         | 433,231    | 100.00% | 433,231    |
| Estancia Metro District                   | 4,110,000  | 100.00% | 4,110,000  |
| Fiddler's Green Business Impv District    | 58,375,000 | 100.00% | 58,375,000 |
| Foxfield Metropolitan District #1         | 1,335,000  | 100.00% | 1,335,000  |
| Galleria Metro                            | 5,086,053  | 100.00% | 5,086,053  |
| Greenwood Metro District Bonds            | 1,635,000  | 98.40%  | 1,608,840  |
| Goldsmith Metro Blk K                     | 4,960,000  | 100.00% | 4,960,000  |
| Goodman Metro                             | 3,540,000  | 100.00% | 3,540,000  |
| Heritage Greens Metro                     | 3,415,000  | 100.00% | 3,415,000  |
| Heather Gardens Metro                     | 9,380,000  | 100.00% | 9,380,000  |
| High Plains Metro                         | 23,675,000 | 100.00% | 23,675,000 |
| Heather Ridge Metro District #1           | 5,347,500  | 100.00% | 5,347,500  |
| Highline Business Improvement             | 3,725,000  | 100.00% | 3,725,000  |
| Highline Glen Metro                       | 110,000    | 100.00% | 110,000    |
| Hills at Cherry Creek Metro               | 1,585,000  | 100.00% | 1,585,000  |
| Inverness Water & Sanitation District     | 18,405,000 | 65.30%  | 12,018,465 |
| Inverness Metro Improvement District      | 5,185,000  | 66.50%  | 3,448,025  |
| Kent Place Metro District #2              | 2,100,000  | 100.00% | 2,100,000  |
| Liverpool Metro                           | 3,215,000  | 100.00% | 3,215,000  |
| Meadow Hills Country Club GID             | 450,000    | 100.00% | 450,000    |
| Murphy Creek Metro District No.3          | 27,600,000 | 100.00% | 27,600,000 |
| Tallgrass Metropolitan District           | 17,200,000 | 100.00% | 17,200,000 |
| Oaks Park Metro Dist                      | 848,127    | 100.00% | 848,127    |
| Panorama Metro                            | 6,220,000  | 100.00% | 6,220,000  |
| Parker Jordan Metro                       | 11,205,000 | 100.00% | 11,205,000 |
| Parker Jordan Metro District Bonds Only   | 3,985,000  | 100.00% | 3,985,000  |
| Peoria Park GID                           | 343,000    | 100.00% | 343,000    |
| Pier Point 7 GID                          | 2,435,000  | 100.00% | 2,435,000  |
| Piney Creek Village Metro                 | 6,185,000  | 100.00% | 6,185,000  |
| Pioneer Hills Metro                       | 3,225,000  | 100.00% | 3,225,000  |
| Polo Reserve Metro                        | 905,000    | 100.00% | 905,000    |

Table 10

ARAPAHOE COUNTY, COLORADO

Computation of Direct and Overlapping Debt  
December 31, 2013  
(Continued)

| <u>Governmental Unit</u>                 | <u>General Obligation<br/>Debt Outstanding</u> | <u>Percentage<br/>Applicable to County</u> | <u>County Share of<br/>Direct and Overlapping<br/>Debt</u> |
|--|--|--|--|
| Saddle Rock Metro                        | 9,980,000                                      | 100.00%                                    | 9,980,000  |
| Saddle Rock South Metro District #2      | 4,080,000                                      | 100.00%                                    | 4,080,000  |
| Saddle Rock South Metro District #3      | 3,955,000                                      | 100.00%                                    | 3,955,000  |
| Saddle Rock South Metro District #4      | 7,360,000                                      | 100.00%                                    | 7,360,000  |
| Sorrel Ranch Metro                       | 11,280,000                                     | 100.00%                                    | 11,280,000   |
| Southglenn Metro District                | 80,800,000                                     | 100.00%                                    | 80,800,000   |
| Southlands Metro District #1             | 54,735,000                                     | 100.00%                                    | 54,735,000   |
| Southlands Metro District #2             | 2,265,000                                      | 100.00%                                    | 2,265,000  |
| Southshore Metro District #2             | 9,910,000                                      | 100.00%                                    | 9,910,000  |
| South Suburban Rec/Park District         | 18,465,000                                     | 84.00%                                     | 15,510,600   |
| Sterling Hills Metro                     | 1,295,000                                      | 100.00%                                    | 1,295,000  |
| Sterling Hills West Metro                | 13,475,000                                     | 100.00%                                    | 13,475,000   |
| Sundance Hills Metro District            | 621,030  | 100.00%                                    | 621,030  |
| Tallyn's Reach Metro District #2         | 5,235,000                                      | 100.00%                                    | 5,235,000  |
| Tallyn's Reach Metro District #3         | 33,520,000                                     | 100.00%                                    | 33,520,000   |
| Tollgate Crossing Metro District #2      | 15,495,000                                     | 100.00%                                    | 15,495,000   |
| Traditions Metro District #2             | 12,832,087                                     | 100.00%                                    | 12,832,087   |
| Valentia Court Metro District            | 1,348,049                                      | 100.00%                                    | 1,348,049  |
| Valley Club Pointe Metro                 | 6,221,834                                      | 100.00%                                    | 6,221,834  |
| Wheatlands Metro District #2             | 24,253,000                                     | 100.00%                                    | 24,253,000   |
| Willow Trace Metro                       | 9,045,000                                      | 100.00%                                    | 9,045,000  |
| <b>Total special districts</b>           |  |  | <b>\$ 986,746,528</b>                                      |
| <b>Subtotal, overlapping debt</b>        |  |  | 1,961,394,292  |
| <b>Arapahoe County direct debt</b>       |  |  | <b>204,727,871</b>   |
| <b>Total direct and overlapping debt</b> |  |  | <b>\$ 2,166,122,163</b>                                    |

Source: Arapahoe County Finance Department

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

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

ARAPAHOE COUNTY, COLORADO

Legal Debt Margin Information  
Last Ten Fiscal Years  
December 31, 2013

Table 11

|  | <u>2004</u>           | <u>2005</u>           | <u>2006</u>           | <u>2007</u>           | <u>2008</u>           | <u>2009</u>           | <u>2010</u>           | <u>2011</u>           | <u>2012</u>           | <u>2013</u>           |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Assessed Value of Property                     | \$ 6,552,161,630      | \$ 6,630,189,550      | \$ 6,920,577,820      | \$ 7,686,463,510      | \$ 7,798,433,580      | \$ 7,959,760,080      | \$ 7,963,447,430      | \$ 7,428,001,820      | \$ 8,827,821,580      | \$ 8,915,915,574      |
| Statutory Debt Limit 3% (1)                    | 196,564,849           | 198,905,687           | 207,617,335           | 230,593,905           | 233,953,007           | 238,792,802           | 238,903,423           | 222,840,055           | 264,834,647           | 267,477,467           |
| 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>\$ 196,564,849</u> | <u>\$ 198,905,687</u> | <u>\$ 207,617,335</u> | <u>\$ 230,593,905</u> | <u>\$ 233,953,007</u> | <u>\$ 238,792,802</u> | <u>\$ 238,903,423</u> | <u>\$ 222,840,055</u> | <u>\$ 264,834,647</u> | <u>\$ 267,477,467</u> |
| Total net debt as a percentage of debt limit   | 0%                    | 0%                    | 0%                    | 0%                    | 0%                    | 0%                    | 0%                    | 0%                    | 0%                    | 0%                    |

Data Source:  
Arapahoe County Assessor's Office Abstract of Assessments and Levies

Note:  
(1) Colorado Revised Statute 30-26-301.3

Table 12

## ARAPAHOE COUNTY, COLORADO

## Demographic and Economic Statistics

Last Ten Fiscal Years

December 31, 2013

| Year | Population (1)  |                              | Households (1) |              |  |
|------|-----------------|------------------------------|----------------|--------------|--|
|      | Arapahoe County | Seven County<br>Denver Metro | Total          | Average Size |  |
| 2004 | 524,414         | 2,596,827                    | 206,034        | 2.52         |  |
| 2005 | 531,741         | 2,643,965                    | 209,275        | 2.53         |  |
| 2006 | 543,033         | 2,696,579                    | 214,423        | 2.50         |  |
| 2007 | 556,481         | 2,762,367                    | 218,627        | 2.51         |  |
| 2008 | 562,009         | 2,788,765                    | 232,647        | 2.53         |  |
| 2009 | 570,235         | 2,883,583                    | 233,627        | 2.53         |  |
| 2010 | 574,929         | 2,868,771                    | 238,904        | 2.53         |  |
| 2011 | 584,703         | 2,830,173                    | 239,870        | 2.53         |  |
| 2012 | 593,589         | 2,884,336                    | 232,959        | 2.53         |  |
| 2013 | 604,398         | 2,943,426                    | 238,012        | 2.54         |  |

| Year | Per Capita Income (2) | Total                               | Median Age (1) | School Enrollment (4) | Unemployment Rate (3) |
|------|-----------------------|-------------------------------------|----------------|-----------------------|-----------------------|
|      |                       | Personal Income (2)<br>in thousands |                |                       |                       |
| 2004 | 46,645                | 24,461,291                          | 34.5           | 110,241               | 5.6%                  |
| 2005 | 47,039                | 25,012,564                          | 34.5           | 111,603               | 5.0%                  |
| 2006 | 49,458                | 26,857,326                          | 34.5           | 112,785               | 5.0%                  |
| 2007 | 50,947                | 28,351,037                          | 36.1           | 114,617               | 4.3%                  |
| 2008 | 50,727                | 28,509,030                          | 36.2           | 116,251               | 5.0%                  |
| 2009 | 48,480                | 27,644,992                          | 36.5           | 117,158               | 7.3%                  |
| 2010 | 47,704                | 27,426,356                          | 36.8           | 120,315               | 8.8%                  |
| 2011 | 48,989                | 28,656,232                          | 36.0           | 121,503               | 7.9%                  |
| 2012 | 51,163                | 30,469,784                          | 36.2           | 122,432               | 7.5%                  |
| 2013 | *                     | *                                   | 36.4           | 124,064               | 6.4%                  |

## Data Source:

(1) Figures 2004-2008 Denver Regional Council of Governments.

Figures 2009-2013 Estimates obtained from the State of Colorado Department of Local Affairs.

## Notes:

(2) U.S. Bureau of Economic Analysis

\* 2013 data not available at the time this report went to print.

(3) U.S. Bureau of Labor Statistics

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

ARAPAHOE COUNTY, COLORADO

Table 13

Principal Employers  
Current Year and Nine Years Ago  
December 31, 2013

| <u>Employer</u>                     | 2013             |             |  | 2004             |             |  |
|-------------------------------------|------------------|-------------|--|------------------|-------------|--|
|                                     | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total County Employment</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total County Employment</u> |
| Cherry Creek School District        | 7,800            | 1           | 2.64%  | 7,100            | 1           | 2.63%  |
| Adams Arapahoe Aurora Schools       | 5,500            | 2           | 1.86%  | 4,400            | 2           | 1.63%  |
| City of Aurora                      | 3,400            | 3           | 1.15%  | 3,300            | 3           | 1.22%  |
| Raytheon Company                    | 2,500            | 4           | 0.85%  | 2,200            | 6           | 0.82%  |
| Littleton School Dist               | 2,400            | 5           | 0.81%  | 2,500            | 4           | 0.93%  |
| CenturyLink (Qwest Corp.)           | 2,000            | 6           | 0.68%  | 1,500            | 10          | 0.56%  |
| Arapahoe County                     | 1,900            | 7           | 0.64%  | 1,800            | 8           | 0.67%  |
| Columbia HCA Swedish                | 1,900            | 8           | 0.64%  | 1,900            | 7           | 0.71%  |
| Columbia HCA Med Ctr Aurora         | 1,500            | 9           | 0.51%  | -                |             | 0.00%  |
| Jeppesen Sanderson Inc.             | 1,400            | 10          | 0.47%  | -                |             | 0.00%  |
| EchoSphere                          | -                |             | 0.00%  | 1,700            | 9           | 0.63%  |
| Great West Life & Annuity Insurance | -                |             | 0.00%  | 2,400            | 5           | 0.89%  |
| Total Principal Employers           | <u>30,300</u>    |             | <u>10.26%</u>                                | <u>28,800</u>    |             | <u>10.69%</u>                                |
| Total Arapahoe County Workforce     | <u>295,400</u>   |             |  | <u>269,500</u>   |             |  |

Data Source:  
Colorado Department of Labor & Employment

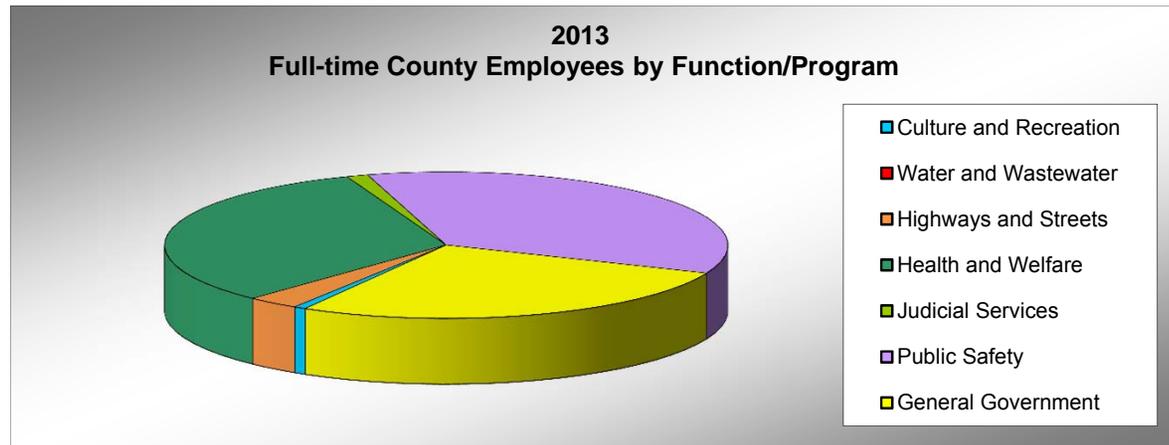
**ARAPAHOE COUNTY, COLORADO**

**Table 14**

**Full-time Equivalent County Employees by Function/Program  
Last Ten Fiscal Years  
December 31, 2013**

| <u>Function/Program</u> | <u>2004</u>     | <u>2005</u>     | <u>2006</u>     | <u>2007</u>     | <u>2008</u>     | <u>2009</u>     | <u>2010</u>     | <u>2011</u>     | <u>2012</u>     | <u>2013</u>     |
|-------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Culture and Recreation  | 4.50            | 4.50            | 5.00            | 8.50            | 8.50            | 9.50            | 9.50            | 10.50           | 12.50           | 13.50           |
| Water and Wastewater    | 9.30            | 9.30            | 8.80            | -               | -               | -               | -               | -               | -               | -               |
| Highways and Streets    | 74.50           | 74.50           | 74.50           | 74.50           | 77.00           | 61.00           | 61.00           | 61.00           | 61.00           | 59.00           |
| Health and Welfare      | 477.25          | 503.25          | 514.75          | 578.50          | 589.25          | 605.00          | 626.50          | 640.50          | 640.00          | 632.75          |
| Judicial Services       | 18.50           | 18.50           | 19.30           | 22.50           | 22.50           | 22.50           | 22.50           | 21.50           | 21.00           | 24.25           |
| Public Safety           | 637.25          | 643.50          | 647.00          | 660.50          | 694.50          | 695.50          | 701.50          | 699.50          | 702.50          | 702.50          |
| General Government      | 555.00          | 558.00          | 558.00          | 563.25          | 562.75          | 552.75          | 549.75          | 541.93          | 541.00          | 531.40          |
| <b>Total</b>            | <b>1,776.75</b> | <b>1,776.30</b> | <b>1,811.55</b> | <b>1,827.35</b> | <b>1,909.75</b> | <b>1,946.25</b> | <b>1,970.75</b> | <b>1,974.93</b> | <b>1,978.00</b> | <b>1,963.40</b> |

Data Source:  
Arapahoe County Finance Department



ARAPAHOE COUNTY, COLORADO

Table 15

Operating Indicators by Function/Program  
Last Ten Fiscal Years  
December 31, 2013

| <u>Function/Program</u>                       | 2004    | 2005    | 2006    | 2007    | 2008    | 2009    | 2010    | 2011    | 2012    | 2013    |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>General Government</b>                     |         |         |         |         |         |         |         |         |         |         |
| Motor vehicle renewals                        | 340,174 | 349,725 | 354,498 | 369,244 | 380,117 | 392,907 | 404,155 | 409,597 | 411,301 | 420,117 |
| Registered voters (active & inactive)         | 364,385 | 324,442 | 331,097 | 309,390 | 344,559 | 338,785 | 347,495 | 353,274 | 385,097 | 379,941 |
| Voter turnout                                 | 234,725 | 126,484 | 171,920 | 78,247  | 268,671 | 247,297 | 273,435 | 235,042 | 288,033 | 140,438 |
| <b>Public Safety (1)</b>                      |         |         |         |         |         |         |         |         |         |         |
| Adult-Juvenile arrests                        | 2,380   | 2,546   | 13,449  | 7,106   | 7,374   | 6,987   | 6,609   | 6,356   | 5,688   | 5,326   |
| DUI arrests                                   | 800     | 825     | 573     | 559     | 492     | 618     | 412     | 478     | 384     | 432     |
| Traffic stops                                 | 6,500   | 7,000   | 69,217  | 27,444  | 32,825  | 50,797  | 53,089  | 48,364  | 44,466  | 44,570  |
| Number of E-911 calls                         | 53,200  | 54,800  | 60,563  | 63,132  | 62,186  | 63,138  | 70,696  | 74,042  | 71,465  | 69,342  |
| <b>Judicial Services (1)</b>                  |         |         |         |         |         |         |         |         |         |         |
| Felony cases closed                           | 3,710   | 3,420   | 238     | 3,029   | 1,976   | 1,812   | 1,796   | 1,675   | 1,585   | 1,518   |
| Misdemeanor cases closed                      | 23,296  | 25,913  | 2,119   | 2,196   | 5,050   | 4,923   | 4,640   | 4,309   | 4,140   | 3,424   |
| <b>Health and Welfare</b>                     |         |         |         |         |         |         |         |         |         |         |
| Annual cases of Food Assistance               | 109,658 | 113,886 | 118,020 | 116,125 | 124,656 | 168,630 | 212,297 | 259,346 | 251,406 | 258,993 |
| <b>Highways and Streets</b>                   |         |         |         |         |         |         |         |         |         |         |
| Sweeping pass miles                           | 2,468   | 3,114   | 4,448   | 2,387   | 2,919   | 5,437   | 6,729   | 4,173   | 1,651   | 1,550   |
| Finished concrete curb & gutter (linear feet) | 6,150   | 4,679   | 2,180   | 1,079   | 1,895   | 4,147   | 5,178   | 3,365   | 3,469   | 1,167   |
| Tons of asphalt applied                       | 29,015  | 24,403  | 22,405  | 22,825  | 1,483   | 4,767   | 10,666  | 8,191   | 15,719  | 19,333  |
| <b>Culture &amp; Recreation</b>               |         |         |         |         |         |         |         |         |         |         |
| Building permits issued                       | 3,055   | 2,815   | 2,277   | 2,633   | 2,104   | 4,868   | 3,235   | 2,003   | 3,207   | 2,996   |

Notes:

(1) Figures for years 2004-2005 are estimates from the Arapahoe County Budget Department. Actual data was not available.

Data Source:

Various Arapahoe County Departments

**ARAPAHOE COUNTY, COLORADO**

**Table 16**

**Capital Asset Statistics by Function/Program  
Last Eight Fiscal Years (1)  
December 31, 2013**

| <b><u>Function/Program</u></b>         | <b><u>2006</u></b> | <b><u>2007</u></b> | <b><u>2008</u></b> | <b><u>2009</u></b> | <b><u>2010</u></b> | <b><u>2011</u></b> | <b><u>2012</u></b> | <b><u>2013</u></b> |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>General Government</b>              |                    |                    |                    |                    |                    |                    |                    |                    |
| Square footage of buildings(4)         | 277,005            | 272,788            | 272,788            | 358,302            | 351,747            | 582,529            | 298,544            | 328,629            |
| Voting machines (2)                    | 1,275              | 1,275              | 1,263              | 1,393              | 1,322              | 1,364              | 406                | 375                |
| <b>Public Safety</b>                   |                    |                    |                    |                    |                    |                    |                    |                    |
| Square footage of detention center(4)  | 291,955            | 291,955            | 291,955            | 293,108            | 293,108            | 293,108            | 293,108            | 293,108            |
| Square footage of other buildings(4)   | 129,867            | 121,588            | 121,588            | 174,136            | 162,338            | 173,481            | 175,406            | 134,183            |
| Patrol vehicles                        | 138                | 135                | 133                | 158                | 144                | 151                | 155                | 156                |
| <b>Judicial Services</b>               |                    |                    |                    |                    |                    |                    |                    |                    |
| Square footage of buildings(4)         | 251,115            | 201,167            | 201,167            | 296,973            | 249,714            | 253,573            | 242,773            | 163,735            |
| <b>Health and Welfare</b>              |                    |                    |                    |                    |                    |                    |                    |                    |
| Square footage of buildings(4)         | 44,865             | 167,660            | 167,660            | 250,166            | 232,905            | 222,023            | 229,284            | 208,174            |
| <b>Highways and Streets(3)</b>         |                    |                    |                    |                    |                    |                    |                    |                    |
| Total centerline miles of county roads | 529.3              | 533.1              | 541.0              | 541.3              | 541.6              | 542.9              | 542.8              | *                  |
| Paved lane miles                       | 999.7              | 1,024.5            | 1,074.6            | 1,084.2            | 1,090.1            | 1,095.8            | 1,111.4            | *                  |
| Unpaved lane miles                     | 527.3              | 516.2              | 492.4              | 481.8              | 478.6              | 478.7              | 459.1              | *                  |
| <b>Culture and Recreation</b>          |                    |                    |                    |                    |                    |                    |                    |                    |
| Number of parks                        | 6                  | 6                  | 6                  | 6                  | 10                 | 10                 | 10                 | 10                 |
| Total Open Space and Parks Acreage     | 447                | 798                | 1,097              | 1,097              | 4,394              | 4,394              | 4,394              | 4,394              |

Notes:

- (1) Prior years' data was not available.
- (2) 958 Advantage machines disposed of in 2012.
- (3) These reports are published on July 1st of each year and reflect changes reported by DTD through December 31st of the previous year.
- (4) 2009 and 2013 recalculated measurements using standard measurements by BOMA

Data Sources:

Various Arapahoe County Departments  
Colorado Department of Transportation