

COMPREHENSIVE ANNUAL FINANCIAL REPORT



Year Ended December 31, 2015



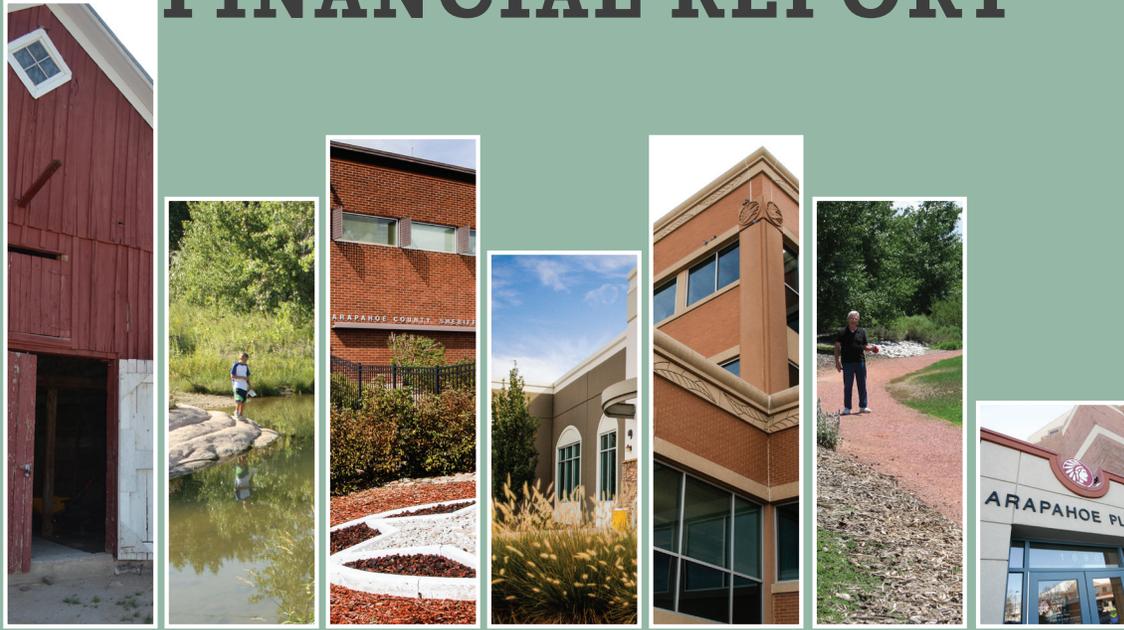
ARAPAHOE COUNTY
COLORADO'S FIRST

ARAPAHOE COUNTY DEPARTMENT OF FINANCE
5334 South Prince Street | Littleton, Colorado 80120-1136
www.arapahoegov.com

Reasonable Accommodation Policy

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COMPREHENSIVE ANNUAL FINANCIAL REPORT



Year Ended December 31, 2015

ACKNOWLEDGEMENTS

BOARD OF COUNTY COMMISSIONERS

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

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 Kennedy, CPA Finance Director
 Shawn Sonnkalb, CPA Accounting Manager
 Erik Burge, CPA Accountant II
 Loren Kohler Accountant II
 Tanya Lepler, CPA..... Accountant II
 Rose Montano-Liermann..... Accountant II
 Jennifer Bennett Sales Tax Analyst
 Jon Rajewich... SAP Business Operations Manager
 Ann Jagow ...Senior SAP Functional Administrator
 Debbie McCarty..... SAP Functional Administrator
 Andrew Barranco..... SAP Functional Analyst
 Michele Parris SAP Functional Analyst
 Mary Lisa Bugel SAP Training Administrator



ARAPAHOE COUNTY
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**ARAPAHOE COUNTY, COLORADO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2015**

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ARAPAHOE COUNTY
COLORADO'S FIRST

Department of Finance

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June 21, 2016

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

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 December 31, 2015.

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.

The 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 the County present fairly, in all material respects, the financial position of the County. The independent auditors have issued an unmodified ("clean") opinion on the County's financial statements for the year ended December 31, 2015. 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 618,000. 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 380 local improvement and service districts within the County.

MISSION

Enhancing your quality of life through exceptional delivery of services and efficient use of public funds.

Comprehensive Annual Finance Report (CAFR) Transmittal

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:

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

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

Comprehensive Annual Finance Report (CAFR) Transmittal

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.

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 beginning of a rebound in real estate and construction. Colorado's job market continues to improve with the largest gains in the construction, health care, professional, and scientific, technical services sectors. As a result, the unemployment rate is estimated to be 4.1% for 2015 and then forecasted to decrease to 3.8% in 2016. Increased home prices have led to increased residential construction while nonresidential construction in the commercial and education sectors increased during 2015. Although the agriculture and oil and natural gas industries have helped boost the State's economy during the economic recovery, recent downturns in these sectors are having an uncertain impact on the State's economic growth. While the overall growth during 2015 generates additional revenue, it also results in additional expenses for local governments.

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 (EBC), after a thorough review of the County's financial position, has set five 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
- Keep pace with the growing demands despite limited revenue growth
- Funding increased capital and infrastructure needs
- Looking ahead to address long term budgetary issues

Comprehensive Annual Finance Report (CAFR) Transmittal

In planning for 2016, the General Fund was structurally balanced (ongoing revenues and ongoing expenses) with a surplus of \$170,899. 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 2016 adopted budget funded a 3.0% performance based salary increase pool for employees.

For 2016, the Executive Budget Committee reviewed trends in revenues and expenditures, considered the addition of the total compensation recommendations, and determined that with the current revenue projection for 2016, there would need to be limitations on the growth in operating expenditures in order to structurally balance the budget. The Executive Budget Committee only recommended those budget packages that the Committee felt were significant enough to be included in the upcoming budget while still balancing the operating budget.

For 2016, the County has planned on \$9.7 million in capital improvements and includes tenant improvements to Lima Plaza related to the relocation of Probation from Courthouse II (\$2.1 million), the Yale/Holly intersection improvement (\$1.7 million), the beginning of improvements to the Iliff Avenue corridor (\$500,000), tenant improvements to the District Attorney building (\$592,000), improvements to the elections warehouse (\$400,000), and other miscellaneous capital improvement programs for facility projects (\$4.0 million), Infrastructure projects (\$4.0 million), information technology projects (\$930,000), and public safety projects (\$738,000).

During 2016 the Board of County Commissioners implemented the recommendation of the Executive Budget Committee and formed a special Long Range Budget Committee to examine the County's longer term budget challenges and to recommend solutions. As the County continues to seek more efficiencies through the County's Align Arapahoe strategic and performance management program, business process improvement, stricter budgeting practices, technological advances, cost-sharing partnerships and creative service delivery methods, the result is less and less unspent funds at the end of each year which have traditionally been used to fund subsequent years' Capital Improvement Projects.

Additionally, the County faces the challenge of maintaining competitive salaries and benefits in order to retain the quality staff it requires to provide high quality, efficient services within the restrictions of TABOR, a State constitutional amendment restricting the growth of taxes. The property reappraisal efforts during 2015 yielded a 19.2% increase in taxable value but the County, limited by TABOR provisions, will experience revenue growth of only 3.3% in 2016. The looming question is whether or not the current trend in property tax growth of 3-3.5% will be sufficient to consistently fund ongoing operations and meet the growing service needs of constituents. This Committee will examine options for revenue enhancements, the most significant of which would require voter approval, as well as continuing to explore options to reduce expenditures without impacting high priority services to constituents.

Preparing for the Future and Uncertain Economic Conditions

In developing the budget for 2015 during 2014, the uncertainty surrounding revenue growth and the impact it could have on future County operations was of concern to the Board of County Commissioners and the Executive Budget Committee. The BOCC is dedicated to maintaining a fiscally responsible structurally balanced budget and therefore remains conservative in projecting future revenues and in budgeting ongoing expenditures. In times of limited revenue growth projections, the BOCC issues budget guidance requesting that budget requests be limited to essential needs only and then the EBC scrutinizes and prioritizes requests carefully, sometimes asking for voluntary budget cuts in order to accommodate essential requests.

Property tax is the largest and most important source of revenue to the County, comprising 45% of overall County revenues. Per State regulations, the market and assessed values and the related revenue collections lag the economy by one or two years. Therefore, the County would not be able to benefit from the recovery of real estate prices from the Great Recession until 2016 and even then the amount of revenues that the County could keep would be restricted by TABOR factors which were unknown at the time of

Comprehensive Annual Finance Report (CAFR) Transmittal

budgeting. Therefore, the County built into the 2015 and 2016 budget a moderate operating surplus in order to guard against this economic uncertainty.

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, 2014. 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-seven consecutive years (fiscal years ended 1987 – 2014). We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA.

I would like to express my appreciation to the Accounting Manager, Shawn Sonnkalb and the department accountants and analysts: Erik Burge, Tanya Lepler, Loren Kohler, Rose Montano-Liermann and Jennifer Bennett, who contributed greatly to the audit and the preparation of the CAFR. Their professionalism, dedication, and efficiency made the preparation of this report possible. Jon Rajewich, Ann Jagow, Mary Lisa Bugel, Debbie McCarty, Andrew Barranco, and Michele Parrish 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, 2014

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, Chair Pro Tem
Bill L. Holen District 5

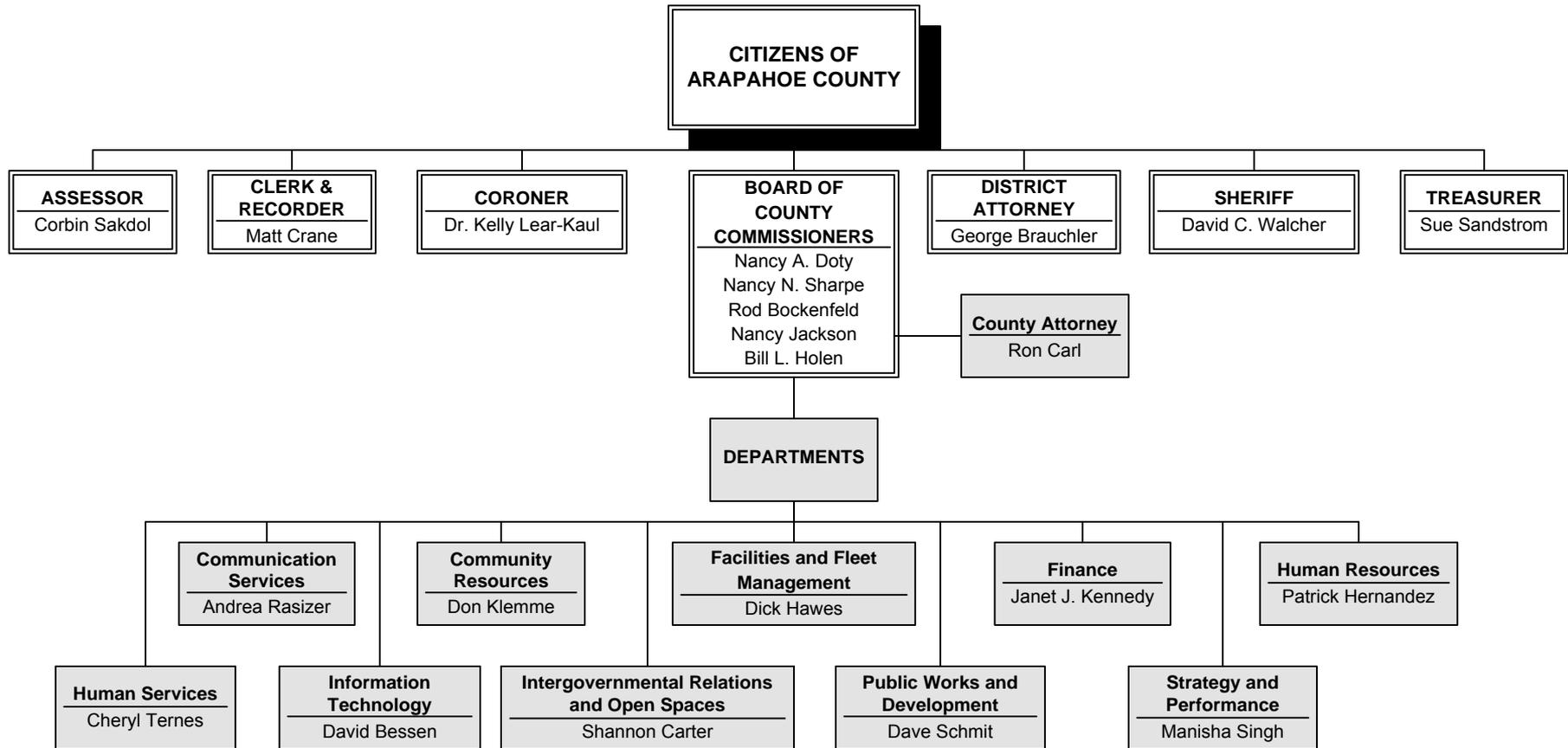
Elected Officials Other Than BOCC

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
Dave Schmit Public Works & Development
Manisha Singh Strategy and Performance

ARAPAHOE COUNTY GOVERNMENT ORGANIZATIONAL CHART





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 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, 2015, 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, 2015, 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.

Emphasis of a Matter

Adoption of New Accounting Standard

As discussed in Note 1 to the financial statements, the County adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68 – *Accounting and Financial Reporting for Pensions* and the related GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* for the year ended December 31, 2015, which represents a change in accounting principle. As a result of the implementation of these standards, the County reported a restatement for the change in accounting principle. Our opinions were not modified with respect to the restatement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages B-4 - B-20, C-67 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 schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information, combining and individual financial statements and schedules, the statements of component unit without separately presented financial statements, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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, the statements of component unit without separately presented financial statements and schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we 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 21, 2016, 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.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
June 21, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

ARAPAHOE COUNTY, COLORADO

December 31, 2015

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, 2015. 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.

FINANCIAL HIGHLIGHTS

Effective January 1, 2015, the County is required to apply Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68) and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* (GASB 71). GASB 68 and 71 revises and establishes new financial reporting requirements for governments that provide employees with pension benefits. For the year ended December 31, 2015, the County adopted the provisions of GASB 68 and 71. Among other requirements, the County must now report the total net pension liability (NPL) in its government-wide financial statements. As of December 31, 2015, the total NPL is \$129.7 million. See Note 14 on page C-55 in the Notes to the Financial Statements for a more detailed discussion of GASB 68 and 71.

Total net position decreased by \$1.6 million during fiscal year 2015.

At the end of the current fiscal year, the County's governmental funds reported combined fund balance of \$150.4 million, a decrease of \$15.2 million from the prior fiscal year.

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 required supplementary information, other supplementary schedules and information and a statistical 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 overview in the Statement of Net Position and the Statement of Activities. Therefore, certain expenditures that are recorded in the governmental fund financial statements are either deferred or capitalized with amortization or depreciation in the government-wide financial statements. Long-term liabilities, deferred inflows of resources, 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 the County 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 County's own operating programs.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ARAPAHOE COUNTY, COLORADO
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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 include not only the 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.

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 provides 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 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

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ARAPAHOE COUNTY, COLORADO
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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.

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ARAPAHOE COUNTY, COLORADO
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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 basis of accounting used for preparing the fund financial statements and the government-wide financial statements.

In this annual report, the County reports on twenty-four individual governmental funds. Information is presented separately in the fund financial statements for the General Fund, Social Services Fund, and Open Spaces Sales Tax Fund, all of which are considered major funds. Individual fund balance sheets for these major funds are presented in the Balance Sheet Governmental Funds and individual fund income statements 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 and D-54 to D-55 in the Combining Financial Statements and Schedules and Other Supplementary Information Sections 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 have any 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ARAPAHOE COUNTY, COLORADO
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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 activity 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-47 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.

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-66 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 and D-54 to D-55 in the Combining Financial Statements and Schedules and Other Supplementary Information Sections of this annual report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ARAPAHOE COUNTY, COLORADO
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GOVERNMENT-WIDE FINANCIAL ANALYSIS

Comparative Summary 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 2015 and 2014:

	Governmental Activities	
	2015	2014*
Assets		
Current and other assets	\$ 365,520,032	\$ 364,628,087
Capital assets	848,976,283	839,983,958
Total assets	<u>1,214,496,315</u>	<u>1,204,612,045</u>
Deferred outflows of resources	<u>21,639,334</u>	<u>2,042,967</u>
Liabilities		
Current and other liabilities	43,568,588	35,300,277
Long-term liabilities	338,359,492	254,920,069
Total liabilities	<u>381,928,080</u>	<u>290,220,346</u>
Deferred inflows of resources	<u>143,938,423</u>	<u>137,233,211</u>
Net position		
Net investment in capital assets	659,544,853	645,575,320
Restricted	58,164,427	62,204,672
Unrestricted	(7,440,134)	71,421,463
Net position*	<u>\$ 710,269,146</u>	<u>\$ 779,201,455</u>

*Net position for 2014 was not restated as presented above for implementation of GASB 68 and 71.

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, 2015, the County's primary government assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$710.3 million. This is a decrease of \$68.9 million over the net position at December 31, 2014 of \$779.2 million. This is due primarily to a \$67.3 million restatement (reduction) of net position as of December 31, 2014 related to the implementation of GASB 68 and 71. As a result, the County recorded a net pension liability of \$129.7 million and deferred outflows of resources for pension of \$19.9 million as of December 31, 2015. Such balances were not required to be reported in the prior year.

The County's net investment in capital assets, \$659.5 million (92.9% of net position) in 2015 and \$645.6 million (82.9% of net position) in 2014, 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ARAPAHOE COUNTY, COLORADO
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An additional \$58.2 million (8.2% of net position) in 2015 and \$62.2 million (8.0% of net position) in 2014 represent restricted net position, 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, (\$7.4 million) (-1.0% of net position) in 2015 and \$71.4 million (9.2% of net position) in 2014 represents unrestricted net position that could otherwise be used to meet ongoing obligations to citizens and creditors. The balance of unrestricted net position at the end of 2015 decreased by \$78.9 million (-110.4%) from the balance in unrestricted net position at the end of 2014 due to the implementation of GASB 68 and 71.

Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future period. In 2015, the County has two items that qualifies for reporting in this category. The first results from the loss on refunding on bonds reported in the government-wide Statement of Net Position. This amount, \$1.7 million resulted from the difference in the carrying value of refunded debt and the reacquisition price of the refunding debt. The second is pension outflows totaling \$19.9 million, which is comprised of \$8.8 million of contributions made subsequent to measurement date, \$11.1 million in changes in assumptions, differences between expected and actual experience, and the difference between projected and actual earnings.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and 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 during 2015, the deferred inflow of resources for property tax revenue, \$143.9, which is deferred in the year the taxes are levied, 2015, and measurable and recognized as an inflow of resources in the period they are collected, 2016.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ARAPAHOE COUNTY, COLORADO
December 31, 2015

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 2015 and 2014:

	Governmental Activities	
	2015	2014*
Revenues		
Program revenues		
Charges for services	\$ 53,983,324	\$ 50,541,693
Operating grants and contributions	71,414,303	67,614,559
Capital grants and contributions	1,130,803	2,627,153
General revenues		
Property taxes	140,088,056	140,623,343
Sales tax	24,593,215	22,557,783
Other taxes	10,149,831	9,778,605
Investment income	2,198,875	1,559,611
Build America Bonds credit	1,076,715	1,074,398
Other revenues	7,700,202	7,455,595
Total revenues	<u>312,335,324</u>	<u>303,832,740</u>
Expenses		
General government	62,981,999	64,507,824
Public safety	86,598,340	82,886,786
Judicial services	13,392,562	12,474,361
Health & welfare	89,673,316	84,017,656
Highways & streets	28,620,234	23,309,365
Water & wastewater	3,567,857	3,525,230
Airport	-	8,268
Culture and recreation	20,602,042	20,022,505
Interest on long-term debt	8,542,246	9,114,034
Total expenses	<u>313,978,596</u>	<u>299,866,029</u>
Change in net position	(1,643,272)	3,966,711
Net position - January 1, as Restated	711,912,418	775,234,744
Net position - December 31*	<u>\$ 710,269,146</u>	<u>\$ 779,201,455</u>

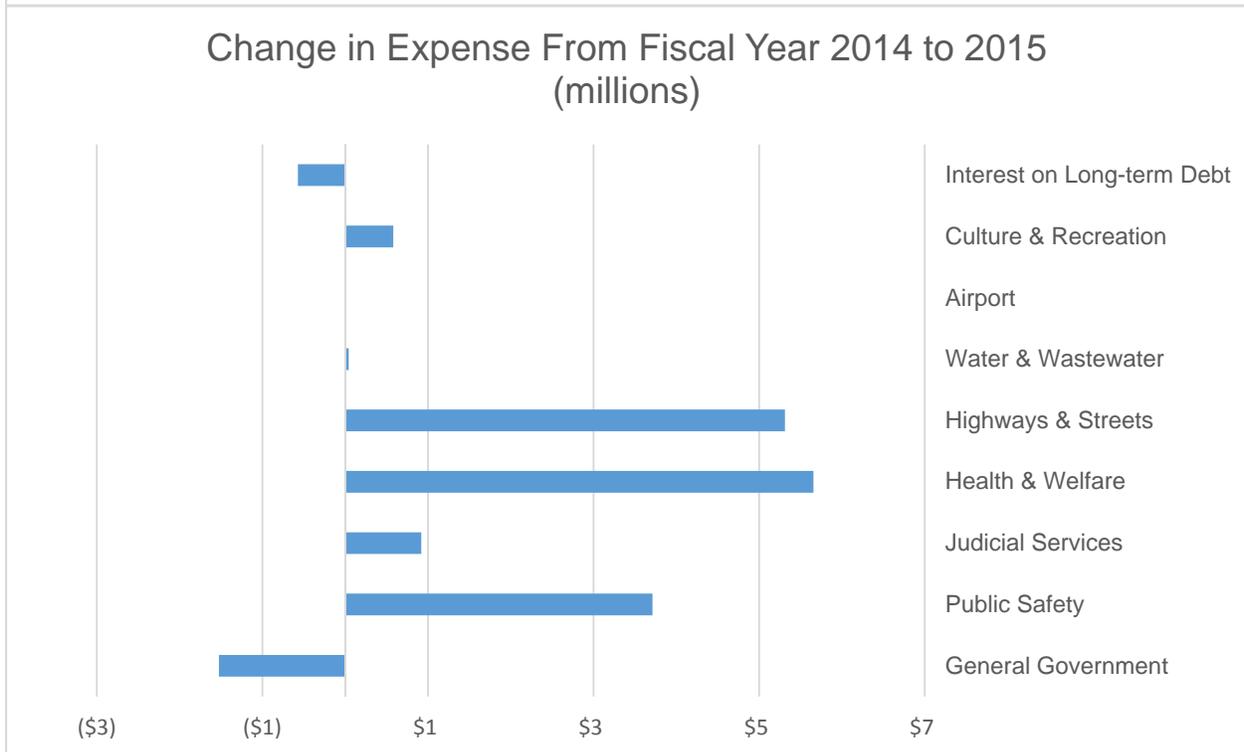
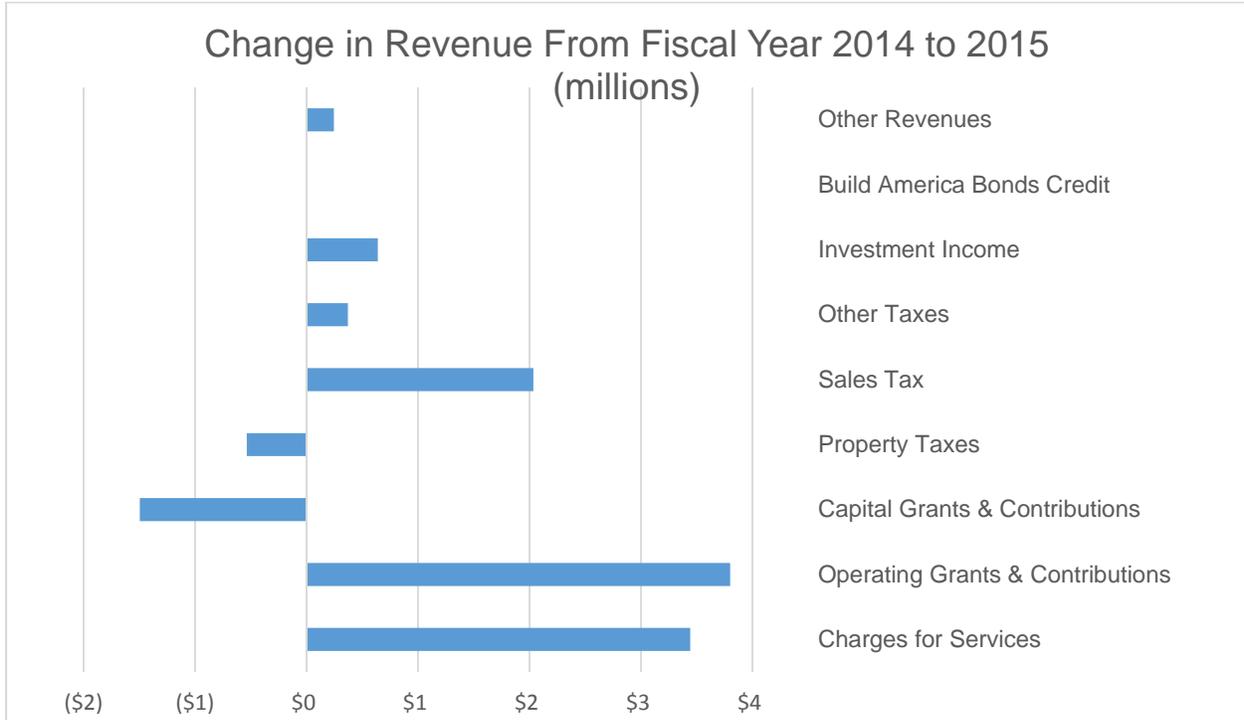
* 2014 balances have not been restated for the implementation of GASB 68 and 71.

Analysis of Government-wide Results of Operations

Government-wide expenses for the County were greater than revenues by \$1.6 million during fiscal year 2015 while government-wide revenues for fiscal year 2014 were greater than expenses by \$4.0 million. Revenues in the government-wide Statement of Activities for 2015 increased \$8.5 million (2.8%) from revenues for 2014, while expenses in the government-wide Statement of Activities for 2015 increased \$14.1 million (4.7%) from expenses for 2014.

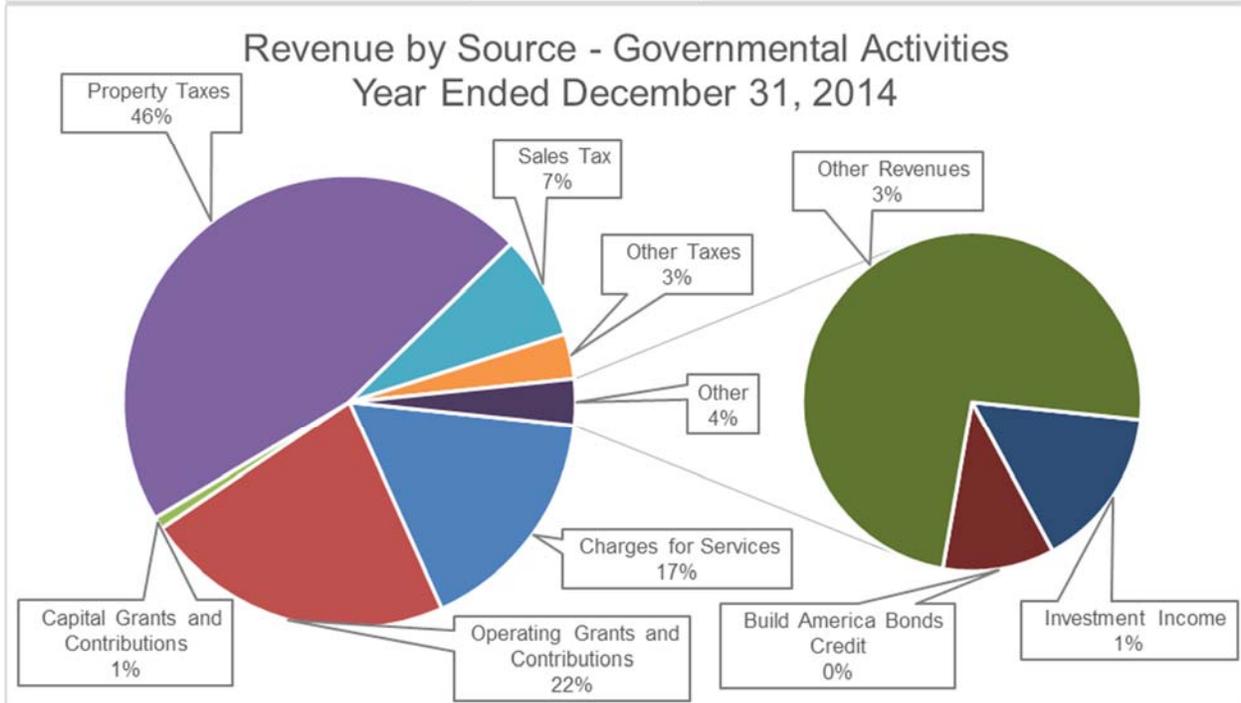
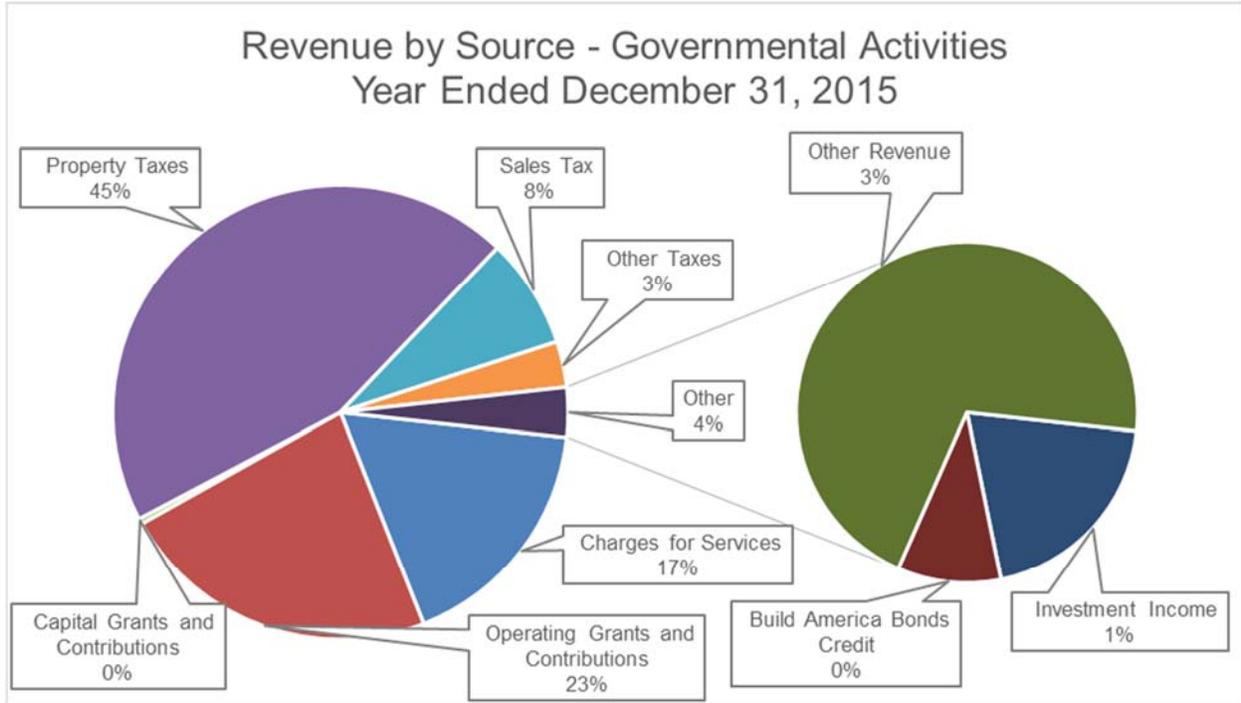
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ARAPAHOE COUNTY, COLORADO
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The changes from fiscal year 2014 to 2015 in the revenue and expense categories in the condensed comparative government-wide Statement of Activities are presented in the following 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 2015 and 2014 is presented in the following pie charts:



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 2014 to 2015.)

The sources of revenue as a percentage of the total revenue for the primary government varied from fiscal year 2014 to 2015. The largest increase in the sources of revenue was a 0.65% increase in the percentage of charges for services to total revenues. The largest decrease in the sources of revenue was a 1.43% decrease in percentage of property taxes to total revenues.

Expenses for highways and streets and health and welfare increased by \$5.3 and \$5.7 million; which accounted for the largest portion of the \$14.1 million increase in total expenses for 2015. The highways and streets increase was from non-capital outlay and contract labor.

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 2015, 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.

General Fund

This fund is the primary operating fund of the County. The General Fund's fund balance was \$48.9 million as of December 31, 2015 and \$45.5 million as of December 31, 2014.

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 2015 to the budgeted total program revenues, transfers in, expenditures, and transfers out for the following fiscal year, 2016. The total of the assigned and unassigned fund balance of the General Fund at the end of fiscal year 2015 is \$42.6 million, less the budgeted use of this fund balance in 2016, \$7.8 million, is \$34.8 million. This represents 21.0% of the adopted budget for General Fund total program revenues and transfers-in for 2016 of \$165.9 million, or 20.0% of the adopted budget for General Fund total program expenditures and transfers-out of \$173.7 million. This indicates that an approximate 20% combination of budgeted revenue short falls and/or expenditures over budget could be sustained during 2016 before the liquidity of the General Fund is compromised, and use of the maintained required liquidity reserves is necessary.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ARAPAHOE COUNTY, COLORADO
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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 2015:

General Fund Budget Variance Analysis					
	Budget		Final Budget	Actual	Variance
	Original Budget	Amendments			
Fund Balance - January 1, 2015	\$ 27,256,129	\$ -	\$ 27,256,129	\$ 27,256,129	\$ -
Revenues and Other Financing Sources	159,024,454	768,703	159,793,157	163,788,136	3,994,979
Expenditures and Other Financing Uses	159,610,018	3,368,356	162,978,374	160,074,406	2,903,968
Fund Balance - December 31, 2015	<u>\$ 26,670,565</u>	<u>\$ (2,599,653)</u>	<u>\$ 24,070,912</u>	<u>\$ 30,969,859</u>	<u>\$ 6,898,947</u>

In 2015, the Board of County Commissioners originally appropriated a total of \$159.6 million for General Fund expenditures and other financing uses. This appropriated total was amended to \$163.0 million in the final budget, an increase of \$3.4 million (2.1%). The Board of County Commissioners also originally estimated \$159.0 million of General Fund revenues and other financing sources for 2015. This estimate was revised to \$159.8 million in the final budget, an increase of \$0.8 million (0.05%). The primary reason for the \$0.8 million increase in the original General Fund revenue and other financing sources budget during 2015 were transfers from the Social Services Fund and the Central Service Fund to the General Fund. The General Fund expenditures and other financing uses budget increase of \$3.4 million during 2015 was primarily caused by increases in professional services, prisoner medical expenses and software maintenance.

Actual General Fund revenues and other financing sources of \$163.8 million was greater than the General Fund final budgeted revenues and other financing sources final budget, \$159.8 million, by \$4.0 million, a 2.5% variance. This was primarily due to increases in building permit fees, motor vehicle license fees, and cable television fees over the amounts budgeted.

Actual General Fund expenditures and other financing uses of \$160.1 million was less than the General Fund final appropriated expenditures and other financing uses of \$163.0 million by \$2.9 million, a 1.8% variance. This difference was primarily from software maintenance, equipment maintenance and repairs, and employee benefits.

The total expenditures in the General Fund decreased by \$6.6 million from \$166.7 million in fiscal year 2014 to \$160.1 million in fiscal year 2015, a change of 4.0%. This was due to one-time transfers from the General Fund to the Capital Project Fund for energy efficiency projects in 2014. The total revenue in the General Fund increased by \$2.2 million from \$161.6 million in fiscal year 2014 to \$163.8 million in fiscal year 2015, a change of 1.3%. This was due to increases in inter-governmental and charges for services.

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 increased \$1.7 million (19%) from \$8.9 million at the end of fiscal year 2014 to \$10.6 million at the end of 2015. Nearly all of the \$10.6 million fund balance at the end of 2015 was assigned.

Revenues increased by approximately \$3.4 million (7.1%) from \$47.9 million in 2014 to \$51.3 million in 2015. The Social Services fund was funded approximately 71.9% in 2014 and 73.0% in 2015 from State and Federal grant monies and 26.6% in 2014 and 24.7% in 2015 by County property and other taxes.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ARAPAHOE COUNTY, COLORADO
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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 (excluding transfers) increased approximately \$2.3 million (4.9%) from \$47.0 million in 2014 to \$49.3 million in 2015. 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 2015, the County's funding for community assistance programs within the County decreased by \$.8 million (6.0%) while payments authorized by the County for community assistance programs funded by the State of Colorado increased by \$3.0 million (8.7%).

Open Spaces Sales Tax Fund

This fund was established to collect sales and use tax for the preservation of open space within the County in 2003. The total fund balance decreased \$.3 million from \$36.6 million in 2014 to \$36.3 million in 2015. The \$36.3 million fund balance in 2015 is fully restricted.

The fund collected approximately \$24.6 million in sales tax and received \$0.3 million in investment income during 2015. Sales tax revenues increased \$2.0 million (8.8%) from \$22.6 million in 2014 to \$24.6 million in 2015. Other revenue sources were nominal in 2015.

Total expenditures were \$19.4 million for the Open Spaces Sales Tax Fund in 2014. Expenditures increased by approximately \$5.8 million (29.9%) from 2014 to 2015. The fund expended approximately \$16.5 million in grants and share back payments from sales tax proceeds to incorporated municipalities and other governmental entities in 2015.

Nonmajor Governmental Funds

The total fund balance of the combined nonmajor governmental funds decreased by approximately \$20.0 million (26.7%) from \$74.7 million in 2014 to \$54.7 million in 2015. An increase in capital spending in the Capital Expenditure fund for the Fairgrounds expansion and Energy Performance project and in the Infrastructure fund for highways and streets accounts for this decrease in fund balance. The refunding of Arapahoe County Water & Wastewater District 2005 bonds and the refunding of the Arapahoe County Building Finance Corporation 2006 Certificates of Participation accounted for an increase in fund balance of approximately \$400,000. In addition, current expenditures increased \$4.3 million (7.7%) from \$56.0 million in 2014 to \$60.3 million in 2015. The increase was primarily caused by the amount spent on highways and streets during 2015.

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. 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 does not have any enterprise funds, only internal service funds. The internal service funds of the County are: the Central Services Fund, Self Insurance Liability Fund, Employee Flex Benefit Fund, Worker's Compensation Fund and the Self Insurance Dental Fund. The net position for the County's internal service funds increased \$1.7 million (5.5%) from \$31.2 million in 2014 to \$32.9 million in 2015.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ARAPAHOE COUNTY, COLORADO
December 31, 2015

Of the \$32.9 million of the total net position of the proprietary funds in 2015, \$30.3 million (92.1%) was the net position of the Central Service Fund. The Central Service Fund is used primarily to allocate the cost of movable assets (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 \$30.3 million net position in the Central Services Fund at the end of 2015, approximately \$8.9 million was invested in capital assets net of accumulated depreciation, and approximately \$21.4 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 of these funds are not available to support the County's programs or operations. Therefore, they are not discussed in the Management's 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 \$840.0 million as of December 31, 2014, and \$849.0 million as of December 31, 2015. 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) increased \$9 million (1.1%) during fiscal year 2015. 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		
	2015	2014	
Land	\$ 42,904,317	\$ 41,681,617	
Easements	4,322,860	4,322,860	
Right of Ways	309,985,260	309,985,260	
Water Rights	51,616,042	51,616,042	
Construction in Progress	18,310,927	4,831,809	
Capital Assets Not Being Depreciated:	427,139,406	412,437,588	
Land Improvements	11,197,909	11,654,755	
Buildings and Improvements	184,257,116	183,518,438	
Furniture and Equipment	18,932,146	16,804,119	
Infrastructure	207,449,706	215,569,058	
Capital Assets Being Depreciated:	421,836,877	427,546,370	
Total	\$ 848,976,283	\$ 839,983,958	

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ARAPAHOE COUNTY, COLORADO
December 31, 2015

Construction in progress (CIP) increased \$13.5 million (281.0%) from \$4.8 million in 2014 to \$18.3 million in 2015. Of the \$18.3 million balance at the end of 2015, \$16.3 million was from the following capital projects:

Capital Project	CIP Amount (in millions)
Fairgrounds Park Phase I	\$ 5.7
Fairgrounds Expansion	5.5
Brick Center Road Improvemnets Project	4.0
Jewell Ave & Brick Center Road Construction	1.1
	<u>\$ 16.3</u>

Additional information on Arapahoe County capital assets can be found in the Notes to the Financial Statements located on pages C-27 to C-28 and C-39 to C-41 of this annual report.

Outstanding Long-Term Debt

At the end of fiscal year 2015, the County had three bond issues, one long-term note payable, two certificates of participation and four capital lease purchase agreements outstanding. The certificates of participation were issued by the Arapahoe County Building Finance Corporation.

Arapahoe County Government Summary of Outstanding Debt		
Governmental Activities		
	2015	2014
Bonds	\$ 140,581,034	\$ 114,832,794
Certificates of Participation	26,792,005	31,706,254
Long-term Notes	8,582,389	36,589,875
Lease Purchase Agreements	18,327,181	19,768,364
Total Outstanding Debt	<u>\$ 194,282,609</u>	<u>\$ 202,897,287</u>

The County's total long-term debt decreased \$8.6 million in 2015. The balance of outstanding bonds increased approximately \$25.7 million during 2015 while the outstanding balance of long-term notes decreased approximately \$28.0 million. In June, the Arapahoe County Water & Wastewater Public Improvement District issued General Obligation Refunding Bonds, Series 2015 in the amount of \$25.9 million. These were issued to refund the Arapahoe County Water & Wastewater Public Improvement District Series 2005 Bonds. The refunding of the Arapahoe County Water & Waste Water Public Improvement District Series 2005 Bonds resulted in an economic gain (the difference between the present value of the debt service payments of the refunded (new debt), the associated costs needed to complete the refunding transaction and the present value of the old debt service payments made to the maturity of the old debt) of \$4.3 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ARAPAHOE COUNTY, COLORADO
December 31, 2015

The balance of certificates of participation decreased by \$4.9 million during 2015. In December, the County issued refunding Certificates of Participation, Series 2015 in the amount of \$23.0 million. These were issued to refund the Certificates of Participation, Series 2006. The refunding of the Certificate of Participation Series 2006 resulted in an economic gain (the difference between the present value of the debt service payments of the refunded (new debt), the associated costs needed to complete the refunding transaction and the present value of the old debt service payments made to the maturity of the old debt) of \$1.6 million.

The balance of lease purchase agreements decreased by \$1.4 million during 2015.

Additional information about the County's long-term debt can be found in the notes to the financial statements on pages C-29 and C-43 to C-49 of this annual report.

DESCRIPTION OF DECISIONS AND CONDITIONS EXPECTED TO HAVE AN EFFECT ON ARAPAHOE COUNTY'S FINANCIAL POSITION AND OPERATIONS

Decisions

- **General Fund Assigned and Unassigned Fund Balance** The County has appropriated \$7.8 million of the 2015 General Fund assigned and unassigned fund balance of \$42.6 million for subsequent year spending in the 2016 fiscal year budget. This is greater than the 2014 appropriation of \$0.6 million for 2015 due to transfers from the General Fund fund balance to the Capital Expenditure fund for capital projects in 2016.
- **Property Tax Mill Levy** Property tax is the largest source of revenue for the County. The total mill levy of the County, not including the blended component units, was 16.950 mills in 2014 and 14.856 mills in 2015. The mill levy for 2015 (collected in 2016) is made up of the permanent Tabor base mill levy of 15.966 plus a taxpayer approved mill levy of Tabor exempt funds for Developmental Disabilities of 1.000 mills, less a temporary tax credit of 2.110 mills.

Economic Condition Indicators

- **Unemployment Rate** – The unemployment rate, not seasonably adjusted, for Arapahoe County was 3.1% for December 2015, which is a decrease from the rate of 4.9% for December 2014. This rate compares favorably to the Denver-metro area's unemployment rate of 3.1% and the state's unemployment rate of 3.3% for December 2015.
- **Building Permits** – Building permits are issued for the unincorporated areas of the County, which represent approximately 15% of the total County population. The number of single family residence building permits issued in 2015 increased 34.0% from 265 building permits issued in 2014 to 355 building permits issued in 2015. The number of multi-family residential building permits increased 3,940.0% from 15 building permits issued in 2014 to 606 building permits issued in 2015. This increase was due to a back-log of permits pending during 2014 that were issued in 2015. The number of commercial new construction, remodeling and tenant finish building permits increased 7.1% from 182 building permits in 2014 to 195 building permits in 2015.
- **Mortgage Foreclosures** – The number of mortgage foreclosures decreased from 2014 to 2015. There were 1,314 mortgage foreclosures in 2014 and 858 in 2015, which is a decrease of 34.7%.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
ARAPAHOE COUNTY, COLORADO
December 31, 2015

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, 2015

	Primary Government	Component Units		
	Governmental Activities	E-911 Authority	Arapahoe County Airport Authority	Arapahoe County Water and Wastewater Authority
Assets				
Cash and investments	\$ 155,315,117	\$ 7,956,423	\$ 4,709,969	\$ 23,040,771
Accounts receivable	13,255,109	354,559	1,688,165	1,888,433
Property tax receivable, net	143,938,423	-	-	-
Due from other governments	2,902,614	-	231,271	-
Inventories	523,271	-	-	-
Prepaid and other items	36,437	-	148,039	13,254
Restricted cash and investments	47,964,061	-	1,582,934	10,177,287
Due from component unit	1,585,000	-	-	-
Total non-capital assets	365,520,032	8,310,982	8,360,378	35,119,745
Non-depreciable capital assets	427,139,406	-	39,929,412	90,357,542
Depreciable capital assets	421,836,877	32,741	17,255,578	78,077,436
Total capital assets	848,976,283	32,741	57,184,990	168,434,978
Total assets	1,214,496,315	8,343,723	65,545,368	203,554,723
Deferred outflows of resources				
Refunding of bonds	1,745,835	-	395,484	1,782,947
Pension outflows	19,893,499	-	-	-
Total deferred outflows of resources	21,639,334	-	395,484	1,782,947
Liabilities				
Accounts payable and other current liabilities	28,259,033	115,535	1,348,049	2,477,907
Accrued interest payable	806,135	-	15,572	615,385
Due to other governments	722,860	-	-	-
Unearned revenue	13,780,560	-	24,453	-
Noncurrent liabilities:				
Long term debt due within one year	10,402,342	-	2,437,055	3,177,610
Long term debt due in more than one year	195,838,215	-	637,185	126,483,410
Net pension liability	129,697,935	-	-	-
Estimated claims payable greater than one year	2,421,000	-	-	-
Total liabilities	381,928,080	115,535	4,462,314	132,754,312
Deferred inflows of resources				
Property tax revenue	143,938,423	-	-	-
Water charges	-	-	-	126,027
Total deferred inflows of resources	143,938,423	-	-	126,027
Net position				
Net investment in capital assets	659,544,853	32,741	53,767,756	44,467,434
Restricted for:				
TABOR reserve	6,393,743	-	-	-
Transportation projects	3,619,201	-	-	-
Debt service and reserves	-	-	-	7,675,170
Capital projects	-	-	-	2,502,117
Park development	849,258	-	-	-
Parks, recreation and open space	841,957	-	-	-
Open space, parks and trails	36,255,603	-	-	-
Developer contributions	1,706,321	-	-	-
Law enforcement	8,012,948	-	-	-
Electronic filing technology	485,396	-	-	-
Capital lease restrictive covenant	-	-	1,582,934	-
Unrestricted	(7,440,134)	8,195,447	6,127,848	17,812,610
Total net position	\$ 710,269,146	\$ 8,228,188	\$ 61,478,538	\$ 72,457,331

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, 2015

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
General government	\$ 62,981,999	\$ 23,989,832	\$ 116,151	\$ -
Public safety	86,598,340	27,738,753	2,577,121	-
Judicial services	13,392,562	-	-	-
Health and welfare	89,673,316	755,207	59,144,977	6,951
Highways and streets	28,620,234	927,616	9,421,948	512,927
Water and wastewater	3,567,857	5	-	-
Culture and recreation	20,602,042	571,911	154,106	610,925
Interest on long-term debt	8,542,246	-	-	-
Total governmental activities	313,978,596	53,983,324	71,414,303	1,130,803
Component Units				
E-911	4,591,818	2,451,091	-	-
Arapahoe County Airport Authority	8,464,467	6,963,526	6,612,408	-
Arapahoe County Water and Wastewater Authority	19,633,197	17,390,724	-	3,095,059
Total component units:	\$ 32,689,488	\$ 26,805,341	\$ 6,612,408	\$ 3,095,059

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, restated

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
\$ (38,876,016)	\$ -	\$ -	\$ -
(56,282,466)	-	-	-
(13,392,562)	-	-	-
(29,766,181)	-	-	-
(17,757,743)	-	-	-
(3,567,852)	-	-	-
(19,265,100)	-	-	-
(8,542,246)	-	-	-
<u>(187,450,166)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	(2,140,727)	-	-
-	-	5,111,461	-
-	-	-	852,586
<u>\$ -</u>	<u>\$ (2,140,727)</u>	<u>\$ 5,111,461</u>	<u>\$ 852,586</u>
140,088,056	-	-	-
24,593,215	-	-	-
10,149,831	-	-	-
2,198,875	88,968	84,712	11,316
1,076,715	-	-	1,872,502
7,700,202	2,400	-	-
<u>185,806,894</u>	<u>91,368</u>	<u>84,712</u>	<u>1,883,818</u>
<u>(1,643,272)</u>	<u>(2,049,359)</u>	<u>5,196,173</u>	<u>2,736,404</u>
711,912,418	10,277,547	56,282,365	69,720,927
<u>\$ 710,269,146</u>	<u>\$ 8,228,188</u>	<u>\$ 61,478,538</u>	<u>\$ 72,457,331</u>

**Arapahoe County, Colorado
Balance Sheet
Governmental Funds
December 31, 2015**

	General	Social Services	Open Spaces Sales Tax	Other Governmental
Assets				
Cash and investments	\$ 50,616,729	\$ 21,346,168	\$ -	\$ 55,796,205
Restricted cash and investments	62,970	-	43,562,829	4,338,262
Accounts receivable	3,607,171	2,992,571	3,783,508	5,732,589
Taxes receivable, net	98,286,766	11,984,252	-	33,667,405
Due from other funds	1,684,632	-	-	-
Prepaid items	21,446	13,392	-	1,598
Due from Airport Authority	-	-	-	1,585,000
Inventories	-	-	-	76,163
Total assets	\$ 154,279,714	\$ 36,336,383	\$ 47,346,337	\$ 101,197,222
Liabilities				
Accounts payable	\$ 4,222,564	\$ 1,376,456	\$ 11,038,699	\$ 5,498,750
Accrued expenditures	2,816,221	1,111,781	32,035	501,334
Due to other governments	8,181	147,864	-	-
Due to other funds	-	-	-	1,684,632
Unearned revenue - other	1,848	11,143,856	20,000	2,614,855
Total liabilities	7,048,814	13,779,957	11,090,734	10,299,571
Deferred inflows of resources				
Deferred property tax revenue	98,286,766	11,984,252	-	33,667,405
Long term rec-airport authority	-	-	-	1,585,000
Unavailable revenue-delinquent property taxes	19,593	-	-	-
Unavailable revenue-grants	-	-	-	906,783
Unavailable revenue-other	51,187	-	-	-
Total deferred inflows of resources	98,357,546	11,984,252	-	36,159,188
Fund balances (deficits)				
Nonspendable	21,446	13,392	-	77,761
Restricted	6,237,852	-	36,255,603	19,976,316
Committed	-	-	-	29,309,109
Assigned	8,943,657	10,558,782	-	6,231,806
Unassigned	33,670,399	-	-	(856,529)
Total fund balances (deficits)	48,873,354	10,572,174	36,255,603	54,738,463
Total liabilities, deferred inflows of resources and fund balance	\$ 154,279,714	\$ 36,336,383	\$ 47,346,337	\$ 101,197,222

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

Total
Governmental

\$ 127,759,102
47,964,061
16,115,839
143,938,423
1,684,632
36,436
1,585,000
76,163

\$ 339,159,656

\$ 22,136,469
4,461,371
156,045
1,684,632
13,780,559

42,219,076

143,938,423
1,585,000
19,593
906,783
51,187

146,500,986

112,599
62,469,771
29,309,109
25,734,245
32,813,870

150,439,594

\$ 339,159,656

Arapahoe County, Colorado
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
December 31, 2015

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)	\$	150,439,594
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		840,049,209
The deferred charge on refunding of bonds is not an available resource and, therefore, is not reported in the funds.		1,745,835
The deferred pension outflow is not an available resource and, therefore, is not reported in the funds.		19,893,499
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		2,562,563
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.		32,883,338
Long-term liabilities, including bonds payable, certificates of participation, notes payable, capital leases, landfill post closure cost payable, compensated absences, net pension liability and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds.		(337,304,892)
		<hr style="border-top: 1px solid black;"/>
Net position of governmental activities	\$	<u><u>710,269,146</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, 2015

	General	Social Services	Open Spaces Sales Tax	Other Governmental
Revenues				
Taxes				
Property taxes	\$ 96,556,023	\$ 11,771,853	\$ -	\$ 31,772,104
Sales tax	-	-	24,592,513	702
Other taxes	7,410,773	903,158	-	1,835,901
Licenses and permits	6,752,393	-	-	927,098
Intergovernmental	1,877,926	37,474,477	-	32,411,910
Charges for services	43,242,027	18,364	180,477	2,113,196
Fines and forfeitures	686,675	-	-	785,352
Investment earnings	1,665,565	-	290,569	242,741
Interfund revenues and rentals	3,885,296	-	-	-
Repayment from comp unit-principal & interest	-	-	-	1,594,761
Developer contributions	-	-	-	488,890
Build America Bonds credit	-	-	-	1,076,715
Miscellaneous	1,202,484	1,171,378	64,608	1,978,602
Total revenue	<u>163,279,162</u>	<u>51,339,230</u>	<u>25,128,167</u>	<u>75,227,972</u>
Expenditures				
Current				
General government	60,654,508	-	-	281,063
Public safety	69,277,911	-	-	9,773,104
Judicial services	13,269,108	-	-	-
Health and welfare	9,308,733	49,267,817	-	28,055,146
Highways and streets	-	-	-	21,008,487
Water and wastewater	-	-	-	117,138
Culture and recreation	-	-	18,737,700	1,065,089
Total current	<u>152,510,260</u>	<u>49,267,817</u>	<u>18,737,700</u>	<u>60,300,027</u>
Capital				
General government	-	-	-	15,962,427
Public safety	85,313	-	-	1,309,335
Judicial services	-	-	-	156,144
Highways and streets	-	-	-	5,298,141
Culture and recreation	-	-	6,412,675	-
Total capital	<u>85,313</u>	<u>-</u>	<u>6,412,675</u>	<u>22,726,047</u>
Debt				
Principal	-	-	-	8,605,357
Interest	-	-	-	8,703,895
Cost of issuance	-	-	-	497,602
Debt administration fees	-	-	-	2,917
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,809,771</u>
Total expenditures	<u>152,595,573</u>	<u>49,267,817</u>	<u>25,150,375</u>	<u>100,835,845</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,683,589</u>	<u>2,071,413</u>	<u>(22,208)</u>	<u>(25,607,873)</u>
Other financing sources (uses)				
Transfers in	509,004	-	-	8,102,620
Transfers out	(7,789,190)	(364,000)	(360,500)	(2,851,816)
Payment to bond agent	-	-	-	(51,909,890)
Refunding bonds issued	-	-	-	48,940,000
Premium (discount) on bonds	-	-	-	3,376,755
Total other financing sources (uses)	<u>(7,280,186)</u>	<u>(364,000)</u>	<u>(360,500)</u>	<u>5,657,669</u>
Net change in fund balance	3,403,403	1,707,413	(382,708)	(19,950,204)
Fund balance - beginning	45,469,951	8,864,761	36,638,311	74,688,667
Fund balance - ending	<u>\$ 48,873,354</u>	<u>\$ 10,572,174</u>	<u>\$ 36,255,603</u>	<u>\$ 54,738,463</u>

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

Total
Governmental

\$ 140,099,980
24,593,215
10,149,832
7,679,491
71,764,313
45,554,064
1,472,027
2,198,875
3,885,296
1,594,761
488,890
1,076,715
4,417,072

314,974,531

60,935,571
79,051,015
13,269,108
86,631,696
21,008,487
117,138
19,802,789

280,815,804

15,962,427
1,394,648
156,144
5,298,141
6,412,675

29,224,035

8,605,357
8,703,895
497,602
2,917

17,809,771

327,849,610

(12,875,079)

8,611,624
(11,365,506)
(51,909,890)
48,940,000
3,376,755

(2,347,017)

(15,222,096)

165,661,690

\$ 150,439,594

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, 2015

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)	\$ (15,222,096)
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 capital outlays exceeded depreciation in the current period.	9,776,752
The Statement of Activities reports losses arising from the sale of capital assets. Conversely, governmental funds do not report any losses on the sale of capital assets.	(713,237)
The net effect of various miscellaneous transactions involving the valuation of donated assets is to increase net position.	24,037
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	977,563
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.	59,340,358
Proceeds from borrowing increase the financial resources of the governmental funds but are not revenues to the government-wide financial statements.	(48,940,000)
Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the Statement of Activities.	(2,081,341)
Some revenues reported in the governmental funds have been reported in the Statement of Activities in prior periods.	(2,496,188)
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.	(4,026,454)
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>1,717,334</u>
Change in net position of governmental activities	<u><u>\$ (1,643,272)</u></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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Property taxes	\$ 96,074,566	\$ 96,074,566	\$ 96,556,023	\$ 481,457
Other taxes	7,000,000	7,000,000	7,410,773	410,773
Licenses and permits	5,708,245	5,723,175	6,752,393	1,029,218
Intergovernmental	1,654,472	1,744,697	1,877,896	133,199
Charges for services	40,987,977	41,068,441	43,242,027	2,173,586
Fines and forfeitures	689,000	726,830	686,675	(40,155)
Investment earnings	1,200,000	1,200,000	1,665,565	465,565
Interfund revenues and rentals	4,362,699	4,362,699	3,885,296	(477,403)
Miscellaneous	1,347,495	1,383,745	1,202,484	(181,261)
Total revenue	159,024,454	159,284,153	163,279,132	3,994,979
Expenditures				
Current				
General government				
Administrative services	5,015,887	5,237,725	5,057,395	180,330
Assessor's Office	5,172,694	5,172,694	4,941,039	231,655
Board of County Commissioners	981,748	981,748	954,674	27,074
BOCC-Administration	636,540	636,540	576,134	60,406
Clerk and Recorder's Office	8,865,595	9,173,677	8,895,703	277,974
Communication Services Department	1,305,008	1,315,531	1,299,328	16,203
County Attorney	2,733,409	2,783,409	2,526,396	257,013
Facilities and Fleet Management	7,922,866	7,983,981	7,851,979	132,002
Finance	3,154,758	3,196,302	2,835,373	360,929
Human Resources	1,807,208	1,822,266	1,770,428	51,838
Information Technology	12,475,911	13,036,627	12,407,630	628,997
Office of Performance Management	375,480	433,480	414,548	18,932
Open Spaces & Intergovernmental Relations	41,680	41,680	39,218	2,462
Public Works and Development	6,758,348	7,060,798	7,043,259	17,539
Treasurer's Office	2,147,801	2,166,746	1,953,047	213,699
Total general government	59,394,933	61,043,204	58,566,151	2,477,053
Public safety	68,787,091	69,700,816	69,277,911	422,905
Judicial services	13,269,711	13,269,711	13,269,108	603
Health and welfare	9,258,343	9,310,833	9,308,733	2,100
Total current	150,710,078	153,324,564	150,421,903	2,902,661
Capital				
Public safety	8,300	86,620	85,313	1,307
Total capital	8,300	86,620	85,313	1,307
Total expenditures	150,718,378	153,411,184	150,507,216	2,903,968
Excess (deficiency) of revenues over (under) expenditures	8,306,076	5,872,969	12,771,916	6,898,947
Other financing sources (uses)				
Transfers in	-	509,004	509,004	-
Transfers out	(8,891,640)	(9,567,190)	(9,567,190)	-
Total other financing sources (uses)	(8,891,640)	(9,058,186)	(9,058,186)	-
Net change in fund balance	(585,564)	(3,185,217)	3,713,730	6,898,947
Fund balance - beginning	27,256,129	27,256,129	27,256,129	-
Fund balance - ending	\$ 26,670,565	\$ 24,070,912	\$ 30,969,859	\$ 6,898,947

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Property taxes	\$ 11,713,187	\$ 11,713,187	\$ 11,771,853	\$ 58,666
Other taxes	820,000	820,000	903,158	83,158
Intergovernmental	39,407,297	39,888,091	37,474,477	(2,413,614)
Charges for services	20,500	20,500	18,364	(2,136)
Miscellaneous	641,000	641,000	1,171,378	530,378
Total revenue	<u>52,601,984</u>	<u>53,082,778</u>	<u>51,339,230</u>	<u>(1,743,548)</u>
Expenditures				
Current				
Health and welfare	53,570,472	54,068,045	49,267,817	4,800,228
Total expenditures	<u>53,570,472</u>	<u>54,068,045</u>	<u>49,267,817</u>	<u>4,800,228</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(968,488)</u>	<u>(985,267)</u>	<u>2,071,413</u>	<u>3,056,680</u>
Other financing sources (uses)				
Transfers out	(24,800)	(388,800)	(364,000)	24,800
Total other financing sources (uses)	<u>(24,800)</u>	<u>(388,800)</u>	<u>(364,000)</u>	<u>24,800</u>
Net change in fund balance	(993,288)	(1,374,067)	1,707,413	3,081,480
Fund balance - beginning	8,864,761	8,864,761	8,864,761	-
Fund balance - ending	<u>\$ 7,871,473</u>	<u>\$ 7,490,694</u>	<u>\$ 10,572,174</u>	<u>\$ 3,081,480</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Sales tax	\$ 22,610,000	\$ 22,610,000	\$ 24,592,513	\$ 1,982,513
Charges for services	90,000	90,000	180,477	90,477
Investment earnings	140,000	140,000	290,569	150,569
Miscellaneous	-	-	64,608	64,608
Total revenue	<u>22,840,000</u>	<u>22,840,000</u>	<u>25,128,167</u>	<u>2,288,167</u>
Expenditures				
Current				
Culture and recreation	20,308,923	54,066,301	18,737,700	35,328,601
Capital				
Culture and recreation	2,530,477	5,051,510	6,412,675	(1,361,165)
Total expenditures	<u>22,839,400</u>	<u>59,117,811</u>	<u>25,150,375</u>	<u>33,967,436</u>
Excess (deficiency) of revenues over (under) expenditures	<u>600</u>	<u>(36,277,811)</u>	<u>(22,208)</u>	<u>36,255,603</u>
Other financing sources (uses)				
Transfers out	(600)	(360,500)	(360,500)	-
Total other financing sources (uses)	<u>(600)</u>	<u>(360,500)</u>	<u>(360,500)</u>	<u>-</u>
Net change in fund balance	-	(36,638,311)	(382,708)	36,255,603
Fund balance - beginning	36,638,311	36,638,311	36,638,311	-
Fund balance - ending	<u>\$ 36,638,311</u>	<u>\$ -</u>	<u>\$ 36,255,603</u>	<u>\$ 36,255,603</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, 2015**

	Governmental Activities Internal Service Funds
Assets	
Current assets	
Cash and investments	\$ 27,556,015
Accounts receivable	41,889
Inventory	447,107
Total current assets	28,045,011
Noncurrent assets	
Capital assets	
Buildings and improvements	17,628
Vehicles and equipment	33,704,062
Computer systems	7,060,744
Furniture and office equipment	109,437
Less: accumulated depreciation	(31,964,797)
Total noncurrent assets (net of accum. dep.)	8,927,074
Total assets	36,972,085
Liabilities	
Current liabilities	
Accounts payable	565,747
Estimated claims payable	1,102,000
Noncurrent claims payable	2,421,000
Total liabilities	4,088,747
Net position	
Net investment in capital assets	8,927,074
Unrestricted	23,956,264
Total net position	\$ 32,883,338

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, 2015

	Governmental Activities Internal Service Funds
Operating revenues	
Charges for sales and service	\$ 8,765,062
Total operating revenue	8,765,062
Operating expenses	
Cost of sales and services	6,190,238
Administration	155,423
Depreciation	3,863,043
Total operating expenses	10,208,704
Operating income (loss)	(1,443,642)
Nonoperating revenue (expenses)	
Insurance recoveries	2,949
Gain on sale of assets	586,534
Loss on sale of assets	(182,389)
Income before contributions and transfers	(1,036,548)
Transfers in	2,884,941
Transfers out	(131,059)
Change in net position	1,717,334
Total net position - beginning	31,166,004
Total net position - ending	\$ 32,883,338

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, 2015

	Governmental Activities Internal Service Funds
	Funds
Cash flows from operating activities	
Cash received for interfund services provided	\$ 8,918,387
Cash payments for services and supplies	(5,938,372)
Net cash provided by operating activities	2,980,015
Cash flows from noncapital financing activities	
Transfers in from other funds	2,884,941
Transfers out to other funds	(131,059)
Net cash provided by non capital financing activities	2,753,882
Cash flows from capital and related financing activities	
Acquisition of property and equipment	(3,961,625)
Proceeds from sale of capital assets	594,325
Insurance Proceeds	2,949
Net cash used for capital and related financing activities	(3,364,351)
Net increase in cash and investments	2,369,546
Cash and investments, January 1, 2015	25,186,469
Cash and investments, December 31, 2015	\$ 27,556,015
Reconciliation of operating loss to net cash provided by operating activities:	
Operating income (loss)	\$ (1,443,642)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation expense	3,863,043
(Increase) decrease in current assets:	
Accounts receivable	153,325
Inventory	69,636
Increase (decrease) in current liabilities:	
Accounts payable	(119,347)
Claims payable	457,000
Total Adjustments	4,423,657
Net cash provided by operating activities	\$ 2,980,015

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, 2015

	Arapahoe County Retirement Trust	Agency Funds Total
Assets		
Cash and investments:	\$ -	\$ 27,794,213
Restricted escrow	-	822,944
Investments:		
Money market funds	3,981,050	-
Equity securities	83,780,788	-
Real estate investments	52,322,494	-
Fixed income securities	44,786,845	-
Hedge Funds	29,335,961	-
Foreign Investments	50,554,548	-
Private Equity	530,827	-
Total cash and investments	265,292,513	28,617,157
Receivables:		
Dividends and interest	-	-
Property taxes	-	711,153,803
Other assets	-	43,251
Total assets	265,292,513	739,814,211
Liabilities		
Accounts payable	116,417	397
Due to other governments	-	729,029,777
Other deposits payable	-	10,699,191
Warrants payable	-	84,846
Total liabilities	116,417	\$ 739,814,211
Net Position		
Net position held in trust for pension benefits	\$ 265,176,096	

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, 2015

	Arapahoe County Retirement Trust
ADDITIONS	
Contributions:	
Employer	\$ 8,749,813
Plan Members	8,738,077
Total Contributions	17,487,890
Investment Income:	
Net Depreciation in Fair Value of Investments	(5,264,027)
Interest and Dividends	4,668,988
Total Investment Income	(595,039)
Investment Expenses	(1,647,170)
Net Investment Income	(2,242,209)
Total Additions	15,245,681
DEDUCTIONS	
Benefits to Plan Members	21,311,701
Refund of Contributions	3,911,473
Administrative Expenses	334,662
Total Deductions	25,557,836
Change in Net Position	(10,312,155)
Net Position - Beginning of Year	275,488,251
Net Position - End of Year	\$ 265,176,096

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, 2015

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

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

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 County has all of the operational responsibilities 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.

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, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

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).

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.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

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
www.centennialairport.com

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

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

Government-wide and Fund Financial Statements

The government-wide financial statements 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.

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.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

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 is recognized when due, and expenditures related to compensated absences and claims and judgments are recognized when the obligations have 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** is the County's primary operating fund. It accounts for all financial resources of the general government, except those that are properly accounted for in another fund.

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

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.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

Additionally, the County reports the following fund types:

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.

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.

The **Retirement Trust Fund** (the Plan) is a sponsored single employer defined benefit plan. All permanent, full-time employees of the County are required to become members of the plan.

The **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, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Net Position or Fund Balances

Cash

All cash, within the 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.

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. Tax collection and distribution to the various taxing entities is done by the 10th of every month following the month of collection by the Treasurer.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

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 (Continued)
December 31, 2015

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 two items that qualify for reporting in this category. The first item that qualifies 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. Deferred pension outflows is the other item that is being presented as a deferred outflow of resources, see Note 14 for the deferred outflows of resources related to pensions.

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 receivable due from the airport authority, and delinquent property taxes. These amounts are recognized as an inflow of resources in the period the revenue becomes available.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

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 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

In the fund financial statements, governmental funds report fund balance based on the extent to which the County is bound to honor constraints on the specific purpose for which funds can be spent. Fund balance classifications are based on the requirements of GASB Statement No. 54. Classifications are nonspendable, restricted, committed, assigned, and unassigned. Restricted amounts are not available for appropriation because they are legally restricted by an outside party for a specific purpose. Committed funds are funds reserved for a specific purpose by the Board of County Commissioners, funds cannot be committed or uncommitted without formal action, Board Resolution, by the Board. Assigned funds are assigned by the Board of County Commissioners for a specific purpose. Unassigned is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance. For further details on the various fund balance classifications refer to Note 18.

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 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 -	\$11,947,058
Social Services -	1,767,482
Arapahoe Law Enforcement Authority -	972,048
Road & Bridge -	2,978,928

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.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

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.

Deficit Fund Balance

The following funds had deficit fund balances at December 31, 2015; Arapahoe/Doug.Works! Fund (\$128,075), Community Development Fund (\$6,593), Grant Fund (\$350,686) and the Homeland Security Fund (\$293,878). 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.

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.

Implementation of New Accounting Pronouncement

Effective December 31, 2015, the County implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68), and the related GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to Measurement Date*, an amendment of GASB Statement No. 68, which is effective for financial statements for periods beginning after June 15, 2014. GASB 68 revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. For the County, the effect of implementing this standard was to change how it accounts and reports the net pension liability. As described above, this statement required that the County record a net pension liability, as well as deferred outflows of resources related to pensions. See Note 14 to the financial statements for the effect of implementation related to the County for the year ended December 31, 2015.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

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 (\$337,304,892) is as follows:

General Obligation Bonds Payable	\$ (138,250,000)
Less: Net Bond Discount/Premium	(2,331,034)
Certificates of Participation Payable	(24,595,000)
Less: Net Payable Discount/Premium	(2,197,005)
Note Payable	(8,457,208)
Plus: Premium on Note Payable	(125,181)
Capital Leases Payable	(18,327,181)
Landfill - Post Closure Costs Payable	(200,000)
Compensated Absences	<u>(11,757,948)</u>
Total Long Term Debt	(206,240,557)
Accrued Interest Payable	(806,135)
Net Pension Liability	(129,697,935)
Social Services Advance from State	<u>(560,265)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ (337,304,892)</u>

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 \$2,562,563 is as follows:

Long Term Receivable-Airport Authority	\$ 1,585,000
Receivables:	
Delinquent Property Taxes	19,593
Grants	906,783
Other	<u>51,187</u>
Net adjustment to increase total governmental funds to arrive at net position - governmental activities	<u>\$ 2,562,563</u>

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

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 \$9,776,752 difference are as follows:

Capital Outlay	\$ 29,224,035
Depreciation Expense	<u>(19,447,283)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 9,776,752</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 decrease net position." The details of this (\$713,237) difference are as follows:

Prior year construction in progress written off - disposition of assets	\$ (384,712)
The net book value of a capital assets that were sold would decrease the net position in the statement of activities, but do not appear in governmental because they are not financial resources	<u>(328,525)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (713,237)</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 \$977,563 difference are as follows:

Earned but Unavailable Revenue:	
Grants	\$ 906,783
Delinquent Property Taxes	19,593
Other	<u>51,187</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u>\$ 977,563</u>

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

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 (\$2,496,188) difference are as follows:

Lease Purchase Payment from Airport Authority	\$ (1,505,000)
Unavailable Revenue	<u>(991,188)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u>\$ (2,496,188)</u>

Another element of that reconciliation states that “some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this (\$4,026,454) difference are as follows:

Compensated Absences Expense	\$ (387,625)
Pension Expense	(13,023,754)
Employer Contributions	8,749,814
Accrued Interest	535,111
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>\$ (4,026,454)</u>

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 15th of each year.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

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.

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

A summary of Cash and Investments for the Primary Government and Fiduciary Funds, (excluding the Retirement Trust Fund – see Note 14) and discretely presented component units are as follows:

	Primary Government	Discrete Component Units	Agency Funds	Total Reporting Entity
Cash and Investments	\$ 155,315,117	\$ 35,707,163	\$ 27,794,213	\$ 218,816,493
Restricted Cash and Investments	47,964,061	11,760,221	822,944	60,547,226
Total Cash and Investments	\$ 203,279,178	\$ 47,467,384	\$ 28,617,157	\$ 279,363,719
Total Cash Deposits (including CD's)				\$ 101,946,978
Total Investments				177,416,741
Total Cash Deposits and Investments				\$ 279,363,719

Restricted Cash and Investments are recorded for the following purposes:

	Primary Government	Discrete Component Units	Agency Funds	Total Reporting Entity
Debt Reserves	\$ 1,608,918	\$ 9,251,170	\$ -	\$ 10,860,088
Debt Proceeds	2,729,344	-	-	2,729,344
Capital Projects	-	2,502,117	-	2,502,117
Legal/Contractual Obligations	43,625,799	6,934	-	43,632,733
Public Trustee Statutory Reserve	-	-	822,944	822,944
Total Restricted Cash and Investments	\$ 47,964,061	\$ 11,760,221	\$ 822,944	\$ 60,547,226

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, 2015, the County's carrying amount of cash deposits was \$66,790,224. Of the County's bank balances totaling \$70,048,729, \$1,752,477 was covered by FDIC and \$68,296,252 was collateralized under PDPA. The component units' carrying amount of deposits with banks was \$35,156,754 and the bank balance was \$43,185,067.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

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.

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, 2015, the County had the following investments:

Investment Type	Investment Maturities		
	Less than 1 Year	1-5 Years	Total
Primary Government and Agency Funds:			
U.S. Agency Securities:			
Federal Farm Credit Bank	\$ 4,501,125	\$ 12,349,025	\$ 16,850,150
Federal Home Loan Bank	16,656,055	14,929,945	31,586,000
Federal Home Loan Mortgage Corporation	4,993,300	4,974,200	9,967,500
Federal National Mortgage Association	-	9,951,910	9,951,910
Local Government Investment Pools	19,250,521	-	19,250,521
Corporate Bonds	19,166,863	31,511,327	50,678,190
Money Market Funds	2,204,199	-	2,204,199
U.S. Treasury Obligations	10,019,920	22,537,115	32,557,035
U.S. Govt Money Market Funds	17,028	-	17,028
Total Primary Government and Agency Funds	\$ 76,809,011	\$ 96,253,522	\$ 173,062,533
Component Units:			
Local Government Investment Pools	\$ 1,905,853	\$ -	\$ 1,905,853
U.S. Agency Securities:			
Federal Home Loan Bank - Note	1,591,890	-	1,591,890
Federal Home Loan Bank - Bond	-	304,481	304,481
TVA Bond	-	279,566	279,566
Certificates of Deposits	-	249,635	249,635
Other Investments	22,783	-	22,783
Total Component Units	\$ 3,520,526	\$ 833,682	\$ 4,354,208
Total Investments	\$ 80,329,537	\$ 97,087,204	\$ 177,416,741

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

As of December 31, 2015, 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, 2015, the County, including component units, had \$1,936,803 invested in COLOTRUST and \$19,219,571 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, 2015:

Investment Type	S&P AA+	S&P AA-	S&P AA	S&P A-1	S&P AAAm	Not Rated	Total
Primary Govt and Agency Funds:							
U.S. Agency Securities:							
Federal Farm Credit Bank	\$ 16,850,150	\$ -	\$ -	\$ -	\$ -	\$ -	16,850,150
Federal Home Loan Bank	31,586,000	-	-	-	-	-	31,586,000
Federal Home Loan Mortgage Corporation	9,967,500	-	-	-	-	-	9,967,500
Federal National Mortgage Association	9,951,910	-	-	-	-	-	9,951,910
Local Government Investment Pools	-	-	-	-	19,250,521	-	19,250,521
Corporate Bonds	9,165,447	25,016,674	16,496,069	-	-	-	50,678,190
Money Market Funds	-	-	-	-	2,204,199	-	2,204,199
U.S. Treasury Obligations	32,557,035	-	-	-	-	-	32,557,035
U.S. Govt Money Market Funds	-	-	-	-	17,028	-	17,028
Total Primary Govt and Agency Funds	\$ 110,078,042	\$ 25,016,674	\$ 16,496,069	\$ -	\$ 21,471,748	\$ -	\$ 173,062,533
Component Units:							
Local Government Investment Pools	\$ -	\$ -	\$ -	\$ -	1,905,853	\$ -	1,905,853
U.S. Agency Securities:							
Federal Home Loan Bank - Note	-	-	-	1,591,890	-	-	1,591,890
Federal Home Loan Bank - Bond	304,481	-	-	-	-	-	304,481
TVA Bond	279,566	-	-	-	-	-	279,566
Certificates of Deposits	-	-	-	-	-	249,635	249,635
Other Investments	-	-	-	-	-	22,783	22,783
Total Component Units	\$ 584,047	\$ -	\$ -	\$ 1,591,890	\$ 1,905,853	\$ 272,418	\$ 4,354,208
Total Investments	\$ 110,662,089	\$ 25,016,674	\$ 16,496,069	\$ 1,591,890	\$ 23,377,601	\$ 272,418	\$ 177,416,741

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

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, 2015, 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.

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:

Investment Type	Fair Value	Percent of Investment Portfolio
Federal Home Loan Bank	\$ 31,586,000	18%
Federal Farm Credit Bank	16,850,150	10%
Toyota Motor Credit	10,043,653	6%
Chevron Corporation	9,985,500	6%
U.S. Bank NA	9,982,625	6%
Federal Home Loan Mortgage Corporation	9,967,500	6%
Federal National Mortgage Association	9,951,910	6%

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:

Investment Type	Fair Value	Percent of Investment Portfolio
Federal Home Loan Bank - Note	\$ 1,591,890	37%
Federal Home Loan Bank - Bond	304,481	7%
TVA Bond	279,566	6%
Certificates of Deposits	249,635	6%

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

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 non-major governmental funds. At December 31, 2015, the balances are as follows:

	Due To	Due From
General Fund	\$ 1,684,632	\$ -
Non-Major Governmental Funds	-	1,684,632
Total	\$ 1,684,632	\$ 1,684,632

During 2015, 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:

	Transfers In	Transfers Out
General Fund	\$ 509,004	\$ 7,789,190
Social Services Fund	-	364,000
Open Spaces Sales Tax Fund	-	360,500
Internal Service Funds	2,884,941	131,059
Non-Major Governmental Funds	8,102,620	2,851,816
Total	\$11,496,565	\$ 11,496,565

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

NOTE 6: CAPITAL ASSETS

Primary Government

The capital asset activity for the Arapahoe County primary government as of December 31, 2015 was as follows:

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 41,681,617	\$ -	\$ 1,504,888	\$ (282,188)	\$ 42,904,317
Easements	4,322,860	-	-	-	4,322,860
Right of Ways	309,985,260	-	-	-	309,985,260
Water Rights	51,616,042	-	-	-	51,616,042
Construction in Progress	4,831,809	17,151,080	(3,287,250)	(384,712)	18,310,927
Total Capital Assets Not Being Depreciated	<u>412,437,588</u>	<u>17,151,080</u>	<u>(1,782,362)</u>	<u>(666,900)</u>	<u>427,139,406</u>
Capital Assets Being Depreciated:					
Land Improvements	14,459,371	277,521	-	-	14,736,892
Buildings	304,878,887	9,430,594	425,488	(394,027)	314,340,943
Furniture and Equipment	62,439,720	6,326,465	1,356,874	(3,764,856)	66,358,204
Infrastructure	343,039,143	24,037	-	-	343,063,180
Total Capital Assets Being Depreciated	<u>724,817,121</u>	<u>16,058,617</u>	<u>1,782,362</u>	<u>(4,158,883)</u>	<u>738,499,219</u>
Less Accumulated Depreciation:					
Land Improvements	(2,804,616)	(734,367)	-	-	(3,538,983)
Buildings	(121,360,449)	(9,067,433)	-	344,055	(130,083,827)
Furniture and Equipment	(45,635,601)	(5,365,137)	-	3,574,680	(47,426,058)
Infrastructure	(127,470,085)	(8,143,389)	-	-	(135,613,474)
Total Accumulated Depreciation	<u>(297,270,751)</u>	<u>(23,310,326)</u>	<u>-</u>	<u>3,918,735</u>	<u>(316,662,342)</u>
Total Capital Assets Being Depreciated, Net	<u>427,546,370</u>	<u>(7,251,709)</u>	<u>1,782,362</u>	<u>(240,148)</u>	<u>421,836,877</u>
Total Primary Government Capital Assets, Net	<u>\$ 839,983,958</u>	<u>\$ 9,899,371</u>	<u>\$ -</u>	<u>\$ (907,048)</u>	<u>\$ 848,976,283</u>

Depreciation expense was charged to functions/programs of the primary government during the year ended December 31, 2015 as follows:

Governmental Activities

General Government	\$ 5,317,756
Public Safety	5,438,572
Judicial Services	73,855
Health and Welfare	908,025
Highways and Streets	7,444,472
Water and Wastewater	3,449,989
Culture and Recreation	677,657
Total Governmental Activities Depreciation Expense	<u>\$ 23,310,326</u>

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

Discretely presented component units

Capital asset activity for the E-911 Authority for the year ended December 31, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 3,530,995	\$ -	\$ -	\$ 3,530,995
Total Capital Assets Being Depreciated	3,530,995	-	-	3,530,995
Less Accumulated Depreciation:				
Furniture and Equipment	(3,330,990)	(167,264)	-	(3,498,254)
Total Accumulated Depreciation	(3,330,990)	(167,264)	-	(3,498,254)
Total E-911 Capital Assets, Net	<u>\$ 200,005</u>	<u>\$ (167,264)</u>	<u>\$ -</u>	<u>\$ 32,741</u>

Capital asset activity for the Arapahoe County Public Airport Authority for the year ended December 31, 2015 was as follows:

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Capital Assets Not Being Depreciated:					
Land	\$ 26,231,427	\$ -	\$ -	\$ -	\$ 26,231,427
Construction in Progress	8,294,350	7,440,800	(2,037,165)	-	13,697,985
Total Capital Assets Not Being Depreciated	<u>34,525,777</u>	<u>7,440,800</u>	<u>(2,037,165)</u>	<u>-</u>	<u>39,929,412</u>
Capital Assets Being Depreciated:					
Site Improvements	1,014,026	-	-	-	1,014,026
Buildings and Improvements	17,557,131	45,510	82,648	-	17,685,289
Runways, Taxiways and Ramps	41,193,386	-	144,356	-	41,337,742
Furniture and Equipment	6,855,518	387,479	1,810,161	(74,247)	8,978,911
Total Capital Assets Being Depreciated	<u>66,620,061</u>	<u>432,989</u>	<u>2,037,165</u>	<u>(74,247)</u>	<u>69,015,968</u>
Less Accumulated Depreciation:					
Site Improvements	(567,083)	(25,417)	-	-	(592,500)
Buildings and Improvements	(14,881,189)	(358,375)	-	-	(15,239,564)
Runways, Taxiways and Ramps	(27,841,844)	(2,634,722)	-	-	(30,476,566)
Furniture and Equipment	(4,671,410)	(854,597)	-	74,247	(5,451,760)
Total Accumulated Depreciation	<u>(47,961,526)</u>	<u>(3,873,111)</u>	<u>-</u>	<u>74,247</u>	<u>(51,760,390)</u>
Total Capital Assets Being Depreciated, Net	<u>18,658,535</u>	<u>(3,440,122)</u>	<u>2,037,165</u>	<u>-</u>	<u>17,255,578</u>
Total Airport Authority Capital Assets, Net	<u>\$ 53,184,312</u>	<u>\$ 4,000,678</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,184,990</u>

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

Capital Asset Activity for the Arapahoe County Water and Wastewater Authority for the year ended December 31, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 2,063,196	\$ -	\$ -	\$ 2,063,196
Water Rights	86,273,596	821,810	-	87,095,406
Construction in Progress	385,732	2,181,249	1,368,041	1,198,940
Total Capital Assets Not Being Depreciated	<u>88,722,524</u>	<u>3,003,059</u>	<u>1,368,041</u>	<u>90,357,542</u>
Capital Assets Being Depreciated:				
Water System	45,851,308	623,624	-	46,474,932
Sewer System	15,263,550	305,465	-	15,569,015
Water rights	40,581,725	164,040	-	40,745,765
Buildings, Equipments, and Projects	3,784,278	77,775	-	3,862,053
Total Capital Assets Being Depreciated	<u>105,480,861</u>	<u>1,170,904</u>	<u>-</u>	<u>106,651,765</u>
Less Accumulated Depreciation:				
Water System	(11,892,664)	(1,991,472)	-	(13,884,136)
Sewer System	(9,573,518)	(606,719)	-	(10,180,237)
Water Right Depletion	(1,468,445)	(89,563)	-	(1,558,008)
Buildings, Equipments, and Projects	(2,710,369)	(241,579)	-	(2,951,948)
Total Accumulated Depreciation	<u>(25,644,996)</u>	<u>(2,929,333)</u>	<u>-</u>	<u>(28,574,329)</u>
Total Capital Assets Being Depreciated, Net	<u>79,835,865</u>	<u>(1,758,429)</u>	<u>-</u>	<u>78,077,436</u>
Total Arapahoe County Water and Wastewater Authority Capital Assets, Net	<u>\$ 168,558,389</u>	<u>\$ 1,244,630</u>	<u>\$ 1,368,041</u>	<u>\$ 168,434,978</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, 2015, items considered unavailable to finance expenditures of the current fiscal period totaled \$977,563.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

NOTE 8: CAPITAL COMMITMENTS

The County has contractual commitments for capital construction projects, capital asset purchase contracts, information technology and communication services, professional services, rent and other services as of December 31, 2015. These encumbrances are re-appropriated against the subsequent year's budget. The amount of these commitments re-appropriated at year end was:

Fund	Amount
General Fund	\$ 361,602
Social Services	36,485
Open Spaces Sales Tax	4,184,383
Nonmajor Governmental	13,512,189
Total Governmental Funds	18,094,659
Central Services	1,353,611
Self-Insurance Liability Fund	22,902
Workers Compensation Fund	338,290
Total Internal Service Funds	1,714,803
Grand Total	<u>\$ 19,809,462</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 2015, \$488,890 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.

NOTE 9: 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 2015, employees could voluntarily elect to have amounts withheld from their compensation up to age of 50 to \$18,000 per year and above the age of 50 to \$24,000 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 (Continued)
December 31, 2015

NOTE 10: CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2015 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
General obligation bonds payable					
ACWWA PID 2009 A&B Bonds	\$ 56,075,000	\$ -	\$ -	\$ 56,075,000	\$ -
ACWWA PID 2012 Refunding Bonds	57,370,000	-	1,025,000	56,345,000	1,235,000
ACWWA PID 2015 Refunding Bonds	-	25,930,000	100,000	25,830,000	115,000
Premiums/Discounts	1,387,794	1,181,266	238,026	2,331,034	-
Total Bonds Payable	<u>114,832,794</u>	<u>27,111,266</u>	<u>1,363,026</u>	<u>140,581,034</u>	<u>1,350,000</u>
Notes payable:					
ACWWA PID - 2005	26,270,000	-	26,270,000	-	-
ACWWA PID - 2006	9,536,383	-	1,079,175	8,457,208	1,106,706
Premiums/Discounts	783,492	-	658,311	125,181	-
Total Notes Payable	<u>36,589,875</u>	<u>-</u>	<u>28,007,486</u>	<u>8,582,389</u>	<u>1,106,706</u>
Certificates of participation payable:					
Judicial Complex Refunding	3,090,000	-	1,505,000	1,585,000	1,585,000
2006 Refunding of 2000 Building Project	27,920,000	-	27,920,000	-	-
2015 Refunding of 2006 COP	-	23,010,000	-	23,010,000	3,545,000
Premiums/Discounts	696,254	2,195,488	694,737	2,197,005	-
Total Certificates of Participation Payable	<u>31,706,254</u>	<u>25,205,488</u>	<u>30,119,737</u>	<u>26,792,005</u>	<u>5,130,000</u>
Capital leases:					
Parkland	2,162,810	-	122,973	2,039,837	128,985
District Attorney Office Building	2,394,970	-	586,747	1,808,223	594,673
Lima Ridge	8,490,040	-	370,869	8,119,171	387,906
Fairgrounds Expansion Project	6,720,544	-	360,594	6,359,950	371,513
Total Capital Leases	<u>19,768,364</u>	<u>-</u>	<u>1,441,183</u>	<u>18,327,181</u>	<u>1,483,077</u>
Landfill - Post closure costs payable	300,000	-	100,000	200,000	100,000
Compensated absences	11,370,323	9,992,791	9,605,166	11,757,948	1,232,559
Total Long-term Liabilities	<u>\$ 214,567,610</u>	<u>\$ 62,309,545</u>	<u>\$ 70,636,598</u>	<u>\$ 206,240,557</u>	<u>\$ 10,402,342</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 (Continued)
December 31, 2015

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:

Date	Principal	Interest	Total
2016	\$ -	\$ 3,533,897	\$ 3,533,897
2017	-	3,533,898	3,533,898
2018	-	3,533,897	3,533,897
2019	-	3,533,898	3,533,898
2020	-	3,533,897	3,533,897
2021-2025	230,000	17,669,488	17,899,488
2026-2030	2,240,000	17,462,301	19,702,301
2031-2035	5,135,000	16,749,299	21,884,299
2036-2039	48,470,000	8,139,852	56,609,852
Total	\$56,075,000	\$77,690,427	\$133,765,427

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 & Wastewater Public Improvement District 2002 Series A & B Bonds. The fixed interest rates of these bonds range from 2.25% to 4.00%.

The refunding of the Arapahoe County Water & Wastewater Public Improvement District 2002 Series A & B Bonds resulted in a deferred outflow of resources of \$854,836.64 as of December 31, 2015 and amortized over the life of the new (refunding) debt. Future debt payments are as follows:

Date	Principal	Interest	Total
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	1,840,000	1,525,825	3,365,825
2020	2,065,000	1,470,625	3,535,625
2021-2025	14,325,000	6,224,613	20,549,613
2026-2030	22,195,000	3,861,150	26,056,150
2031-2032	11,685,000	532,500	12,217,500
Total	\$56,345,000	\$18,545,788	\$ 74,890,788

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

Arapahoe County Water and Wastewater Public Improvement District General Obligation Refunding Bonds, Series 2015

On June 23, 2015, the Arapahoe County Water & Waste Water Public Improvement District issued General Obligation Refunding Bonds, Series 2015 in the amount of \$25,930,000 with fixed interest rates ranging from 2% to 5%.

The Arapahoe County Water & Waste Water Public Improvement District General Obligation Refunding Bonds, Series 2015 were issued to refund the Arapahoe County Water & Waste Water Public Improvement District Series 2005 Bonds. As a result, the Arapahoe County Water & Waste Water Public Improvement District Series 2005 Bonds were liquidated and removed from the County's government-wide financial statements. These securities were placed in an irrevocable trust with an escrow agent to provide for the redemption of the Arapahoe County Water & Waste Water Public Improvement District issued General Obligation Refunding Bonds, Series 2015.

The County refunded the Arapahoe County Water & Waste Water Public Improvement District Series 2005 Bonds to reduce its debt service requirements by \$7,747,153 over the next 20 years. The refunding of the Arapahoe County Water & Waste Water Public Improvement District Series 2005 Bonds resulted in an economic gain (the difference between the present value of the debt service payments of the refunded (new debt) and associated costs needed to complete the refunding transaction and the present value of the old debt service payments made to the maturity of the old debt) of \$4,333,597.

The refunding of the Arapahoe County Water & Waste Water Public Improvement District Series 2005 Bonds resulted in a deferred outflow of resources of \$40,244.37 as of December 31, 2015 and amortized over the life of the new (refunding) debt. Future debt payments are as follows:

Date	Principal	Interest	Total
2016	\$ 115,000	\$ 1,026,556	\$ 1,141,556
2017	120,000	1,023,106	1,143,106
2018	120,000	1,018,306	1,138,306
2019	125,000	1,012,306	1,137,306
2020	130,000	1,006,056	1,136,056
2021-2025	3,990,000	4,746,531	8,736,531
2026-2030	3,110,000	3,720,206	6,830,206
2031-2035	18,120,000	2,731,377	20,851,377
Total	\$25,830,000	\$16,284,444	\$ 42,114,444

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

Notes Payable

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:

Date	Principal	Interest	Total
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	1,189,294	259,130	1,448,424
2020	1,211,320	233,485	1,444,805
2021-2022	2,648,384	246,674	2,895,058
Total	\$ 8,457,208	\$ 1,667,085	\$ 10,124,293

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. The refunding resulted in a deferred outflow of resources of \$48,571.76 as of December 31, 2015 and amortized over the life of the new (refunding) debt. Future debt payments are as follows:

Date	Principal	Interest	Total
2016	\$ 1,585,000	\$ 83,213	\$ 1,668,213
Total	\$ 1,585,000	\$ 83,213	\$ 1,668,213

2015 COP Refunding

On December 9, 2015, the County issued Refunding Certificates of Participation, Series 2015 in the amount of \$23,010,000 with fixed interest rates ranging from 2% to 5%.

The Refunding Certificates of Participation, Series 2015 were issued to refund the Certificate of Participation Series 2006. As a result, the Certificate of Participation Series 2006 were liquidated and removed from the County's government-wide financial statements. These securities were placed in an irrevocable trust with an escrow agent to provide for the redemption of the Certificates of Participation Series 2006.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

The County refunded the Certificate of Participation Series 2006 to reduce its debt service requirements by \$1,545,458 over the next 6 years. The refunding of the Certificate of Participation Series 2006 resulted in an economic gain (the difference between the present value of the debt service payments of the refunded (new debt) and associated costs needed to complete the refunding transaction and the present value of the old debt service payments made to the maturity of the old debt) of \$1,588,107.

The refunding of the Certificate of Participation Series 2006 resulted in a deferred outflow of resources of \$802,182.33 as of December 31, 2015 and amortized over the life of the new (refunding) debt. Future debt payments are as follows:

Date	Principal	Interest	Total
2016	\$ 3,545,000	\$ 809,555	\$ 4,354,555
2017	3,550,000	773,200	4,323,200
2018	3,710,000	645,750	4,355,750
2019	3,870,000	494,150	4,364,150
2020	4,055,000	315,375	4,370,375
2021	4,280,000	107,000	4,387,000
Total	\$23,010,000	\$ 3,145,030	\$ 26,155,030

Capital Leases

The following leases qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date.

Parkland Lease Purchase-Zions First National Bank

The County entered into a lease purchase agreement with Zions First National Bank on November 15, 2007. The lease financed the purchase of park and open space land in the Dove Valley subdivision adjacent to the Arapahoe Community Park.

The gross assets acquired under the lease were \$2,600,000. This is a land purchase and not subject to depreciation.

Payments of \$225,970 including principal and interest accruing at 4.829% are due semi-annually.

The future minimum lease obligations and the net present value of these minimum lease payments are as follows:

Date	Principal	Interest	Total
2016	\$ 128,985	\$ 96,985	\$ 225,970
2017	135,290	90,680	225,970
2018	141,903	84,067	225,970
2019	148,840	77,130	225,970
2020	156,115	69,854	225,969
2021-2025	902,788	227,060	1,129,848
2026-2027	425,916	26,022	451,938
Total	\$ 2,039,837	\$ 671,798	\$ 2,711,635

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

District Attorney Office Building Lease Purchase

The County entered into a lease agreement with JPMorgan Chase Bank, N.A. on September 17, 2008 for a building located at 6450 South Revere Parkway, Centennial, Colorado. The District Attorney's office relocated to this building in 2009 as it was necessary to expand and re-configure the Justice Center due to growth. The District Attorney Building lease purchase was refinanced on August 12, 2014 to take advantage of lower interest rates that resulted in lower debt service payments. The 2014 refinancing was issued in the amount of \$2,722,849. The final maturity date was not changed.

The amount of gross assets acquired under the lease was \$5,275,000. The accumulated depreciation is \$934,115. The net book value is \$4,340,885. The depreciation expense was \$131,875 for the year ended December 31, 2015.

Date	Principal	Interest	Total
2016	\$ 594,673	\$ 22,348	\$ 617,021
2017	602,705	14,315	617,020
2018	610,845	6,174	617,019
Total	\$ 1,808,223	\$ 42,837	\$ 1,851,060

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 gross assets purchased with the lease proceeds is \$9,650,000. The accumulated depreciation is \$2,053,066 with a net book value of \$7,596,934. The depreciation expense was \$472,757 for the year ended December 31, 2015.

Payments including principal and interest accrue at 4.5% and are due in monthly installments from May 2011 through December 2030.

The future minimum lease obligations and the net present value of these minimum lease payments are as follows:

Date	Principal	Interest	Total
2016	\$ 387,906	\$ 357,427	\$ 745,333
2017	405,727	339,607	745,334
2018	424,366	320,968	745,334
2019	443,861	301,472	745,333
2020	464,252	281,081	745,333
2021-2025	2,661,458	1,065,209	3,726,667
2026-2030	3,331,601	395,066	3,726,667
Total	\$ 8,119,171	\$ 3,060,830	\$ 11,180,001

Fairgrounds Expansion Project Lease Purchase

On August 12, 2014, the County entered into a lease agreement with JPMorgan Chase Bank, N.A., to finance the expansion of the west side of the County Fairgrounds exhibition hall and to construct an outdoor horse arena for equestrian and livestock events.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

The total lease purchase was \$9,443,393 of which \$2,722,849 was used to refinance the lease for the District Attorney's Office Building. The remaining \$6,720,544 will be used to finance the Fairgrounds Expansion Project.

The gross assets purchased in 2014 with the lease proceeds is \$274,862. In 2015 additional assets were acquired in the amount of \$5,274,940, this equates the net book value to \$5,549,802 for the year ended December 31, 2015. Depreciation will commence when construction is completed.

Semi-annual payments are due for the period August 2014 through August 2029. The average interest rate is 2.84% per annum.

The future minimum lease obligations and the net present value of these minimum lease payments are as follows:

Date	Principal	Interest	Total
2016	\$ 371,513	\$ 188,387	\$ 559,900
2017	382,763	177,137	559,900
2018	394,354	165,546	559,900
2019	406,296	153,604	559,900
2020	418,600	141,300	559,900
2021-2025	2,290,996	508,504	2,799,500
2026-2029	2,095,428	144,171	2,239,599
Total	<u>\$ 6,359,950</u>	<u>\$ 1,478,649</u>	<u>\$ 7,838,599</u>

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 \$110,856. When the landfill was closed in 1987 the State Department of Public Health and Environment placed the landfill on a 30-year monitoring program. After 30 years, provided all testing was satisfactory, the County would no longer be liable for ongoing monitoring costs. Discussions with the State have indicated that while it is not definite, there has been nothing yet to suggest that monitoring will be required after the initial 30-year period. That could change if circumstances warrant but it seems to be the best projection currently available. Costs have averaged just under \$100,000 annually for the last ten years. Discussions with Waste Management indicate that there is no additional balloon or one-time costs at the end of the monitoring period. Therefore, the best estimate of liability is \$200,000 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, 2015.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

NOTE 11: DISCRETELY PRESENTED COMPONENT UNIT DEBT

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

Arapahoe County Public Airport Authority

Long-term liability activity for the year ended December 31, 2015, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Capital Lease Payable	\$ 3,090,000	\$ -	\$ 1,505,000	\$ 1,585,000	\$ 1,585,000
Notes Payable	2,046,258	-	579,596	1,466,662	852,055
Net Unamortized Premium	47,208	-	24,630	22,578	-
Total Long-term Liabilities	<u>\$ 5,183,466</u>	<u>\$ -</u>	<u>\$ 2,109,226</u>	<u>\$ 3,074,240</u>	<u>\$ 2,437,055</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, 2015, 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:

Date	Principal	Interest	Total
2016	\$ 1,585,000	\$ 83,213	\$ 1,668,213
Total	<u>\$ 1,585,000</u>	<u>\$ 83,213</u>	<u>\$ 1,668,213</u>

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. The outstanding balance as of December 31, 2015 is \$1,211,312.

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. The outstanding balance as of December 31, 2015 is \$255,350.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

Scheduled note principal and interest payments are as follows:

Date	Principal	Interest	Total
2016	\$ 852,055	\$ 43,998	\$ 896,053
2017	614,607	18,438	633,045
Total	<u>\$ 1,466,662</u>	<u>\$ 62,436</u>	<u>\$ 1,529,098</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
2016	\$ 1,842,020
2017	1,811,208
2018	1,814,364
2019	1,847,909
2020	2,268,828
Thereafter	<u>157,384,089</u>
	<u>\$ 166,968,418</u>

Revenues under these leases amounted to \$2,509,053 during 2015. 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 lease was renegotiated in 2006 at an amount equivalent to the tower repairs and maintenance and expired September 30, 2015. The office space lease expires September 30, 2020. Rental income under these leases amounted to \$90,216 during 2015. 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, 2015, the Authority's share of the amount of defeased debt outstanding is \$1,793,813.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

Arapahoe County Water and Wastewater Authority (ACWWA)

ACWWA's long-term liabilities consisted of the following for the year ended December 31, 2015:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Series 2006 Revenue Bonds	\$ 19,410,000	\$ -	\$ 675,000	\$ 18,735,000	\$ 705,000
2006 Bond Premium	265,081	-	22,090	242,991	-
Series 2007 Revenue Bonds	15,435,000	-	530,000	14,905,000	545,000
Series 2009A Revenue Bonds	91,545,000	-	1,650,000	89,895,000	1,695,000
Series 2012 Revenue Bonds	5,525,000	-	-	5,525,000	-
Total Bonds Payable	<u>132,180,081</u>	<u>-</u>	<u>2,877,090</u>	<u>129,302,991</u>	<u>2,945,000</u>
Compensated Absences	318,284	272,880	233,135	358,029	232,610
Total Long-term Liabilities	<u>\$ 132,498,365</u>	<u>\$ 272,880</u>	<u>\$ 3,110,225</u>	<u>\$ 129,661,020</u>	<u>\$ 3,177,610</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 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 \$1,868,788 during 2015. In accordance with the Trust Indenture, as of December 31, 2015, \$7,121,717 was held in reserves.

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, 2015, \$553,453 was held in reserves.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

Pledged Revenue and Debt Coverage Requirements

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

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. As of December 31, 2013, the outstanding principal balance of the bonds was \$2,170,000. The bonds were redeemed on December 1, 2014.

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

Date	Principal	Interest	Total
2016	\$ 2,945,000	\$ 7,384,625	\$ 10,329,625
2017	3,050,000	7,250,790	10,300,790
2018	4,225,000	7,104,467	11,329,467
2019	4,360,000	6,937,452	11,297,452
2020	4,510,000	6,757,766	11,267,766
2021-2025	21,425,000	30,795,605	52,220,605
2026-2030	23,550,000	25,072,330	48,622,330
2031-2035	29,320,000	17,637,706	46,957,706
2036-2039	35,675,000	6,784,876	42,459,876
Total	\$ 129,060,000	\$ 115,725,617	\$ 244,785,617

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

NOTE 12: OPERATING LEASES

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

<u>City Center Market Place</u>	
Future Maturities	
2016	\$ 49,789
	<u>\$ 49,789</u>

Rent expense for 2015 was \$97,686.

NOTE 13: SELF INSURANCE PLANS

Self Insurance Liability Plan - In 1982, Arapahoe County established a self-insurance plan to provide liability and property coverage for County assets and operations. The plan is administered by the County. When appropriate, the County utilizes third-party consultants and attorneys to handle bodily injury claims and certain other claims. Excess insurance is maintained that limits the County's liability to certain levels depending on the nature of the claim. The estimated liability claims was determined by an actuarial analysis of current claims and an estimate of incurred but not reported (IBNR) claims at December 31, 2015. This plan is an internal service fund.

Self Insurance Worker's Compensation Plan – In 1990, the County established a self-insurance plan to pay losses from worker's compensation claims. The County administers the plan; however, the County utilizes third-party consultants, attorneys and service providers in the administration of the plan. Excess insurance coverage is maintained to limit the loss of any individual claim. The plan assesses other funds for estimates of current claims based on historical claims. The estimated claim liability at December 31, 2015 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, 2015 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.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

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:

	Liability	Worker's Comp	Dental	Total
Unpaid Claims, January 1, 2014	\$ 830,000	\$ 2,250,000	\$ 51,000	\$3,131,000
Incurred Claims (including IBNR)	796,780	332,505	1,255,042	2,384,327
Claim Payments	<u>(691,780)</u>	<u>(502,505)</u>	<u>(1,255,042)</u>	<u>(2,449,327)</u>
Unpaid Claims, December 31, 2014	935,000	2,080,000	51,000	3,066,000
Incurred Claims (including IBNR)	1,262,843	897,173	1,373,464	3,533,480
Claim Payments	<u>(881,843)</u>	<u>(834,173)</u>	<u>(1,360,464)</u>	<u>(3,076,480)</u>
Unpaid Claims, December 31, 2015	<u>\$ 1,316,000</u>	<u>\$ 2,143,000</u>	<u>\$ 64,000</u>	<u>\$3,523,000</u>
Claims Expected to be Paid in 2016	\$ 395,000	\$ 643,000	\$ 64,000	\$ 1,102,000
Claims Expected to be Paid after 2016	<u>921,000</u>	<u>1,500,000</u>	<u>-</u>	<u>2,421,000</u>
Unpaid Claims, December 31, 2015	<u>\$ 1,316,000</u>	<u>\$ 2,143,000</u>	<u>\$ 64,000</u>	<u>\$3,523,000</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.

NOTE 14: 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, which consists 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 provides retirement benefits for employees. Substantially all of the general employees of the County are covered under the Plan. The benefits are determined by the Retirement Plan Board. The Plan has three tiers of benefits, based on when an employee was hired. The minimum age for retirement with full benefits has increased from 52 under Tier 1 to 60 under Tier 3. This minimum age applies if you meet certain age and years of service requirements. Tier 1 employees must meet the Rule of 75, Tier 2 the Rule of 80 and Tier 3 the Rule of 85. The benefit multiplier has decreased from 2.5% per number of years of service in Tier 1 to 2.0% per number of years of service in Tier 3. Beginning January 1, 2014 all employees in all Tiers earn future benefits based on a multiplier of 1.85%. This does not change any benefits previously earned through December 31, 2013.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

Plan members in Tiers 1 and 2 who terminate employment receive refunds of contributions to the Plan. Contributions made to the Plan prior to January 1, 2014 are refunded per this schedule.

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

Any Contributions made to the Plan after December 31, 2013 are only refunded at 100% plus interest. Alternatively, members who terminate employment prior to retirement can elect to receive a deferred retirement benefit equal to the vested portion of benefits earned to the date of termination. Vesting is as follows:

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

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

Employees who are hired, appointed or elected on or after July 1, 2010 (Tier 3), who terminate their employment prior to retirement can elect to receive their contributions and the interest earned on their contributions only, they are not eligible to receive any county contribution or interest earned on county contributions.

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

Completed years of credited services	Percentage of earned benefits vested
Less than 8	0%
8 or more	100%

Benefit provision changes are made by the Arapahoe County Retirement Board which was established under the authority of Colorado Revised Statutes 24-54-107.

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 and may be obtained at: Arapahoe County Retirement Plan, 6984 S. Lima Street, Suite B, Centennial, Colorado 80111 or at the following web address: <http://acgret.org>.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

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. The Plan's investments are reported at fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. Investments that do not have an established market value are reported at estimated fair value. The fair values of real estate and alternative investments (hedge fund of funds, private equity) are based on independent appraisals of properties owned and valuation of assets in the various investment funds. As a result, unrealized gains and losses are recognized in the financial statements at the time of market fluctuation. Investment income is recognized as earned. Gains and losses on sales and exchanges of securities are recognized on the transaction date.

Employees Covered by Benefit Terms

At January 1, 2015, the following employees were covered by the benefit terms:

Retirees and beneficiaries	850
Inactive, Nonretired members	179
Active employees	<u>1,881</u>
	<u><u>2,910</u></u>

Contributions

The contribution requirements of plan members are established by the Retirement Board in agreement with the Board of County Commissioners, which established 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 1, 2015, the contribution rate for employee/employer contributions was 8.0%.

Net Pension Liability

The County has elected a measurement date for the current year-end as of the prior year-end. Therefore, the net pension liability as of December 31, 2015 was measured as of December 31, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of January 1, 2015.

Actuarial Assumptions

Actuarial cost method	Entry age level
Amortization method	Level percentage of payroll, open
Remaining amortization period	20 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increase	Age-based: 3.25% to 6.75%
Investment rate of return	7.5%
Retirement age	Age-based with consideration for eligibility for Special Early Retirement

Mortality rates were based on the RP-2000 Disabled Mortality Table, projected with scale AA for disabled retirees.

Assumptions shown above are for January 1, 2015 (used to determine 2015 Actuarial Determined Contribution).

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

Single Discount Rate

A single discount rate of 7.5% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.5%. The projection of cash flows was used to determine this single discount rate assumed that plan member and employer contributions will be made at the current scheduled contribution rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments on current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Investments

All investment information disclosed in the Plan's financial statements, including investments held at December 31, 2015 and net appreciation in fair value of investments, interest, dividends for the years ended December 31, 2015, was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by US Bank, the trustee of the Plan.

	2015
Total Investments	\$ 265,292,513
Net Appreciation (Depreciation) in Fair Value of Investment	(5,264,027)
Interest and Dividend Income	4,668,988

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.

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, 2015, the Plan held the following fixed income investments. Modified duration is in years.

	December 31, 2015
PIMCO:	
Total Return Retirement Fund - Institutional Class Shares	
Balance	\$ 14,878,504
Modified Duration (in Years)	4.6
JP Morgan	
Core Bond Fund	
Balance	\$ 14,103,261
Modified Duration (in Years)	4.9
Sankaty Senior Loan Fund LP	
Balance	\$ 15,805,080
Modified Duration (in Years)	0.3

Investments in money market funds of \$3,981,050 for December 31, 2015, have an average maturity of less than 122 days.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

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.

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. The Plan does not own any derivative investments.

The following is a summary of the Plan's fixed income investments at December 31, 2015 with average credit ratings based on Standard & Poor's rating scale:

	December 31, 2015
Pacific Investment Management Company (PIMCO)	
Total Return Retirement Fund - Institutional Class Shares	
Fair Value	\$ 14,878,504
Average Rating of Underlying Investments	AA-
JP Morgan	
Core Bond Fund	
Fair Value	\$ 14,103,261
Average Rating	AA
Sankaty Senior Loan Fund LP	
Fair Value	\$ 15,805,080
Average Rating	B
US Bank Money Market	
Fair Value	\$ 3,981,050
Average Rating	not rated

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.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

The following presents investments that represent five percent or more of the Plan's net position as of December 31, 2015:

	2015
Vanguard Institutional Index	\$ 55,863,993
UBS Realty Investors - R.E. Separate Account	32,744,258
Blackstone Alternative Asset Management	29,335,961
American Euro Pacific Growth Funds R6	23,559,254
Sankaty Senior Loan Fund LP	15,805,080
PIMCO Total Return Fund	14,878,504
Pyramis Small/Mid Cap Core	14,777,228
JPMorgan Chase Commingled Pension	14,103,261
Tortoise Capital Advisors	13,139,567
Aberdeen Emerging Funds	11,737,851

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 future 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.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected return, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan's target asset allocation as of January 1, 2015, recent best estimates as supplied by the investment consultant, are summarized in the following table:

		Long-Term
Asset Class	Target Allocation	Expected Geometric Real Rate of Return
Private equity	5.0%	8.93%
Public equity	50.0%	5.73%
Hedge Fund-of Funds	10.0%	3.27%
Real estate	20.0%	2.07%
Fixed income	15.0%	0.95%
	100.0%	

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

Sensitivity of Net Pension Liability to the Single Discount Rate Assumption

The following presents the County's net pension liability, calculated using a single discount rate of 7.5%, as well as what the County's net pension liability would be if it were calculated using the discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net pension liability	\$ 175,873,724	\$ 129,697,935	\$ 97,077,112

Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Plan financial report discussed above.

Changes in Net Pension Liability

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/14	\$ 376,418,240	\$ 262,436,247	\$ 113,981,993
Changes for the year:			
Service cost	10,186,256	-	10,186,256
Interest on total pension liability	27,803,874	-	27,803,874
Changes on benefit terms	-	-	-
Difference between expected and actual experience of the Total Pension Liability	3,758,718	-	3,758,718
Changes of assumptions	8,605,204	-	8,605,204
Benefit payments, including refunds of employee contributions	(21,586,106)	(21,586,106)	-
Employer contributions	-	8,451,497	(8,451,497)
Member contributions	-	8,444,077	(8,444,077)
Net investment income	-	18,236,018	(18,236,018)
Administrative expenses	-	(493,482)	493,482
Net changes	28,767,946	13,052,004	15,715,942
Balances at 12/31/15	\$ 405,186,186	\$ 275,488,251	\$ 129,697,935

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

For the year ended December 31, 2015, the County recognized pension expense of \$13,023,754. At December 31, 2015, the County reported deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>
Difference between expected and actual experience	\$ 3,082,945
Changes in assumptions	7,058,900
Net difference between projected and actual earnings	1,001,840
Contributions made subsequent to measurement date	8,749,814
Total	<u>\$19,893,499</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	
2016	\$ 2,473,347
2017	2,473,347
2018	2,473,347
2019	2,473,347
2020	<u>1,250,297</u>
	<u>\$ 11,143,685</u>

NOTE 15: CONTINGENCIES

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

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

NOTE 16: TAX SPENDING AND DEBT LIMITATIONS

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.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

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 2015 and 2014.

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 2015.

NOTE 17: CONDUIT DEBT

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

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, 2015, the aggregate principal amount payable for the bonds is \$79,964,128.

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

NOTE 18: NONSPENDABLE, RESTRICTED, AND UNRESTRICTED FUND BALANCE

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

	<u>Major Special Revenue Funds</u>				<u>Total</u>
	<u>General Fund</u>	<u>Social Services</u>	<u>Open Spaces Sales Tax</u>	<u>Other Governmental</u>	
Fund Balances					
Nonspendable:					
Inventory	\$ -	\$ -	\$ -	\$ 76,163	\$ 76,163
Prepaid expenditures	21,446	13,392	-	1,598	36,436
Total Nonspendable	<u>21,446</u>	<u>13,392</u>	<u>-</u>	<u>77,761</u>	<u>112,599</u>
Restricted for:					
Emergencies (TABOR)	6,172,123	-	-	221,620	6,393,743
Parks, Recreation & Open Space	65,729	-	-	776,228	841,957
Fairgrounds Expansion	-	-	-	1,529,344	1,529,344
Developer Contributions	-	-	-	1,706,321	1,706,321
Debt Service	-	-	-	1,576,000	1,576,000
Park Development	-	-	-	849,258	849,258
Law Enforcement	-	-	-	8,012,948	8,012,948
Electronic Filing Technology	-	-	-	485,396	485,396
Transportation Projects	-	-	-	3,619,201	3,619,201
Open Space, Parks and Trails	-	-	36,255,603	-	36,255,603
Water Projects - Debt Service	-	-	-	1,200,000	1,200,000
Total Restricted	<u>6,237,852</u>	<u>-</u>	<u>36,255,603</u>	<u>19,976,316</u>	<u>62,469,771</u>
Committed to:					
Emergencies	-	-	-	603,465	603,465
Capital Projects/Replacements	-	-	-	8,863,374	8,863,374
Highways & Streets	-	-	-	18,286,074	18,286,074
Radio Telecommunication	-	-	-	382,576	382,576
Water Projects	-	-	-	1,173,620	1,173,620
Total Committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,309,109</u>	<u>29,309,109</u>
Assigned to:					
Contracted Services	198,554	-	-	-	198,554
Parks and Recreation	-	-	-	1,865,523	1,865,523
Debt Service	-	-	-	174,986	174,986
Facilities and Fleet Maintenance	251,689	-	-	-	251,689
Health and Welfare Programs	-	10,558,782	-	-	10,558,782
Information Technology Projects	77,043	-	-	-	77,043
Law Enforcement	527,607	-	-	545,242	1,072,849
Public Works Projects	-	-	-	-	-
Recording	70,730	-	-	-	70,730
Subsequent Year Expenditures	7,818,034	-	-	3,646,055	11,464,089
Total Assigned	<u>8,943,657</u>	<u>10,558,782</u>	<u>-</u>	<u>6,231,806</u>	<u>25,734,245</u>
Unassigned	33,670,399	-	-	(856,529)	32,813,870
Total Fund Balance	<u>\$ 48,873,354</u>	<u>\$ 10,572,174</u>	<u>\$ 36,255,603</u>	<u>\$ 54,738,463</u>	<u>\$ 150,439,594</u>

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

NOTE 19: 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, 2015.

Revenues

Actual amounts "revenues" from the General Fund budgetary comparison schedule	\$ 163,279,132
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.	30
Total General Fund revenues as reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance	\$ 163,279,162

Expenditures

Actual amounts "expenditures" from the General Fund budgetary comparison schedule	\$ 150,507,216
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.	2,088,357
Total General Fund expenditures as reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance	\$ 152,595,573

Other financing sources (uses)

Actual amounts "other financing sources (uses)" from the General Fund budgetary comparison schedule	\$ (9,058,186)
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.	1,778,000
Total General Fund other financing sources (uses) as reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance	\$ (7,280,186)

Arapahoe County, Colorado
Notes to the Financial Statements (Continued)
December 31, 2015

NOTE 20: RESTATEMENT OF NET POSITION

The County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, an amendment of GASB Statement No. 68. in 2015 and restated 2014 financial statements. GASB Statement 68 established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources and expenses. The statement also identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The statements require enhanced note disclosures and schedules of required supplementary information to be presented by the pension plan. This financial report has been updated in accordance with GASB Statements Nos. 68 and 71.

The County has restated the beginning net position of the government-wide financial statements by decreasing the amount, as of January 1, 2015, to \$711,912,418.

Net position, December 31, 2014	\$ 779,201,455
Elimination of net pension obligation as of December 31, 2014	38,241,459
Recognition of deferred outflows of resources relating to employer contributions subsequent to December 31, 2014	8,451,497
Recognition of net pension liability, calculated as of January 1, 2015	<u>(113,981,993)</u>
Net position, January 1, 2015	<u><u>\$ 711,912,418</u></u>

Arapahoe County, Colorado
Schedule of Changes in the Net Pension Liability and Related Ratios
2006 - 2015

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total pension liability										
Service cost	\$ 10,186,256	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	27,803,874	-	-	-	-	-	-	-	-	-
Effect of plan changes	-	-	-	-	-	-	-	-	-	-
Effect of changes of experience	3,758,718	-	-	-	-	-	-	-	-	-
Effect of changes of assumptions	8,605,204	-	-	-	-	-	-	-	-	-
Benefit payments	(19,218,734)	-	-	-	-	-	-	-	-	-
Refunds	(2,367,372)	-	-	-	-	-	-	-	-	-
Net change in pension liability	28,767,946	-	-	-	-	-	-	-	-	-
Total pension liability-beginning	376,418,240	-	-	-	-	-	-	-	-	-
Total pension liability-ending (a)	<u>\$ 405,186,186</u>	<u>\$ -</u>								
Plan fiduciary net position										
Employer contributions	\$ 8,451,497	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Member contributions	8,444,077	-	-	-	-	-	-	-	-	-
Net investment income	18,236,018	-	-	-	-	-	-	-	-	-
Benefit payments	(19,218,734)	-	-	-	-	-	-	-	-	-
Refunds	(2,367,372)	-	-	-	-	-	-	-	-	-
Administrative expense	(493,482)	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	13,052,004	-	-	-	-	-	-	-	-	-
Plan fiduciary net position-beginning	262,436,247	-	-	-	-	-	-	-	-	-
Plan fiduciary net position-ending (b)	<u>\$ 275,488,251</u>	<u>\$ -</u>								
Net pension liability-ending (a)-(b)	<u>\$ 129,697,935</u>	<u>\$ -</u>								
Plan fiduciary net position as a percentage of the total pension liability	67.99%	-	-	-	-	-	-	-	-	-
Covered-employee payroll	\$ 107,204,231	-	-	-	-	-	-	-	-	-
Net pension liability as a percentage of covered-employee payroll	120.98%	-	-	-	-	-	-	-	-	-

Notes to schedule:
N/A

Arapahoe County, Colorado
Schedule of Pension Contributions
2006 - 2015

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 12,267,139	\$ 10,875,990	\$ 13,572,119	\$ 11,807,180	\$ 10,684,309	\$ 9,822,089	\$ 12,408,298	\$ 8,924,369	\$ 8,393,081	\$ 7,853,983
Contributions in relation to the actuarially determined contribution	<u>8,749,814</u>	<u>8,451,497</u>	<u>7,723,973</u>	<u>7,430,087</u>	<u>6,890,012</u>	<u>6,995,753</u>	<u>6,455,058</u>	<u>6,188,651</u>	<u>5,553,621</u>	<u>5,127,586</u>
Contribution deficiency (excess)	<u>\$ 3,517,325</u>	<u>\$ 2,424,493</u>	<u>\$ 5,848,146</u>	<u>\$ 4,377,093</u>	<u>\$ 3,794,297</u>	<u>\$ 2,826,336</u>	<u>\$ 5,953,240</u>	<u>\$ 2,735,718</u>	<u>\$ 2,839,460</u>	<u>\$ 2,726,397</u>
Covered-employee payroll	\$ 107,204,231	\$ 100,854,023	\$ 98,983,554	\$ 97,089,282	\$ 100,055,914	\$ 100,258,835	\$ 98,242,489	\$ 94,903,465	\$ 87,793,057	\$ 82,413,819
Contributions as a percentage of covered-employee payroll	8.16%	8.38%	7.80%	7.65%	6.89%	6.98%	6.57%	6.52%	6.33%	6.22%

Notes to schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of January 1.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	20 years
Asset valuation method	5-year smoothed market
Inflation	2.5%
Salary increases	Age-based: 3.45% to 6.30%
Investment rate of return	7.50%
Retirement age	Age-based with consideration for eligibility for special early retirement
Mortality	Mortality rates were based on the RP-2000 Combined Healthy Mortality projected with scale AA to 2022 as published in Internal Revenue Bulletin 2007-09. Disabled: 1983 Railroad Board Disability Mortality Table.

NONMAJOR GOVERNMENTAL FUNDS

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.

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.

NONMAJOR GOVERNMENTAL FUNDS (continued)

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. The County entered into a capital lease with JPMorgan Chase Bank, N.A., on August 12, 2014 for the expansion of the County fairgrounds. The lease agreement is in the amount of \$6,720,544 and matures in 2029.

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.

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.

NONMAJOR GOVERNMENTAL FUNDS
(continued)

DEBT SERVICE FUNDS

Debt Service Funds are used for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds. The County's Debt Service Funds include the following:

Equipment Lease Purchase Fund – This fund is used to account for capital lease purchases. In 2015, the following leases were accounted for in this fund:

1. Fairgrounds Expansion Lease purchase agreement through JPMorgan Chase Bank, N.A. in the amount of \$6,720,544 was entered into in 2014 and maturing in 2029.
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. The District Attorney Building lease purchase was refinanced on August 12, 2014. The 2014 refinancing was issued in the amount of \$2,722,849. The final maturity date was not changed.
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.

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, 2015**

	Nonmajor Special Revenue			
	Electronic Filing	Cash-In-Lieu	Law Enforc. Authority	Arapahoe/Doug. Works!
Assets				
Cash and investments	\$ 484,957	\$ 849,258	\$ 8,428,885	\$ -
Restricted cash and investments	-	-	-	-
Accounts receivable	439	-	27,776	2,218,251
Taxes receivable, net	-	-	6,238,807	-
Prepaid items	-	-	-	742
Due from airport authority	-	-	-	-
Inventories	-	-	-	-
Total assets	\$ 485,396	\$ 849,258	\$ 14,695,468	\$ 2,218,993
Liabilities				
Accounts payable	-	-	89,184	165,389
Accrued expenditures	-	-	175,938	213,880
Due to other funds	-	-	-	1,022,694
Unearned revenue - other	-	-	-	817,030
Total liabilities	-	-	265,122	2,218,993
Deferred inflows of resources				
Deferred property tax revenue	-	-	6,238,807	-
Long term rec-airport authority	-	-	-	-
Unavailable revenue-grants	-	-	-	128,075
Total deferred inflows of resources	-	-	6,238,807	128,075
Fund balances (deficits)				
Nonspendable	-	-	-	742
Restricted	485,396	849,258	7,770,783	-
Committed	-	-	-	-
Assigned	-	-	420,756	-
Unassigned	-	-	-	(128,817)
Total fund balances (deficits)	485,396	849,258	8,191,539	(128,075)
Total liabilities, deferred inflows of resources and fund balance	\$ 485,396	\$ 849,258	\$ 14,695,468	\$ 2,218,993

Nonmajor Special Revenue

Road and Bridge	Conservation Trust	Contingent	Comm. Network Replacement	Sheriff's Commissary	Community Development
\$ 6,370,314	\$ 776,228	\$ 603,465	\$ 382,074	\$ 815,588	\$ 399,565
-	-	-	-	-	-
545,393	-	-	502	95,102	34,129
5,683,612	-	-	-	-	-
464	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 12,599,783</u>	<u>\$ 776,228</u>	<u>\$ 603,465</u>	<u>\$ 382,576</u>	<u>\$ 910,690</u>	<u>\$ 433,694</u>
\$ 402,130	\$ -	\$ -	\$ -	\$ 69,067	\$ 8,812
24,971	-	-	-	15,846	5,919
-	-	-	-	-	-
-	-	-	-	-	425,556
<u>427,101</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>84,913</u>	<u>440,287</u>
5,683,612	-	-	-	-	-
-	-	-	-	-	-
<u>5,683,612</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
464	-	-	-	-	-
3,619,201	776,228	-	-	-	-
-	-	603,465	382,576	-	-
2,869,405	-	-	-	825,777	-
-	-	-	-	-	(6,593)
<u>6,489,070</u>	<u>776,228</u>	<u>603,465</u>	<u>382,576</u>	<u>825,777</u>	<u>(6,593)</u>
<u>\$ 12,599,783</u>	<u>\$ 776,228</u>	<u>\$ 603,465</u>	<u>\$ 382,576</u>	<u>\$ 910,690</u>	<u>\$ 433,694</u>

(continued)

Arapahoe County, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds (continued)
December 31, 2015

	Nonmajor Special Revenue			
	Forfeited Property	Developmental Disabilities	Grants	Homeland Security Grant
Assets				
Cash and investments	\$ 449,849	\$ 37,797	\$ -	\$ -
Restricted cash and investments	-	-	-	-
Accounts receivable	33,832	-	2,481,451	293,877
Taxes receivable, net	-	8,739,432	-	-
Prepaid items	-	-	392	-
Due from airport authority	-	-	-	-
Inventories	-	-	76,163	-
Total assets	\$ 483,681	\$ 8,777,229	\$ 2,558,006	\$ 293,877
Liabilities				
Accounts payable	\$ 53,947	\$ 37,797	\$ 566,830	\$ 67,646
Accrued expenditures	-	-	42,916	6,140
Due to other funds	-	-	442,449	219,489
Unearned revenue - other	-	-	1,371,667	602
Total liabilities	53,947	37,797	2,423,862	293,877
Deferred inflows of resources				
Deferred property tax revenue	-	8,739,432	-	-
Long term rec-airport authority	-	-	-	-
Unavailable revenue-grants	-	-	484,830	293,878
Total deferred inflows of resources	-	8,739,432	484,830	293,878
Fund balances (deficits)				
Nonspendable	-	-	76,555	-
Restricted	429,734	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	(427,241)	(293,878)
Total fund balances (deficits)	429,734	-	(350,686)	(293,878)
Total liabilities, deferred inflows of resources and fund balance	\$ 483,681	\$ 8,777,229	\$ 2,558,006	\$ 293,877

Nonmajor Special Revenue

Nonmajor Capital Projects

Nonmajor Special Revenue		Nonmajor Capital Projects				Arap. County Water and Wastewater PID
Fair	Total	Capital Expenditure	Infrastructure	Arap. County Rec. District		
\$ 70,053	\$ 19,668,033	\$ 12,350,553	\$ 20,527,300	\$ 1,883,934	\$ 1,171,957	\$ 1,200,000
-	-	1,529,344	-	-	-	1,663
-	5,730,752	-	-	174	-	-
-	20,661,851	4,458,246	-	855,040	7,692,268	-
-	1,598	-	-	-	-	-
-	-	-	-	-	-	-
-	76,163	-	-	-	-	-
<u>\$ 70,053</u>	<u>\$ 46,138,397</u>	<u>\$ 18,338,143</u>	<u>\$ 20,527,300</u>	<u>\$ 2,739,148</u>	<u>\$ 10,065,888</u>	
\$ 2,315	\$ 1,463,117	\$ 3,487,179	\$ 534,905	\$ 12,475	\$ -	\$ -
-	485,610	-	-	3,214	-	-
-	1,684,632	-	-	-	-	-
-	2,614,855	-	-	-	-	-
<u>2,315</u>	<u>6,248,214</u>	<u>3,487,179</u>	<u>534,905</u>	<u>15,689</u>	<u>-</u>	<u>-</u>
-	20,661,851	4,458,246	-	855,040	7,692,268	-
-	-	-	-	-	-	-
-	906,783	-	-	-	-	-
<u>-</u>	<u>21,568,634</u>	<u>4,458,246</u>	<u>-</u>	<u>855,040</u>	<u>7,692,268</u>	<u>-</u>
-	77,761	-	-	-	-	-
-	13,930,600	1,529,344	1,706,321	34,051	1,200,000	1,200,000
-	986,041	8,863,374	18,286,074	-	1,173,620	1,173,620
67,738	4,183,676	-	-	1,834,368	-	-
-	(856,529)	-	-	-	-	-
<u>67,738</u>	<u>18,321,549</u>	<u>10,392,718</u>	<u>19,992,395</u>	<u>1,868,419</u>	<u>2,373,620</u>	<u>-</u>
<u>\$ 70,053</u>	<u>\$ 46,138,397</u>	<u>\$ 18,338,143</u>	<u>\$ 20,527,300</u>	<u>\$ 2,739,148</u>	<u>\$ 10,065,888</u>	

(continued)

Arapahoe County, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds (continued)
December 31, 2015

	Nonmajor Debt Service			
	Total	Lease Purchase	Arap. County Building Finance Corp.	Total
Assets				
Cash and investments	\$ 35,933,744	\$ 70,149	\$ 124,279	\$ 194,428
Restricted cash and investments	2,729,344	-	1,608,918	1,608,918
Accounts receivable	1,837	-	-	-
Taxes receivable, net	13,005,554	-	-	-
Prepaid items	-	-	-	-
Due from airport authority	-	-	1,585,000	1,585,000
Inventories	-	-	-	-
Total assets	\$ 51,670,479	\$ 70,149	\$ 3,318,197	\$ 3,388,346
Liabilities				
Accounts payable	\$ 4,034,559	\$ 1,074	\$ -	\$ 1,074
Accrued expenditures	3,214	-	12,510	12,510
Due to other funds	-	-	-	-
Unearned revenue - other	-	-	-	-
Total liabilities	4,037,773	1,074	12,510	13,584
Deferred inflows of resources				
Deferred property tax revenue	13,005,554	-	-	-
Long term rec-airport authority	-	-	1,585,000	1,585,000
Unavailable revenue-grants	-	-	-	-
Total deferred inflows of resources	13,005,554	-	1,585,000	1,585,000
Fund balances (deficits)				
Nonspendable	-	-	-	-
Restricted	4,469,716	-	1,576,000	1,576,000
Committed	28,323,068	-	-	-
Assigned	1,834,368	69,075	144,687	213,762
Unassigned	-	-	-	-
Total fund balances (deficits)	34,627,152	69,075	1,720,687	1,789,762
Total liabilities, deferred inflows of resources and fund balance	\$ 51,670,479	\$ 70,149	\$ 3,318,197	\$ 3,388,346

Total
Nonmajor
Governmental

\$ 55,796,205
4,338,262
5,732,589
33,667,405
1,598
1,585,000
76,163

\$ 101,197,222

\$ 5,498,750
501,334
1,684,632
2,614,855

10,299,571

33,667,405
1,585,000
906,783

36,159,188

77,761
19,976,316
29,309,109
6,231,806
(856,529)

54,738,463

\$ 101,197,222

Arapahoe County, Colorado
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2015

	Nonmajor Special Revenue			
	Electronic Filing	Cash-In-Lieu	Law Enforc. Authority	Arapahoe/Doug. Works!
Revenues				
Taxes				
Property taxes	\$ -	\$ -	\$ 5,197,017	\$ -
Sales tax	-	-	-	-
Other taxes	-	-	396,809	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	42,384	10,585,708
Charges for services	142,856	7,114	187,070	132,294
Fines and forfeitures	-	-	705,385	-
Investment earnings	-	-	92,941	-
Repayment from comp unit-principal & interest	-	-	-	-
Developer contributions	-	-	-	-
Build America Bonds credit	-	-	-	-
Miscellaneous	-	-	22,679	219,320
Total revenue	<u>142,856</u>	<u>7,114</u>	<u>6,644,285</u>	<u>10,937,322</u>
Expenditures				
Current				
General government	105,809	-	-	-
Public safety	-	-	6,444,284	-
Health and welfare	-	-	-	10,733,087
Highways and streets	-	-	-	-
Water and wastewater	-	-	-	-
Culture and recreation	-	-	-	-
Total current	<u>105,809</u>	<u>-</u>	<u>6,444,284</u>	<u>10,733,087</u>
Capital				
General government	-	-	-	-
Public safety	-	-	-	-
Judicial services	-	-	-	-
Highways and streets	-	-	-	-
Total capital	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt				
Principal	-	-	-	-
Interest	-	-	-	-
Cost of issuance	-	-	-	-
Debt administration fees	-	-	-	-
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>105,809</u>	<u>-</u>	<u>6,444,284</u>	<u>10,733,087</u>
Excess (deficiency) of revenues over (under) expenditures	<u>37,047</u>	<u>7,114</u>	<u>200,001</u>	<u>204,235</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	(14,348)	-
Payment to bond agent	-	-	-	-
Refunding bonds issued	-	-	-	-
Premium (discount) on bonds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(14,348)</u>	<u>-</u>
Net change in fund balance	37,047	7,114	185,653	204,235
Fund balance - beginning	448,349	842,144	8,005,886	(332,310)
Fund balance - ending	<u>\$ 485,396</u>	<u>\$ 849,258</u>	<u>\$ 8,191,539</u>	<u>\$ (128,075)</u>

Nonmajor Special Revenue

Road and Bridge	Conservation Trust	Contingent	Comm. Network Replacement	Sheriff's Commissary	Community Development
\$ 5,804,341	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
445,302	-	-	-	-	-
332,024	-	-	-	-	-
8,919,588	610,925	-	55,475	1,178,795	1,073,955
-	-	-	-	16,472	-
-	4,159	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,637	-	-	7,050	35,944	125,054
<u>15,508,892</u>	<u>615,084</u>	<u>-</u>	<u>62,525</u>	<u>1,231,211</u>	<u>1,199,009</u>
-	-	-	57,719	-	-
-	-	-	-	1,168,340	-
15,142,608	-	-	-	-	1,232,315
-	-	-	-	-	-
-	-	-	-	-	-
<u>15,142,608</u>	<u>-</u>	<u>-</u>	<u>57,719</u>	<u>1,168,340</u>	<u>1,232,315</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>15,142,608</u>	<u>-</u>	<u>-</u>	<u>57,719</u>	<u>1,168,340</u>	<u>1,232,315</u>
<u>366,284</u>	<u>615,084</u>	<u>-</u>	<u>4,806</u>	<u>62,871</u>	<u>(33,306)</u>
-	-	-	24,000	-	30,000
(577,444)	(559,900)	-	-	(700)	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(577,444)</u>	<u>(559,900)</u>	<u>-</u>	<u>24,000</u>	<u>(700)</u>	<u>30,000</u>
(211,160)	55,184	-	28,806	62,171	(3,306)
6,700,230	721,044	603,465	353,770	763,606	(3,287)
<u>\$ 6,489,070</u>	<u>\$ 776,228</u>	<u>\$ 603,465</u>	<u>\$ 382,576</u>	<u>\$ 825,777</u>	<u>\$ (6,593)</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, 2015

	Nonmajor Special Revenue			
	Forfeited Property	Developmental Disabilities	Grant	Homeland Security Grant
Revenues				
Taxes				
Property taxes	\$ -	\$ 7,491,192	\$ -	\$ -
Sales tax	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	377	9,289,648	1,178,584
Charges for services	-	-	72,360	-
Fines and forfeitures	63,495	-	-	-
Investment earnings	4,740	-	-	-
Repayment from comp unit-principal & interest	-	-	-	-
Developer contributions	-	-	-	-
Build America Bonds credit	-	-	-	-
Miscellaneous	-	-	89,067	-
Total revenue	68,235	7,491,569	9,451,075	1,178,584
Expenditures				
Current				
General government	-	-	-	-
Public safety	5,886	-	805,843	1,348,751
Health and welfare	-	7,491,569	8,596,550	-
Highways and streets	-	-	-	-
Water and wastewater	-	-	-	-
Culture and recreation	-	-	-	-
Total current	5,886	7,491,569	9,402,393	1,348,751
Capital				
General government	-	-	-	-
Public safety	7,205	-	-	-
Judicial services	-	-	-	-
Highways and streets	-	-	-	-
Total capital	7,205	-	-	-
Debt				
Principal	-	-	-	-
Interest	-	-	-	-
Cost of issuance	-	-	-	-
Debt administration fees	-	-	-	-
Total debt service	-	-	-	-
Total expenditures	13,091	7,491,569	9,402,393	1,348,751
Excess (deficiency) of revenues over (under) expenditures	55,144	-	48,682	(170,167)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(173,609)	-	(49,545)	-
Payment to bond agent	-	-	-	-
Refunding bonds issued	-	-	-	-
Premium (discount) on bonds	-	-	-	-
Total other financing sources (uses)	(173,609)	-	(49,545)	-
Net change in fund balance	(118,465)	-	(863)	(170,167)
Fund balance - beginning	548,199	-	(349,823)	(123,711)
Fund balance - ending	\$ 429,734	\$ -	\$ (350,686)	\$ (293,878)

Nonmajor Special Revenue

Nonmajor Capital Projects

Nonmajor Special Revenue		Nonmajor Capital Projects			
Fair	Total	Capital Expenditure	Infrastructure	Arap. County Rec. District	Arap. County Water and Wastewater PID
\$ -	\$ 18,492,550	\$ 4,554,091	\$ -	\$ 837,189	\$ 7,888,274
-	-	-	702	-	-
-	842,111	349,389	-	63,843	580,558
-	332,024	-	595,074	-	-
315,607	31,756,644	-	502,360	152,906	-
-	2,036,096	-	-	77,100	-
-	785,352	-	-	-	-
-	101,840	535	40,230	19,098	-
-	-	-	-	-	-
-	-	-	488,890	-	-
-	-	-	-	-	1,076,715
1,855	508,606	1,469,993	-	-	3
317,462	54,855,223	6,374,008	1,627,256	1,150,136	9,545,550
23,489	187,017	94,046	-	-	-
-	9,773,104	-	-	-	-
-	28,053,521	-	-	-	-
-	15,142,608	-	5,865,879	-	-
-	-	-	-	-	117,138
283,181	283,181	-	-	781,908	-
306,670	53,439,431	94,046	5,865,879	781,908	117,138
-	-	15,962,427	-	-	-
-	7,205	1,302,130	-	-	-
-	-	156,144	-	-	-
-	-	-	5,298,141	-	-
-	7,205	17,420,701	5,298,141	-	-
-	-	-	-	-	2,204,175
-	-	-	-	-	6,701,129
-	-	-	-	-	283,053
-	-	-	-	-	750
-	-	-	-	-	9,189,107
306,670	53,446,636	17,514,747	11,164,020	781,908	9,306,245
10,792	1,408,587	(11,140,739)	(9,536,764)	368,228	239,305
9,795	63,795	75,600	1,250,000	-	-
-	(1,375,546)	(1,250,000)	-	(226,270)	-
-	-	-	-	-	(26,918,953)
-	-	-	-	-	25,930,000
-	-	-	-	-	1,181,266
9,795	(1,311,751)	(1,174,400)	1,250,000	(226,270)	192,313
20,587	96,836	(12,315,139)	(8,286,764)	141,958	431,618
47,151	18,224,713	22,707,857	28,279,159	1,726,461	1,942,002
\$ 67,738	\$ 18,321,549	\$ 10,392,718	\$ 19,992,395	\$ 1,868,419	\$ 2,373,620

(continued)

Arapahoe County, Colorado
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds (continued)
For the Year Ended December 31, 2015

	Nonmajor Debt Service			Total
	Total	Lease Purchase	Arap. County Building Finance Corp.	
Revenues				
Taxes				
Property taxes	\$ 13,279,554	\$ -	\$ -	\$ -
Sales tax	702	-	-	-
Other taxes	993,790	-	-	-
Licenses and permits	595,074	-	-	-
Intergovernmental	655,266	-	-	-
Charges for services	77,100	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	59,863	-	81,038	81,038
Repayment from comp unit-principal & interest	-	-	1,594,761	1,594,761
Developer contributions	488,890	-	-	-
Build America Bonds credit	1,076,715	-	-	-
Miscellaneous	1,469,996	-	-	-
Total revenue	<u>18,696,950</u>	<u>-</u>	<u>1,675,799</u>	<u>1,675,799</u>
Expenditures				
Current				
General government	94,046	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	1,625	1,625
Highways and streets	5,865,879	-	-	-
Water and wastewater	117,138	-	-	-
Culture and recreation	781,908	-	-	-
Total current	<u>6,858,971</u>	<u>-</u>	<u>1,625</u>	<u>1,625</u>
Capital				
General government	15,962,427	-	-	-
Public safety	1,302,130	-	-	-
Judicial services	156,144	-	-	-
Highways and streets	5,298,141	-	-	-
Total capital	<u>22,718,842</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt				
Principal	2,204,175	1,441,182	4,960,000	6,401,182
Interest	6,701,129	707,041	1,295,725	2,002,766
Cost of issuance	283,053	214,549	-	214,549
Debt administration fees	750	-	2,167	2,167
Total debt service	<u>9,189,107</u>	<u>2,362,772</u>	<u>6,257,892</u>	<u>8,620,664</u>
Total expenditures	<u>38,766,920</u>	<u>2,362,772</u>	<u>6,259,517</u>	<u>8,622,289</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,069,970)</u>	<u>(2,362,772)</u>	<u>(4,583,718)</u>	<u>(6,946,490)</u>
Other financing sources (uses)				
Transfers in	1,325,600	2,148,225	4,565,000	6,713,225
Transfers out	(1,476,270)	-	-	-
Payment to bond agent	(26,918,953)	(24,990,937)	-	(24,990,937)
Refunding bonds issued	25,930,000	23,010,000	-	23,010,000
Premium (discount) on bonds	1,181,266	2,195,489	-	2,195,489
Total other financing sources (uses)	<u>41,643</u>	<u>2,362,777</u>	<u>4,565,000</u>	<u>6,927,777</u>
Net change in fund balance	<u>(20,028,327)</u>	<u>5</u>	<u>(18,718)</u>	<u>(18,713)</u>
Fund balance - beginning	54,655,479	69,070	1,739,405	1,808,475
Fund balance - ending	<u>\$ 34,627,152</u>	<u>\$ 69,075</u>	<u>\$ 1,720,687</u>	<u>\$ 1,789,762</u>

Total
Nonmajor
Governmental

\$ 31,772,104
702
1,835,901
927,098
32,411,910
2,113,196
785,352
242,741
1,594,761
488,890
1,076,715
1,978,602

75,227,972

281,063
9,773,104
28,055,146
21,008,487
117,138
1,065,089

60,300,027

15,962,427
1,309,335
156,144
5,298,141

22,726,047

8,605,357
8,703,895
497,602
2,917

17,809,771

100,835,845

(25,607,873)

8,102,620
(2,851,816)
(51,909,890)
48,940,000
3,376,755

5,657,669

(19,950,204)

74,688,667

\$ 54,738,463

Arapahoe County, Colorado
Electronic Filing Technology
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 132,099	\$ 132,099	\$ 142,856	\$ 10,757
Total revenue	<u>132,099</u>	<u>132,099</u>	<u>142,856</u>	<u>10,757</u>
Expenditures				
Current				
General government	-	448,349	105,809	342,540
Capital				
General government	132,099	132,099	-	132,099
Total expenditures	<u>132,099</u>	<u>580,448</u>	<u>105,809</u>	<u>474,639</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(448,349)</u>	<u>37,047</u>	<u>485,396</u>
Fund balance - beginning	448,349	448,349	448,349	-
Fund balance - ending	<u>\$ 448,349</u>	<u>\$ -</u>	<u>\$ 485,396</u>	<u>\$ 485,396</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 55,000	\$ 55,000	\$ 7,114	\$ (47,886)
Total revenue	<u>55,000</u>	<u>55,000</u>	<u>7,114</u>	<u>(47,886)</u>
Expenditures				
Current				
General government	-	842,144	-	842,144
Total expenditures	<u>-</u>	<u>842,144</u>	<u>-</u>	<u>842,144</u>
Excess (deficiency) of revenues over (under) expenditures	<u>55,000</u>	<u>(787,144)</u>	<u>7,114</u>	<u>794,258</u>
Fund balance - beginning	<u>842,144</u>	<u>842,144</u>	<u>842,144</u>	<u>-</u>
Fund balance - ending	<u>\$ 897,144</u>	<u>\$ 55,000</u>	<u>\$ 849,258</u>	<u>\$ 794,258</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, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Property taxes	\$ 5,206,791	\$ 5,206,791	\$ 5,197,017	\$ (9,774)
Other taxes	315,000	315,000	396,809	81,809
Intergovernmental	33,800	33,800	42,384	8,584
Charges for services	125,195	194,153	187,070	(7,083)
Fines and forfeitures	571,500	571,500	705,385	133,885
Investment earnings	-	-	92,941	92,941
Miscellaneous	-	-	22,679	22,679
Total revenue	<u>6,252,286</u>	<u>6,321,244</u>	<u>6,644,285</u>	<u>323,041</u>
Expenditures				
Current				
Public safety	6,666,076	6,707,652	6,444,284	263,368
Capital				
Public safety	-	20,000	-	20,000
Total expenditures	<u>6,666,076</u>	<u>6,727,652</u>	<u>6,444,284</u>	<u>283,368</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(413,790)</u>	<u>(406,408)</u>	<u>200,001</u>	<u>606,409</u>
Other financing sources (uses)				
Transfers out	(6,966)	(14,348)	(14,348)	-
Total other financing sources (uses)	<u>(6,966)</u>	<u>(14,348)</u>	<u>(14,348)</u>	<u>-</u>
Net change in fund balance	(420,756)	(420,756)	185,653	606,409
Fund balance - beginning	8,005,886	8,005,886	8,005,886	-
Fund balance - ending	<u>\$ 7,585,130</u>	<u>\$ 7,585,130</u>	<u>\$ 8,191,539</u>	<u>\$ 606,409</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 12,107,321	\$ 12,107,321	\$ 10,585,708	\$ (1,521,613)
Charges for services	70,000	70,000	132,294	62,294
Interfund revenues and rentals	15,000	15,000	-	(15,000)
Miscellaneous	174,000	174,000	219,320	45,320
Total revenue	<u>12,366,321</u>	<u>12,366,321</u>	<u>10,937,322</u>	<u>(1,428,999)</u>
Expenditures				
Current				
Health and welfare	12,361,121	12,361,121	10,733,087	1,628,034
Total expenditures	<u>12,361,121</u>	<u>12,361,121</u>	<u>10,733,087</u>	<u>1,628,034</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,200</u>	<u>5,200</u>	<u>204,235</u>	<u>199,035</u>
Other financing sources (uses)				
Transfers out	(5,200)	(5,200)	-	5,200
Total other financing sources (uses)	<u>(5,200)</u>	<u>(5,200)</u>	<u>-</u>	<u>5,200</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>204,235</u>	<u>204,235</u>
Fund balance - beginning	(332,310)	(332,310)	(332,310)	-
Fund balance - ending	<u>\$ (332,310)</u>	<u>\$ (332,310)</u>	<u>\$ (128,075)</u>	<u>\$ 204,235</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Property taxes	\$ 5,775,149	\$ 5,775,149	\$ 5,804,341	\$ 29,192
Other taxes	406,000	406,000	445,302	39,302
Licenses and permits	337,000	337,000	332,024	(4,976)
Intergovernmental	8,272,000	8,272,000	8,919,588	647,588
Miscellaneous	50,000	147,249	7,637	(139,612)
Total revenue	<u>14,840,149</u>	<u>14,937,398</u>	<u>15,508,892</u>	<u>571,494</u>
Expenditures				
Current				
Highways and streets	15,280,506	16,585,726	15,142,608	1,443,118
Total expenditures	<u>15,280,506</u>	<u>16,585,726</u>	<u>15,142,608</u>	<u>1,443,118</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(440,357)</u>	<u>(1,648,328)</u>	<u>366,284</u>	<u>2,014,612</u>
Other financing sources (uses)				
Transfers out	(548,106)	(577,444)	(577,444)	-
Total other financing sources (uses)	<u>(548,106)</u>	<u>(577,444)</u>	<u>(577,444)</u>	<u>-</u>
Net change in fund balance	(988,463)	(2,225,772)	(211,160)	2,014,612
Fund balance - beginning	6,700,230	6,700,230	6,700,230	-
Fund balance - ending	<u>\$ 5,711,767</u>	<u>\$ 4,474,458</u>	<u>\$ 6,489,070</u>	<u>\$ 2,014,612</u>

**Arapahoe County, Colorado
Conservation Trust
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 600,000	\$ 600,000	\$ 610,925	\$ 10,925
Investment earnings	-	-	4,159	4,159
Total revenue	<u>600,000</u>	<u>600,000</u>	<u>615,084</u>	<u>15,084</u>
Expenditures				
Capital				
Culture and recreation	-	721,044	-	721,044
Total expenditures	<u>-</u>	<u>721,044</u>	<u>-</u>	<u>721,044</u>
Excess (deficiency) of revenues over (under) expenditures	<u>600,000</u>	<u>(121,044)</u>	<u>615,084</u>	<u>736,128</u>
Other financing sources (uses)				
Transfers out	(559,900)	(559,900)	(559,900)	-
Total other financing sources (uses)	<u>(559,900)</u>	<u>(559,900)</u>	<u>(559,900)</u>	<u>-</u>
Net change in fund balance	40,100	(680,944)	55,184	736,128
Fund balance - beginning	721,044	721,044	721,044	-
Fund balance - ending	<u>\$ 761,144</u>	<u>\$ 40,100</u>	<u>\$ 776,228</u>	<u>\$ 736,128</u>

Arapahoe County, Colorado
Contingent
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Total revenue	\$ -	\$ -	\$ -	\$ -
Expenditures				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) 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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 59,150	\$ 59,150	\$ 55,475	\$ (3,675)
Miscellaneous	-	-	7,050	7,050
Total revenue	<u>59,150</u>	<u>59,150</u>	<u>62,525</u>	<u>3,375</u>
Expenditures				
Current				
General government	83,150	436,920	57,719	379,201
Total expenditures	<u>83,150</u>	<u>436,920</u>	<u>57,719</u>	<u>379,201</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(24,000)</u>	<u>(377,770)</u>	<u>4,806</u>	<u>382,576</u>
Other financing sources (uses)				
Transfers in	24,000	24,000	24,000	-
Total other financing sources (uses)	<u>24,000</u>	<u>24,000</u>	<u>24,000</u>	<u>-</u>
Net change in fund balance	-	(353,770)	28,806	382,576
Fund balance - beginning	353,770	353,770	353,770	-
Fund balance - ending	<u>\$ 353,770</u>	<u>\$ -</u>	<u>\$ 382,576</u>	<u>\$ 382,576</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 1,243,100	\$ 1,284,580	\$ 1,178,795	\$ (105,785)
Fines and forfeitures	10,000	10,000	16,472	6,472
Miscellaneous	-	-	35,944	35,944
Total revenue	<u>1,253,100</u>	<u>1,294,580</u>	<u>1,231,211</u>	<u>(63,369)</u>
Expenditures				
Current				
Public safety	1,614,381	2,016,007	1,168,340	847,667
Total expenditures	<u>1,614,381</u>	<u>2,016,007</u>	<u>1,168,340</u>	<u>847,667</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(361,281)</u>	<u>(721,427)</u>	<u>62,871</u>	<u>784,298</u>
Other financing sources (uses)				
Transfers out	(700)	(700)	(700)	-
Total other financing sources (uses)	<u>(700)</u>	<u>(700)</u>	<u>(700)</u>	<u>-</u>
Net change in fund balance	<u>(361,981)</u>	<u>(722,127)</u>	<u>62,171</u>	<u>784,298</u>
Fund balance - beginning	763,606	763,606	763,606	-
Fund balance - ending	<u>\$ 401,625</u>	<u>\$ 41,479</u>	<u>\$ 825,777</u>	<u>\$ 784,298</u>

**Arapahoe County, Colorado
Community Development
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 3,762,753	\$ 3,762,753	\$ 1,073,955	\$ (2,688,798)
Miscellaneous	-	-	125,054	125,054
Total revenue	<u>3,762,753</u>	<u>3,762,753</u>	<u>1,199,009</u>	<u>(2,563,744)</u>
Expenditures				
Current				
Health and welfare	3,792,753	3,792,753	1,232,315	2,560,438
Total expenditures	<u>3,792,753</u>	<u>3,792,753</u>	<u>1,232,315</u>	<u>2,560,438</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(30,000)</u>	<u>(30,000)</u>	<u>(33,306)</u>	<u>(3,306)</u>
Other financing sources (uses)				
Transfers in	30,000	30,000	30,000	-
Total other financing sources (uses)	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Net change in fund balance	-	-	(3,306)	(3,306)
Fund balance - beginning	(3,287)	(3,287)	(3,287)	-
Fund balance - ending	<u>\$ (3,287)</u>	<u>\$ (3,287)</u>	<u>\$ (6,593)</u>	<u>\$ (3,306)</u>

Arapahoe County, Colorado
Forfeited Property
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fines and forfeitures	\$ -	\$ 68,709	\$ 63,495	\$ (5,214)
Investment earnings	-	-	4,740	4,740
Total revenue	-	68,709	68,235	(474)
Expenditures				
Current				
Public safety	-	436,093	5,886	430,207
Capital				
Public safety	-	7,205	7,205	-
Total expenditures	-	443,298	13,091	430,207
Excess (deficiency) of revenues over (under) expenditures	-	(374,589)	55,144	429,733
Other financing sources (uses)				
Transfers out	-	(173,609)	(173,609)	-
Total other financing sources (uses)	-	(173,609)	(173,609)	-
Net change in fund balance	-	(548,198)	(118,465)	429,733
Fund balance - beginning	548,199	548,199	548,199	-
Fund balance - ending	\$ 548,199	\$ 1	\$ 429,734	\$ 429,733

Arapahoe County, Colorado
Developmental Disabilities
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Property taxes	\$ 7,454,368	\$ 7,491,569	\$ 7,491,192	\$ (377)
Intergovernmental	-	-	377	377
Total revenue	<u>7,454,368</u>	<u>7,491,569</u>	<u>7,491,569</u>	<u>-</u>
Expenditures				
Current				
Health and welfare	<u>7,454,368</u>	<u>7,491,569</u>	<u>7,491,569</u>	<u>-</u>
Total expenditures	<u>7,454,368</u>	<u>7,491,569</u>	<u>7,491,569</u>	<u>-</u>
Excess (deficiency) of revenues over (under) 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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 11,098,075	\$ 12,544,607	\$ 9,289,648	\$ (3,254,959)
Charges for services	175,000	175,000	72,360	(102,640)
Miscellaneous	247,391	333,588	89,067	(244,521)
Total revenue	<u>11,520,466</u>	<u>13,053,195</u>	<u>9,451,075</u>	<u>(3,602,120)</u>
Expenditures				
Current				
Public safety	533,071	1,269,684	805,843	463,841
Health and welfare	10,985,995	11,732,566	8,596,550	3,136,016
Total expenditures	<u>11,519,066</u>	<u>13,002,250</u>	<u>9,402,393</u>	<u>3,599,857</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,400</u>	<u>50,945</u>	<u>48,682</u>	<u>(2,263)</u>
Other financing sources (uses)				
Transfers out	(1,400)	(50,945)	(49,545)	1,400
Total other financing sources (uses)	<u>(1,400)</u>	<u>(50,945)</u>	<u>(49,545)</u>	<u>1,400</u>
Net change in fund balance	-	-	(863)	(863)
Fund balance - beginning	(349,823)	(349,823)	(349,823)	-
Fund balance - ending	<u>\$ (349,823)</u>	<u>\$ (349,823)</u>	<u>\$ (350,686)</u>	<u>\$ (863)</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 456,349	\$ 2,298,237	\$ 1,178,584	\$ (1,119,653)
Total revenue	<u>456,349</u>	<u>2,298,237</u>	<u>1,178,584</u>	<u>(1,119,653)</u>
Expenditures				
Current				
Public safety	456,349	2,298,237	1,348,751	949,486
Total expenditures	<u>456,349</u>	<u>2,298,237</u>	<u>1,348,751</u>	<u>949,486</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(170,167)</u>	<u>(170,167)</u>
Fund balance - beginning	<u>(123,711)</u>	<u>(123,711)</u>	<u>(123,711)</u>	<u>-</u>
Fund balance - ending	<u>\$ (123,711)</u>	<u>\$ (123,711)</u>	<u>\$ (293,878)</u>	<u>\$ (170,167)</u>

Arapahoe County, Colorado
Fair
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 379,000	\$ 379,000	\$ 315,607	\$ (63,393)
Miscellaneous	6,000	6,000	1,855	(4,145)
Total revenue	<u>385,000</u>	<u>385,000</u>	<u>317,462</u>	<u>(67,538)</u>
Expenditures				
Current				
General government	25,600	25,600	23,489	2,111
Culture and recreation	359,400	416,346	283,181	133,165
Total expenditures	<u>385,000</u>	<u>441,946</u>	<u>306,670</u>	<u>135,276</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(56,946)</u>	<u>10,792</u>	<u>67,738</u>
Other financing sources (uses)				
Transfers in	-	9,795	9,795	-
Total other financing sources (uses)	<u>-</u>	<u>9,795</u>	<u>9,795</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>(47,151)</u>	<u>20,587</u>	<u>67,738</u>
Fund balance - beginning	47,151	47,151	47,151	-
Fund balance - ending	<u>\$ 47,151</u>	<u>\$ -</u>	<u>\$ 67,738</u>	<u>\$ (67,738)</u>

Arapahoe County, Colorado
Capital Expenditure
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Property taxes	\$ 4,531,343	\$ 4,531,343	\$ 4,554,091	\$ 22,748
Other taxes	315,000	315,000	349,389	34,389
Investment earnings	-	-	535	535
Miscellaneous	600,000	675,268	1,469,993	794,725
Total revenue	<u>5,446,343</u>	<u>5,521,611</u>	<u>6,374,008</u>	<u>852,397</u>
Expenditures				
Current				
General government	67,969	73,969	94,046	(20,077)
Capital				
General government	2,872,182	25,300,151	15,962,427	9,337,724
Public safety	1,256,192	1,425,792	1,302,130	123,662
Judicial services	-	251,419	156,144	95,275
Total expenditures	<u>4,196,343</u>	<u>27,051,331</u>	<u>17,514,747</u>	<u>9,536,584</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,250,000</u>	<u>(21,529,720)</u>	<u>(11,140,739)</u>	<u>10,388,981</u>
Other financing sources (uses)				
Transfers in	-	75,600	75,600	-
Transfers out	(1,250,000)	(1,250,000)	(1,250,000)	-
Capital leases	-	20,840	-	(20,840)
Total other financing sources (uses)	<u>(1,250,000)</u>	<u>(1,153,560)</u>	<u>(1,174,400)</u>	<u>(20,840)</u>
Net change in fund balance	-	(22,683,280)	(12,315,139)	10,368,141
Fund balance - beginning	<u>22,707,857</u>	<u>22,707,857</u>	<u>22,707,857</u>	<u>-</u>
Fund balance - ending	<u>\$ 22,707,857</u>	<u>\$ 24,577</u>	<u>\$ 10,392,718</u>	<u>\$ 10,368,141</u>

**Arapahoe County, Colorado
Infrastructure
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Other taxes	-	701	702	1
Licenses and permits	\$ -	\$ 958,477	\$ 595,074	\$ (363,403)
Intergovernmental	-	483,219	502,360	19,141
Investment earnings	-	-	40,230	40,230
Developer contributions	-	551,189	488,890	(62,299)
Miscellaneous	3,490,517	3,540,517	-	(3,540,517)
Total revenue	<u>3,490,517</u>	<u>5,534,103</u>	<u>1,627,256</u>	<u>(3,906,847)</u>
Expenditures				
Current				
Highways and streets	4,740,517	33,899,697	5,865,879	28,033,818
Capital				
Highways and streets	-	-	5,298,141	(5,298,141)
Total expenditures	<u>4,740,517</u>	<u>33,899,697</u>	<u>11,164,020</u>	<u>22,735,677</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,250,000)</u>	<u>(28,365,594)</u>	<u>(9,536,764)</u>	<u>18,828,830</u>
Other financing sources (uses)				
Transfers in	1,250,000	1,250,000	1,250,000	-
Total other financing sources (uses)	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,250,000</u>	<u>-</u>
Net change in fund balance	-	(27,115,594)	(8,286,764)	18,828,830
Fund balance - beginning	28,279,159	28,279,159	28,279,159	-
Fund balance - ending	<u>\$ 28,279,159</u>	<u>\$ 1,163,565</u>	<u>\$ 19,992,395</u>	<u>\$ 18,828,830</u>

Arapahoe County, Colorado
Arapahoe County Recreation District
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Property taxes	\$ 837,461	\$ 837,461	\$ 837,189	\$ (272)
Other taxes	54,140	54,140	63,843	9,703
Intergovernmental	153,262	153,262	152,906	(356)
Charges for services	90,179	90,179	77,100	(13,079)
Investment earnings	-	-	19,098	19,098
Total revenue	<u>1,135,042</u>	<u>1,135,042</u>	<u>1,150,136</u>	<u>15,094</u>
Expenditures				
Current				
Culture and recreation	938,663	955,569	781,908	173,661
Capital				
Culture and recreation	525,000	525,000	-	525,000
Total expenditures	<u>1,463,663</u>	<u>1,480,569</u>	<u>781,908</u>	<u>698,661</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(328,621)</u>	<u>(345,527)</u>	<u>368,228</u>	<u>713,755</u>
Other financing sources (uses)				
Transfers out	(226,270)	(226,270)	(226,270)	-
Total other financing sources (uses)	<u>(226,270)</u>	<u>(226,270)</u>	<u>(226,270)</u>	<u>-</u>
Net change in fund balance	(554,891)	(571,797)	141,958	713,755
Fund balance - beginning	1,726,461	1,726,461	1,726,461	-
Fund balance - ending	<u>\$ 1,171,570</u>	<u>\$ 1,154,664</u>	<u>\$ 1,868,419</u>	<u>\$ 713,755</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Property taxes	\$ 7,730,264	\$ 7,730,264	\$ 7,888,274	\$ 158,010
Other taxes	525,000	525,000	580,558	55,558
Build America Bonds credit	1,042,543	1,042,543	1,076,715	34,172
Miscellaneous	-	-	3	3
Total revenue	<u>9,297,807</u>	<u>9,297,807</u>	<u>9,545,550</u>	<u>247,743</u>
Expenditures				
Current				
Water and wastewater	120,654	143,654	117,138	26,516
Debt				
Principal	2,104,175	2,204,175	2,204,175	-
Interest	6,938,670	6,701,131	6,701,129	2
Cost of issuance	-	291,548	283,053	8,495
Debt administration fees	2,000	2,000	750	1,250
Total expenditures	<u>9,165,499</u>	<u>9,342,508</u>	<u>9,306,245</u>	<u>36,263</u>
Excess (deficiency) of revenues over (under) expenditures	<u>132,308</u>	<u>(44,701)</u>	<u>239,305</u>	<u>284,006</u>
Other financing sources (uses)				
Payment to bond agent	-	(26,918,953)	(26,918,953)	-
Debt issued	-	25,930,000	25,930,000	-
Premium (discount) on bonds	-	1,181,266	1,181,266	-
Total other financing sources (uses)	<u>-</u>	<u>192,313</u>	<u>192,313</u>	<u>-</u>
Net change in fund balance	132,308	147,612	431,618	284,006
Fund balance - beginning	1,942,002	1,942,002	1,942,002	-
Fund balance - ending	<u>\$ 2,074,310</u>	<u>\$ 2,089,614</u>	<u>\$ 2,373,620</u>	<u>\$ 284,006</u>

Arapahoe County, Colorado
Lease Purchase
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Total revenue	\$ -	\$ -	\$ -	\$ -
Expenditures				
Debt				
Principal	1,418,042	1,418,042	1,441,182	(23,140)
Interest	730,183	730,183	707,041	23,142
Cost of issuance	-	214,551	214,549	2
Total expenditures	<u>2,148,225</u>	<u>2,362,776</u>	<u>2,362,772</u>	<u>4</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,148,225)</u>	<u>(2,362,776)</u>	<u>(2,362,772)</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	2,148,225	2,148,225	2,148,225	-
Payment to bond agent	-	(24,990,938)	(24,990,937)	(1)
Refunding bonds issued	-	23,010,000	23,010,000	-
Premium (discount) on bonds	-	2,195,489	2,195,489	-
Total other financing sources (uses)	<u>2,148,225</u>	<u>2,362,776</u>	<u>2,362,777</u>	<u>1</u>
Net change in fund balance	-	-	5	5
Fund balance - beginning	69,070	69,070	69,070	-
Fund balance - ending	<u>\$ 69,070</u>	<u>\$ 69,070</u>	<u>\$ 69,075</u>	<u>\$ 5</u>

Arapahoe County, Colorado
Arapahoe County Building Finance Corporation
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment earnings	\$ 50,000	\$ 50,000	\$ 81,038	\$ 31,038
Repayment from comp unit-principal & interest	1,600,000	1,600,000	1,594,761	(5,239)
Total revenue	<u>1,650,000</u>	<u>1,650,000</u>	<u>1,675,799</u>	<u>25,799</u>
Expenditures				
Current				
Health and welfare	2,000	2,000	1,625	375
Airport	2,000	2,000	-	2,000
Debt				
Principal	4,960,000	4,960,000	4,960,000	-
Interest	1,295,725	1,295,725	1,295,725	-
Debt administration fees	3,500	3,500	2,167	1,333
Total expenditures	<u>6,263,225</u>	<u>6,263,225</u>	<u>6,259,517</u>	<u>3,708</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,613,225)</u>	<u>(4,613,225)</u>	<u>(4,583,718)</u>	<u>29,507</u>
Other financing sources (uses)				
Transfers in	4,565,000	4,565,000	4,565,000	-
Total other financing sources (uses)	<u>4,565,000</u>	<u>4,565,000</u>	<u>4,565,000</u>	<u>-</u>
Net change in fund balance	<u>(48,225)</u>	<u>(48,225)</u>	<u>(18,718)</u>	<u>29,507</u>
Fund balance - beginning	1,739,405	1,739,405	1,739,405	-
Fund balance - ending	<u>\$ 1,691,180</u>	<u>\$ 1,691,180</u>	<u>\$ 1,720,687</u>	<u>\$ (29,507)</u>

PROPRIETARY FUNDS

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 Insurance Dental Fund – 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, 2015**

	Governmental Activities - Internal Service Funds			
	Central Service	Self Insurance Liability	Employee Flex Benefit	Worker's Compensation
Assets				
Current assets:				
Cash and investments	\$ 21,250,915	\$ 1,477,056	\$ 199,695	\$ 4,071,182
Accounts receivable	41,889	-	-	-
Inventory	447,107	-	-	-
Total current assets	<u>21,739,911</u>	<u>1,477,056</u>	<u>199,695</u>	<u>4,071,182</u>
Noncurrent assets:				
Capital assets:				
Buildings and improvements	17,628	-	-	-
Vehicles and equipment	33,704,062	-	-	-
Computer systems	7,060,744	-	-	-
Furniture and office equipment	109,437	-	-	-
Less: accumulated depreciation	(31,964,797)	-	-	-
Total noncurrent assets (net of accum. dep.)	<u>8,927,074</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>30,666,985</u>	<u>1,477,056</u>	<u>199,695</u>	<u>4,071,182</u>
Liabilities				
Current liabilities				
Accounts payable	317,315	16,029	-	143,761
Estimated claims payable	-	395,000	-	643,000
Noncurrent claims payable	-	921,000	-	1,500,000
Total liabilities	<u>317,315</u>	<u>1,332,029</u>	<u>-</u>	<u>2,286,761</u>
Net position				
Net investment in capital assets	8,927,074	-	-	-
Unrestricted	21,422,596	145,027	199,695	1,784,421
Total net position	<u>\$ 30,349,670</u>	<u>\$ 145,027</u>	<u>\$ 199,695</u>	<u>\$ 1,784,421</u>

Self Insurance		Dental		Total	
\$	557,167	\$	27,556,015		
	-		41,889		
	-		447,107		
	<u>557,167</u>		<u>28,045,011</u>		
	-		17,628		
	-		33,704,062		
	-		7,060,744		
	-		109,437		
	-		(31,964,797)		
	<u>-</u>		<u>8,927,074</u>		
	<u>557,167</u>		<u>36,972,085</u>		
	88,642		565,747		
	64,000		1,102,000		
	-		2,421,000		
	<u>152,642</u>		<u>4,088,747</u>		
	-		8,927,074		
	404,525		23,956,264		
\$	<u>404,525</u>	\$	<u>32,883,338</u>		

Arapahoe County Government
Combining Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2015

	Governmental Activities - Internal Service Funds			
	Central Service	Self Insurance Liability	Employee Flex Benefit	Worker's Compensation
Operating revenues				
Charges for sales and service	\$ 4,970,766	\$ 388,026	\$ 705,935	\$ 1,519,466
Total operating revenue	<u>4,970,766</u>	<u>388,026</u>	<u>705,935</u>	<u>1,519,466</u>
Operating expenses				
Cost of sales and services	1,107,723	1,739,546	698,462	1,081,603
Administration	-	14,550	-	140,873
Depreciation	3,863,043	-	-	-
Total operating expenses	<u>4,970,766</u>	<u>1,754,096</u>	<u>698,462</u>	<u>1,222,476</u>
Operating income (loss)	<u>-</u>	<u>(1,366,070)</u>	<u>7,473</u>	<u>296,990</u>
Nonoperating revenue (expenses)				
Insurance recoveries	-	-	2,949	-
Gain on sale of assets	586,534	-	-	-
Loss on sale of assets	(182,389)	-	-	-
Income (loss) before contributions and transfers	<u>404,145</u>	<u>(1,366,070)</u>	<u>10,422</u>	<u>296,990</u>
Transfers in	1,881,141	900,000	30,000	-
Transfers out	(131,059)	-	-	-
Change in net position	<u>2,154,227</u>	<u>(466,070)</u>	<u>40,422</u>	<u>296,990</u>
Total net position - beginning	<u>28,195,443</u>	<u>611,097</u>	<u>159,273</u>	<u>1,487,431</u>
Total net position - ending	<u>\$ 30,349,670</u>	<u>\$ 145,027</u>	<u>\$ 199,695</u>	<u>\$ 1,784,421</u>

Self Insurance Dental	Total
\$ 1,180,869	\$ 8,765,062
<u>1,180,869</u>	<u>8,765,062</u>
1,562,904	6,190,238
-	155,423
-	3,863,043
<u>1,562,904</u>	<u>10,208,704</u>
<u>(382,035)</u>	<u>(1,443,642)</u>
-	2,949
-	586,534
-	(182,389)
<u>(382,035)</u>	<u>(1,036,548)</u>
73,800	2,884,941
-	(131,059)
<u>(308,235)</u>	<u>1,717,334</u>
712,760	31,166,004
<u>\$ 404,525</u>	<u>\$ 32,883,338</u>

Arapahoe County, Colorado
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2015

Governmental Activities - Internal Service Funds

	Central Service	Self Insurance Liability	Employee Flex Benefit	Worker's Compensation
Cash flows from operating activities				
Cash received for interfund services provided	\$ 5,036,291	\$ 388,026	\$ 783,935	\$ 1,519,466
Cash payments for services and supplies	(1,119,180)	(1,382,527)	(752,893)	(1,176,190)
Net cash provided by (used for) operating activities	<u>3,917,111</u>	<u>(994,501)</u>	<u>31,042</u>	<u>343,276</u>
Cash flows from noncapital financing activities				
Transfers in from other funds	1,881,141	900,000	30,000	-
Transfers out to other funds	(131,059)	-	2,949	-
Net cash provided by (used for) non capital financing activities	<u>1,750,082</u>	<u>900,000</u>	<u>32,949</u>	<u>-</u>
Cash flows from capital and related financing activities				
Acquisition of property and equipment	(3,961,625)	-	-	-
Proceeds from sale of capital assets	594,325	-	-	-
Insurance Proceeds	-	-	-	-
Net cash provided by (used for) by capital and related financing activities	<u>(3,367,300)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and investments	2,299,893	(94,501)	63,991	343,276
Cash and investments, January 1, 2015	<u>18,951,022</u>	<u>1,571,557</u>	<u>135,704</u>	<u>3,727,906</u>
Cash and investments, December 31, 2015	<u>\$ 21,250,915</u>	<u>\$ 1,477,056</u>	<u>\$ 199,695</u>	<u>\$ 4,071,182</u>
Reconciliation of operating income (loss) to net cash provided by (used for) by operating activities:				
Operating income (loss)	\$ -	\$ (1,366,070)	\$ 7,473	\$ 296,990
Adjustments to reconcile operating income (loss) to net cash provided by (used for) by operating activities:				
Depreciation expense	3,863,043	-	-	-
(Increase) decrease in current assets:				
Accounts receivable	65,525	-	78,000	-
Inventory	69,636	-	-	-
Increase (decrease) in current liabilities:				
Accounts payable	(81,093)	(9,431)	(54,431)	(16,714)
Claims payable	-	381,000	-	63,000
Total adjustments	<u>3,917,111</u>	<u>371,569</u>	<u>23,569</u>	<u>46,286</u>
Net cash provided by (used for) operating activities	<u>\$ 3,917,111</u>	<u>\$ (994,501)</u>	<u>\$ 31,042</u>	<u>\$ 343,276</u>

Self Insurance Dental	Total
\$ 1,190,669	\$ 8,918,387
(1,507,582)	(5,938,372)
<u>(316,913)</u>	<u>2,980,015</u>
73,800	2,884,941
-	(128,110)
<u>73,800</u>	<u>2,756,831</u>
-	(3,961,625)
-	594,325
-	-
<u>-</u>	<u>(3,367,300)</u>
(243,113)	2,369,546
<u>800,280</u>	<u>25,186,469</u>
<u>\$ 557,167</u>	<u>\$ 27,556,015</u>
\$ (382,035)	\$ (1,443,642)
-	3,863,043
9,800	153,325
-	69,636
42,322	(119,347)
<u>13,000</u>	<u>457,000</u>
<u>65,122</u>	<u>4,423,657</u>
<u>\$ (316,913)</u>	<u>\$ 2,980,015</u>

Arapahoe County, Colorado
Schedule of Budgetary Compliance
Proprietary Funds
For the Year Ended December 31, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Budgeted proprietary funds:			
Central Service Fund (1,2)	\$ 12,356,073	\$ 5,200,407	\$ 7,155,666
Self Insurance Liability Fund	1,453,299	1,754,096	(300,797)
Employee Flex Benefit Fund	978,900	698,462	280,438
Worker's Compensation Fund	1,533,965	1,222,476	311,489
Self Insurance Dental Fund	1,926,025	1,562,904	363,121
Total	<u>\$ 18,248,262</u>	<u>\$ 10,438,345</u>	<u>\$ 7,809,917</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 2015 is as follows:

Central Service Fund	\$ 3,863,043
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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 2015 are as follows:

Central Service Fund	\$ 3,961,625
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FIDUCIARY FUNDS

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.

Arapahoe County, Colorado
Combining Statement of Changes in Assets and Liabilities
Fiduciary Funds
For the Year Ended December 31, 2015

	Agency Funds			Ending Balance 12/31/2015
	Beginning Balance 1/1/2015	Additions	Deletions	
<u>TREASURER'S AGENCY FUND</u>				
Assets				
Cash and investments	\$ 34,205,331	\$ 14,073,157,817	\$ 14,082,186,172	\$ 25,176,976
Property taxes receivable	\$ 635,500,279	\$ 711,153,803	\$ 635,500,279	\$ 711,153,803
Total assets	<u>\$ 669,705,610</u>	<u>\$ 14,784,311,620</u>	<u>\$ 14,717,686,451</u>	<u>\$ 736,330,779</u>
Liabilities				
Due to other governments	\$ 663,698,604	\$ 2,304,490,440	\$ 2,239,881,233	\$ 728,307,811
Other deposits payable	\$ 6,048,010	\$ 4,361,594,565	\$ 4,359,704,453	\$ 7,938,122
Warrants payable	\$ (41,004)	\$ 478,951,166	\$ 478,825,316	\$ 84,846
Total liabilities	<u>\$ 669,705,610</u>	<u>\$ 7,145,036,171</u>	<u>\$ 7,078,411,002</u>	<u>\$ 736,330,779</u>
<u>ARAPAHOE COUNTY PUBLIC TRUSTEE</u>				
Assets				
Cash and investments	\$ 1,357,710	\$ 54,073,975	\$ 53,105,815	\$ 2,325,870
Restricted escrow	\$ 976,841	\$ -	\$ 153,897	\$ 822,944
Other assets	\$ 42,845	\$ 100,298	\$ 99,892	\$ 43,251
Total assets	<u>\$ 2,377,396</u>	<u>\$ 54,174,273</u>	<u>\$ 53,359,604</u>	<u>\$ 3,192,065</u>
Liabilities				
Accounts Payable	\$ 2,668	\$ -	\$ 2,271	\$ 397
Due to other governments	\$ 875,375	\$ -	\$ 153,409	\$ 721,966
Other deposits payable	\$ 1,499,353	\$ 54,078,124	\$ 53,107,775	\$ 2,469,702
Total liabilities	<u>\$ 2,377,396</u>	<u>\$ 54,078,124</u>	<u>\$ 53,263,455</u>	<u>\$ 3,192,065</u>
<u>INMATE SENTENCING AGENCY FUND</u>				
Assets				
Cash and investments	\$ 192,565	\$ 230,366	\$ 131,564	\$ 291,367
Total assets	<u>\$ 192,565</u>	<u>\$ 230,366</u>	<u>\$ 131,564</u>	<u>\$ 291,367</u>
Liabilities				
Other deposits payable	\$ 192,565	\$ 230,366	\$ 131,564	\$ 291,367
Total liabilities	<u>\$ 192,565</u>	<u>\$ 230,366</u>	<u>\$ 131,564</u>	<u>\$ 291,367</u>
<u>TOTAL AGENCY FUNDS</u>				
Assets				
Cash and investments	\$ 35,755,606.00	\$ 14,127,462,158.00	\$ 14,135,423,551.00	\$ 27,794,213.00
Restricted escrow	976,841	-	153,897	822,944
Property taxes receivable	635,500,279	711,153,803	635,500,279	711,153,803
Other assets	42,845	100,298	99,892	43,251
Total assets	<u>\$ 672,275,571</u>	<u>\$ 14,838,716,259</u>	<u>\$ 14,771,177,619</u>	<u>\$ 739,814,211</u>
Liabilities				
Accounts Payable	\$ 2,668.00	\$ -	\$ 2,271.00	\$ 397.00
Due to other governments	664,573,979	2,304,490,440	2,240,034,642	729,029,777
Other deposits payable	7,739,928	4,415,903,055	4,412,943,792	10,699,191
Warrants payable	(41,004)	478,951,166	478,825,316	84,846
Total liabilities	<u>\$ 672,275,571</u>	<u>\$ 7,199,344,661</u>	<u>\$ 7,131,806,021</u>	<u>\$ 739,814,211</u>

Arapahoe County, Colorado
E-911 Authority - Component Unit
Governmental Funds Balance Sheet/Statement of Net Position
December 31, 2015

	E-911 Authority Fund	Adjustments	Statement of Net Position
Assets			
Cash	\$ 7,956,423	\$ -	\$ 7,956,423
Accounts receivable	354,559	-	354,559
Total current assets	<u>8,310,982</u>	<u>-</u>	<u>8,310,982</u>
Capital assets, depreciable	-	3,530,995	3,530,995
Less accumulated depreciation	-	(3,498,253)	(3,498,253)
Net capital assets	<u>-</u>	<u>32,742</u>	<u>32,742</u>
Total assets	<u><u>8,310,982</u></u>	<u><u>32,742</u></u>	<u><u>8,343,724</u></u>
Liabilities			
Accounts payable	115,535	-	115,535
Total liabilities	<u>115,535</u>	<u>-</u>	<u>115,535</u>
Fund balance			
Assigned	8,195,447	(8,195,447)	-
Total fund balance	<u>8,195,447</u>	<u>(8,195,447)</u>	<u>-</u>
Total liabilities and fund balances	<u><u>\$ 8,310,982</u></u>		
Net position			
Net investment in capital assets		32,742	32,742
Unrestricted		<u>8,195,447</u>	<u>8,195,447</u>
Total net position		<u><u>\$ 8,228,189</u></u>	<u><u>\$ 8,228,189</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, 2015

	<u>E-911 Authority Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Expenditures/expenses			
Governmental activities			
Public safety	\$ 4,424,554	\$ -	\$ 4,424,554
Depreciation	-	167,263	167,263
Total expenditures/expenses	<u>4,424,554</u>	<u>167,263</u>	<u>4,591,817</u>
 Program revenues			
Charges for services	<u>2,451,091</u>	-	<u>2,451,091</u>
 General revenues			
Investment earnings	88,967	-	88,967
Miscellaneous	<u>2,400</u>	-	<u>2,400</u>
Total revenues	<u>2,542,458</u>	<u>-</u>	<u>2,542,458</u>
 Excess of expenditures over revenues	(1,882,096)	1,882,096	-
 Change in net position	-	(2,049,360)	(2,049,359)
 Fund balance/net position - beginning	<u>10,077,543</u>	<u>200,005</u>	<u>10,277,548</u>
Fund balance/net position - ending	<u>\$ 8,195,447</u>	<u>\$ 32,742</u>	<u>\$ 8,228,189</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 2,450,000	\$ 2,450,000	\$ 2,451,091	\$ 1,091
Investment earnings	70,000	70,000	88,967	18,967
Miscellaneous	-	-	2,400	2,400
Total revenues	<u>2,520,000</u>	<u>2,520,000</u>	<u>2,542,458</u>	<u>22,458</u>
Expenditures				
Current				
Public safety	7,079,207	7,079,207	4,424,554	2,654,653
Total expenditures	<u>7,079,207</u>	<u>7,079,207</u>	<u>4,424,554</u>	<u>2,654,653</u>
Excess of revenues over expenditures	(4,559,207)	(4,559,207)	(1,882,096)	2,677,111
Fund balance - beginning	10,077,543	10,077,543	10,077,543	-
Fund balance - ending	<u>\$ 5,518,336</u>	<u>\$ 5,518,336</u>	<u>\$ 8,195,447</u>	<u>\$ 2,677,111</u>

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Arapahoe County Department of Human Services
EBT Authorization Schedule
For Calendar Year 2015

Program	A		B		C		D		E
	County EBT Authorizations per Whole Year Report	E/R Sort	County Share of Authorizations	E/R Sort	Expenditures By County Warrant	E/R Sort	County EBT Authorizations plus Expenditures by County Warrant (Col. A + Col. C)	Total Expenditures (Col. B + Col. C)	
Colo Works (TANF)	\$ 11,346,087	b227	\$ 1,900,678	d227	\$ 2,165,619	b91	\$ 13,511,706	\$ 4,066,297	
Child Care Direct EBT	9,810,434	b277	937,975	E277			9,810,434	937,975	
Child Care Administration					666,975	b420	666,975	666,975	
Child Welfare Administration 100%					2,531,258	b563	2,531,258	2,531,258	
Child Welfare Administration 80/20%					11,698,721	b1149	11,698,721	11,698,721	
Child Welfare Residential Mental Health	273,496	b1178	54,699	E1178			273,496	54,699	
Child Welfare Case Services	36,956	c1235	7,540	c1235	37,755	c1235	74,711	45,295	
Child Welfare Out-of-Home (OOH)	6,819,720	b1350	1,366,459	e1350			6,819,720	1,366,459	
Child Welfare Related Child Care	406,085	c1402	80,764	E1402	249,674	c1403	655,759	330,438	
Child Welfare Subsidized Adoption	5,235,031	b1438	1,080,326	E1438			5,235,031	1,080,326	
Regular Administration	6,430	b1760	6,430	E1760	5,529,504	b1764	5,535,934	5,535,934	
COUNTY ADMINISTRATION - HCPF REGULAR	-		271,096	e2105	1,449,105	b2105	1,449,105	1,720,201	
COUNTY ADMINISTRATION - HCPF ENHANCED	-		219,987	e2160	2,710,620	b2160	2,710,620	2,930,607	
Non-Allocated Programs:									
Medicaid Administration					90,759	b2192	90,759	90,759	
AwDC - Adults Without Dependent Children					-	b2193	-	-	
Paris Funding					19,834	b2194	19,834	19,834	
Food Assistance Administration					-	b2195	-	-	
EBT Administration	43,005	b2196	43,005	e2196			43,005	43,005	
Core Services:									
Mental Health	83,997	b2209	341	e2209			83,997	341	
ADAD	89,167	b2222	-	e2222			89,167	-	
SEA	-	b2232			6,629	e2232	6,629	6,629	
Other FICF	1,658,214	c2304	1,615	e2304	(259,681)	c2305	1,398,533	(258,066)	
80/20%	239,779	c2511	47,956	c2513	3,177,185	c2512	3,416,964	3,225,141	
Low-Income Energy Assistance	3,269,716	c2736			436,351	c2739	3,706,067	436,351	
Adult Protective Services	-		272,187	e2779	1,360,608	b2779	1,360,608	1,632,795	
Aid to Needy Disabled	860,547	b2849	172,109	E2849			860,547	172,109	
Aid to Blind	919	b2790	184	e2790			919	184	
Home Care Allowance	727,658	b2893	36,383	E2893			727,658	36,383	
Old Age Pension	11,520,811	C2967			140,711	C2968	11,661,522	140,711	
Food Assistance Direct EBT & Fraud Administration	75,868,969	b3012			239	b2982	75,869,208	239	
Food Assistance Job Search					744,970	b3058	744,970	744,970	
Title XX Caseworker Training					21,436	b3174	21,436	21,436	
IV-E Independent Living	-	b3222			129,052	b3221	129,052	129,052	
County Wide Cost Allocation Plan Pass Thru					4,256,354	c3478	4,256,354	4,256,354	
Audit Adjustments	-		-				-	-	
Medicaid Collections	(7,055)	b3596					(7,055)	-	
Total Net EBT Authorizations/Subtotal	128,289,966		6,499,734		37,163,678		165,453,644	43,663,412	
State Adjustments/ NON-EBT									
Child Welfare RTC/CHRP Adjustments	125,740	b1161	25,148	e1161			125,740	25,148	
IV-D Retained State Collections	(905,772)	b3585	(181,154)	E3585			(905,772)	(181,154)	
Child Support Enforcement	175,922	d2697	184,071	d2699	5,636,755	d2698	5,812,677	5,820,826	
Other Local Sources					511,483	d3637	511,483	511,483	
Excess Parental Fees					633,037	b3615	633,037	633,037	
Excess IV-E Revenue SB80					34,427	b3602	34,427	34,427	
Other Grants					1,387,724	b3162	1,387,724	1,387,724	
Grand Totals	\$ 127,685,856		\$ 6,527,799		\$ 45,367,104		\$ 173,052,960	\$ 51,894,903	
							173,052,960	49,631,817	
Differences noted:									
Net Increase to Total Expenditures due to accruals (Payroll & Medicare incentives)								1,697,973	
Net decrease to Total Expenditures due to County Wide Cost Allocation Plan costs not recorded to Fund 11								(4,534,548)	
Net increase to Total Expenditures due to county expenditures not recorded to County Financial Management System (CFMS)								23,475	
Net increase to Total Expenditures due to Fund to Fund transfers not recorded to CFMS								364,000	
Net decrease to Total Expenditures due to IV-D balance sheet items, and refunds								(156,656)	
Net increase to Total Expenditures due to collection items recorded in revenue and not as offset to expenditure								342,670	
County Human Services Total								\$ 49,631,817	
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.

LOCAL HIGHWAY FINANCE REPORT	City or County: Arapahoe
	YEAR ENDING : December 2015

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

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	11,164,020
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	8,916,871
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	234,997
2. General fund appropriations	1,250,000	b. Snow and ice removal	925,915
3. Other local imposts (from page 2)	6,249,646	c. Other	0
4. Miscellaneous local receipts (from page 2)	62,105	d. Total (a. through c.)	1,160,913
5. Transfers from toll facilities	0	4. General administration & miscellaneous	4,392,268
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	976,826
a. Bonds - Original Issues	0	6. Total (1 through 5)	26,610,898
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	7,561,751	b. Redemption	0
B. Private Contributions	562,927	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	9,011,470	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	0
E. Total receipts (A.7 + B + C + D)	17,136,148	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	26,610,898

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	P	F1+	G1+		
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	34,979,389	17,136,148	26,610,898	25,504,639	0

Notes and Comments:

The ending fund balance of the Road & Bridge Fund plus the Infrastructure Fund will differ from this report by the Highway law enforcement and safety amount, \$976,826.

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2015

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	5,804,344	a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	0	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	445,302	g. Other Misc. Receipts	54,988
6. Total (1. through 5.)	445,302	h. Other	7,117
c. Total (a. + b.)	6,249,646	i. Total (a. through h.)	62,105
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	8,668,408	1. FHWA (from Item I.D.5.)	0
2. State general funds	0	2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds	0	b. FEMA	0
b. Project Match	0	c. HUD	0
c. Motor Vehicle Registration	321,164	d. Federal Transit Admin	0
d. Other (Specify) - DOLA Grant	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	21,898	f. Other Federal	0
f. Total (a. through e.)	343,062	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	9,011,470	3. Total (1. + 2.g)	0
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	32,016	32,016
b. Engineering Costs	444,760	414,609	859,369
c. Construction:			
(1). New Facilities	0	5,339,540	5,339,540
(2). Capacity Improvements	0	4,479,127	4,479,127
(3). System Preservation	0	0	0
(4). System Enhancement & Operation	0	453,969	453,969
(5). Total Construction (1) + (2) + (3) + (4)	0	10,272,636	10,272,636
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	444,760	10,719,261	11,164,020
			(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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 30	\$ 30
Total revenue	<u>-</u>	<u>-</u>	<u>30</u>	<u>30</u>
Expenditures				
Current				
General government	1,718,389	2,280,805	2,088,357	192,448
Total expenditures	<u>1,718,389</u>	<u>2,280,805</u>	<u>2,088,357</u>	<u>192,448</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,718,389)</u>	<u>(2,280,805)</u>	<u>(2,088,327)</u>	<u>192,478</u>
Other financing sources (uses)				
Transfers in	1,800,000	1,778,000	1,778,000	-
Total other financing sources (uses)	<u>1,800,000</u>	<u>1,778,000</u>	<u>1,778,000</u>	<u>-</u>
Net change in fund balance	81,611	(502,805)	(310,327)	192,478
Fund balance - beginning	1,292,542	1,292,542	1,292,542	-
Fund balance - ending	<u>\$ 1,374,153</u>	<u>\$ 789,737</u>	<u>\$ 982,215</u>	<u>\$ 192,478</u>

Arapahoe County, Colorado
Board Designated
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2015

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

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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:

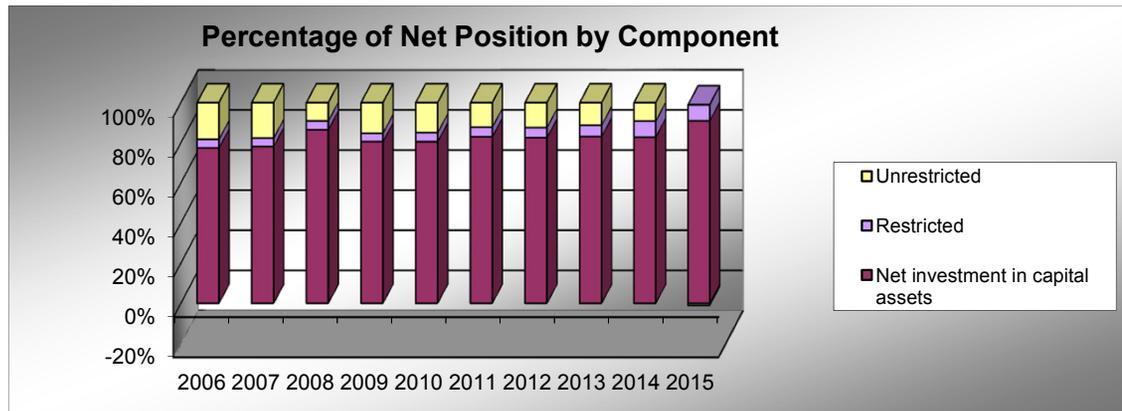
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

ARAPAHOE COUNTY, COLORADO

Net Position by Component
Last Ten Fiscal Years
December 31, 2015

Table 1

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Net investment in capital assets	\$ 527,670,594	\$ 598,362,162	\$ 671,821,630	\$ 627,194,683	\$ 628,465,040	\$ 642,290,143	\$ 638,601,615	\$ 644,821,342	\$ 645,575,320	\$ 659,544,853
Restricted	29,162,660	32,165,309	33,953,349	32,785,071	35,276,618	37,691,869	38,816,576	43,700,491	62,204,672	58,164,427
Unrestricted	124,149,948	134,927,706	70,408,488	118,420,367	116,293,743	93,968,505	95,650,011	86,712,911	71,421,463	(7,440,134)
Total governmental activities net position	\$ 680,983,202	\$ 765,455,177	\$ 776,183,467	\$ 778,400,121	\$ 780,035,401	\$ 773,950,517	\$ 773,068,202	\$ 775,234,744	\$ 779,201,455	\$ 710,269,146



Data Source:
Applicable years' comprehensive annual financial report

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ARAPAHOE COUNTY, COLORADO

Table 2

**Changes in Net Position
Last Ten Fiscal Years
December 31, 2015**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General Government	\$ 57,700,314	\$ 63,300,479	\$ 64,476,171	\$ 70,545,770	\$ 65,620,965	\$ 66,121,995	\$ 63,495,280	\$ 64,146,957	\$ 64,507,824	\$ 62,981,999
Public Safety	67,080,316	71,309,677	73,524,951	76,796,036	75,458,627	76,142,197	77,703,126	80,106,733	82,886,786	86,598,340
Judicial Services	10,602,243	11,622,405	10,479,953	12,654,389	12,614,228	12,223,389	12,364,714	12,389,454	12,474,361	13,392,562
Health & Welfare	65,316,053	68,886,438	74,537,601	82,651,797	84,731,102	83,747,155	82,520,568	82,262,092	84,017,656	89,673,316
Highways & Streets	20,060,450	25,004,995	22,850,253	21,286,170	23,960,428	27,133,757	24,707,635	21,739,230	23,309,365	28,620,234
Water & Wastewater	2,208,123	1,675,251	1,833,715	1,712,077	3,273,817	3,517,485	3,610,897	3,450,708	3,525,230	3,567,857
Airport	364,888	374,688	365,538	365,538	365,552	365,938	6,282	1,563	8,268	-
Culture & Recreation	13,922,358	15,887,027	16,668,608	18,619,791	14,268,965	14,261,422	18,017,062	18,398,769	20,022,505	20,602,042
Interest on long-term debt	8,047,712	8,121,674	8,233,227	8,124,717	10,704,678	11,495,570	10,648,886	9,397,859	9,114,034	8,542,246
Total governmental activities expenses	\$ 245,302,457	\$ 266,182,634	\$ 272,970,017	\$ 292,756,285	\$ 290,998,362	\$ 295,008,908	\$ 293,074,450	\$ 291,893,365	\$ 299,866,029	\$ 313,978,596
Program Revenues										
Governmental activities:										
Charges for Services:										
General Government	\$ 27,655,416	\$ 26,745,753	\$ 24,227,058	\$ 23,745,686	\$ 23,430,054	\$ 15,600,113	\$ 19,259,850	\$ 20,250,845	\$ 22,196,883	\$ 23,989,832
Public Safety	22,630,096	23,628,766	24,272,267	24,543,218	25,121,132	25,957,155	26,071,312	25,860,963	26,375,646	27,738,753
Judicial Services	-	-	-	-	-	-	-	-	-	-
Health & Welfare	476,029	485,962	636,986	520,950	317,610	338,422	220,022	445,771	634,870	755,207
Highways & Streets	1,983,898	3,396,200	2,325,654	375,448	326,105	361,674	542,081	713,619	758,650	927,616
Water & Wastewater	-	-	-	-	-	-	-	-	-	5
Airport	-	-	-	-	-	-	-	-	-	571,911
Culture & Recreation	194,051	188,358	218,445	218,911	245,226	368,133	363,075	712,210	575,644	-
Operating Grants and Contributions:										
General Government	362,847	726,253	233,812	369,616	201,778	532,320	587,711	198,373	130,532	116,151
Public Safety	3,068,921	4,060,388	2,947,398	5,059,275	3,051,259	4,335,027	4,012,225	3,470,396	3,282,826	2,577,121
Judicial Services	-	-	-	-	-	-	-	-	-	-
Health & Welfare	44,288,002	45,916,061	49,692,183	57,471,628	59,500,186	58,958,731	56,549,617	55,446,824	54,827,686	59,144,977
Highways & Streets	13,926,298	10,267,441	7,370,732	10,388,780	11,287,372	8,680,840	10,085,021	9,110,175	9,210,239	9,421,948
Water & Wastewater	3,232,516	4,142,847	1,988,044	862,784	156,212	-	-	-	-	-
Airport	-	-	-	-	-	-	-	-	-	-
Culture & Recreation	425,228	26,119	181,278	169,959	186,963	164,769	142,056	221,769	163,276	154,106
Capital grants and Contributions:										
General Government	1,175,424	-	110,250	-	-	127,990	-	8,411	-	-
Public Safety	342,196	6,088	13,843	-	-	-	-	62,207	23,650	-
Judicial Services	-	-	-	-	-	-	-	-	-	-
Health & Welfare	-	20,341	2,323	3,479	4,094	4,029	5,877	5,461	6,816	6,951
Highways & Streets	4,400,241	61,862,505	4,047,852	6,062,121	418,888	582,094	115,729	279,095	1,990,573	512,927
Water & Wastewater	-	-	-	-	-	-	-	-	-	-
Airport	-	-	-	-	-	-	-	-	-	-
Culture & Recreation	699,329	532,286	534,992	503,927	478,713	495,200	610,905	667,655	606,114	610,925

Total governmental activities program revenues	\$ 124,860,492	\$ 182,005,368	\$ 118,803,117	\$ 130,295,782	\$ 124,725,592	\$ 116,506,497	\$ 118,565,481	\$ 117,453,774	\$ 120,783,405	\$ 126,528,430
Net (Expense)/Revenue										
Governmental activities										
Total primary government net expense	\$ (120,441,965)	\$ (84,177,266)	\$ (154,166,900)	\$ (162,460,503)	\$ (166,272,770)	\$ (178,502,411)	\$ (174,508,969)	\$ (174,439,591)	\$ (179,082,624)	\$ (187,450,166)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	115,183,174	119,397,961	123,865,373	131,681,792	132,748,945	134,792,665	137,159,101	137,284,487	140,623,343	140,088,056
Sales taxes	17,842,681	19,306,838	18,209,151	16,496,260	17,358,730	17,568,252	19,424,283	21,058,410	22,557,783	24,593,215
Other taxes	9,570,342	9,928,556	9,115,649	8,663,686	8,243,151	7,819,588	8,650,925	9,140,147	9,778,605	10,149,831
Investment income	11,246,283	15,866,207	13,437,760	5,832,261	3,672,457	2,337,311	1,340,297	533,928	1,559,611	2,198,875
Build america bonds credit	-	-	-	-	-	1,158,381	1,158,381	1,057,602	1,074,398	1,076,715
Miscellaneous	1,233,574	4,149,679	267,257	2,538,060	3,642,267	8,741,330	8,792,643	7,531,559	7,455,595	7,700,202
Gain (loss) on sale of assets	270,050	-	-	-	-	-	-	-	-	-
Total governmental activities	\$ 155,346,104	\$ 168,649,241	\$ 164,895,190	\$ 165,212,059	\$ 165,665,550	\$ 172,417,527	\$ 176,525,630	\$ 176,606,133	\$ 183,049,335	\$ 185,806,894
Extraordinary item	4,275,000	-	-	-	-	-	-	-	-	-
Change in Net Position										
Governmental activities	\$ 39,179,139	\$ 84,471,975	\$ 10,728,290	\$ 2,751,556	\$ (607,220)	\$ (6,084,884)	\$ 2,016,661	\$ 2,166,542	\$ 3,966,711	\$ (1,643,272)

Data Source:
Applicable years' comprehensive annual financial report

ARAPAHOE COUNTY, COLORADO

Table 3

**Fund Balances Governmental Funds
Last Ten Fiscal Years
December 31, 2015**

	Fiscal Year									
	2006*	2007*	2008*	2009*	2010*	2011	2012	2013	2014	2015
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,289	\$ 15,594	\$ 14,497	\$ 29,126	\$ 21,446
Restricted	-	-	-	-	-	5,533,967	5,683,857	5,721,746	5,880,269	6,237,852
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	5,375,023	7,271,891	6,715,072	3,187,951	8,943,657
Unassigned	-	-	-	-	-	30,723,073	34,078,126	38,051,806	36,372,605	33,670,399
Prior to 2011										
Reserved	1,859,396	1,428,152	601,076	1,218,913	877,805	-	-	-	-	-
Unreserved	27,928,653	48,008,034	39,755,237	30,049,809	32,120,272	-	-	-	-	-
Total General Fund	\$ 29,788,049	\$ 49,436,186	\$ 40,356,313	\$ 31,268,722	\$ 32,998,077	\$ 41,660,352	\$ 47,049,468	\$ 50,503,121	\$ 45,469,951	\$ 48,873,354
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 169,131	\$ 165,021	\$ 151,614	\$ 159,433	\$ 91,153
Restricted	-	-	-	-	-	33,780,233	35,457,760	40,297,435	65,837,389	56,231,919
Committed	-	-	-	-	-	36,424,167	42,603,723	32,769,338	42,156,672	29,309,109
Assigned	-	-	-	-	-	26,478,072	25,789,116	29,311,879	12,928,127	16,790,588
Unassigned	-	-	-	-	-	(759,365)	(1,645,415)	(463,024)	(889,882)	(856,529)
Prior to 2011										
Reserved	61,566,777	52,079,074	34,663,632	77,470,501	24,760,710	-	-	-	-	-
Unreserved, reported in:										
Cash flow	-	-	-	-	-	-	-	-	-	-
Special revenue fund	69,234,684	62,829,567	64,267,115	64,814,855	62,820,027	-	-	-	-	-
Capital projects fund	22,362,294	22,277,400	35,361,313	35,299,241	28,177,813	-	-	-	-	-
Total all other governmental funds	\$ 153,163,755	\$ 137,186,041	\$ 134,292,060	\$ 177,584,597	\$ 115,758,550	\$ 96,092,238	\$ 102,370,205	\$ 102,067,242	\$ 120,191,739	\$ 101,566,240
Total General and all other governmental funds	\$ 182,951,804	\$ 186,622,227	\$ 174,648,373	\$ 208,853,319	\$ 148,756,627	\$ 137,752,590	\$ 149,419,673	\$ 152,570,363	\$ 165,661,690	\$ 150,439,594

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 Governmental Funds
Last Ten Fiscal Years
December 31, 2015

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$ 142,596,196	\$ 148,633,355	\$ 152,910,622	\$ 156,841,739	\$ 158,350,822	\$ 160,180,505	\$ 165,234,310	\$ 167,427,334	\$ 172,983,923	\$ 174,843,027
Licenses and Permits	4,372,554	4,727,828	4,985,149	5,010,913	4,462,048	4,626,342	5,770,321	6,291,499	7,071,899	7,679,491
Intergovernmental	68,153,764	67,446,760	64,381,138	75,632,862	76,404,188	73,914,329	72,511,100	70,868,970	67,743,648	71,714,313
Charges for Services	47,357,627	46,865,997	41,715,069	39,538,768	39,949,208	39,927,613	42,344,679	42,460,957	43,049,570	45,554,064
Fines	808,757	938,603	1,256,099	1,455,525	1,770,420	2,187,374	2,276,220	1,672,267	1,582,379	1,472,027
Investment Earnings	11,246,281	15,866,208	13,437,761	5,832,262	3,672,457	2,337,311	1,340,297	533,928	1,559,611	2,198,875
Interfund Revenues and Rentals	2,689,473	3,407,789	2,647,830	2,863,123	2,629,159	3,381,894	3,871,456	4,024,310	3,812,158	3,885,296
Interest on Loan to Component Unit	1,596,898	1,560,383	1,579,686	1,595,034	1,595,759	1,617,384	1,584,577	1,591,390	1,596,342	1,594,761
Developer Contributions	1,071,547	163,630	295,749	585,425	-	306,191	101,521	242,452	150,421	488,890
Build America Bonds credit	-	-	-	-	-	1,158,381	1,158,381	1,057,602	1,074,398	1,076,715
Miscellaneous	789,859	3,048,831	1,245,054	2,931,773	3,902,719	3,089,955	2,642,425	2,263,215	3,457,709	4,467,072
Total Revenues	\$ 280,682,956	\$ 292,659,384	\$ 284,454,157	\$ 292,287,424	\$ 292,736,780	\$ 292,727,279	\$ 298,835,287	\$ 298,433,924	\$ 304,082,058	\$ 314,974,531
Expenditures										
General Government	\$ 58,883,500	\$ 59,119,225	\$ 62,002,254	\$ 60,274,976	\$ 60,680,392	\$ 59,409,082	\$ 57,788,954	\$ 57,720,320	\$ 61,033,179	\$ 60,935,571
Public Safety	63,285,652	66,225,968	69,733,643	72,770,225	71,572,143	72,257,100	73,438,472	74,622,220	77,598,486	79,051,015
Judicial Services	10,569,358	11,534,723	10,551,071	12,721,751	12,694,119	12,099,113	12,234,857	12,319,363	12,417,783	13,269,108
Health and Welfare	65,146,077	68,384,170	74,338,791	82,671,002	84,906,821	85,820,777	84,074,191	83,417,958	83,174,922	86,631,696
Highways and Streets	16,783,085	19,180,829	17,196,792	16,413,516	18,167,228	19,904,997	15,900,164	14,754,234	16,077,366	21,008,487
Water and Wastewater	884,654	80,522	76,053	579,638	602,474	101,224	113,441	115,122	113,935	117,138
Airport	-	9,800	650	650	664	850	6,282	1,563	8,268	-
Culture and Recreation	13,228,239	15,506,016	16,163,173	18,094,674	13,673,560	15,074,698	17,521,272	17,875,463	19,377,236	19,802,789
Capital Outlay	37,630,609	34,096,302	34,819,984	33,676,013	73,304,010	22,953,275	10,144,267	16,461,656	9,542,868	29,224,035
Debt Service										
Principal	5,503,094	7,832,487	7,819,177	6,277,470	6,559,486	13,449,250	65,774,205	7,780,421	10,988,043	8,605,357
Interest	7,106,442	8,041,596	8,132,886	8,079,409	10,119,632	11,506,597	11,361,697	9,486,734	9,154,339	8,703,895
Debt Issuance/Admin Costs	811,523	3,225	53,284	157,375	2,450	48,121	1,263,735	6,080	56,373	500,519
Total Expenditures	\$ 279,832,233	\$ 290,014,863	\$ 300,887,758	\$ 311,716,699	\$ 352,282,979	\$ 312,625,084	\$ 349,621,537	\$ 294,561,134	\$ 299,542,798	\$ 327,849,610
Excess of revenues over (under) expenditures	\$ 850,723	\$ 2,644,521	\$ (16,433,601)	\$ (19,429,275)	\$ (59,546,199)	\$ (19,897,805)	\$ (50,786,250)	\$ 3,872,790	\$ 4,539,260	\$ (12,875,079)

Other Financing Sources (Uses)

Transfers In	\$ 16,045,208	\$ 29,598,579	\$ 34,089,983	\$ 29,288,252	\$ 18,325,661	\$ 49,478,206	\$ 21,451,484	\$ 16,374,015	\$ 22,221,040	\$ 8,611,624
Transfers Out	(17,415,030)	(31,601,287)	(35,040,486)	(31,332,360)	(18,876,154)	(50,234,438)	(20,767,035)	(17,096,115)	(23,112,366)	(11,365,506)
Debt issued	51,552,858	2,600,000	5,300,000	56,075,000	-	9,650,000	59,020,000	-	-	48,940,000
Capital Leases	-	-	-	-	-	-	-	-	9,443,393	-
Capital Contributions	-	-	110,250	(396,671)	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Payment to Bond Agent	(54,529,516)	(517)	-	-	-	-	-	-	-	(51,909,890)
Premium (discount) on Bonds	1,706,086	-	-	-	-	-	1,767,720	-	-	3,376,755
Long-term Notes Payable	16,049,975	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	\$ 13,409,581	\$ 596,775	\$ 4,459,747	\$ 53,634,221	\$ (550,493)	\$ 8,893,768	\$ 61,472,169	\$ (722,100)	\$ 8,552,067	\$ (2,347,017)
Extraordinary item	4,275,000	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	\$ 14,260,304	\$ 3,241,296	\$ (11,973,854)	\$ 34,204,946	\$ (60,096,692)	\$ (11,004,037)	\$ 10,685,919	\$ 3,150,690	\$ 13,091,327	\$ (15,222,096)
Debt service as a percentage of noncapital expenditures	5.21%	6.20%	6.00%	5.16%	5.98%	8.62%	22.72%	6.21%	6.95%	23.18%

Data Source:
Applicable years' comprehensive annual financial report

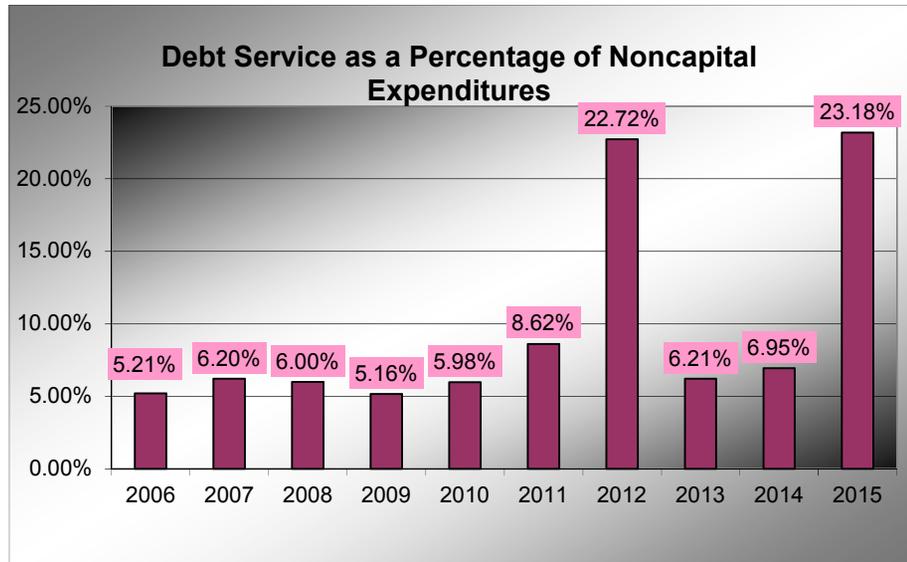


Table 5

ARAPAHOE COUNTY, COLORADO

**Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
December 31, 2015**

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Vacant	Agricultural
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
2014	3,812,812,264	3,087,727,246	36,395,645	175,558,234	14,168,482
2015	4,829,416,614	3,478,983,884	37,246,901	193,926,306	16,462,494

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
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
33,769,837	457,192,000	1,299,479,589	7,617,623,708	60,972,155,045	26.726
85,556,481	428,740,800	1,619,809,644	9,070,333,480	75,144,878,222	25.800

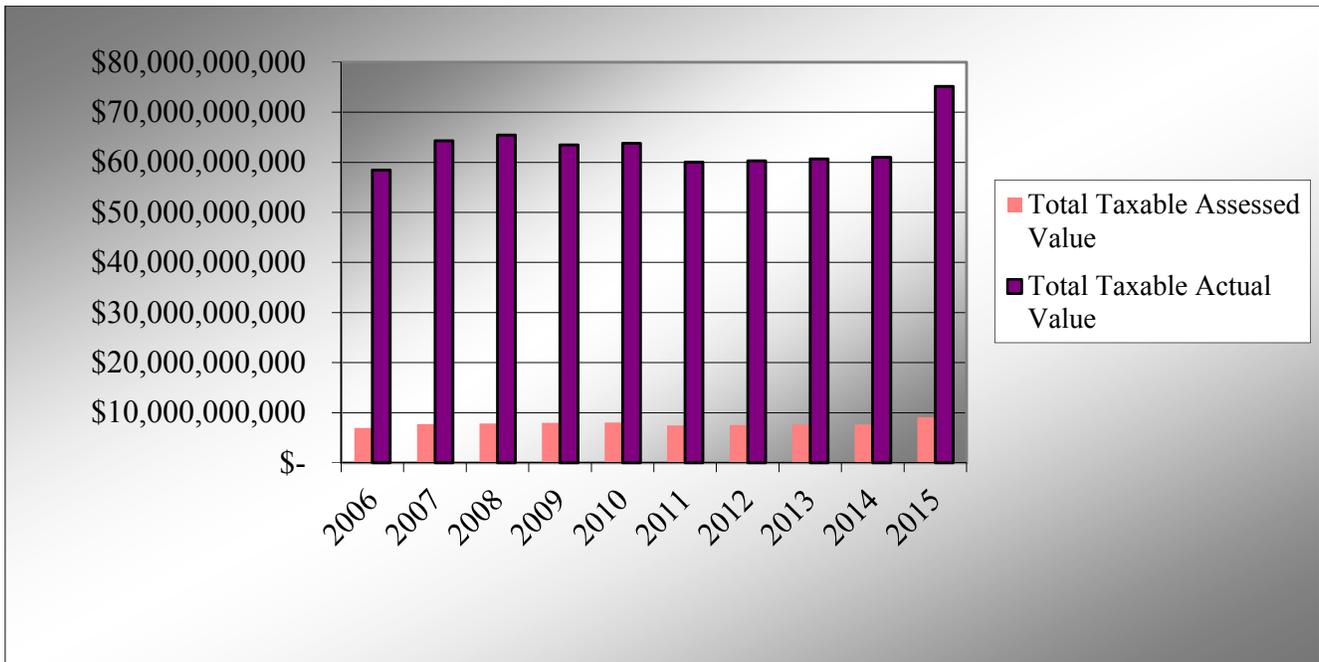


Table 6

ARAPAHOE COUNTY, COLORADO
Direct and Overlapping Property Tax Rates
(rate per \$1,000 of assessed value)
Last Ten Fiscal Years
December 31, 2015

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
County Direct Rates					
General	11.998	11.398	11.756	11.875	12.124
Special Revenue	4.085	3.819	3.853	3.797	3.825
L.E.A.D. & Library	9.875	9.796	9.809	9.765	9.851
Total direct rate	25.958	25.013	25.418	25.437	25.800
City & Town Rates					
Aurora	10.867	10.701	10.664	10.494	10.595
Bennett	11.950	11.950	11.950	11.950	11.950
Bow-Mar	16.378	13.901	14.493	14.729	15.309
Centennial	5.031	4.958	5.054	5.047	5.077
Cherry Hills	13.117	13.117	13.402	13.402	13.402
Columbine	10.918	9.810	8.950	9.161	9.331
Deer Trail	15.745	16.573	17.104	17.104	17.104
Englewood	8.400	8.173	7.827	7.911	8.010
Foxfield	27.167	23.728	21.471	21.865	21.865
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	8.145	7.981	8.042	7.921	7.994
School Districts					
Aurora	45.745	45.530	53.248	53.455	53.919
Bennett	34.156	34.246	35.724	33.381	33.363
Byers	33.910	33.603	32.607	32.520	32.305
Cherry Creek	51.129	47.397	49.569	48.825	50.947
Deer Trail	30.169	27.432	27.355	27.342	27.319
Englewood	40.354	37.211	37.195	37.199	37.495
Littleton	48.907	46.791	46.650	46.081	55.389
Sheridan	39.419	38.294	37.794	37.627	37.891
Strasburg	50.631	50.631	50.738	49.335	46.458
Special Districts	.027-90.0	.028-90.0	.029-90.0	.030-90.0	.030-90.0

Data Source:
Assessor's Abstract of Assessments and Levies

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
County Direct Rates					
General	13.270	13.127	13.134	12.976	11.310
Special Revenue	4.046	4.023	3.996	3.974	3.546
L.E.A.D. & Library	9.963	9.885	9.843	9.776	10.898
Total direct rate	27.279	27.035	26.973	26.726	25.754
City & Town Rates					
Aurora	10.653	10.290	10.290	8.886	8.569
Bennett	11.950	11.950	11.950	11.950	11.950
Bow-Mar	16.956	17.486	18.879	25.389	24.280
Centennial	5.120	5.129	5.073	5.015	5.030
Cherry Hills	13.295	13.304	13.374	13.360	13.557
Columbine	9.352	9.336	9.316	9.316	7.891
Deer Trail	17.104	17.104	17.104	17.104	14.597
Englewood	7.621	7.794	8.124	8.124	7.804
Foxfield	23.238	20.400	20.400	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	8.078	8.253	8.366	8.131	23.363
School Districts					
Aurora	54.159	63.830	67.323	67.635	66.648
Bennett	33.427	33.508	33.399	32.950	32.387
Byers	33.148	31.407	30.726	30.695	32.812
Cherry Creek	54.367	58.037	57.492	56.702	49.703
Deer Trail	27.293	27.309	27.221	27.237	27.204
Englewood	45.858	46.719	46.874	47.018	44.268
Littleton	57.530	56.935	56.985	56.601	53.424
Sheridan	38.764	41.998	42.823	40.854	38.308
Strasburg	42.494	41.135	39.952	39.655	38.646
Special Districts	.030-90.0	.030-90.0	.027-90.0	.027-90.0	.027-90.0

ARAPAHOE COUNTY, COLORADO

Table 7

Principal Property Taxpayers
Current Year and Nine Years Ago
December 31, 2015

Taxpayer	2015			2006		
	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)	\$ 126,201,270	1	1.18%	81,213,960	1	1.24%
CenturyLink (Qwest Corp.)	88,753,700	2	0.83%	70,094,600	2	1.07%
Verizon Wireless	65,999,300	3	0.62%	42,882,600	3	-
Columbia HealthOne LLC	41,325,000	4	0.39%	36,330,280	4	0.55%
Greenwood Property Corp	30,879,200	5	0.29%	27,550,000	5	0.42%
GPI Plaza Tower LP	23,807,550	6	0.22%	-	-	-
AX Inverness LP	14,090,520	7	0.13%	-	-	-
Palazzo Verdi LLC	13,780,510	8	0.13%	-	-	-
KBSIII Village Center Station LLC	13,535,170	9	0.13%	-	-	-
IKEA Property Inc	13,391,620	10	0.13%	-	-	-
Property Colorado OBJLW	-	-	-	17,400,000	6	0.27%
Weingarten/Miller/Aurora II	-	-	-	10,921,400	7	0.17%
EOP - Quadrant, LLC	-	-	-	10,730,000	8	0.16%
Comcast of Colorado IX LLC	-	-	-	10,311,570	9	0.16%
FSP Greenwood Plaza Corp	-	-	-	10,150,000	10	0.15%
Total	\$ 431,763,840		4.04%	\$ 317,584,410		4.19%

Data Source:
Arapahoe County Assessor's Office

Table 8

ARAPAHOE COUNTY, COLORADO

Property Tax Levies and Collections
Last Ten Fiscal Years
December 31, 2015

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Total Taxes Collected	Percentage of Levy
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%	100,000	128,052,802	99.9%
2014	126,816,707	124,374,319	98.1%	125,000	124,499,319	98.2%
2015	132,443,530	128,808,551	97.3%	-	128,808,551	97.3%

Data Sources:

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.)

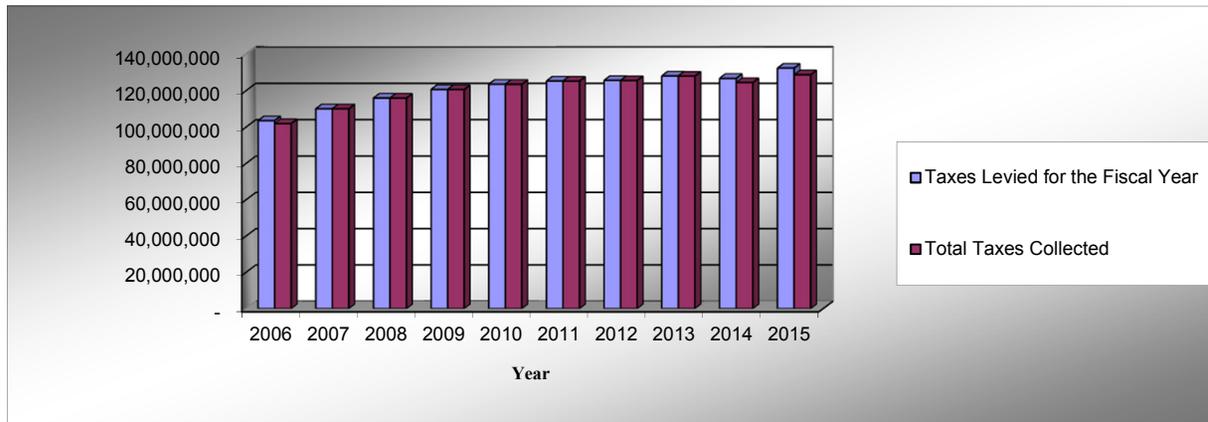


Table 9

ARAPAHOE COUNTY, COLORADO

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
December 31, 2015

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
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
2014	114,832,794	36,589,875	31,706,254	19,768,364	202,897,287	0.71%	2.66%	334.22
2015	140,581,034	8,582,389	26,792,005	18,327,181	194,282,609	0.56%	2.14%	314.20

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, 2015

<u>Governmental Unit</u>	<u>General Obligation Debt Outstanding</u>	<u>Percentage Applicable to County</u>	<u>County Share of Direct and Overlapping Debt</u>
Cities & Towns:			
City of Englewood	18,180,000	100%	18,180,000
City of Sheridan	170,000	100%	170,000
Town of Foxfield	495,000	100%	495,000
Total Cities & Towns			\$ 18,845,000
School Districts:			
Englewood	62,006,602	100%	\$ 62,006,602
Sheridan	21,922,936	100%	21,922,936
Cherry Creek	495,520,000	100%	495,520,000
Littleton	131,545,000	100%	131,545,000
Aurora	329,190,000	67%	220,557,300
Bennett	7,320,000	50%	3,660,000
Strasburg	9,176,688	34%	3,120,074
Byers	470,000	51%	239,700
Total School Districts			\$ 938,571,612
Special Districts:			
Adonea Metro District #2	16,755,000	100%	\$ 16,755,000
Antelope Water System GID	2,515,000	100%	2,515,000
Arapahoe Estates Water District	384,324	100%	384,324
Arapahoe Lake Public Park District	575,000	100%	575,000
Arapahoe Park and Recreational District	8,510,000	100%	8,510,000
Arapahoe Waste and Water PID District	146,707,208	97%	142,305,992
Antelope Hills General Improvement District	1,881,000	100%	1,881,000
Aurora Centretech Metro District	14,280,000	100%	14,280,000
Aspen Grove Business Improvement District	6,535,000	100%	6,535,000
Aspen Grove Business Improvement District Bonds	6,535,000	100%	6,535,000
Beacon Point Metro District	21,170,000	100%	21,170,000
Centennial Downs Metro District	8,905,000	100%	8,905,000
Cherry Creek Racquet Club GID District	560,000	100%	560,000
Cherry Creek Vista P&R District A	3,128,900	100%	3,128,900
Cherry Creek Vista P&R District B	854,575	100%	854,575
Cherry Hills Heights Water and San District	204,973	100%	204,973
Cornerstar Metro District	33,179,823	100%	33,179,823
Cornerstar Metro District Bonds Only	33,179,823	100%	33,179,823
Copperleaf Metro District #2	33,025,000	100%	33,025,000
Conservatory Metro District	22,900,000	100%	22,900,000
Country Homes Metro P District A	204,000	100%	204,000
Country Homes Metro P District B	204,000	100%	204,000

Cross Creek Metro District #2	15,130,000	100%	15,130,000
Dove Valley Metro District	48,515,000	100%	48,515,000
Dove Valley Metro Bonds District	39,785,000	100%	39,785,000
Eagle Bend Metro District #2	32,020,000	100%	32,020,000
Eagle's Nest Metro District	1,651,000	100%	1,651,000
East Quincy Highlands Metro District	3,025,000	100%	3,025,000
East Smoky Hill Metro District #1	3,680,000	100%	3,680,000
East Smoky Hill Metro District #2	6,555,000	100%	6,555,000
East Valley Metro District	393,922	100%	393,922
Estancia Metro District	4,110,000	100%	4,110,000
Fiddlers Business Improvement District	50,350,000	100%	50,350,000
Foxfield Metro District #1	1,000,000	100%	1,000,000
Eagle's Nest Metro District	1,668,000	100%	1,668,000
Fitzsimons Village Metro District #1	16,100	100%	16,100
Galleria Metro District	4,681,421	100%	4,681,421
Galleria Metro Bonds District	4,681,421	100%	4,681,421
Greenwood Metro District	565,000	98%	555,960
Greenwood Metro Bonds District	565,000	98%	555,960
Goodman Metro District	2,670,000	100%	2,670,000
Greenwood Metro District	565,000	98%	553,700
Heritage Greens Metro District	3,125,000	100%	3,125,000
High Plains Metro District	23,675,000	100%	23,675,000
Heather Ridge Metro District #1	4,963,000	100%	4,963,000
Highline Business Improvement District	3,345,000	100%	3,345,000
Highline Glen Metro District	70,000	100%	70,000
Hills At Cheery Creek Metro District	1,595,000	100%	1,595,000
Iliff Commons Metro District 2	2,310,000	100%	2,310,000
Inverness Water and San District	14,565,000	65%	9,467,250
Inverness Metro Improvement District	4,660,000	67%	3,122,200
Kent Place Metro District #2	2,032,827	100%	2,032,827
Liverpool Metro District	2,850,000	100%	2,850,000
Littleton Village Metro District #2	10,830,000	100%	10,830,000
Meadow Hills County Club GID District	420,000	100%	420,000
Murphy Creek Metro District #3	27,600,000	100%	27,600,000
Tall Grass Metro District	16,655,000	100%	16,655,000
Orchard Valley Metro	6,450,000	100%	6,450,000
Parker Jordan Metro Bond District	14,815,000	100%	14,815,000
Panorama Metro Bond District	5,155,000	100%	5,155,000
Panorama Metro District	5,155,000	100%	5,155,000
Peoria Park GID District	319,000	100%	319,000
Pier Point 7 General Improvement District	2,250,000	100%	2,250,000
Piney Creek Village Metro District	5,910,000	100%	5,910,000
Pioneer Hills Metro District	3,225,000	100%	3,225,000
Polo Reserve Metro District	740,000	100%	740,000
Sable Altura Fire District	4,445,000	40%	1,778,000
Saddle Rock Metro District	9,570,000	100%	9,570,000
Saddle Rock South Metro District #4	14,720,000	100%	14,720,000
Serenity Ridge Metro District #2	8,310,000	100%	8,310,000
Sorrel Ranch Metro District	10,920,000	100%	10,920,000

Table 10

ARAPAHOE COUNTY, COLORADO

Computation of Direct and Overlapping Debt
December 31, 2014
(Continued)

<u>Governmental Unit</u>	<u>General Obligation Debt Outstanding</u>	<u>Percentage Applicable to County</u>	<u>Direct and Overlapping Debt</u>
Special Districts:			
Southlands Metro District #1	4,250,000	100%	4,250,000
Southlands Metro District #2	2,195,000	100%	2,195,000
Southshore Metro District #2	9,755,000	100%	9,755,000
Southlands Metro District #1 Bond	52,440,000	100%	52,440,000
South Suburban Parks and Recreation GWW Bonds	12,835,000	75%	9,626,250
South Suburban Parks & Recreation District Bonds (CH)	12,835,000	75%	9,626,250
South Suburban Park & Recreation	12,835,000	75%	9,626,250
Sterling Hills Metro District	975,000	100%	975,000
Sterling Hills West Metro District	12,505,000	100%	12,505,000
Sundance Hills Metro	437,273	100%	437,273
Tall Grass Metro District	16,655,000	100%	16,655,000
Tallyn's Reach Metro District #2	5,575,392	100%	5,575,392
Tallyn's Reach Metro District #3	32,980,000	100%	32,980,000
Tollgate Crossing Metro District #2	14,145,000	100%	14,145,000
Traditions Metro District #2	13,365,000	100%	13,365,000
Valley Club Point Metro District	5,889,352	100%	5,889,352
Whispering Pines Metro District #1	18,774,610	100%	18,774,610
Wheatland's Metro District	24,635,000	100%	24,635,000
Willow Trace Metro District	8,455,000	100%	8,455,000
Total special districts			\$ 1,032,677,548
Subtotal, overlapping debt			1,990,094,160
Arapahoe County direct debt			202,897,287
Total direct and overlapping debt			\$ 2,192,991,447

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, 2015**

Table 11

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Assessed Value of Property	\$ 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	\$ 8,923,182,030	\$ 10,687,069,284
Statutory Debt Limit 3% (1)	207,617,335	230,593,905	233,953,007	238,792,802	238,903,423	222,840,055	264,834,647	267,477,467	267,695,461	320,612,079
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>\$ 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>	<u>\$ 267,695,461</u>	<u>\$ 320,612,079</u>
Total net debt as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Data Sources:

Arapahoe County Assessor's Office Abstract of Assessments and Levies

(1) Colorado Revised Statute 30-26-301.3

Table 12

ARAPAHOE COUNTY, COLORADO

Demographic and Economic Statistics

Last Ten Fiscal Years

December 31, 2015

Year	Population (1)		Households (1)		
	Arapahoe County	Seven County Denver Metro	Total	Average Size	
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	
2014	607,070	2,953,038	237,618	2.53	
2015	618,341	3,011,828	252,608	2.53	

Year	Per Capita Income (2)	Total Personal Income (2) (in thousands)	Median Age (1)	School Enrollment (4)	Unemployment Rate (3)
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	46,897	31,832,963	36.4	124,064	6.4%
2014	56,294	34,835,883	36.7	126,537	4.9%
2015	*	*	36.7	127,713	4.1%

Data Sources:

(1) Figures for 2006-2008 Denver Regional Council of Governments

Figures 2009-2015 Estimates obtained from the State of Colorado Department of Local Affairs.

(2) U.S. Bureau of Economic Analysis

* 2015 data not available at the time this report went to print.

(3) U.S., Bureau of Labor Statistics

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

ARAPAHOE COUNTY, COLORADO

Table 13

**Principal Employers
Current Year and Nine Years Ago
December 31, 2015**

<u>Employer</u>	<u>2015</u>			<u>2006</u>		
	<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	2.44%	8,100	1	2.89%
Adams Arapahoe Aurora Schools	6,100	2	1.91%	3,800	2	1.36%
Comcast	4,500	3	1.41%	-	-	0.00%
City of Aurora	3,900	4	1.22%	2,700	3	0.96%
CenturyLink (Qwest Corp.)	3,600	5	1.13%	-	-	0.00%
Great West Life & Annuity Insurance	2,600	6	0.81%	2,600	4	0.93%
Raytheon Company	2,400	7	0.75%	2,000	5	0.71%
Littleton School Dist	2,400	8	0.75%	1,800	7	0.64%
Columbia HCA Swedish	2,100	9	0.66%	1,900	6	0.68%
Arapahoe County	2,000	10	0.63%	1,800	8	0.64%
Columbia HCA Med Ctr Aurora	-		0.00%	1,500	9	0.54%
Echosphere	-		0.00%	1,500	10	0.54%
Total Principal Employers	<u>37,400</u>		<u>11.71%</u>	<u>27,700</u>		<u>9.89%</u>
Total Arapahoe County Workforce	<u>319,400</u>			<u>280,000</u>		

Data Source:
Colorado Department of Labor & Employment

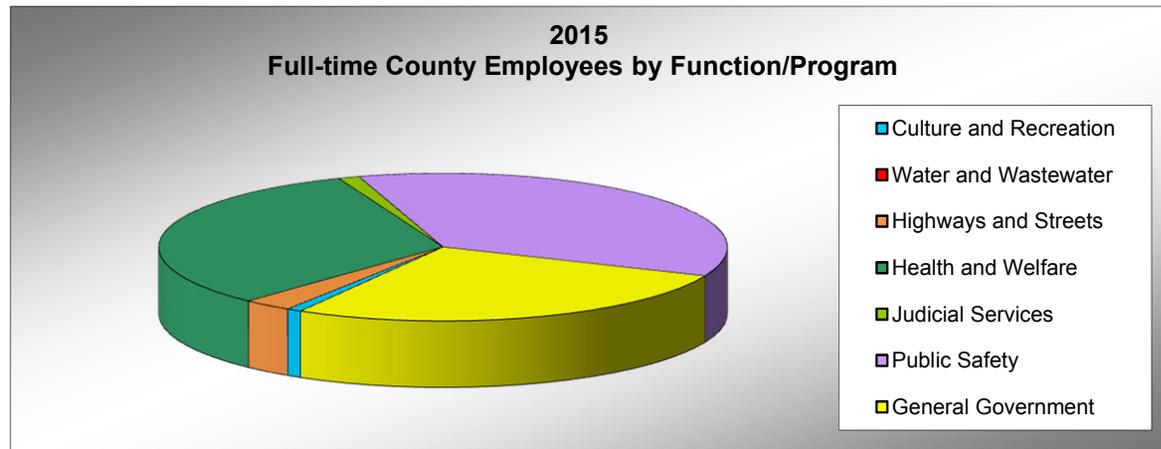
ARAPAHOE COUNTY, COLORADO

Table 14

**Full-time Equivalent County Employees by Function/Program
Last Ten Fiscal Years
December 31, 2015**

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Culture and Recreation	5.00	8.50	8.50	9.50	9.50	10.50	12.50	13.50	15.50	17.00
Water and Wastewater	8.80	-	-	-	-	-	-	-	-	-
Highways and Streets	74.50	74.50	77.00	61.00	61.00	61.00	61.00	59.00	59.00	56.00
Health and Welfare	514.75	578.50	589.25	605.00	626.50	640.50	640.00	632.75	637.75	644.25
Judicial Services	19.30	22.50	22.50	22.50	22.50	21.50	21.00	24.25	24.25	24.25
Public Safety	647.00	660.50	694.50	695.50	701.50	699.50	702.50	702.50	714.00	728.00
General Government	558.00	563.25	562.75	552.75	549.75	541.93	541.00	531.40	531.90	541.40
Total	1,827.35	1,907.75	1,954.50	1,946.25	1,970.75	1,974.93	1,978.00	1,963.40	1,982.40	2,010.90

Data Source:
Arapahoe County Finance Department



ARAPAHOE COUNTY, COLORADO

Table 15

**Operating Indicators by Function/Program
Last Ten Fiscal Years
December 31, 2015**

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Motor vehicle renewals	354,498	369,244	380,117	392,907	404,155	409,597	411,301	420,117	421,435	432,772
Registered voters (active & inactive)	331,097	309,390	344,559	338,785	347,495	353,274	385,097	379,941	387,212	387,384
Voter turnout	171,920	78,247	268,671	247,297	273,435	235,042	288,033	140,438	228,212	116,279
Public Safety (1)										
Adult-Juvenile arrests	13,449	7,106	7,374	6,987	6,609	6,356	5,688	5,326	5,758	5,810
DUI arrests	573	559	492	618	412	478	384	432	485	513
Traffic stops	69,217	27,444	32,825	50,797	53,089	48,364	44,466	44,570	44,478	42,579
Number of E-911 calls	60,563	63,132	62,186	63,138	70,696	74,042	71,465	69,342	73,622	79,763
Judicial Services (1)										
Felony cases closed	238	3,029	1,976	1,812	1,796	1,675	1,585	1,518	2,672	2,105
Misdemeanor cases closed	2,119	2,196	5,050	4,923	4,640	4,309	4,140	3,424	3,050	4,508
Health and Welfare										
Annual cases of Food Assistance	118,020	116,125	124,656	168,630	212,297	259,346	251,406	258,993	262,853	245,289
Highways and Streets										
Sweeping pass miles	4,448	2,387	2,919	5,437	6,729	4,173	1,651	1,550	2,391	2,143
Finished concrete curb & gutter (linear feet)	2,180	1,079	1,895	4,147	5,178	3,365	3,469	1,167	1,043	1,639
Tons of asphalt applied	22,405	22,825	1,483	4,767	10,666	8,191	15,719	19,333	29,791	30,420
Culture & Recreation										
Building permits issued	2,277	2,633	2,104	4,868	3,235	2,003	3,207	2,996	6,630	6,622

Data Source:
Various Arapahoe County Departments

ARAPAHOE COUNTY, COLORADO

Table 16

**Capital Asset Statistics by Function/Program
Last Nine Fiscal Years
December 31, 2015**

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Government									
Square footage of buildings ³	272,788	272,788	358,302	351,747	582,529	298,544	328,629	328,629	328,629
Voting machines ¹	1,275	1,263	1,393	1,322	1,364	406	375	375	225
Public Safety									
Square footage of detention center ³	291,955	291,955	293,108	293,108	293,108	293,108	293,108	293,108	293,108
Square footage of other buildings ³	121,588	121,588	174,136	162,338	173,481	175,406	134,183	134,183	134,183
Patrol vehicles	135	133	158	144	151	155	156	155	159
Judicial Services									
Square footage of buildings ³	201,167	201,167	296,973	249,714	253,573	242,773	163,735	163,735	163,735
Health and Welfare									
Square footage of buildings ³	167,660	167,660	250,166	232,905	222,023	229,284	208,174	208,174	208,174
Highways and Streets²									
Total centerline miles of county roads	533.1	541.0	541.3	541.6	542.9	542.8	543.5	543	*
Paved lane miles	1,024.5	1,074.6	1,084.2	1,090.1	1,095.8	1,111.4	1,112.2	1,103	*
Unpaved lane miles	516.2	492.4	481.8	478.6	478.7	459.1	459.1	459	*
Culture and Recreation									
Number of parks	6	6	6	10	10	10	10	16	16
Total Open Space and Parks Acreage	798	1,097	1,097	4,394	4,394	4,394	4,394	4,430	4,430

Notes:

¹958 Advantage machines disposed of in 2012.

²These reports are published on July 1st of each year and reflect changes reported by CDOT through December 31st of the previous year.

³2009 and 2013 recalculated measurements using standard measurements by BOMA

Data Sources:

Various Arapahoe County Departments
Colorado Department of Transportation

**Independent Auditors' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

Board of County Commissioners
Arapahoe County, Colorado

We have audited, in accordance with the 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, the financial statements of the governmental activities, the 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, 2015, and the related notes to the financial statements, which collectively comprise Arapahoe County, Colorado's basic financial statements, and have issued our report thereon dated June 21, 2016. Our report includes a reference to other auditors who audited the financial statements of Arapahoe County Public Airport Authority and Arapahoe County Water and Wastewater Authority, both of which are discretely presented component units, as described in our report on Arapahoe County, Colorado's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Arapahoe County Water and Wastewater Authority were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Arapahoe County, Colorado's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Arapahoe County, Colorado's internal control. Accordingly, we do not express an opinion on the effectiveness of Arapahoe County, Colorado's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Arapahoe County, Colorado's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
June 21, 2016

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of County Commissioners
Arapahoe County, Colorado

Report on Compliance for Each Major Federal Program

We have audited Arapahoe County, Colorado's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Arapahoe County, Colorado's major federal programs for the year ended December 31, 2015. Arapahoe County, Colorado's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Arapahoe County, Colorado's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Arapahoe County, Colorado's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Arapahoe County, Colorado's compliance.

Opinion on Each Major Federal Program

In our opinion, Arapahoe County, Colorado complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

Report on Internal Control Over Compliance

Management of Arapahoe County, Colorado is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Arapahoe County, Colorado's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Arapahoe County, Colorado's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
June 21, 2016

ARAPAHOE COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2015

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass Through Grantor's Number	Cluster	Passed Through to Subrecipients	Total By CFDA and Agency
U.S. DEPARTMENT OF AGRICULTURE:					
Passed Through Colorado Dept. of Human Services SNAP - Administration (Note 2)	10.561			\$ 3,645,381	\$ 3,645,381
Passed Through Douglas County Human Services Employment First	10.561			21,029	21,029
TOTAL U.S. DEPARTMENT OF AGRICULTURE			SNAP Cluster Total	\$ 3,666,410	\$ 3,666,410
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:					
Passed Through Colorado Dept. of Human Services and Denver Regional Council of Governments (DRCOG:) TITLE IIIB - Arap/Doug DRCOG Federal	93.044				\$ 296,006
Arapahoe Chore Sen Rs DRCOG Rev	93.044				89,646
Total-Passed Through Colorado Dept. Human Services and DRCOG	TOTAL CFDA # 93.044				385,652
Passed Through Colorado Department of Local Affairs Block Grant	93.569				367,068
Total-Passed Through Colorado Dept. of Local Affairs					367,068
Passed Through Colorado Dept. of Human Services Child Welfare Services Title IV-B	93.645				324,334
Social Services Block Grant Title XX	93.667				1,212,918
Child Support Enforcement Title IV-D	93.563				3,999,909
Child Support Enforcement Research Title IV-D	93.564				123,980
Medicaid - Title XIX	93.778				3,359,029
IV-E Rel Guard Asst.	93.090				32,365
Independent Living / Title IV-E	93.674				128,895
Foster Care (Title IV-E)	93.658				5,162,787
Child Care Development Block Grant	93.575		\$ 441,687		441,687
Child Care Development Funds	93.596		5,468,773		5,468,773
Adoption Assistance - Title IV-E	93.659		\$ 5,910,460		1,791,099
Temp. Assist. Needy Fam. Title IV	93.558				11,351,768
LEAP - Low Income Energy Asst. Prgm. (Note 2)	93.568				3,505,027
Total-Passed Through Colorado Dept. of Human Services					36,902,571
Passed Through Douglas County Human Services TANF Employment Youth 2015	93.558			\$ 66,722	66,722
TANF DCHS	93.558			13,225	13,225
Total-Passed Through Douglas County Human Services			TANF Cluster Total	\$ 79,947	79,947
Passed Through Colorado Office of Energy Conservation Low Income Home Energy Assistance - Weatherization (Note 2)	93.568				723,197
Total-Passed Through CO Office of Energy Management					723,197
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					\$ 38,458,435
U.S. DEPARTMENT OF ENERGY					
Passed Through Colorado Office of Energy Conservation Weatherization Assistance for Low Income Persons - DOE	81.042	C900823			\$ 609,824
TOTAL U.S. DEPARTMENT OF ENERGY					\$ 609,824
FEDERAL EMERGENCY MANAGEMENT AGENCY					
Colorado Statewide - Emergency Management Program	97.042				\$ 89,198
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY					\$ 89,198
U.S. DEPARTMENT OF JUSTICE					
Passed Through Colorado Division of Criminal Justice JAG Grants	16.804				\$ 40,678
ICAC Internet Crimes Against Children	16.543				1,485
AEAP (Antiterrorism & Emg Asst Prgm)	16.321				81,242
Total-Passed Through Colorado Division of Criminal Justice					123,405
Passed Through Colorado Department of Revenue State Criminal Alien Assistance Program	16.606				90,865
TOTAL U.S. DEPARTMENT OF JUSTICE					\$ 214,270
U.S. DEPARTMENT OF HOMELAND SECURITY					
Passed Through Colorado Department of Public Safety State Homeland Security Program 2013	97.067	13SHS14NCR		\$ 381,246	\$ 636,681
State Homeland Security Program 2014	97.067	14SHS15NCR		179,979	702,108
State Homeland Security Program 2015	97.067	15SHS16NCR		-	9,962
Total-Passed Through Colorado Department of Public Safety	TOTAL CFDA # 97.067			561,225	1,348,751
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY				\$ 561,225	\$ 1,348,751

(Continued)

ARAPAHOE COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2015

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass Through Grantor's Number	Cluster	Passed Through to Subrecipients	Total By CFDA and Agency
U.S. DEPARTMENT OF LABOR					
Employment Services/Wagner-Peyser	17.207	PY2014 WP 2447	\$ 1,052,983		\$ 1,052,983
Employment Services/Wagner-Peyser	17.207	PY2014 WP 10%Summer Job	38,282		38,282
Employment Services/Wagner-Peyser	17.207	PY2015 WP 2055	368,961		368,961
	TOTAL CFDA #17.207	ESC Cluster Sub Total	1,460,226	^	1,460,226
Trade Adjustment Assistance	17.245	FY2013 TAA 2383			1,988
Trade Adjustment Assistance	17.245	FY2014 TAA 2449			13,402
Trade Adjustment Assistance	17.245	FY2015 TAA 1726			4,021
	TOTAL CFDA #17.245				19,411
Worker & Statewide Activities	17.258	WIA Adult 2331	\$ 134,897		134,897
Worker & Statewide Activities	17.258	WIA Adult 2444	1,584,924		1,584,924
Worker & Statewide Activities	17.258	WIOA Adult 4A65/4A85/46A5/48A5	269,595		269,595
	TOTAL CFDA #17.258	WIA Cluster Sub Total	1,989,416	&	1,989,416
Workforce Investment Act Youth	17.259	WIA Youth 2332	232,179		232,179
Workforce Investment Act Youth	17.259	WIA Youth 2445	1,402,562		1,402,562
Workforce Investment Act Youth	17.259	WIOA Youth 4Y65/4Y75/4Y85	357,408		357,408
Workforce Investment Act Youth	17.259	State Yth Council Prom Pract Award 2607	2,000		2,000
	TOTAL CFDA #17.259	WIA Cluster Sub Total	1,994,149	&	1,994,149
H1B Job Training Grants	17.268	H-1B 2150			155,589
Passed through City and County of Denver					
H1B Job Training Grants	17.268	H-1B Ready to Work Partnership CUWA			12,237
H1B Job Training Grants	17.268	H-1B Ready to Work Partnership			30,884
Total-Passed through City and County of Denver					43,121
	TOTAL CFDA #17.268				198,710
WIOA National Dislocated Worker Grants	17.277	Sectors NEG 4S35/4S45/4S55			5,039
Workforce Investment Act Dislocated Worker	17.278	WIA DW 2333	314,858		314,858
Workforce Investment Act Dislocated Worker	17.278	25% Enhanced DW 2423	40,416		40,416
Workforce Investment Act Dislocated Worker	17.278	25% Enhanced DW 2543	51,940		51,940
Workforce Investment Act Dislocated Worker	17.278	WIA DW 2446	624,115		624,115
Workforce Investment Act Dislocated Worker	17.278	WIOA DW	235,494		235,494
Workforce Investment Act Dislocated Worker	17.278	WIOA DW 4D65/4D85/46D5/48D5	18,586		18,586
	Total CFDA #17.278	WIA Cluster Sub Total	1,285,409	&	1,285,409
		WIA Cluster Total (&)	\$ 5,268,974		
Disabled Veterans Outreach Program	17.801	DVOP 2451	\$ 18,000		18,000
Disabled Veterans Outreach Program	17.801	DVOP 2036	5,250		5,250
	Total CFDA #17.801	ESC Cluster Sub Total	23,250	^	23,250
Veterans' Employment Program	17.802	VWIP 2166			21,465
Local Veteran's Employment Rep Program	17.804	LVER 2450	6,000		6,000
Local Veteran's Employment Rep Program	17.804	LVER 2026	1,750		1,750
	Total CFDA #17.804	ESC Cluster Sub Total	7,750	^	7,750
		ESC Cluster Total (*)	\$ 1,491,226		
TOTAL U.S. DEPARTMENT OF LABOR					\$ 7,004,825
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT					
Centennial Community Block Grant 2012	14.218			\$ -	\$ 3,738
Centennial Community Block Grant 2013	14.218			11,609	20,748
Centennial Community Block Grant 2014	14.218			53,826	109,973
Centennial Community Block Grant 2015	14.218			-	5,423
Community Development Block Grant 2011	14.218			2,833	2,833
Community Development Block Grant 2012	14.218			53,347	53,347
Community Development Block Grant 2013	14.218			222,905	286,439
Community Development Block Grant 2014	14.218			288,304	360,098
Community Development Block Grant 2015	14.218			22,828	22,828
	TOTAL CFDA #14.218			655,653	865,427
HOME 2009	14.239			4,745	4,745
HOME 2010	14.239			48,135	48,135
HOME 2011	14.239			30,937	30,937
HOME 2012	14.239			56,780	56,780
HOME 2014	14.239			-	26,859
HOME 2015	14.239			-	26,182
	TOTAL CFDA #14.239			140,596	193,638
SECTION 8	14.871			-	18,199
TOTAL U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT					\$ 796,249
U. S. DEPARTMENT OF TRANSPORTATION					
Passed Through Colorado Department of Transportation					
Occupant Protection - Click It or Ticket	20.600				\$ 23,000
TOTAL U. S. DEPARTMENT OF TRANSPORTATION					\$ 23,000
TOTAL FEDERAL FINANCIAL ASSISTANCE					\$ 1,357,474
					\$ 52,491,977

See accompanying notes to Schedule of Expenditures of Federal Awards

ARAPAHOE COUNTY, COLORADO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2015

Note 1 - General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Arapahoe County, Colorado primary government (the County). The County's reporting entity is defined in Note 1 to the County's basic financial statements. All federal financial assistance received by the primary government directly from federal agencies, as well as federal financial assistance passed through other government agencies, including the State of Colorado, is included on the schedule.

Governmental funds account for the County's federal grant activity. Amounts reported in the schedule of expenditures of federal awards are recognized on the modified accrual basis when they become a demand on a current available federal resources and eligibility requirements are met, or on an accrual bases at the time liabilities are incurred and all eligibility requirements are met, except in the following programs, which are reported in the schedule of expenditures of federal awards on the cash basis:

<u>Program Title</u>	<u>CFDA</u>
SNAP Cluster	10.561
Temporary Assistance for Needy Families	93.558
Child Support Enforcement	93.563
Child Support Enforcement Research – Title IV-D	93.564
Low-Income Home Energy Assistance	93.568
CCDF Cluster	93.575, 93.596
Child Welfare Services – State Grants	93.645
Foster Care – Title IV-E	93.658
Adoption Assistance	93.659
Social Services Block Grant	93.667
Chafee Foster Care Independence Program	93.674
Medicaid	93.778

The County has elected not to use the 10-percent De Minimis indirect cost rate.

Note 2

The SNAP – Administration allocation of financial assistance between federal monies passed through the state and state monies has been derived from and provided by the Colorado Department of Human Services and Colorado Department of Labor for the year ended December 31, 2015 is \$3,645,381.

LEAP passed through the Colorado Department of Human Services and the Colorado Department of Energy Management for the year ended December 31, 2015 is \$4,228,224.

ARAPAHOE COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2015

SECTION I—SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes none reported

Type of auditors’ report issued on compliance for major program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.596, 93.575	Child Care and Development Fund Cluster
93.568	Low-Income Home Energy Assistance
93.658	Foster Care IV Title E
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP-Admin)
93.563	Child Support Enforcement (Title IV-D)

Dollar threshold used to distinguish between type A and type B programs \$1,574,759

Auditee qualified as low-risk auditee? yes no

ARAPAHOE COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2015

PART II—FINDINGS RELATED TO FINANCIAL STATEMENTS

None.

PART III—FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

ARAPAHOE COUNTY, COLORADO
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2015

PART IV–PRIOR YEAR FINDINGS RELATED TO FINANCIAL STATEMENTS

None.

PART V–PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2014-001

DEPARTMENT OF HEALTH & HUMAN SERVICES
Passed-Through Colorado Department of Human Services
Medicaid, Title XIX – CFDA #93.778
Award Year: 2014

Eligibility
Significant Deficiency, Noncompliance and Internal Control over Compliance

Summary: It was noted that there were instances where the recipient of Medicaid benefits did not have an application or verification documentation of earned income on file, which is required to determine eligibility for the individual. We recommended that the County improve the internal controls over the review process for Medicaid applicants. The County implemented an electronic workflow to improve tracking and internal control over the eligibility determination process.

Status: Implemented.

Finding 2014-002

DEPARTMENT OF HEALTH & HUMAN SERVICES
Passed-Through Colorado Department of Human Services
Child Support Enforcement – CFDA #93.563
Award Year: 2014

Special Tests
Material Weakness, Compliance and Internal Control over Compliance

Summary: It was noted that there were instances where the County did not enter application information timely into the ASCES system and instances where the County did not initiate paternity tests within the required timeframe. We recommended that the County improve the tracking and internal controls over the application and paternity testing processes. The County implemented an electronic workflow and dashboard reporting system to improve tracking and internal control over both processes.

Status: Implemented.



