

# 2007

## Comprehensive Annual Financial REPORT



City of Aurora, Colorado  
For the year ended December 31, 2007







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# Comprehensive Annual Financial Report

City of Aurora, Colorado  
For the Year Ended December 31, 2007

Prepared by the Controller's Office  
Finance Department



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Prepared by the Controller's Office  
Finance Department

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June 13, 2008

To the Honorable Mayor, City Council, and Citizens of the City of Aurora, Colorado:

We submit, for your information and review, the Comprehensive Annual Financial Report (CAFR) of the City of Aurora, Colorado (the City), for the year ended December 31, 2007.

### **Management's Responsibility**

This report consists of management's representations concerning the finances of the City of Aurora. Consequently, management assumes responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the enclosed information is accurate in all material respects and is reported in a manner designed to present fairly the financial position and activities of the various funds of the City. The City has included all disclosures necessary to enable the reader to gain an understanding of the City's financial activities.

### **Independent Accountant's Responsibility**

The City Charter requires an annual audit by independent certified public accountants selected by the City Council. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2007, are free of material misstatement. The independent accountant, BKD, LLP, concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended December 31, 2007 are fairly presented in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). The Independent Accountants' Report on the City's financial statements is included in the Financial Section of this CAFR.

### **Single Audit**

The independent audit of the financial statements of the City is required to complete the federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The results of this single audit are available in the City's separately issued Single Audit Report.

### **Management's Discussion and Analysis**

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

## **GOVERNMENTAL STRUCTURE**

The City of Aurora is located on the eastern slope of the Rocky Mountains and lies in the six county Denver/Aurora metropolitan area (the metro area). The metro area is the economic center of the State of Colorado (the State). Aurora is the third largest city in the State with an estimated population in 2007 of 309,416. This is approximately 13 percent of the metro area population. The City provides general government services including police, fire and emergency medical services, public works, water and wastewater, parks and recreation facilities, libraries and golf courses.

The City utilizes the Council-Manager form of government, which was adopted by the City in 1954. In 1961, the City became a Home Rule City by adopting its own Charter pursuant to Article XX of the Constitution of the State. In 1993, the City Charter was amended to provide for a full-time Mayor, beginning January 1, 1996. The eleven members of the City Council (including the Mayor, who is elected specifically for that position) are chosen biennially for staggered four-year terms in non-partisan elections. Council members elected prior to November 1, 2005 are limited to two consecutive terms of office. Council members elected after November 1, 2005 are limited to three consecutive terms of office. The City Manager is responsible for the administration of City operations and for carrying out policy as set by the City Council. The City Manager serves at the pleasure of the Council. Also serving at the pleasure of the Council are four other appointees: the City Attorney, the Presiding Judge, the Court Administrator and the Chief Public Defender. Each of these appointees is responsible for the administration of his or her respective operation.

## **ECONOMIC CONDITION**

### **Strong Financial Condition**

The City is strong financially and is recognized as such by independent bond rating agencies. At the same time, it consistently provides quality services to its citizens. Aurora maintains adequate fund balances for emergencies and its citizens have supported a number of bond issues for infrastructure. Additionally, its citizens have approved two ballot questions that have changed the City's Charter to exempt City fees and its main revenue source, sales and use tax, from State constitutional "Taxpayer Bill of Rights" (TABOR) revenue limits. As a result of these voter-approved Charter changes, the City believes it has significantly improved its long-term financial flexibility and its ability to take advantage of growth to strengthen its revenue base.

The Aurora economy was stable for much of 2007 but began to slow in the last quarter. General Fund revenues on a budgetary basis, net of transfers, increased by approximately \$4.8 million or 2.1% in 2007 compared to 2006. This increase was less than the budgeted 2007 revenue increase due to softening sales tax growth as well as reduced construction related license and permit revenues at the end of 2007 and decreased charges for services throughout the year. The use of funds available in 2007 was more than originally budgeted due to the cost of two unusually significant snowstorms. The City expects to maintain its strong financial condition through continued control over the growth of City expenditures and through evaluation of options for enhancing revenues.

The City depends on sales and the associated use tax as its main revenue source for general operations. Sales and use tax revenues made up 65% of total General Fund budgetary revenues, net of transfers, in 2007. The growth of this revenue source has slowed substantially over the last decade. In 2007 sales tax revenue was \$0.9 million less and use tax \$0.8 million less than budgeted. While sales tax revenues increased 3.7% in 2007, as compared to 2006, and are budgeted to grow 3.0% in 2008, both sales tax and construction related revenues have continued the slowdown that began in late 2007. The targeted growth rate for sales tax has been revised from the budgeted 3.0% to 0.7% in 2008. Reductions are being made in expenditures to compensate for the revenue slowdown.

Property tax represents an important secondary revenue source (10 percent of total General Fund budgetary revenues in 2007) that is less impacted by changing economic conditions than sales and use tax. Aurora's property valuations were reassessed in 2007, translating into a projected modest property tax growth in 2008.

### **Growth and Development**

Economists predict relatively measured economic growth for the metro area for the near future. Accordingly, the City is projecting a consistent 1.8% population growth annually over the long-term, although the growth is likely to be less than that in the short-term due to the slow economy. During 2007, permit issuance decreased from 2006. Although construction growth is anticipated to be slow in 2008, the long-term outlook remains good.

The City continues to promote smart growth. Before any annexation or development is considered, landowners must agree to build or arrange construction of the required infrastructure. These up-front commitments routinely include the construction of water and sewer lines, roads, bridges, and drainage improvements. In many new developments, infrastructure is funded and constructed by special districts, which are local taxing entities formed by the landowners with the approval of the City. Landowners also must dedicate to the City groundwater rights they own, donate parcels for fire stations and schools, and preserve land for parks and open space.

### **Office and Industrial Development**

The City has a commercial leasing and development market comprising over 8 million square feet of office space and nearly 21 million square feet of industrial and flex space located in fifteen office and industrial parks. Eleven of these business parks have significant industrial elements and are on or near the I-70 corridor, the region's major distribution corridor. Several national developers including ProLogis, Lowe Enterprises, Majestic Realty, Lauth Properties and the Pauls Corporation have located business parks on the corridor with more to come as development moves east.

Planning is underway on several master-planned developments near Denver International Airport (DIA) that will bring a wide array of office and flex development to the corridor. One of these high-end mixed use projects, High Point at DIA, will include a major conference center/resort hotel and millions of square feet of office and industrial space. Additionally, Lend Lease Communities purchased more than 500 acres of land at the I-70 and E-470 junction and plans to develop Horizon Uptown, a high density, "green", mixed-use development. This development will include 1.3 million square feet of retail space and 4 million square feet of office and flex space, with approximately 3,800 residential units and 11,000 employees on the site at build-out.

## **Retail Development**

In the retail sector, a number of exciting projects are expanding the City's tax base and ensuring a variety of vibrant commercial destinations draw customers from a wide swath of the metro area. The two super regional retail centers in Aurora are the Town Center and the new Southlands Center. The Town Center of Aurora (formerly the Aurora Mall) completed its \$100 million redevelopment bringing a host of new retail tenants to central Aurora. The Southlands project, a new super regional mixed-use center located in the southeast of the City, is complete and contains approximately 1.76 million square feet of retail space, 275,000 square feet of office space, and over 1,100 housing units.

Mid-sized regional centers (between 500,000 and 1,000,000 square feet) continue to develop in Aurora. Development is almost complete in North Aurora at the Gateway Park development near DIA. This development includes Home Depot, Wal-Mart, Dick's Sporting Goods, Bed, Bath & Beyond and a host of box retailers. Havana Gardens, part of the newly formed Havana Business Improvement District, will be a focal point for the revitalization of the surrounding Havana Street corridor. The new \$100 million shopping center on the 50 acre site of the old Buckingham Mall will be a village-themed project including 550,000 square feet of retail space and 270 residential units of condominiums, town homes, and apartments. The entire retail project is scheduled to come online in 2009. Also of note is Cornerstar, a 600,000 square foot retail center to be completed by March 2009. This regional shopping center will draw market share from the south and west of the City boundaries.

## **Water and the Water System**

The City continues to make capital improvements to increase the City's water supplies and anticipates that even in non-drought conditions, more water will be required to serve the City's existing customers and the projected population growth. The City's capital improvement program includes projects with the following objectives: strengthen the reliability of the existing water system; increase water supply and storage; maintain and upgrade infrastructure and facilities; expand water conservation programs; and continue to provide high quality water.

The Prairie Waters Project continues to be the cornerstone of the City's capital improvement plan; currently it is on-time for completion in late 2010. This project is the most cost-effective, environmentally friendly and immediate way to meet the City's water needs. The \$755 million project will recycle water extracted from the South Platte River north of the metro area, treat it and pipe it to customers in Aurora. It will deliver as much as 3.3 billion gallons of water to the City, 20 percent more than is available today. The Prairie Waters Project and other capital improvement projects are being financed through the following: increased water rates and tap fees; use of available Aurora Water Department net assets; and issuance in 2007 of \$421.5 million in bonds, to be repaid from water system revenues.

## **MAJOR INITIATIVES**

### **Major Infrastructure and Transportation Projects Provide Significant Opportunities**

*Denver International Airport ("DIA")* - Opened by the City and County of Denver in 1995 and employing nearly 30,000 people, DIA is the fifth busiest airport in the United States and the 11<sup>th</sup> busiest in the world. In 2007, the airport served a record breaking 49.8 million passengers, a

growth of 5.4% over 2006. Lying along the City's northern border, DIA generates substantial development activity in the immediate area.

*Ground Transportation* – The Regional Transportation District provides bus and light rail transit service throughout the City as well as the rest of the metropolitan area. Funding has been approved to support a light rail transit line and accompanying stations that will afford direct service to the Aurora City Center, the Fitzsimons Medical Campus, the I-225 Corridor, as well as connections to the Southeast I-25 Business Corridor and the I-70 Corridor. Rail service to DIA and Denver Union Station will also be offered. A light rail transit environmental study is underway and construction is scheduled to be completed by the summer of 2015.

*E-470 Highway* – The E-470 toll highway comprises the entire eastern half of the metro area's beltway, affording easy access between Aurora and DIA, as well as all other regional employment centers. The E-470 toll highway is having a positive impact on development in the City and is expected to influence the patterns and level of growth in the area for the foreseeable future. The Southlands Project, High Point at DIA and Horizon Uptown are examples of mixed use development currently operating or planned along the E-470 corridor.

### **Military Base Reuse and Development Provide Major Economic Activity**

Historically, three active military bases (Fitzsimons Army Medical Center, Lowry Air Force Base and Buckley Air Force Base) played an integral role in the life of the City. In the mid-1990s, two of the bases were designated for closure and the City initially anticipated a significant negative impact from the loss of these economic and employment generators. Instead, the opposite has occurred, as the two bases that closed (Lowry and Fitzsimons) quickly became and remain national models for military base re-use. The re-uses of the two closed bases have become a major part of the commercial and residential fabric of the area. The active base (Buckley Air Force Base) is expanding and is of increasing importance for the Department of Defense.

*Fitzsimons* - The 578-acre former Fitzsimons Army Medical Center, which closed in 1999, is now the site of the largest medical-related redevelopment project in the nation. This \$4 billion project has become the hub for the biotechnology industry in the Rocky Mountain Region. The site includes the Colorado Science and Technology Park at Fitzsimons, the Anschutz Medical Campus of the University of Colorado, The Children's Hospital, and 21 Fitzsimons. Together, these developments form a stimulating and interactive scientific entrepreneurial community. The total redevelopment program for Fitzsimons calls for over 18 million square feet of new construction phased over 25-30 years. Current employment at the site is approximately 16,000 and is anticipated to reach over 30,000 at build-out, with jobs in teaching, patient care, basic-science research and biotechnology research and development. While Fitzsimons is not expected to directly provide much new revenue to the City budget due to its tax exempt and incentivized development, it is a major economic engine for Aurora and the surrounding area.

The Fitzsimons Redevelopment Authority (FRA) is responsible for overseeing the development and management of the commercial components of Fitzsimons. The Authority's programs facilitate collaborations between private industry and the University of Colorado. The FRA provides access to facilities, services and support to give start-up and early stage bioscience companies the best possible opportunities to succeed and to help mature companies thrive.



Through a long-term partnership with a large real estate developer, Forest City Enterprises, the FRA provides access to targeted and specialized real estate solutions for expansion-stage bioscience companies and pharmaceutical research and development operations.

The Colorado Science and Technology Park at Fitzsimons is planned for a build-out of over 6 million square feet and a work force over 10,000. The park is affiliated with the University of Colorado, which is expected to be a source of services and support for research-oriented companies locating at Fitzsimons. The Bioscience Park Center, a 60,000 square foot incubator facility, opened in 2000 and is fully occupied. Bioscience East, a 25,000 square foot former Army facility, opened in July 2006 and is also fully occupied.

The relocation of the University of Colorado at Denver's health professions schools and the University of Colorado Hospital from their current location in Denver to the Anschutz Medical Campus is substantially complete. Approximately 16,000 employees are currently working at the site in facilities including the renovated former main hospital building, the 600,000 square foot Research Complex 1, two new education buildings and the Anschutz Center for Advanced Medicine and Inpatient Pavilion. The Anschutz complex serves as many as 3,000 patients per day.

In late 2001, The Children's Hospital ("TCH") announced it would relocate from its Denver location to Fitzsimons. In 2007, TCH opened its 1.5 million square foot campus on 47 acres for clinical, research and administrative uses, including a 270-bed inpatient facility. Total development costs were over \$550 million.

At the center of the Fitzsimons Life Sciences District is Fitzsimons Commons, a 15 acre "village center" where the University campus and the bioscience park converge. The central zone features 21 Fitzsimons, a complex with approximately 500 units of mid-rise rental housing, site-serving convenience retail and recreation facilities, and structured parking. The first phase of this project is under construction and expected to open in the summer of 2008.

In early 2006, the FRA made a formal offer to the United States Veterans Administration ("VA") to sell approximately 24 acres of land for a new VA Hospital on the Fitzsimons Campus. The first phase of this sale, which included approximately 18 acres, was completed in March 2007. The second phase of the sale, which includes approximately 5 acres, has not been closed yet.

Lowry - The Lowry Economic Redevelopment Authority (LRA) was formed by an intergovernmental agreement between the City of Aurora and the City and County of Denver to oversee redevelopment of the base when it closed in 1994. The majority of Lowry (89 percent) is in the City and County of Denver, and 11 percent is in the City of Aurora.

The Colorado Community College System occupies most of the Lowry property within the City of Aurora. The Lowry Campus of the Colorado Community College System, operated by the Community College of Aurora, supports more than 2,800 students with enrollment expected to reach 5,000 students by the end of the decade.

A large redevelopment effort of the former base resulted in a 1,866-acre, mixed-use, master planned community within a densely developed area. At completion, the Lowry community is

expected to feature 4,500 residences, a two million square foot business park with more than 7,000 employees, a retail town center, a community college campus, numerous schools and nearly 800 acres of public parks and recreation areas. The development of through streets and the construction of new housing, office and retail space have significantly affected nearby neighborhoods and commercial activity within the City. Most remaining commercial and residential development should be underway by late 2009. Redevelopment costs totaling approximately \$555 million will create a \$5.7 billion gross economic impact benefiting the City and County of Denver, the City of Aurora, the State of Colorado and other states.

*Buckley Air Force Base* - Buckley Air Force Base (Buckley) is one of the key components of the United States Space Command and home to 37 different military missions. Due to the increasing importance of Buckley's mission, the base came under Air Force control in 2000. This increased importance has created the need for major infrastructure improvements on base. Buckley spent nearly \$37 million on construction activities in 2007, completing nearly 19 major projects, with an additional 28 facilities either under construction, in design, or proposed in the next 10 years. Projects include a consolidated services facility, a leadership development center, and an expansion to the communications building. An additional \$37 million was spent on service contracts. Buckley is also constructing a privatized housing project worth almost \$90 million.

Buckley's annual economic impact on the region, which reached nearly \$1.1 billion in 2007, continues to grow along with the base's strategic importance. Buckley is the City's largest employer, with most of this employment focused in the engineering and telecommunications sectors. The Department of Defense employs nearly 13,000 full-time military, part-time guard and reservists, civilian and contractual personnel at Buckley. In addition, Buckley supports nearly 22,000 retirees and 55,000 military dependants and veterans. Approximately one-third of all employees (military, civilian, and contractual) on base are assigned to operations affiliated with several space related missions. Buckley's satellite technology focus has led a number of Fortune 500 companies to increase their presence in the area. Currently, Lockheed Martin, Raytheon and Northrop Grumman each employ more than 500 workers in nearby office parks.

Under the Base Closure and Realignment process, the base will see the Air Reserve Personnel Center at the Buckley Annex move to Buckley proper by 2011. In addition, the 310<sup>th</sup> Mission Support Group, comprised of Air Force Reserve units and personnel, will relocate from the Naval Air Station in New Orleans, Louisiana to Buckley within the next few years.

### **Urban Renewal Supports Economic Development**

The City currently has five urban renewal areas: City Center, Fitzsimons, Fletcher Plaza, Highpointe and Cornerstar operating under the power of the Aurora Urban Renewal Authority (AURA).

The City Center URA ("City Center"), consisting of approximately 670 acres, is firmly established as a key civic, shopping and entertainment destination for the eastern metro area. Located within the City Center is Aurora City Place, a 600,000 square foot retail project that combines a "village street" concept with a more traditional center that includes major retail outlets. The Town Center at Aurora, a regional shopping mall, recently completed a \$100 million renovation project. The Aurora Municipal Center, the Municipal Justice Center, the Aurora Public Library and the Aurora History Museum make up the civic core of the City. This civic

complex surrounds a large park-like courtyard that serves as a public gathering place for City activities and special events, including the annual 4<sup>th</sup> of July fireworks display. Centerpoint is the largest undeveloped site in the City Center and is expected to include a mix of higher density residential and commercial uses. Existing buildings on the site include the Arapahoe County government offices. Revenue bonds and developer incentives used to finance public improvements within City Center have been paid off. The 25-year lifespan of tax increment financing eligibility for City Center expired in 2007 and a new tax increment area is being considered.

In June 2001, the Fitzsimons Renewal Area was designated, a 600 acre area encompassing the entire Fitzsimons campus and surrounding boundary area. As part of that designation, the City Council created a tax increment financing district allocating incremental property tax, sales tax, occupational privilege tax and lodgers' tax revenues for redevelopment projects. A main focus of the redevelopment is to market and revitalize the Fitzsimons boundary area to help meet the needs of employees and visitors to the Fitzsimons campus, while continuing to serve the surrounding community. The bioscience portion of this urban renewal area is being reconfigured to accommodate the Colorado Science and Technology Park. This 6 million square foot laboratory and bioscience office park will be developed by Forest City and is estimated to be a fifty year project.

In January 2003 the City Council designated a third urban renewal area - the Fletcher Plaza Urban Renewal Area (FPURA), encompassing 51 acres in the northwest corner of the City. Proceeds from a voter-approved bond issue financed a new library and municipal services center in the FPURA. The area is also home to the Original Downtown Aurora Arts District. The cornerstone of the Arts District is Florence Square, a privately owned 240-unit apartment complex and retail center that includes artist live/work units, galleries and an 'Artists Walk.'

In October 2006, the City Council passed resolutions designating a fourth urban renewal area, The Highpointe Urban Renewal Area, encompassing approximately 20 acres near E-470 and Tower Road. A tax increment financing district was established for the area committing a portion of incremental City sales, lodgers' and use tax for redevelopment purposes. A conference center/resort hotel is planned for the site.

In January 2007, the City Council created a fifth urban renewal area, The CornerStar Urban Renewal Area, using sales tax increment to negotiate for a 700,000 square foot regional shopping center. It is anticipated that this center will prevent retail leakage to two surrounding communities and add to the City's retail tax base. Bonds for the project were sold by the metro district in December 2007 and construction began in early 2008.

## **THE FUTURE**

### **Maintaining Growth and Strong Finances**

Growth of the City is expected to continue to be a major focus over the next few years. The City benefits from development initiatives in recent years as a result of the redevelopment of the former Fitzsimons Army Hospital, expansion of the E-470 Highway corridor, growth of the Buckley Air Force Base, and the general positive economic climate of the metro area. The City

intends to take advantage of these opportunities to maintain and expand the City's economic base.

The City expects to remain strong financially. The City does not expect to draw down its long-term policy reserves and the 2008 budget does not include use of the funds in its Policy Reserve Fund. The Policy Reserve Fund sets aside an amount currently equal to 10 percent of the General Fund adjusted budgetary operating expenditures for unanticipated emergencies.

The City continues to evaluate options for enhancing its revenues coupled with controlling expenditures to be consistent with revenues. The City has taken steps over the past three years to increase revenues by more than \$5.5 million; nonetheless, the City still faces significant challenges in this area as "mandated costs" such as electricity, fuel, and citizen-mandates along with the costs of reasonable employee compensation increases. In light of these challenges, the City continues to address both revenue increase options and options to reduce expenditures and expects to adjust revenues and/or expenditures as required to maintain a balanced budget.

## **FINANCIAL INFORMATION**

*Internal Control Structure* - Management has established and maintains an internal control structure designed to ensure the assets of the City are protected from loss, theft, or misuse, and to ensure adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. The City's internal control structure is subject to periodic review by management, the City's internal audit staff, and by external auditors.

*Budgeting Controls* - The City maintains budgetary control over its expenditures. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Operating and capital activities of the General, Special Revenue, Debt Service, Capital Projects, Enterprise, and Internal Service Funds are included in the annual appropriated budget. The budget legally controls spending at certain levels across City funds, departments and capital projects. The City also uses encumbrances as a technique of accomplishing budgetary control. Encumbered amounts outstanding at year-end are carried forward to the next year. As demonstrated in the Schedules of Sources, Uses and Changes in Funds Available-Budget and Actual in the Financial Section of this report, the City continues to meet its responsibility for sound operational and financial management.

*Pensions and Other Post-Employment Benefits (OPEB)* - The City provides seven pension plans. The General Employees' Retirement Plan is a contributory defined benefit plan and the Elected Officials' and Executive Personnel Defined Benefit Plan is a non-contributory defined benefit plan. The City contributes to the Police Pension Plan (Old Hire-Police) and Fire Pension Plan (Old Hire-Fire) for police officers and full-time firefighters hired on or before April 7, 1978. The City also has three money purchase defined contribution pension plans, two for firefighters and police officers hired on or after April 8, 1978 and one for City executive personnel. Details concerning the pension plans are included in the notes of the accompanying financial report and

in the required supplementary information following the notes. The City offers one OPEB plan, providing medical benefits to eligible retirees and their qualifying dependents.

*Debt Administration Highlights -*

- As of December 31, 2007, the City had outstanding revenue bond, certificate of participation, general obligation bond and note debt of \$892,569,473 (excluding unamortized bond premiums and discounts). (Footnote 9)
- Details concerning the City's debt ratings are included in Exhibit B-5 of the accompanying financial report.
- In 1992, Colorado voters approved an amendment to the state constitution (TABOR), which requires certain new multiple-fiscal year debt to be approved by voters.
- The per capita amount of total net general obligation bonded debt (general obligation bonded debt less unamortized bond premiums and discounts) was \$233. (Exhibit A-14)
- The per capita amount of net general purpose debt (governmental funds' net general obligation bonded debt, General Fund revenue bond debt, special assessment notes and certificate of participation debt, less unamortized bond premiums and discounts) was \$512. (Exhibit A-13)

*Cash Management* – The City's investment activities are governed by an investment policy containing the following goals: 1) minimize credit and market risks, 2) provide necessary liquidity, 3) meet financial management goals and 4) provide a competitive yield. The financial management goals criteria relates primarily to ensuring compliance with the TABOR constitutional amendment. This criteria currently does not affect investment decisions as the City is within TABOR compliance limits. Deposits are either insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized under the Colorado Public Deposit Protection Act (PDPA). The City utilizes an investment pool to maximize investment income. During 2007, investments included U.S. Government and agency securities, commercial paper rated A1 or better by Standard & Poor's or P1 by Moody's, corporate notes rated A1 by Moody's or A+ or better by Standard & Poor's, Taxable Municipal Debt, bank certificates of deposit and a local government investment pool (COLOTRUST). (Footnote 3)

As of December 31, 2007, the bank deposits and investments in the City's cash and investment pool were allocated as follows:

	<u>Amount</u>	<u>% of Resources</u>
Bank deposits	\$ 6,444,275	1.44%
U.S. Government and agency securities	52,828,040	11.83%
Corporate notes	174,612,443	39.09%
Commercial paper	50,737,418	11.36%
Certificates of deposit	40,000,000	8.96%
COLOTRUST	98,375,882	22.03%
Taxable Municipal Debt	23,607,085	5.29%
	<u>\$ 446,605,143</u>	<u>100.00%</u>

The average yield on the City's pooled investments during 2007 was 4.75%. The City earned interest revenue, before the adjustment to fair value, of \$19.6 million on its pooled investments for the year ended December 31, 2007.

*Risk Management* – The City maintains a Risk Management Internal Service Fund. The purpose of the fund is to provide resources for the City's partial risk retention against claims and judgments, fund-related administrative expenses, and attorney fees. Insurance claim reserves are established on an annual basis. The City also has excess insurance coverage.

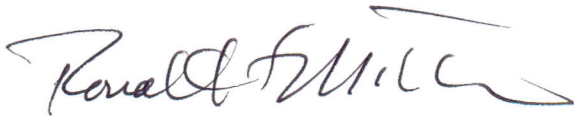
## **OTHER INFORMATION**

*Awards* – The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the year ended December 31, 2006. The Certificate of Achievement is a prestigious national award, which recognizes conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for one year. The City has received the certificate for twenty-one consecutive years. We believe that our current comprehensive annual financial report continues to meet the requirements of the Certificate of Achievement program and we are submitting it to the GFOA.

*Acknowledgments* – The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the staff of the Finance Department and of other City departmental staff who contributed information in the report. Finally, we wish to thank the City Manager, the Mayor, and City Council for their continued support.

Respectfully submitted,



Ronald S. Miller  
City Manager



John Gross  
Finance Director





Ron Miller, City Manager



**City Manager and  
Council Members  
2007**



Mayor Ed Tauer



Molly Markert  
Mayor Pro-Tem, Ward IV



Deborah Wallace  
Ward I



Renie Peterson  
Ward II



Larry Beer  
Ward III



Sue Sandstrom  
Ward V



Bob Broom  
Ward VI



Bob Fitzgerald  
At-Large



Ryan Frazier  
At-Large



Steve Hogan  
At-Large



Brad Pierce  
At-Large





# City Council-2007

## City of Aurora, Colorado

### Terms of Service

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Member	Position	Elected	Term Length	Total Service
Ed Tauer,	At-Large	1997 - 2001	4 years	14 years
		2001 - 2003	2 years	
	Mayor	2003 - 2007	4 years	
		2007 - 2011*	4 years	
Deborah Wallace,	Ward I	2005 - 2009	4 years	4 years
Renie Peterson,	Ward II	2005 - 2009	4 years	4 years
Larry Beer,	Ward III	2005 - 2009	4 years	4 years
Molly Markert,	Ward IV	2003 - 2007	4 years	8 years
		2007 - 2011*	4 years	
Sue Sandstrom	Ward V	2003 - 2007	4 years	8 years
		2007 - 2011*	4 years	
Bob Broom,	Ward VI	2003 - 2007	4 years	8 years
		2007 - 2011*	4 years	
Bob FitzGerald,	At-Large	2003 - 2005**	2 years	6 years
		2005 - 2009	4 years	
Ryan Frazier,	At-Large	2003 - 2007	4 years	8 years
		2007 - 2011*	4 years	
Steve Hogan,	At-Large	1979 - 1983	4 years	24 years
		1985 - 1989	4 years	
		1989 - 1993	4 years	
		1993 - 1997	4 years	
		2001 - 2005	4 years	
		2005 - 2009*	4 years	
Brad Pierce,	At-Large	2003 - 2007	4 years	8 years
		2007 - 2011*	4 years	

Council elections held every two years (Wards I, II, III and two At-Large in 2009, then Wards IV, V and VI, the other two At-Large and the Mayor in 2011).

Council Members are currently term limited to three consecutive terms of four years each (consecutive unless they are at least four years apart), excluding members holding office prior to November 1, 2005, who are limited to two consecutive terms.

\* Last consecutive term under term limits currently in force.

\*\* Appointed for remainder of Ed Tauer's At-Large term upon Tauer's election as Mayor.



## **Management Officials**

City of Aurora, Colorado  
As of December 31, 2007

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### **City Manager's Office**

Ron Miller, City Manager	Since 1997
Nancy Freed, Deputy City Manager - Operations	Since 1995
John Gross, Deputy City Manager - Administrative Services (Interim)	Since 2007
Frank Ragan, Deputy City Manager - Community Services	Since 1995
Janice Napper, Assistant City Manager	Since 1998

### **Council Appointees**

Laurie Cole, Chief Public Defender	Since 1996
Zelda DeBoyes, Court Administrator	Since 1992
Charlie Richardson, City Attorney	Since 1986
Richard Weinberg, Presiding Judge	Since 2004

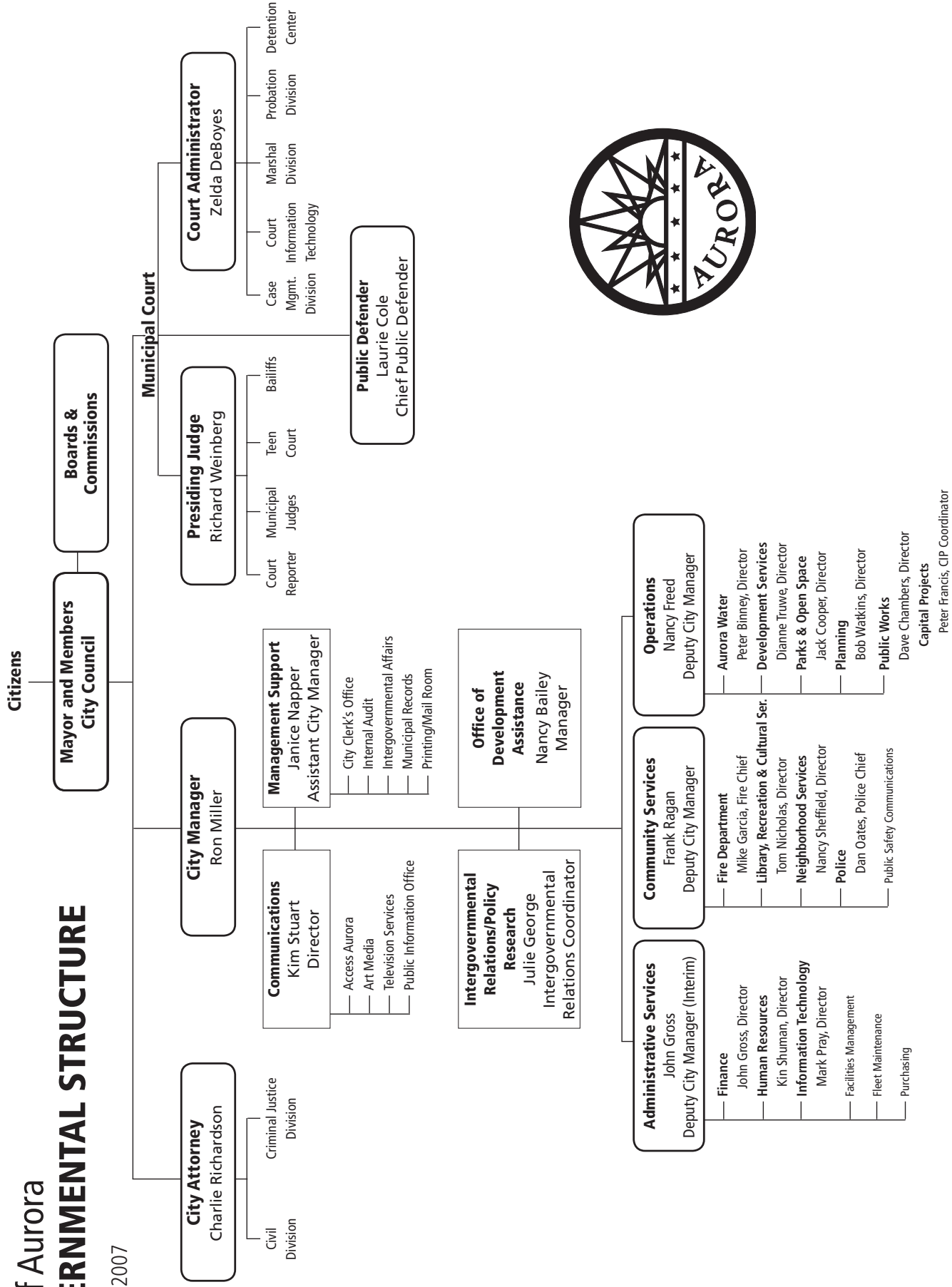
### **Department Directors**

Peter Binney, Aurora Water	Since 2002
Dave Chambers, Public Works	Since 2006
Jack Cooper, Parks & Open Space	Since 1996
Mike Garcia, Fire	Since 2007
John Gross, Finance	Since 1990
Tom Nicholas, Library, Recreation & Cultural Services	Since 1984
Dan Oates, Police	Since 2005
Mark Pray, Information Technology	Since 1998
Nancy Sheffield, Neighborhood Services	Since 1996
Kin Shuman, Human Resources	Since 2001
Kim Stuart, Communications	Since 2000
Dianne Truwe, Development Services	Since 1984
Bob Watkins, Planning	Since 2004

# City of Aurora

## GOVERNMENTAL STRUCTURE

December 2007



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Aurora  
Colorado

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2006

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



*Chane S. Cox*

President

*Jeffrey R. Emer*

Executive Director

## **ABOUT THE CERTIFICATE**

For over a century the Government Officers Finance Association (GFOA) has been dedicated to enhancing the professional management of governments for the public benefit. The GFOA's Certificate of Achievement for Excellence in Financial Reporting Program has been promoting the preparation of high quality financial reports since 1945. More than 3,500 governments of all levels (state and local), types (general-purpose and special-purpose), and sizes participate in the program. Among cities with a population of over 100,000 people, 78% participate in the program. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for one year.

The City of Aurora has received the Certificate for twenty-one consecutive years, including this most recent year, 2006, and for thirty-one years in total, currently the highest number of awards for any governmental entity in the State of Colorado. We believe that this, our 2007 comprehensive annual report continues to meet the requirements of the Certificate of Achievement Program and are submitting it to the GFOA for its consideration.





## **Independent Accountants' Report on Financial Statements and Supplementary Information**

Honorable Mayor and City Council  
City of Aurora, Colorado  
Aurora, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Aurora, Colorado (the City) as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the General Employees' Retirement Plan (GERP), which represent 60% and 23 %, respectively, of the assets and revenues of the aggregate remaining fund information. Those financial statements were audited by other accountants whose report has been furnished to us and our opinion, insofar as it relates to the amounts included for GERP, is based solely on the report of the other accountants. We also did not audit the financial statements of Fitzsimons Redevelopment Authority (FRA) or the financial statements of Aurora Housing Authority (AHA), which together represent 100% of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other accountants whose reports thereon have been furnished to us and our opinion, insofar as it relates to the amounts included for FRA and AHA, is based solely on the reports of the other accountants.

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



In our opinion, based on our audit and the reports of other accountants, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Aurora, Colorado as of December 31, 2007, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1, in 2007 the City implemented Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

As discussed in Note 21, in 2007 the City reporting entity changed to include Aurora Housing Authority as a discretely presented component unit by restating beginning net assets.

The accompanying management's discussion and analysis and budgetary and pension information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We and the other accountants have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying introductory, statistical, and other schedules sections supplementary information and the combining and individual fund statements and schedules supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules have been subjected to the auditing procedures applied by us and the other accountants in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory, statistical and other schedules sections have not been subjected to the auditing procedures applied by us and the other accountants in the audit of the basic financial statements and accordingly, we express no opinion on them.

BKD, LLP

June 13, 2008



As management of the City of Aurora, Colorado (the City), we offer the readers of the City's financial statements this overview and analysis of the basic financial statements of the City as of and for the year ended December 31, 2007. Both citywide and fund financial information are presented here to develop a full picture of the City's financial position and condition. Citywide information is presented to provide a broad longer-term overview of the City's financial status. Fund information is presented to assist readers in understanding that certain legal restrictions resulting from external laws and agreements, and from City Council internally adopted laws, restrict the use of revenues to specific purposes. Further, we encourage readers to understand that City Council, management, lenders and rating agencies work within the framework of fund financial information. Readers should consider the information presented in this discussion and analysis in conjunction with additional information furnished in our letter of transmittal, which can be found on pages i-xi of this report, and the City's financial statements, which begin on page 1.

## **I. Financial Highlights**

- State of the Economy

Sales tax revenue, the City's principal revenue, saw growth of 3.7% in 2007. General Fund adjusted budgetary revenues (net of operating transfers) increased by \$4.8 million or 2.1% in 2007 compared to 2006, but were (\$3.7) million less than budgeted due to softening of sales tax growth at the end of 2007 as well as reduced construction related license and permit revenues and decreased charges for services throughout the year. The revenue increases are primarily a result of increased sales tax revenue. Expenditures were under budget by \$3.0 million primarily as a result of unfilled positions.

- Aurora Water

The City continues to make substantial capital investments to increase the water system's drought-resistance and its capacity to serve customers immediately and in the long term. The Aurora Water capital improvement program represents 85% of the City's planned five-year capital spending. Drought conditions and population growth led to a long-term capital plan designed to meet the needs of existing customers and respond to projected growth in the City. Since its inception in 2002, the capital plan has guided a series of land and water acquisitions, rate and fee increases, debt issuances, and construction projects, all of which are designed to meet the current and long-term service needs of the City. The cornerstone of Aurora Water's five-year capital plan continues to be the Prairie Waters Project. Upon completion, the Prairie Waters Project will capture City-owned water resources through a series of wells, pipes, and water purification systems that deliver water from the South Platte River, north of the metropolitan area, back to the City.

- Citywide Financial Statements

City assets exceeded liabilities at the end of 2007 by \$4.1 billion (*net assets*). Of this amount, \$360.9 million, or 8.8% was unrestricted. Unrestricted net assets for use in governmental activities and business-type activities were \$80.3 million and \$280.6 million, respectively. Although the governmental activities \$80.3 million unrestricted net assets may be used to meet the City's ongoing obligations to citizens or creditors, City policies and budget plans limit their use. Unrestricted net assets for use in governmental activities have been segregated by City Council for specific purposes including City capital improvement projects, enhanced

## **I. Financial Highlights (continued)**

- Citywide Financial Statements (continued)

development review, designated revenues, the policy reserve, and risk management. The remaining unrestricted net assets consist primarily of designated fund balance in the General Fund. Citywide net assets increased \$169.0 million in 2007 due to contributed capital assets, developer tap and annexation fees, and ongoing operations.

- Governmental Funds Ending Fund Balance

At December 31, 2007, the City's governmental funds reported combined ending fund balances of \$151.0 million, a decrease of (\$12.2) million from the prior year, resulting from an increase in land purchases from DIA Noise Mitigation monies and in vehicle replacement purchases. Of the \$151.0 million, \$31.3 million is reserved for specified purposes, \$62.1 million is designated for future spending and \$57.6 million is undesignated, primarily in funds where the purpose of the fund restricts the availability of the resources. The \$62.1 million includes \$6.9 million designated as an "Operating Reserve" for future one-time uses.

- Capital Assets Under Construction

Capital improvement activity primarily relates to the City's spending down of proceeds of the Series 2007A Water Revenue bonds and the Series 2005 Water Revenue bonds for the acquisition of water rights and construction of water system improvements. In 2007, the remaining proceeds from the Series 2005 Water Revenue bonds were expended.

- Debt Issuances

In 2007, \$421.5 million in water revenue bonds were issued for the Prairie Waters Project. Aurora Water also entered into an agreement with the Colorado Water Conservation Board (CWCB) for a \$75.8 million loan to construct a portion of the Prairie Waters Conveyance System. CWCB will disburse loan funds at a rate of 50% of the total eligible expenses submitted to CWCB up to the loan amount until December 31, 2011 at which time repayment shall commence with interest at 3.75% per annum for 30 years. In addition, the City issued a Special Improvement District Revenue Note for \$1.1 million to reimburse the City for expenditures made to construct the Ptarmigan masonry fence. The note is payable solely from the special assessments levied on the Ptarmigan neighborhood.

## **II. Overview of the Basic Financial Statements**

The basic financial statements consist of a) citywide financial statements, b) fund financial statements and c) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### **A. Citywide Financial Statements**

The citywide financial statements are designed to provide readers with a broad longer-term overview of the City's finances. While these statements assist in evaluating finances of the

## II. Overview of the Basic Financial Statements (continued)

### A. *Citywide Financial Statements (continued)*

City in its entirety, City Council and debt underwriters refer to the fund financial statements to make spending and lending decisions as the availability of resources is controlled at the fund level. The citywide statements use the accrual basis of accounting, which is similar to the accounting used by most private-sector businesses. Certain interfund activities including interfund balances, transfers, and internal billings are eliminated in the aggregation of data for the citywide statements. The citywide statements include not only the City itself, but also legally separate component units, entities for which the City is financially accountable. Accordingly, the citywide statements are divided into two groups, the "primary government" and "component units" (discretely presented). The primary government includes all activities of the City (including blended component units) except fiduciary funds. Fiduciary funds are not included in these statements because resources of these funds are not available to support City programs.

Activities of the primary government are aggregated into two activity types: governmental and business-type.

*Governmental Activities* reflect the basic services of the City including: judicial, police, fire, public safety communications, public works (streets), culture and recreation (parks, libraries, recreation services), economic development, community services and general government (administration and other activities). Governmental activities are primarily supported by taxes. Activities of the internal service funds are included in the governmental activities as services provided by these funds predominantly benefit governmental activities.

*Business-type Activities* include functions that are intended to recover all or a significant portion of their costs through user fees and charges. Business-type activities of the City include water, Wastewater and golf course operations.

The citywide financial statements consist of a statement of net assets and a statement of activities.

The *Statement of Net Assets* presents information about the City's assets and liabilities, with the difference between the two being reported as net assets. Net assets are divided into three classifications: invested in capital assets, net of related debt; restricted; and unrestricted. Invested in capital assets, net of related debt refers to the extent to which the City has invested in capital assets net of the debt related to those assets.

The *Statement of Activities* provides information showing how the City's net assets changed during the year. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The statement of activities is in a format that presents expenses, revenues and net revenues by "function", a broad grouping of services provided to citizens. The format of this statement shows the extent to which a function is self-financing through user fees and other function-related revenues or if it is supported through taxes and other general revenues of the City.

The citywide financial statements can be found on pages 1-3 of this report.

## **II. Overview of the Basic Financial Statements (continued)**

### ***B. Fund Financial Statements***

A fund is a grouping of related accounts that is used to maintain control over resources that are segregated by external and internally adopted laws and agreements for specific activities or objectives. Funds of the City can be classified into three categories: governmental, proprietary and fiduciary. The fund financial statements for governmental and proprietary funds report City operations in greater detail than the citywide statements by providing information about financially significant funds called "major funds." Individual financial information is presented for each major fund with the remaining "non-major" funds being aggregated into a single "other" column.

#### *Governmental Funds*

Governmental funds account for essentially the same functions reported as governmental activities as described in section A. The City has one major governmental fund: the General Fund.

Unlike the citywide statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as balances of resources available at year-end. This focus is useful in evaluating the City's near-term financial requirements and is achieved by using the current financial resources measurement focus and the modified accrual basis of accounting. Because the focus of the governmental fund statements is on near-term financing and the citywide statements focus is on longer-term financing, it is useful to compare the information presented in the two statements to evaluate the long-term impact of near-term financing decisions. Reconciliations are provided to facilitate the reader's comparison between the activities of the governmental funds and governmental activities as presented in the citywide financial statements.

The governmental fund financial statements can be found on pages 5-8 of this report.

#### *Proprietary Funds*

The City maintains two types of proprietary funds: enterprise and internal service. Enterprise funds report the same functions as presented in the business-type activities on the citywide statements. The City has two major proprietary funds: the Water Fund and the Wastewater Fund. The Golf Fund is not a major fund but is presented in a separate column because it is the only non-major proprietary fund.

Internal service funds are an accounting mechanism used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for fleet maintenance, printing services, and risk management. Because these services predominantly benefit government rather than business-type functions, they have been included within governmental activities in the citywide financial statements.

The proprietary fund financial statements can be found on pages 9-15 of this report.

## **II. Overview of the Basic Financial Statements (continued)**

### ***B. Fund Financial Statements (continued)***

#### *Fiduciary Funds*

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the citywide financial statements because the resources of these funds are not available to support City programs. The fiduciary fund financial statements can be found on pages 19-20 of this report.

### ***C. Notes to the Basic Financial Statements***

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the citywide and the fund financial statements. The notes to the basic financial statements begin on page 21 of this report.

## **III. Overview of Other Information**

### ***Required Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also presents the following:

- A schedule of the City's progress in funding its obligation to provide pension and OPEB benefits to its employees. The schedule of funding progress can be found on page 111.
- A schedule comparing employer contributions to the annual required contribution can be found on page 112.
- A schedule presenting the General Fund original and amended (final) budget with a comparison between the final budget and the actual budgetary revenues and expenditures. This schedule demonstrates compliance with the annual appropriated budget for this fund. The budget-to-actual schedule is presented on a "funds available" basis, which differs from the accounting basis used in the statement of revenues, expenditures and changes in fund balances for the General Fund. A reconciliation between funds available and fund balance is provided at the bottom of the schedule. The General Fund schedule of Sources, Uses and Changes in Funds Available – Budget to Actual is presented on page 114.
- Notes to required supplementary information can be found on page 116.

## **IV. Financial Analysis**

The focus of this financial analysis is on comparisons of the activities of the current year (2007) with those of the prior year (2006) and comparison of balances at year-end (December 31) for the same two years. Condensed financial information, derived from the citywide financial statements, is presented in Charts 1 and 5. This information shows the governmental activities, the business-type activities and the total "primary government" which is labeled "citywide totals."

**CITY OF AURORA, COLORADO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

**IV. Financial Analysis**

**Citywide**  
**Comparative Summary of Net Assets**  
(in thousands)

	Primary Government											
	Governmental Activities				Business-type Activities				Citywide Totals			
	December 31 2007	December 31 2006	Increase (Decrease)	% Change	December 31 2007	December 31 2006	Increase (Decrease)	% Change	December 31 2007	December 31 2006	Increase Decrease	% Change
<b>Assets</b>												
Current and other	\$ 235,087	\$ 241,716	\$ (6,629)	(2.7)	\$ 772,934	\$ 341,386	\$ 431,548	126.4	\$ 1,008,021	\$ 583,102	\$ 424,919	72.9
Capital assets, net	2,896,215	2,864,158	32,057	1.1	1,255,326	1,102,617	152,709	13.8	4,151,541	3,966,775	184,766	4.7
Total Assets	3,131,302	3,105,874	25,428	0.8	2,028,260	1,444,003	584,257	40.5	5,159,562	4,549,877	609,685	13.4
<b>Liabilities</b>												
Current and other	62,134	56,744	5,390	9.5	38,865	15,689	23,176	147.7	100,999	72,433	28,566	39.4
Non-current	186,963	196,516	(9,553)	(4.9)	756,218	334,576	421,642	126.0	943,181	531,092	412,089	77.6
Total Liabilities	249,097	253,260	(4,163)	(1.6)	795,083	350,265	444,818	127.0	1,044,180	603,525	440,655	73.0
<b>Net Assets</b>												
Invested in capital assets, net of related debt	2,750,014	2,711,546	38,468	1.4	946,462	876,262	70,200	8.0	3,696,476	3,587,808	108,668	3.0
Restricted	51,908	55,520	(3,612)	(6.5)	6,127	16,263	(10,136)	(62.3)	58,035	71,783	(13,748)	(19.2)
Unrestricted	80,283	85,548	(5,265)	(6.2)	280,588	201,213	79,375	39.4	360,871	286,761	74,110	25.8
Total net assets	\$ 2,882,205	\$ 2,852,614	\$ 29,591	1.0	\$ 1,233,177	\$ 1,093,738	\$ 139,439	12.7	\$ 4,115,382	\$ 3,946,352	\$ 169,030	4.3

**Chart 1**



**CITY OF AURORA, COLORADO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

**IV. Financial Analysis (continued)**

Chart 1 on the previous page provides a summary of the City's assets, liabilities and net assets.

**A. Assets**

The citywide total assets at the end of 2007 were \$5.2 billion. The largest portion of these assets, \$4.2 billion (80.5%) were capital assets that include: land and water rights, buildings and improvements, infrastructure, machinery and equipment and construction in progress. The City uses these assets to provide services to its citizens. Capital asset amounts are shown net of accumulated depreciation. The remaining \$1.0 billion were current and other assets consisting primarily of cash, investments and receivables.

City capital assets increased \$185.0 million in 2007. A summary of the changes in capital assets is provided in Chart 2 below. Additional information on the City's capital assets can be found in the notes to the basic financial statements, footnote 6.

***Comparative Schedule of Capital Assets - net of accumulated depreciation (in thousands)***

	Primary Government								
	Governmental Activities			Business-type Activities			Citywide Totals		
	December 31 2007	December 31 2006	Increase (Decrease)	December 31 2007	December 31 2006	Increase (Decrease)	December 31 2007	December 31 2006	Increase (Decrease)
Land and water rights	\$ 237,706	\$ 226,192	\$ 11,514	\$ 298,718	\$ 273,945	\$ 24,773	\$ 536,424	\$ 500,137	\$ 36,287
Buildings and improvements	161,183	162,905	(1,722)	104,885	97,064	7,821	266,068	259,969	6,099
Infrastructure	2,453,684	2,437,384	16,300	679,626	638,779	40,847	3,133,310	3,076,163	57,147
Machinery and equipment	33,550	30,663	2,887	15,304	15,884	(580)	48,854	46,547	2,307
Construction in progress	10,092	7,014	3,078	156,793	76,945	79,848	166,885	83,959	82,926
Totals	<u>\$ 2,896,215</u>	<u>\$ 2,864,158</u>	<u>\$ 32,057</u>	<u>\$ 1,255,326</u>	<u>\$ 1,102,617</u>	<u>\$ 152,709</u>	<u>\$ 4,151,541</u>	<u>\$ 3,966,775</u>	<u>\$ 184,766</u>

Chart 2

***Governmental Activities Capital Assets***

The \$32.1 million increase in governmental activities capital assets is explained as follows:

- Infrastructure increased \$16.3 million. Developers donated streets to the City valued at \$7.4 million; while the City constructed \$12.0 million in street overlays and improvements, \$4.0 million in trail and park improvements, \$2.8 million in traffic signals, and \$1.1 million for the Ptarmigan fence improvements; and infrastructure increases were offset by \$12.1 million of current year depreciation expense.
- Land increased \$11.5 million. The developer-donated streets included land valued at \$0.6 million; and DIA Noise Mitigation and Court Approved Noise Plan land acquisition costs of \$10.0 million were made from the designated revenues fund.

#### **IV. Financial Analysis (continued)**

##### **A. Assets (continued)**

###### *Business-type Activities Capital Assets*

Business-type activities capital assets increased \$152.7 million as a result of the following events:

- The Water Fund purchased land and water rights valued at \$25.0 million for the Prairie Waters Project and for future expansion of the water system.
- The increase in infrastructure of \$41.0 million is attributable to water lines, valued at \$19.1 million, and wastewater lines, valued at \$27.4 million, constructed by developers and contributed to the City. Additionally, roadway construction, landfill remediation, and water quality pond construction at Sand Creek Parkway was completed at \$4.6 million. Depreciation expense of \$10.6 million was recorded.
- Construction in progress increased \$79.8 million from additions relating primarily to the Prairie Waters Project of \$69.4 million. Bid Package A of the Prairie Waters Project was completed at \$2.5 million. The majority of the remaining increase is attributable to water line replacements, Quincy Reservoir diversion, and the 1<sup>st</sup> Creek Lift Station.

##### **B. Liabilities**

Citywide total liabilities at the end of 2007 were \$1.0 billion. The largest portion of these liabilities, \$943.2 million (90.3%) were non-current, including: accrued compensated absences, accrued risk claims and long-term debt. The remaining \$101.0 million were current and other liabilities, primarily amounts due to vendors and unearned revenues. A summary of changes in the City's non-current liabilities including outstanding bonds and certificates of participation is provided in Chart 3. Additional information on the City's debt can be found in the notes to the basic financial statements, footnote 9.

**CITY OF AURORA, COLORADO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

**IV. Financial Analysis (continued)**

***B. Liabilities (continued)***

***Comparative Schedule of Non-current Liabilities (in thousands)***

	Primary Government								
	Governmental Activities			Business-type Activities			Citywide Totals		
	December 31 2007	December 31 2006	Increase (Decrease)	December 31 2007	December 31 2006	Increase (Decrease)	December 31 2007	December 31 2006	Increase (Decrease)
General obligation bonds	\$ 36,545	\$ 40,840	\$ (4,295)	\$ 37,275	\$ 43,910	\$ (6,635)	\$ 73,820	\$ 84,750	\$ (10,930)
Revenue bonds	10,375	12,290	(1,915)	691,291	275,355	415,936	701,666	287,645	414,021
Certificates of participation	109,495	115,780	(6,285)	-	-	-	109,495	115,780	(6,285)
Unamortized premiums & discounts	(5,083)	(5,293)	210	17,934	5,618	12,316	12,851	325	12,526
Compensated absences	22,561	20,725	1,836	3,420	2,892	528	25,981	23,617	2,364
Risk claims	7,169	7,156	13	-	-	-	7,169	7,156	13
OPEB	915	-	915	154	-	154	1,069	-	1,069
Other	4,986	5,018	(32)	6,144	6,801	(657)	11,130	11,819	(689)
Totals	<u>\$ 186,963</u>	<u>\$ 196,516</u>	<u>\$ (9,553)</u>	<u>\$ 756,218</u>	<u>\$ 334,576</u>	<u>\$ 421,642</u>	<u>\$ 943,181</u>	<u>\$ 531,092</u>	<u>\$ 412,089</u>

**Chart 3**

At the end of 2007, the City had total bonded debt of \$775.5 million and approximately \$109.5 million in certificates of participation (COPs). COPs represent rights to receive revenues through a capital lease and are similar to a bondholder's right to receive debt service on bonds. Aurora Capital Leasing Corporation (ACLC), a blended component unit that provides financing for City capital assets, issues the COPs. Citywide net bonded and COP debt increased \$396.8 million during 2007. This increase reflects the issuance of \$421.5 million of water revenue bonds. Scheduled debt principal payments decreased outstanding debt by \$24.7 million.

The City's underlying general obligation debt rating is Aa2 by Moody's Investors Service and AA by Standard & Poor's.

The City Charter imposes a limit upon general obligation debt (other than debt issued for water purposes) of 3% of the assessed value of property subject to City general property tax. The City's legal debt margin as of December 31, 2007 was approximately \$88.9 million. In 1992, Colorado voters approved an amendment to the state constitution (TABOR), which requires multiple-fiscal year debt and certain other financial obligations to be authorized by voters, regardless of whether or not the City is at its legal debt margin. Voter approval of additional debt typically includes a provision exempting the new debt from the debt margin. Consequently, the computation of the City's legal debt margin has little real significance.

#### **IV. Financial Analysis (continued)**

##### ***C. Net Assets***

At the end of 2007, total net assets (assets minus liabilities) were \$4.1 billion. The largest portion of net assets (\$3.7 billion) reflects the City's investment in capital assets less the outstanding portion of the debt that was issued to acquire or construct those assets. Amounts shown as "invested in capital assets, net of related debt" are not available for spending.

Total restricted net assets at the end of 2007 were \$58.0 million. This amount represents net resources that were subject to external requirements dictating how funds may be used. Restrictions result from debt covenants, legislation, agreements, or requirements of the specific revenue source. The remaining net assets of \$360.9 million were unrestricted. While there were no outside restrictions on these funds, City policies and budget plans limit the use of these amounts. Unrestricted net assets include the following major items:

- \$213.1 million in the Water Fund and \$70.0 million in the Wastewater Fund, intended for use by the Utility Enterprise;
- \$11.3 million in the General Fund is designated for an Operating Reserve, Subsequent Years Budgets and encumbrances;
- \$25.9 million in the Capital Projects Fund authorized by City Code to be used for capital purposes;
- \$5.1 million in the Development Review Fund to support activities of the enhanced development review program,
- \$8.0 million in the Designated Revenues Fund primarily to support development activity,
- \$20.9 million in the Policy Reserve Fund to maintain reserves at 10% of General Fund adjusted budgetary expenditures and,
- \$7.6 million in the Risk Management Fund to be used for future claims.

As indicated in Chart 1, net assets increased \$169.0 million in 2007, of which \$29.6 million (17.5%) was attributable to governmental activities and \$139.4 million (82.5%) was attributable to business-type activities.

The increase in net assets attributable to governmental activities resulted from developer contributed capital assets and normal government operations including tax receipts and operating expenditures.

Water and wastewater lines, constructed by developers and deeded to the City, accounted for \$46.5 million (33.4%) of the increase in net assets attributable to business-type activities. An additional \$50.3 million (36.1%) increase resulted from water and wastewater tap and annexation fees which are used for the construction and improvement of capital assets. The remainder of the increase is due to operations.

#### IV. Financial Analysis (continued)

##### *D. Revenues and Expenses*

Chart 5 on the following pages shows a comparison of the citywide activities for 2007 compared to 2006.

##### *Governmental activities*

Total revenues for governmental activities decreased \$126.1 million (29.2%) due to the following:

- A decrease in operating grants and contributions of \$23.0 million as \$10.0 million less was received in 2007 as compared to 2006 for Fitzsimons Landfill cleanup.
- A decrease in capital grants and contributions of \$108.4 million related to decreases in developer contributed streets and the associated land of \$120.8 offset by an increase in highway users and road and bridge tax revenue of \$12.0 million.
- Sales and use tax increase is reflective of modest sales tax growth throughout the City.
- The increase in investment earnings is a result of a favorable fair value adjustment and higher cash balances.

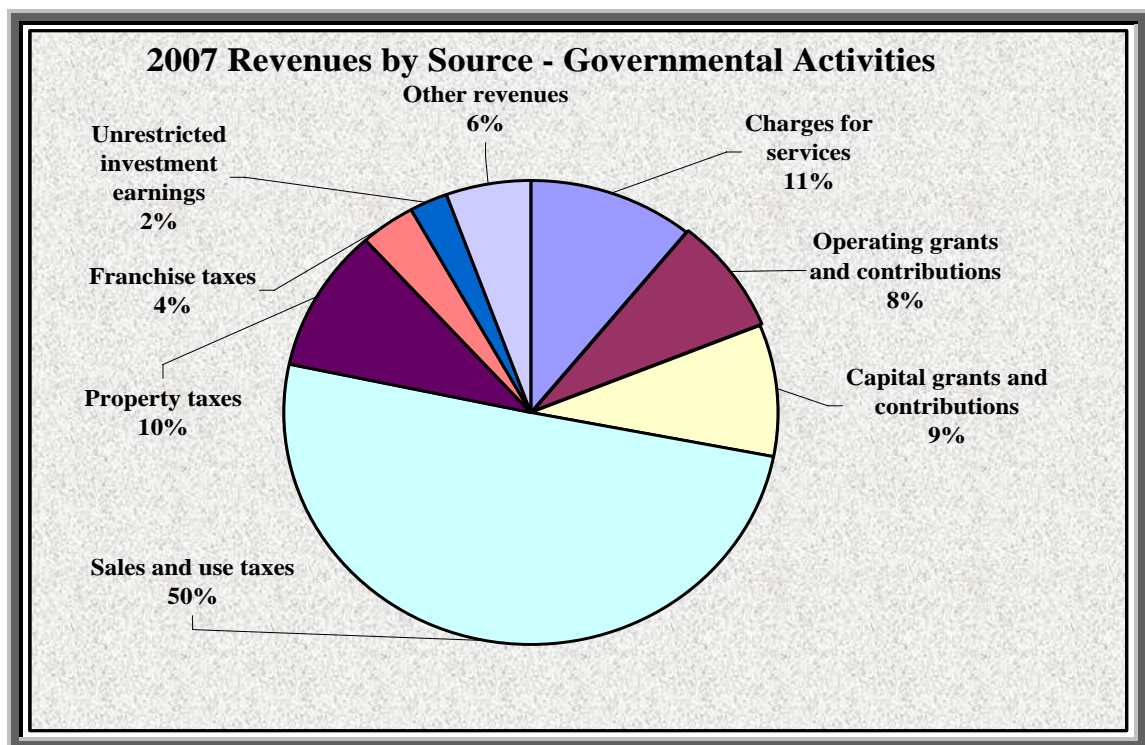


Chart 4

## CITY OF AURORA, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2007

## IV. Financial Analysis (continued)

Citywide  
Comparative Summary of Activities and Changes in Net Assets  
(in thousands)

	Primary Government											
	Governmental Activities				Business-type Activities				Totals			
	<u>2007</u>	<u>2006</u>	<u>Increase (Decrease)</u>	<u>% Change</u>	<u>2007</u>	<u>2006</u>	<u>Increase (Decrease)</u>	<u>% Change</u>	<u>2007</u>	<u>2006</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
<b>REVENUES</b>												
<b>Program Revenues</b>												
Charges for services	\$ 33,270	\$ 33,985	\$ (715)	(2.1)	\$ 131,892	\$ 117,139	\$ 14,753	12.6	\$ 165,162	\$ 151,124	\$ 14,038	9.3
Operating grants and contributions	24,565	34,794	(10,229)	(29.4)	23,957	12,866	11,091	86.2	48,522	47,660	862	1.8
Capital grants and contributions	28,260	149,437	(121,177)	(81.1)	97,845	113,382	(15,537)	(13.7)	126,105	262,819	(136,714)	(52.0)
<b>General Revenues</b>												
Taxes												
Sales and use	152,895	149,931	2,964	2.0	-	-	-	-	152,895	149,931	2,964	2.0
Property	30,813	29,743	1,070	3.6	-	-	-	-	30,813	29,743	1,070	3.6
Franchise	11,440	11,567	(127)	(1.1)	-	-	-	-	11,440	11,567	(127)	(1.1)
Lodgers	4,573	4,009	564	14.1	-	-	-	-	4,573	4,009	564	14.1
Occupational privilege	4,216	4,059	157	3.9	-	-	-	-	4,216	4,059	157	3.9
Other	7,332	7,292	40	0.5	-	-	-	-	7,332	7,292	40	0.5
Grants and contributions not restricted to specific programs	785	856	(71)	(8.3)	-	-	-	-	785	856	(71)	(8.3)
Unrestricted investment earnings	7,371	5,951	1,420	23.9	4,382	2,157	2,225	103.2	11,753	8,108	3,645	45.0
Total revenues	<u>305,520</u>	<u>431,624</u>	<u>(126,104)</u>	<u>(29.2)</u>	<u>258,076</u>	<u>245,544</u>	<u>12,532</u>	<u>5.1</u>	<u>563,596</u>	<u>677,168</u>	<u>(113,572)</u>	<u>(16.8)</u>
<b>EXPENSES</b>												
General government	35,443	32,428	3,015	9.3	-	-	-	-	35,443	32,428	3,015	9.3
Judicial	7,745	7,182	563	7.8	-	-	-	-	7,745	7,182	563	7.8
Police	76,903	71,983	4,920	6.8	-	-	-	-	76,903	71,983	4,920	6.8
Fire	33,196	30,916	2,280	7.4	-	-	-	-	33,196	30,916	2,280	7.4
Other public safety	11,978	10,814	1,164	10.8	-	-	-	-	11,978	10,814	1,164	10.8
Public works	36,963	42,713	(5,750)	(13.5)	-	-	-	-	36,963	42,713	(5,750)	(13.5)
Economic development	15,266	16,873	(1,607)	(9.5)	-	-	-	-	15,266	16,873	(1,607)	(9.5)
Community services	10,389	9,965	424	4.3	-	-	-	-	10,389	9,965	424	4.3

(continued)

	Primary Government											
	Governmental Activities				Business-type Activities				Totals			
	2007	2006	Increase (Decrease)	% Change	2007	2006	Increase (Decrease)	% Change	2007	2006	Increase (Decrease)	% Change
<b>EXPENSES (continued)</b>												
Culture and recreation	\$ 37,471	\$ 35,751	\$ 1,720	4.8	\$ -	\$ -	\$ -	-	\$ 37,471	\$ 35,751	\$ 1,720	4.8
Unallocated depreciation	3,187	3,306	(119)	(3.6)	-	-	-	-	3,187	3,306	(119)	(3.6)
Interest on debt	7,388	6,950	438	6.3	-	-	-	-	7,388	6,950	438	6.3
Water	-	-	-	-	72,216	60,675	11,541	19.0	72,216	60,675	11,541	19.0
Wastewater	-	-	-	-	37,101	33,453	3,648	10.9	37,101	33,453	3,648	10.9
Golf	-	-	-	-	9,320	8,990	330	3.7	9,320	8,990	330	3.7
Total expenses	<u>275,929</u>	<u>268,881</u>	<u>7,048</u>	5.4	<u>118,637</u>	<u>103,118</u>	<u>15,519</u>	15.0	<u>394,566</u>	<u>371,999</u>	<u>22,567</u>	6.1
Increase (decrease) in net assets	29,591	162,743	(133,152)	(81.8)	139,439	142,426	(2,987)	(2.1)	169,030	305,169	(136,139)	(44.6)
Net assets January 1	<u>2,852,614</u>	<u>2,689,871</u>	<u>162,743</u>	6.1	<u>1,093,738</u>	<u>951,312</u>	<u>142,426</u>	15.0	<u>3,946,352</u>	<u>3,641,183</u>	<u>305,169</u>	8.4
Net assets December 31	<u>\$ 2,882,205</u>	<u>\$ 2,852,614</u>	<u>\$ 29,591</u>	1.0	<u>\$ 1,233,177</u>	<u>\$ 1,093,738</u>	<u>\$ 139,439</u>	12.7	<u>\$ 4,115,382</u>	<u>\$ 3,946,352</u>	<u>\$ 169,030</u>	4.3
											(concluded)	

Chart 5



#### IV. Financial Analysis (continued)

##### *D. Revenues and Expenses (continued)*

###### Governmental activities (continued)

Total governmental expenses increased \$7.0 million (5.4%) as described in the following analysis by function:

- General government expenses increased \$3.0 million resulting primarily from increases in depreciation on assets, building repairs and the annual unfunded Other Post Employment Benefits (OPEB) cost.
- Police expenditures increased \$4.9 million resulting from pay and benefit increases as well as hiring 14 new police officers. In addition, vehicle fleet maintenance and fuel costs continue to increase.
- Fire expenditures increased \$2.3 million due to pay raises and benefits increases as well as hiring 5 new fire fighters to fully staff stations 14 and 15.
- The majority of the decrease in public works expenditures is related to snow removal costs as a result of two major snow storms that occurred in December 2006.

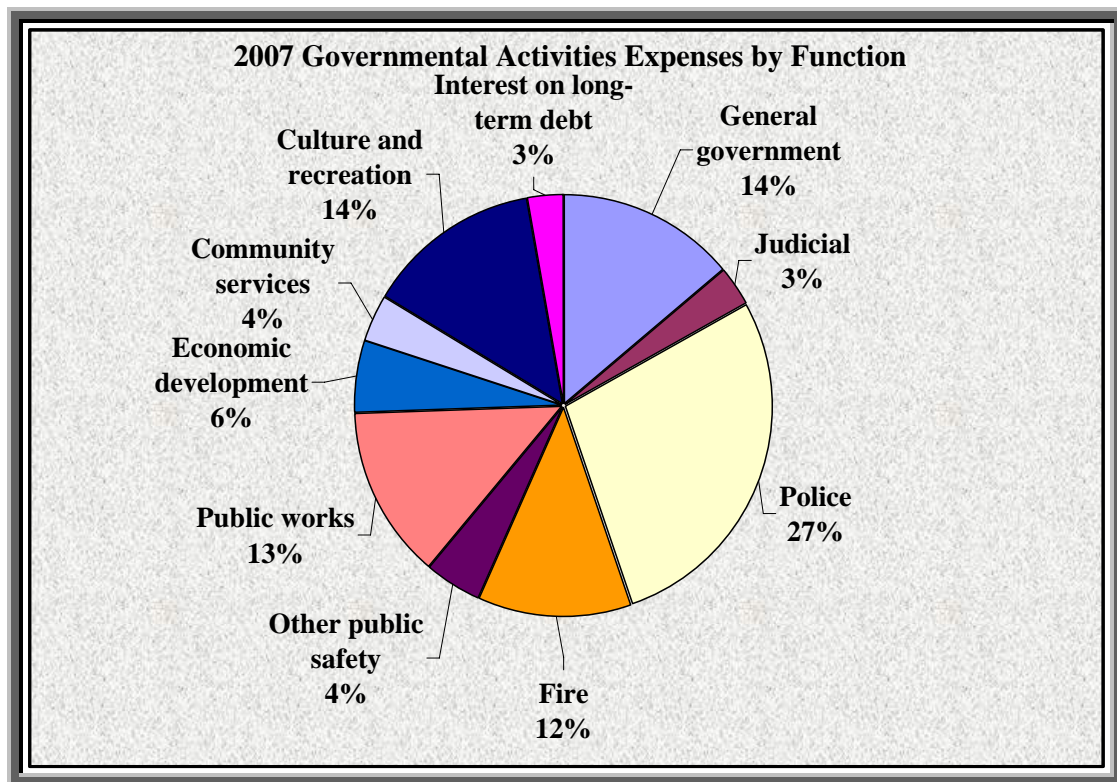


Chart 6

CITY OF AURORA, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2007

IV. Financial Analysis (continued)

*D. Revenues and Expenses (continued)*

Governmental activities (continued)

Chart 7 below shows the extent to which governmental activities are financed through program revenues.

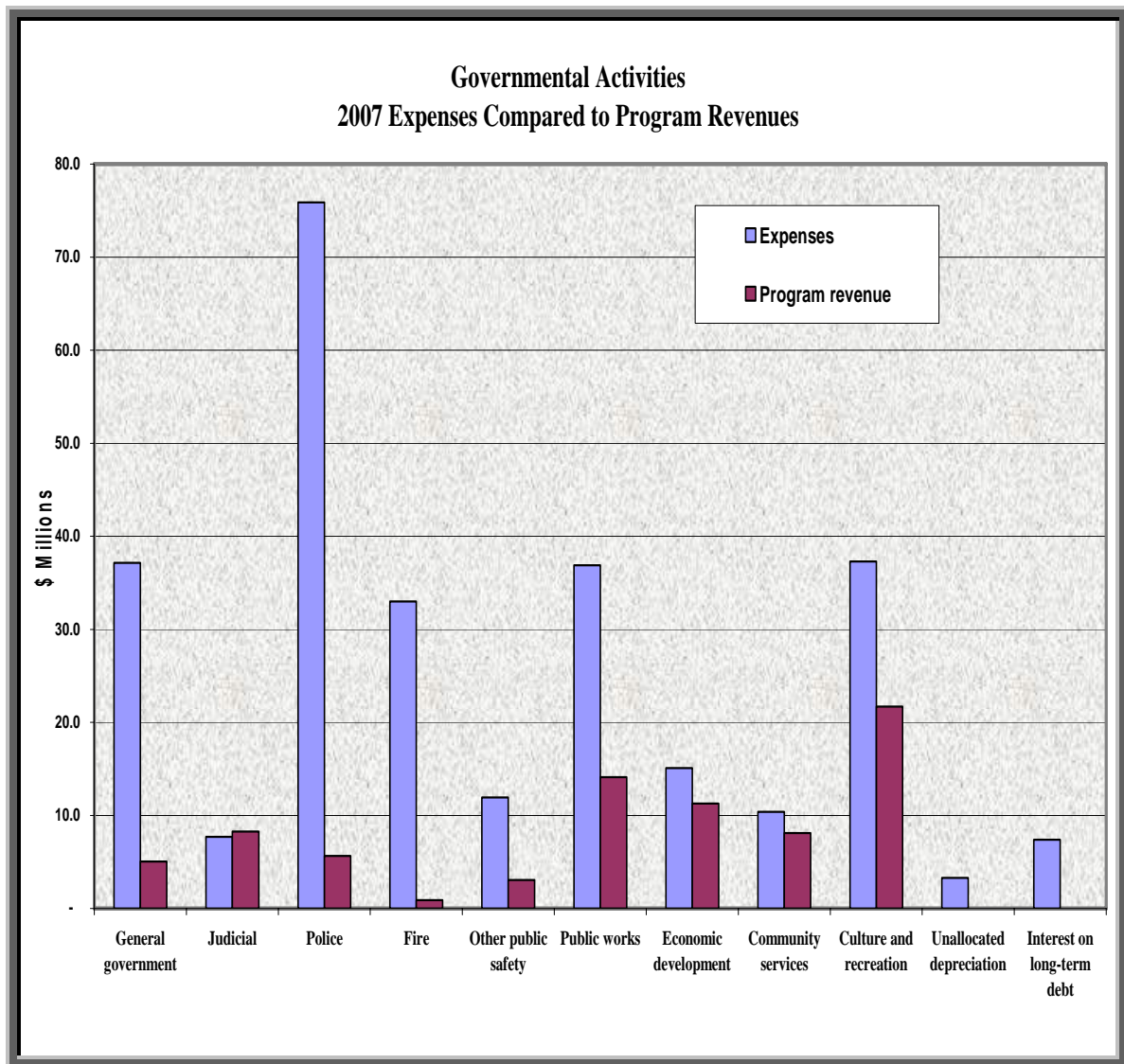


Chart 7

#### IV. Financial Analysis (continued)

##### *D. Revenues and Expenses (continued)*

###### *Business-type activities*

Total revenues for business-type activities increased \$12.5 million (5.1%) resulting from:

- Increase in charges for services of \$14.7 million due to wastewater volume increases and water rate increases of 12%, which took effect in 2007.
- Increase in operating grants and contributions of \$11.1 million representing restricted investment income earned on the 2007 water revenue bond proceeds and on revenues restricted for water development purposes.
- Decrease in capital grants and contributions of \$15.5 million due to a decrease in water and wastewater tap fees of \$15.6 million related to a slow down in development activity.

Total expenses for business-type activities increased \$15.5 million (15.0%) primarily as a result of an increase in water and wastewater expenses resulting from system improvements, general repairs, rents and administration fees paid to the General Fund.

Chart 8 below compares expenses and program revenues for the business-type activities. While recorded as revenue, capital grants and contributions (the primary component of other grants and contributions) and capital asset contributions are not used to fund operations.

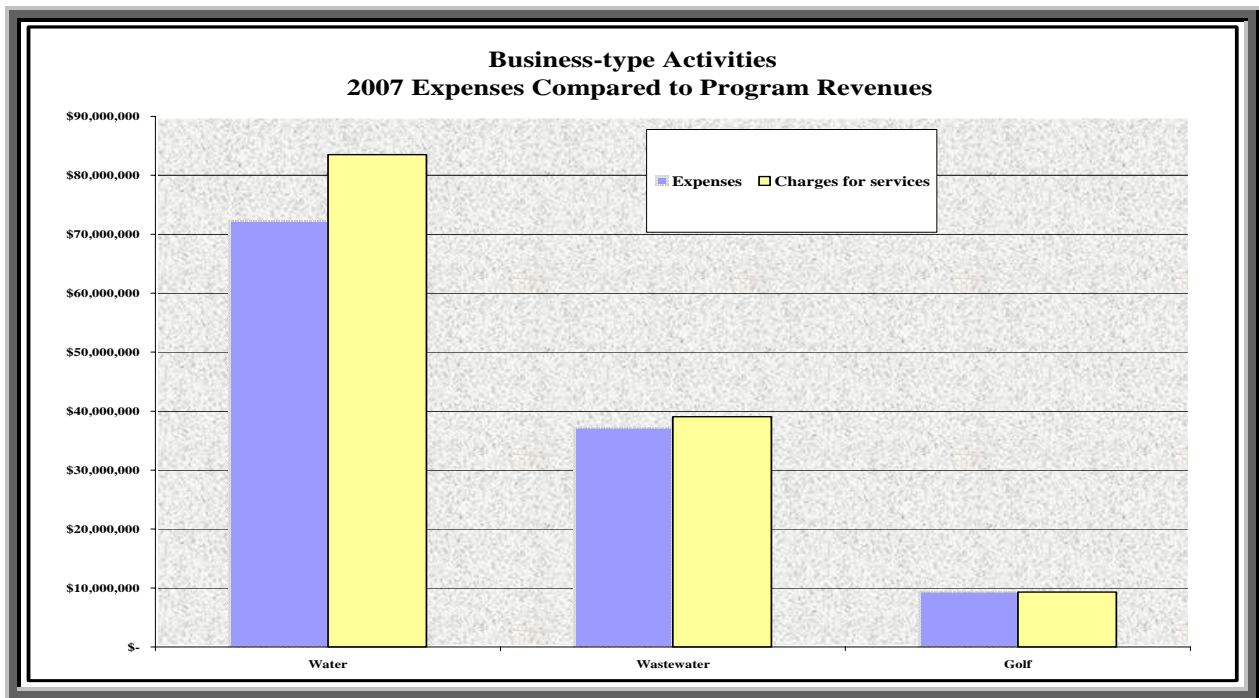


Chart 8

#### **IV. Financial Analysis (continued)**

##### ***E. Individual Governmental Funds***

###### General Fund

The General Fund is the main operating fund of the City. At the end of 2007, total fund balance for the General Fund was \$27.6 million. This amount includes \$1.7 million reserved for purchase orders where the goods or services have not yet been received. The remaining \$25.9 million unreserved fund balance included: \$16.3 million designated for payment of long-term liabilities; \$2.7 million designated primarily for transfer to the Capital Projects fund; and a \$6.9 million Operating Reserve. Total General Fund fund balance decreased (\$3.6) million from 2006 reflecting the 2007 increase in police and public works expenditures, offset by an increase in tax revenue.

The City designates all of its unreserved and not otherwise designated General Fund fund balance as an "Operating Reserve". This Operating Reserve has a minimum target policy of 1% to 3% of annual budgetary revenues and is intended to be spendable in limited circumstances. The Operating Reserve may be spent for one-time uses that can include: unexpected revenue shortfalls; unexpected expenses; emergencies; and balancing the budget when deemed appropriate and necessary by City Council. City policy provides for restoring the Operating Reserve to minimum levels as quickly as feasible. The General Fund fund balance designated as an operating reserve was \$6.9 million at December 31, 2007 and \$10.1 million at December 31, 2006. The Operating Reserve is 2.9% of 2007 annual budgetary revenues or \$4.5 million above the 1% minimum target specified by Council. Total fund balance was 11.6% of total General Fund revenues in 2007, compared to 13.1% in 2006.

It is the City's policy to hold a minimum 10% of the General Fund's adjusted budgetary operating expenditures for the year in the Policy Reserve Special Revenue Fund. General Fund adjusted budgetary operating expenditures, for purposes of calculating the policy reserve, exclude capital and development related expenditures and expenditures related to funding two police officers per 1,000 citizens, which are funded with voter approved sales and use taxes. At the end of 2007, the Policy Reserve Fund funds available meets the minimum 10% policy. The total of the General Fund's unreserved and undesignated funds available, the Policy Reserve Fund's funds available and the TABOR Reserve Fund's funds available was 13.7% of the General Fund's 2007 adjusted budgetary operating expenditures.

#### **IV. Financial Analysis (continued)**

##### ***E. Individual Funds (continued)***

###### TABOR Reserve Fund

The TABOR Reserve Fund accounts for the emergency reserve required by TABOR, a State constitutional amendment (footnote 19). Reserve funds were used in 2006, and repaid in 2007, to meet a snow emergency resulting in an ending reserve balance at December 31, 2006 below the required 3% of adjusted fiscal year revenue as defined by TABOR. As TABOR allows use of the reserve for emergencies, City management believes it is in compliance with the provisions of TABOR at December 31, 2007.

##### ***F. General Fund Budgetary Highlights***

The final 2007 General Fund amended expenditure budget was \$2.3 million (0.9%) higher than the original 2007 expenditure budget. Factors affecting this increase include the repayment of TABOR funds used for snow removal and fleet auction proceeds transferring to the Fleet Fund. Revenues for 2007 were less than budget by (\$3.7) million due to the following: softening sales tax revenue growth, decreased construction activity resulted in lower than expected license and permit revenue; and lower than expected external service fees related to court services, animal care center and neighborhood services housing re-inspections. General Fund expenditures were \$3.0 million under budget resulting primarily from unfilled positions. As a result, December 31 ending funds available were better than budgeted.

##### ***G. Economic Factors and Rate Increases used in Development of the 2008 Budget***

- Metro area personal income growth is currently 6.2% compared to national growth of 5.8%, and is expected to remain higher than the nation throughout 2012.
- Aurora employment growth of 2.2% is projected in 2008 and is expected to increase beginning in 2009. National growth is projected at 1.2% in 2008.
- Metro area inflation rates are expected to remain stable in 2008 through 2012, although energy price increases are expected to affect consumer spending.
- The housing construction slow down is expected to continue through 2008.
- Water, wastewater, and storm drain user and development rates will increase 12%, 10% and 10%, respectively in 2008 to fund operating, debt service and system expansion needs.

#### **V. Requests for Information**

This financial report is designed to provide a general overview of the City's finances. Questions concerning the information provided in this report or other financial information should be addressed to the Controller's Office, City of Aurora, Colorado, 15151 East Alameda Parkway, 5<sup>th</sup> Floor, Aurora, Colorado 80012 or telephone 303-739-7800.

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## Basic Financial Statements

# CITYWIDE FINANCIAL STATEMENTS



## CITY OF AURORA, COLORADO

## CITYWIDE

## STATEMENT OF NET ASSETS

DECEMBER 31, 2007

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
<b>ASSETS</b>				
Cash and cash equivalents	\$ 36,061,311	\$ 43,180,125	\$ 79,241,436	\$ 21,867,274
Investments	58,875,751	237,375,026	296,250,777	1,971,582
Receivables (net of allowance)	53,537,502	14,714,223	68,251,725	8,027,033
Internal balances	480,393	(480,393)	—	—
Inventories	646,645	268,867	915,512	—
Deferred charges	1,238,692	5,885,584	7,124,276	248,312
Restricted assets	83,015,893	469,326,723	552,342,616	22,825
Notes receivable	1,231,156	158,950	1,390,106	31,182,077
Equity in joint venture	—	2,504,437	2,504,437	3,863,110
<i>Capital assets (net of accumulated depreciation)</i>				
Land and water rights	237,706,354	298,717,756	536,424,110	7,715,139
Buildings and improvements	161,182,980	104,885,081	266,068,061	17,955,249
Infrastructure	2,453,684,208	679,625,792	3,133,310,000	—
Machinery and equipment	33,550,031	15,304,156	48,854,187	66,177
Construction in progress	10,091,483	156,793,388	166,884,871	607,689
Total assets	3,131,302,399	2,028,259,715	5,159,562,114	93,526,467
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	12,587,850	22,702,931	35,290,781	1,807,132
Unearned revenues	26,373,396	442,100	26,815,496	14,848
Payable from restricted assets	23,173,100	15,719,765	38,892,865	—
<i>Noncurrent liabilities</i>				
Due within one year	18,192,910	11,759,407	29,952,317	2,732,317
Due within one year payable from restricted assets	—	3,057,946	3,057,946	—
Due beyond one year	160,838,311	296,981,050	457,819,361	29,241,148
Due beyond one year payable from restricted assets	7,931,504	444,419,319	452,350,823	—
Total liabilities	249,097,071	795,082,518	1,044,179,589	33,795,445
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	2,750,014,460	946,462,131	3,696,476,591	18,957,298
<i>Restricted for:</i>				
Construction	4,687,349	3,627,410	8,314,759	—
Police	930,688	—	930,688	—
E-911 equipment and services	6,011,852	—	6,011,852	—
Parks and recreation	16,297,932	—	16,297,932	—
Emergencies	7,745,299	—	7,745,299	—
Gifts and grants	5,184,456	—	5,184,456	—
Debt related	—	2,500,000	2,500,000	—
Agreements	11,038,966	—	11,038,966	721,507
Urban renewal	11,382	—	11,382	—
Unrestricted	80,282,944	280,587,656	360,870,600	40,052,217
Total net assets	\$ 2,882,205,328	\$ 1,233,177,197	\$ 4,115,382,525	\$ 59,731,022

## CITY OF AURORA, COLORADO

## CITYWIDE

## STATEMENT OF ACTIVITIES

## FOR THE YEAR ENDED DECEMBER 31, 2007

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government								
Governmental activities								
General government	\$ 35,443,240	\$ 2,361,233	\$ 2,675,167	\$ 12,269	\$ (30,394,571)	\$ —	\$ (30,394,571)	
Judicial	7,744,454	8,255,912	9,065	—	520,523	—	520,523	
Police	76,903,178	2,809,446	2,823,721	—	(71,270,011)	—	(71,270,011)	
Fire	33,196,185	443,224	449,882	—	(32,303,079)	—	(32,303,079)	
Other public safety	11,977,596	180,945	2,818,101	76,640	(8,901,910)	—	(8,901,910)	
Public works	36,963,018	683,325	1,271,374	20,185,209	(14,823,110)	—	(14,823,110)	
Economic development	15,266,466	10,177,375	1,093,144	4,521	(3,991,426)	—	(3,991,426)	
Community services	10,389,047	2,813,009	5,271,443	—	(2,304,595)	—	(2,304,595)	
Culture and recreation	37,470,446	5,545,510	8,153,555	7,981,729	(15,789,652)	—	(15,789,652)	
Unallocated depreciation (excludes direct depreciation expense)	3,187,118	—	—	—	(3,187,118)	—	(3,187,118)	
Interest on long-term debt	7,388,080	—	—	—	(7,388,080)	—	(7,388,080)	
Total governmental activities	275,928,828	33,269,979	24,565,452	28,260,368	(189,833,029)	—	(189,833,029)	
Business-type activities								
Water	72,215,638	83,489,049	19,819,362	61,981,710	—	93,074,483	93,074,483	
Wastewater	37,101,476	39,070,578	4,065,566	35,458,051	—	41,492,719	41,492,719	
Golf	9,320,032	9,332,171	72,679	404,800	—	489,618	489,618	
Total business-type activities	118,637,146	131,891,798	23,957,607	97,844,561	—	135,056,820	135,056,820	
Total primary government	\$ 394,565,974	\$ 165,161,777	\$ 48,523,059	\$ 126,104,929	(189,833,029)	135,056,820	(54,776,209)	
Component units	\$ 24,306,073	\$ 9,580,877	\$ 28,226,409	\$ 350,244				\$ 13,851,457

Primary Government				
	Governmental Activities	Business-Type Activities	Total	Component Units
<b>General Revenues</b>				
<i>Taxes</i>				
Sales and use taxes	152,895,195	—	152,895,195	—
Property taxes	30,813,184	—	30,813,184	—
Franchise taxes	11,439,537	—	11,439,537	—
Lodgers taxes	4,572,800	—	4,572,800	—
Occupational privilege taxes	4,215,950	—	4,215,950	—
Other taxes	7,331,575	—	7,331,575	—
Grants and contributions not restricted to specific purpose	784,891	—	784,891	—
Unrestricted investment earnings	7,370,814	4,382,097	11,752,911	662,857
Total general revenues	219,423,946	4,382,097	223,806,043	662,857
INCREASE IN NET ASSETS	29,590,917	139,438,917	169,029,834	14,514,314
NET ASSETS - January 1, as restated for entity change	2,852,614,411	1,093,738,280	3,946,352,691	45,216,708
NET ASSETS - December 31	\$ 2,882,205,328	\$ 1,233,177,197	\$ 4,115,382,525	\$ 59,731,022



FUND  
FINANCIAL STATEMENTS

## **MAJOR GOVERNMENTAL FUNDS**

Major governmental funds include the General Fund and any governmental fund that comprises 10% or more of a total governmental fund classification (assets, liabilities, revenues or expenditures) and at least 5% of the governmental and enterprise fund total for the same classification. Currently only the General Fund is considered a major capital fund as none of the other governmental funds meet the criteria specified above.

### ***General Fund***

The General Fund accounts for taxes and other resources traditionally associated with government and the operations of the City that are financed from these resources.

## **OTHER (NON-MAJOR) GOVERNMENTAL FUNDS**

The other governmental funds are comprised of all non-major special revenue funds, all non-major debt service funds and all non-major capital projects funds.

**CITY OF AURORA, COLORADO**

**GOVERNMENTAL FUNDS**

**BALANCE SHEET**

**DECEMBER 31, 2007**

	<b>General</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 7,175,648	\$ 34,797,230	\$ 41,972,878
Investments	7,590,207	62,136,884	69,727,091
Receivables (net of allowance)	46,905,374	7,412,956	54,318,330
Due from other funds	700,543	2,121,076	2,821,619
Restricted assets	—	33,563,546	33,563,546
Notes receivable	90,000	14,587,665	14,677,665
Total assets	<u>\$ 62,461,772</u>	<u>\$ 154,619,357</u>	<u>\$ 217,081,129</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<i>Liabilities</i>			
Accounts payable and other			
current liabilities	\$ 7,974,589	\$ 4,319,876	\$ 12,294,465
Due to other funds	481,913	778,489	1,260,402
Deferred revenues	26,430,484	18,383,188	44,813,672
Payable from restricted assets	—	7,733,609	7,733,609
Total liabilities	<u>34,886,986</u>	<u>31,215,162</u>	<u>66,102,148</u>
<i>Fund balances</i>			
<i>Reserved for:</i>			
Encumbrances	1,687,871	3,763,054	5,450,925
Construction	—	7,012,773	7,012,773
Police	—	930,688	930,688
Gifts and grants	—	1,569,495	1,569,495
Debt related	—	5,101,015	5,101,015
Arbitrage	—	177,000	177,000
Agreements	—	11,038,966	11,038,966
<i>Unreserved, reported in:</i>			
<i>Designated</i>			
General Fund	25,886,915	—	25,886,915
Special revenue funds	—	18,955,105	18,955,105
Debt service funds	—	470,000	470,000
Capital project funds	—	16,764,667	16,764,667
<i>Undesignated</i>			
Special revenue funds	—	48,837,018	48,837,018
Debt service funds	—	805,158	805,158
Capital project funds	—	7,979,256	7,979,256
Total fund balances	<u>27,574,786</u>	<u>123,404,195</u>	<u>150,978,981</u>
Total liabilities and fund balances	<u>\$ 62,461,772</u>	<u>\$ 154,619,357</u>	<u>\$ 217,081,129</u>

See notes to the basic financial statements.



**CITY OF AURORA, COLORADO**

**GOVERNMENTAL FUNDS**

**RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS ON THE GOVERNMENTAL FUNDS BALANCE  
SHEET TO GOVERNMENTAL ACTIVITIES ON THE CITYWIDE STATEMENT OF NET ASSETS  
DECEMBER 31, 2007**

	<b>Total Governmental Funds</b>	<b>Governmental Activities Adjustments (see footnote 2A)</b>	<b>Internal Service Funds</b>	<b>Citywide Governmental Activities</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 41,972,878	\$ (13,548,045)	\$ 7,636,478	\$ 36,061,311
Investments	69,727,091	(19,180,596)	8,329,256	58,875,751
Receivables (net of allowance)	54,318,330	(934,355)	153,527	53,537,502
Due from other funds	2,821,619	(2,821,619)	—	—
Internal balances	—	480,393	—	480,393
Inventories	—	—	646,645	646,645
Deferred charges	—	1,238,692	—	1,238,692
Restricted assets	33,563,546	49,452,347	—	83,015,893
Notes receivable	14,677,665	(13,446,509)	—	1,231,156
<i>Capital assets (net of accumulated depreciation)</i>				
Land	—	237,706,354	—	237,706,354
Buildings and improvements	—	161,182,980	—	161,182,980
Infrastructure	—	2,453,300,463	383,745	2,453,684,208
Machinery and equipment	—	33,422,714	127,317	33,550,031
Construction in progress	—	10,091,483	—	10,091,483
Total assets	<u>217,081,129</u>	<u>2,896,944,302</u>	<u>17,276,968</u>	<u>3,131,302,399</u>
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	12,294,465	(362,076)	655,461	12,587,850
Due to other funds	1,260,402	(1,260,402)	—	—
Deferred revenue / unearned revenue	44,813,672	(18,440,276)	—	26,373,396
Payable from restricted assets	7,733,609	15,439,491	—	23,173,100
<i>Noncurrent liabilities</i>				
Due within one year	—	14,584,469	3,608,441	18,192,910
Due within one year payable from restricted assets	—	—	—	—
Due beyond one year	—	156,900,444	3,937,867	160,838,311
Due beyond one year payable from restricted assets	—	7,931,504	—	7,931,504
Total liabilities	<u>66,102,148</u>	<u>174,793,154</u>	<u>8,201,769</u>	<u>249,097,071</u>
<b>FUND BALANCE / NET ASSETS</b>				
Invested in capital assets net of related debt	—	2,749,503,398	511,062	2,750,014,460
<i>Reserved / Restricted for:</i>				
Encumbrances	5,450,925	(5,450,925)	—	—
Construction	7,012,773	(2,325,424)	—	4,687,349
Police	930,688	—	—	930,688
E-911 equipment and services	—	6,011,852	—	6,011,852
Parks and recreation	—	16,297,932	—	16,297,932
Emergencies	—	7,745,299	—	7,745,299
Gifts and grants	1,569,495	3,614,961	—	5,184,456
Debt related	5,101,015	(5,101,015)	—	—
Arbitrage	177,000	(177,000)	—	—
Agreements	11,038,966	—	—	11,038,966
Urban renewal	—	11,382	—	11,382
<i>Unreserved / Unrestricted</i>				
Designated	62,076,687	(62,076,687)	—	—
Undesignated / Unrestricted	<u>57,621,432</u>	<u>14,097,375</u>	<u>8,564,137</u>	<u>80,282,944</u>
Total fund balances / net assets	<u>\$ 150,978,981</u>	<u>\$ 2,722,151,148</u>	<u>\$ 9,075,199</u>	<u>\$ 2,882,205,328</u>

**CITY OF AURORA, COLORADO**

**GOVERNMENTAL FUNDS**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<b>General</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>			
<i>Taxes</i>			
Sales and use	\$ 152,844,404	\$ 398,603	\$ 153,243,007
Property	24,006,129	6,807,055	30,813,184
Franchise	11,439,537	—	11,439,537
Lodgers	4,572,800	—	4,572,800
Occupational privilege	4,120,468	95,482	4,215,950
Other	7,331,575	—	7,331,575
Charges for services	6,979,482	11,641,342	18,620,824
Licenses and permits	2,742,650	6,781,328	9,523,978
Fines and forfeitures	6,836,170	2,026,219	8,862,389
Special assessments	—	545,373	545,373
Intergovernmental	10,845,109	21,160,861	32,005,970
Surcharges	—	2,862,077	2,862,077
Miscellaneous	974,544	7,078,155	8,052,699
Investment earnings	1,783,130	6,971,950	8,755,080
Total revenues	234,475,998	66,368,445	300,844,443
<b>EXPENDITURES</b>			
<i>Current</i>			
General government	29,106,837	5,100,751	34,207,588
Judicial	7,615,855	90,853	7,706,708
Police	71,123,642	3,372,650	74,496,292
Fire	31,753,544	555,306	32,308,850
Other public safety	9,512,447	2,268,087	11,780,534
Public works	22,044,805	2,889,133	24,933,938
Economic development	3,783,893	11,801,744	15,585,637
Community services	3,935,571	6,215,591	10,151,162
Culture and recreation	19,950,167	15,023,135	34,973,302
<i>Debt service</i>			
Principal	913,952	12,670,000	13,583,952
Interest	141,443	6,999,817	7,141,260
Capital outlay	5,000,148	42,062,264	47,062,412
Total expenditures	204,882,304	109,049,331	313,931,635
Excess (deficiency) of revenues over (under) expenditures	29,593,694	(42,680,886)	(13,087,192)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	3,022,700	46,329,697	49,352,397
Transfers out	(36,607,821)	(13,293,905)	(49,901,726)
Notes issued	—	1,075,000	1,075,000
Sale of capital assets	357,654	11,439	369,093
Total other financing sources (uses)	(33,227,467)	34,122,231	894,764
NET CHANGE IN FUND BALANCES	(3,633,773)	(8,558,655)	(12,192,428)
FUND BALANCES - January 1	31,208,559	131,962,850	163,171,409
FUND BALANCES - December 31	\$ 27,574,786	\$ 123,404,195	\$ 150,978,981

See notes to the basic financial statements.

## CITY OF AURORA, COLORADO

## GOVERNMENTAL FUNDS

**RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS ON THE GOVERNMENTAL FUNDS STATEMENT  
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO GOVERNMENTAL ACTIVITIES  
ON THE CITYWIDE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<b>Total Governmental Funds</b>	<b>Governmental Activities Adjustments (see footnote 2B)</b>	<b>Internal Service Funds</b>	<b>Citywide Governmental Activities</b>
<b>REVENUES</b>				
<i>Taxes</i>				
Sales and use	\$ 153,243,007	\$ (347,812)	\$ —	\$ 152,895,195
Property	30,813,184	—	—	30,813,184
Franchise	11,439,537	—	—	11,439,537
Lodgers	4,572,800	—	—	4,572,800
Occupational privilege	4,215,950	—	—	4,215,950
Other	7,331,575	—	—	7,331,575
<i>Charges for services - citywide</i>				
Charges for services	18,620,824	(20,584,826)	15,384,245	13,420,243
Licenses and permits	9,523,978	—	—	9,523,978
Fines and forfeitures	8,862,389	—	—	8,862,389
Special assessments	545,373	917,996	—	1,463,369
<i>Grants and contributions - citywide</i>				
Intergovernmental	32,005,970	—	—	32,005,970
Surcharges	2,862,077	—	—	2,862,077
Miscellaneous	8,052,699	8,130,159	454,423	16,637,281
Restricted investment earnings - operating	—	1,700,011	—	1,700,011
Restricted investment earnings - capital	—	405,372	—	405,372
Investment earnings (unrestricted)	8,755,080	(2,128,014)	743,748	7,370,814
Total revenues	300,844,443	(11,907,114)	16,582,416	305,519,745
<b>EXPENDITURES</b>				
<i>Current</i>				
General government	34,207,588	(13,209,612)	14,445,264	35,443,240
Judicial	7,706,708	37,746	—	7,744,454
Police	74,496,292	2,406,886	—	76,903,178
Fire	32,308,850	887,335	—	33,196,185
Other public safety	11,780,534	197,062	—	11,977,596
Public works	24,933,938	12,029,080	—	36,963,018
Economic development	15,585,637	(319,171)	—	15,266,466
Community services	10,151,162	237,885	—	10,389,047
Culture and recreation	34,973,302	2,497,144	—	37,470,446
Unallocated depreciation	—	3,292,545	—	3,292,545
<i>Debt service</i>				
Principal	13,583,952	(13,583,952)	—	—
Interest	7,141,260	246,696	124	7,388,080
<i>Capital outlay</i>	47,062,412	(47,062,412)	—	—
Total expenditures	313,931,635	(52,342,768)	14,445,388	276,034,255
Excess (deficiency) of revenues over (under) expenditures	(13,087,192)	40,435,654	2,137,028	29,485,490
<b>OTHER FINANCING SOURCES (USES)</b>				
<i>Transfers - citywide</i>				
Transfers in	49,352,397	—	624,329	49,976,726
Transfers out	(49,901,726)	—	(75,000)	(49,976,726)
Notes issued	1,075,000	(1,075,000)	—	—
Sale of capital assets	369,093	(263,666)	—	105,427
Total other financing sources (uses)	894,764	(1,338,666)	549,329	105,427
INCREASE (DECREASE) IN FUND BALANCES / NET ASSETS	(12,192,428)	39,096,988	2,686,357	29,590,917
FUND BALANCES / NET ASSETS - January 1	163,171,409	2,683,054,160	6,388,842	2,852,614,411
FUND BALANCES / NET ASSETS - December 31	\$ 150,978,981	\$ 2,722,151,148	\$ 9,075,199	\$ 2,882,205,328

## **PROPRIETARY FUNDS**

Major proprietary funds are enterprise funds that comprise 10% or more of a total enterprise fund classification (assets, liabilities, revenues or expenses) and at least 5% of the governmental and enterprise fund total for the same classification.

Enterprise funds account for operations that are financed and operated in a manner similar to private business where costs are predominantly supported by user charges or where management has decided periodic determination of revenues, expenses, and/or change in net assets is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The Water Fund and the Wastewater Fund are major funds.

### **MAJOR PROPRIETARY FUNDS**

#### ***Water Fund***

The Water Fund accounts for the acquisition of water and water rights and for the operation and maintenance of the water plants and distribution systems.

#### ***Wastewater Fund***

The Wastewater Fund accounts for the systems and operations used in treating and disposing of wastewater from sanitary wastewater and storm drain activities.

### **NON-MAJOR PROPRIETARY FUND**

#### ***Golf Fund***

The Golf Fund accounts for the operation and maintenance of City owned or operated golf courses.

## CITY OF AURORA, COLORADO

**PROPRIETARY FUNDS**  
**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2007**

	Business-type Activities - Enterprise Funds				Governmental
	Major Funds		Non-major	Total	Activities
	Water	Wastewater	Fund	Enterprise	Internal
			Golf	Funds	Service Funds
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 26,625,944	\$ 15,604,505	\$ 949,676	\$ 43,180,125	\$ 7,636,478
Investments	188,704,877	47,722,814	947,335	237,375,026	8,329,256
Receivables (net of allowance)	9,338,860	5,374,833	530	14,714,223	153,527
Restricted assets	14,508,341	2,882,419	—	17,390,760	—
Current portion of notes receivable	—	—	23,964	23,964	—
Current portion of interfund loan	—	256,000	—	256,000	—
Inventories	—	—	268,867	268,867	646,645
Total current assets	239,178,022	71,840,571	2,190,372	313,208,965	16,765,906
Noncurrent assets					
Deferred charges	5,471,620	351,675	62,289	5,885,584	—
Restricted assets	402,149,935	49,321,245	464,783	451,935,963	—
Notes receivable	—	—	134,986	134,986	—
Interfund loan	—	4,352,000	—	4,352,000	—
Equity in joint venture	2,504,437	—	—	2,504,437	—
Capital assets (net of accumulated depreciation)					
Land and water rights	275,843,197	7,582,956	15,291,603	298,717,756	—
Buildings and improvements	69,789,756	32,470,292	2,625,033	104,885,081	—
Infrastructure	383,599,096	282,805,728	13,220,968	679,625,792	383,745
Machinery and equipment	11,118,460	2,909,912	1,275,784	15,304,156	127,317
Construction in progress	137,193,149	19,405,590	194,649	156,793,388	—
Total capital assets	877,543,658	345,174,478	32,608,037	1,255,326,173	511,062
Total noncurrent assets	1,287,669,650	399,199,398	33,270,095	1,720,139,143	511,062
Total assets	1,526,847,672	471,039,969	35,460,467	2,033,348,108	17,276,968
LIABILITIES					
Current liabilities					
Accounts payable and other current liabilities	18,363,161	4,109,703	310,112	22,782,976	655,461
Unearned revenues	—	—	442,100	442,100	—
Due to other funds	1,557,854	—	—	1,557,854	—
Payable from restricted assets	14,119,772	1,599,993	—	15,719,765	—
Current portion - interfund loan	—	—	256,000	256,000	—
Current portion - long-term liabilities	9,650,980	1,217,612	810,770	11,679,362	3,608,441
Current portion - payable from restricted assets	1,545,391	1,512,555	—	3,057,946	—
Total current liabilities	45,237,158	8,439,863	1,818,982	55,496,003	4,263,902
Noncurrent liabilities					
Interfund loan	—	—	4,352,000	4,352,000	—
Due beyond one year	270,189,364	23,182,400	3,609,286	296,981,050	3,937,867
Due beyond one year payable from restricted assets	397,739,113	46,217,706	462,500	444,419,319	—
Total noncurrent liabilities	667,928,477	69,400,106	8,423,786	745,752,369	3,937,867
Total liabilities	713,165,635	77,839,969	10,242,768	801,248,372	8,201,769
NET ASSETS					
Invested in capital assets net of related debt	597,299,483	320,392,740	28,769,908	946,462,131	511,062
Restricted for:					
Construction	2,004,000	1,623,410	—	3,627,410	—
Debt related	1,250,000	1,250,000	—	2,500,000	—
Unrestricted	213,128,554	69,933,850	(3,552,209)	279,510,195	8,564,137
Total net assets	\$ 813,682,037	\$ 393,200,000	\$ 25,217,699	\$ 1,232,099,736	\$ 9,075,199



**CITY OF AURORA, COLORADO**

**RECONCILIATION OF TOTAL ENTERPRISE FUNDS ON THE PROPRIETARY FUNDS STATEMENT OF  
NET ASSETS TO THE BUSINESS-TYPE ACTIVITIES ON THE CITYWIDE STATEMENT OF NET ASSETS  
DECEMBER 31, 2007**

	<b>Total Enterprise Funds</b>	<b>Business-type Activities Adjustments (see footnote 2C)</b>	<b>Total Business-type Activities</b>
<b>ASSETS</b>			
<i>Current assets</i>			
Cash and cash equivalents	\$ 43,180,125	\$ —	\$ 43,180,125
Investments	237,375,026	—	237,375,026
Receivables (net of allowance)	14,714,223	—	14,714,223
Restricted assets	17,390,760	—	17,390,760
Current portion of interfund loan	256,000	(256,000)	—
Internal balances	—	(480,393)	(480,393)
Inventories	268,867	—	268,867
<i>Noncurrent assets</i>			
Deferred charges	5,885,584	—	5,885,584
Restricted assets	451,935,963	—	451,935,963
Notes receivable	158,950	—	158,950
Interfund loan	4,352,000	(4,352,000)	—
Equity in joint venture	2,504,437	—	2,504,437
Capital assets (net of accumulated depreciation)			
Land and water rights	298,717,756	—	298,717,756
Buildings and improvements	104,885,081	—	104,885,081
Infrastructure	679,625,792	—	679,625,792
Machinery and equipment	15,304,156	—	15,304,156
Construction in progress	156,793,388	—	156,793,388
Total assets	2,033,348,108	(5,088,393)	2,028,259,715
<b>LIABILITIES</b>			
<i>Current liabilities</i>			
Accounts payable and other current liabilities	22,782,976	(80,045)	22,702,931
Unearned revenues	442,100	—	442,100
Due to Other Funds	1,557,854	(1,557,854)	—
Payable from restricted assets	15,719,765	—	15,719,765
Current portion - interfund loan	256,000	(256,000)	—
Current portion - long-term debt	11,679,362	80,045	11,759,407
Current portion - payable from restricted assets	3,057,946	—	3,057,946
<i>Noncurrent liabilities</i>			
Interfund loans	4,352,000	(4,352,000)	—
Due beyond one year	296,981,050	—	296,981,050
Due beyond one year payable from restricted assets	444,419,319	—	444,419,319
Total liabilities	801,248,372	(6,165,854)	795,082,518
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	946,462,131	—	946,462,131
<i>Restricted</i>			
Construction	3,627,410	—	3,627,410
Debt related	2,500,000	—	2,500,000
Unrestricted	279,510,195	1,077,461	280,587,656
Total net assets	\$ 1,232,099,736	\$ 1,077,461	\$ 1,233,177,197



## CITY OF AURORA, COLORADO

## PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2007

	Business-type Activities - Enterprise Funds				Governmental
	Major Funds		Non-major	Total	Activities
	Water	Wastewater	Fund Golf	Enterprise Funds	Internal Service Funds
<b>OPERATING REVENUES</b>					
<i>Charges for services</i>					
Customers	\$ 83,489,049	\$ 39,070,578	\$ 9,332,171	\$ 131,891,798	\$ 15,384,245
Total operating revenues	83,489,049	39,070,578	9,332,171	131,891,798	15,384,245
<b>OPERATING EXPENSES</b>					
Cost of sales and services	44,051,174	27,467,642	6,970,572	78,489,388	10,818,894
Claims losses	—	—	—	—	3,419,187
Administrative expenses	4,861,955	1,326,795	1,124,550	7,313,300	129,729
Depreciation	9,774,409	6,103,035	985,837	16,863,281	77,454
Total operating expenses	58,687,538	34,897,472	9,080,959	102,665,969	14,445,264
Operating income	24,801,511	4,173,106	251,212	29,225,829	938,981
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment earnings	22,391,675	5,843,767	158,924	28,394,366	743,748
Intergovernmental revenue	126,077	—	—	126,077	—
Miscellaneous revenues	187,358	76,850	72,679	336,887	454,423
Interest expense	(15,544,841)	(2,244,079)	(466,425)	(18,255,345)	(124)
Amortization	392,284	24,312	(13,412)	403,184	—
Gain on sale of capital assets	12,486	(23,065)	(18,659)	(29,238)	—
Equity in joint venture	(33,395)	—	—	(33,395)	—
Net nonoperating revenues (expenses)	7,531,644	3,677,785	(266,893)	10,942,536	1,198,047
<b>Income (loss) before capital contributions and transfers</b>	32,333,155	7,850,891	(15,681)	40,168,365	2,137,028
Capital contributions	61,707,007	35,458,051	404,800	97,569,858	—
Transfers in	—	—	—	—	624,329
Transfers out	—	—	—	—	(75,000)
CHANGE IN NET ASSETS	94,040,162	43,308,942	389,119	137,738,223	2,686,357
NET ASSETS - January 1	719,641,875	349,891,058	24,828,580	1,094,361,513	6,388,842
NET ASSETS - December 31	\$ 813,682,037	\$ 393,200,000	\$ 25,217,699	\$ 1,232,099,736	\$ 9,075,199

**CITY OF AURORA, COLORADO**

**PROPRIETARY FUNDS**

**RECONCILIATION OF THE TOTAL ENTERPRISE FUNDS ON THE PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS TO  
BUSINESS-TYPE ACTIVITIES ON THE CITYWIDE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<b>Total Enterprise Funds</b>	<b>Business-type Activities Adjustments (see footnote 2C)</b>	<b>Total Business-type Activities</b>
<b>OPERATING REVENUES</b>			
<i>Charges for services</i>			
Customers	\$ 131,891,798	\$ —	\$ 131,891,798
Total operating revenues	131,891,798	—	131,891,798
<b>OPERATING EXPENSES</b>			
Cost of sales and services	78,489,388	(1,680,223)	76,809,165
Administrative expenses	7,313,300	—	7,313,300
Depreciation	16,863,281	12,924	16,876,205
Total operating expenses	102,665,969	(1,667,299)	100,998,670
<b>Operating income</b>	29,225,829	1,667,299	30,893,128
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment earnings	28,394,366	(242,923)	28,151,443
Intergovernmental revenue	126,077	—	126,077
Miscellaneous revenues	336,887	—	336,887
Interest expense	(18,255,345)	242,923	(18,012,422)
Amortization	403,184	—	403,184
Gain on sale of capital assets	(29,238)	—	(29,238)
Equity in joint venture	(33,395)	33,395	—
Net nonoperating expenses	10,942,536	33,395	10,975,931
<b>Income before capital contributions and transfers</b>	40,168,365	1,700,694	41,869,059
Capital contributions	97,569,858	—	97,569,858
<b>CHANGE IN NET ASSETS</b>	137,738,223	1,700,694	139,438,917
NET ASSETS - January 1	1,094,361,513	(623,233)	1,093,738,280
NET ASSETS - December 31	\$ 1,232,099,736	\$ 1,077,461	\$ 1,233,177,197

CITY OF AURORA, COLORADO

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2007

	Business-type Activities - Enterprise Funds			Governmental Activities
	Major Funds		Non-major Fund	Internal Service Funds
	Water	Wastewater	Golf	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<i>Cash received from:</i>				
Customers and others	\$ 139,359,742	\$ 42,115,716	\$ 9,457,703	\$ 190,933,161
Interfund services provided	—	—	—	15,356,447
<i>Cash payments to:</i>				
Employees	(15,402,789)	(8,725,627)	(4,468,036)	(3,122,704)
Suppliers for goods and services	(22,881,327)	(18,712,875)	(3,339,053)	(11,128,656)
Net cash provided by operating activities	101,075,626	14,677,214	1,650,614	1,538,578
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Cash transfers in	—	256,000	—	256,000
Cash transfers out	—	—	—	(349,329)
Net cash provided by noncapital financing activities	—	256,000	—	275,000
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
<i>Proceeds from:</i>				
Capital debt	434,379,428	—	—	434,379,428
Capital contributions	42,557,611	8,081,270	404,800	51,043,681
Sale of capital assets	12,486	19,335	58	31,879
<i>Payments for:</i>				
Capital assets	(102,471,310)	(10,707,016)	(554,609)	(113,732,935)
Principal on capital debt	(10,729,039)	(1,520,152)	(1,034,047)	(13,283,238)
Interest on capital debt	(10,710,571)	(3,132,269)	(449,854)	(14,292,694)
Debt issue and discount costs	(4,277,295)	—	—	(4,277,295)
Net cash provided by (used in) capital and related financing activities	348,761,310	(7,258,832)	(1,633,652)	339,868,826
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Increase in equity in pooled investments	(38,935,299)	(1,459,017)	—	(40,394,316)
Decrease in equity in pooled investments	—	—	632,070	632,070
Increase in investments	(396,328,477)	—	—	(396,328,477)
Decrease in investments	—	1,876,942	56	1,876,998
Increase in notes receivable	—	—	23,040	23,040
Interest received	11,410,890	6,169,074	122,679	17,702,643
Net cash provided by (used in) investing activities	(423,852,886)	6,586,999	777,845	(416,488,042)

See notes to the basic financial statements.

	Business-type Activities - Enterprise Funds				Governmental Activities
	Major Funds		Non-major Fund	Total Enterprise Funds	Internal Service Funds
	Water	Wastewater	Golf		
NET INCREASE IN CASH AND CASH EQUIVALENTS	25,984,050	14,261,381	794,807	41,040,238	6,849,803
TOTAL CASH AND CASH EQUIVALENTS, January 1 (including \$45,614 and \$20,630 for the Water and Golf funds respectively, reported as restricted assets)	1,007,258	1,343,124	154,869	2,505,251	786,675
TOTAL CASH AND CASH EQUIVALENTS, December 31 (including \$365,364 for the Water fund reported as restricted cash)	\$ 26,991,308	\$ 15,604,505	\$ 949,676	\$ 43,545,489	\$ 7,636,478
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>					
OPERATING INCOME	\$ 24,801,511	\$ 4,173,106	\$ 251,212	\$ 29,225,829	\$ 938,981
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Depreciation	9,774,409	6,103,035	985,837	16,863,281	77,454
Miscellaneous nonoperating revenues	313,435	76,850	72,679	462,964	454,423
<i>Changes in operating assets and liabilities</i>					
Receivables	55,557,257	3,025,209	—	58,582,466	(48,731)
Inventories	—	—	(436)	(436)	(136,335)
Accounts payable and other current liabilities	10,629,014	1,299,014	288,469	12,216,497	252,786
Unearned revenues	—	—	52,853	52,853	—
Total adjustments	76,274,115	10,504,108	1,399,402	88,177,625	599,597
Net cash provided by operating activities	\$ 101,075,626	\$ 14,677,214	\$ 1,650,614	\$ 117,403,454	\$ 1,538,578
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>					
Borrowing under capital lease	—	—	233,587	233,587	—
Acquisition of capital assets by lease	—	—	(233,587)	(233,587)	—
Contribution of capital assets	19,149,398	27,376,782	—	46,526,180	—
Increase in fair value of investments	1,927,995	479,266	36,323	2,443,584	110,137

See notes to the basic financial statements.



## **DISCRETELY PRESENTED COMPONENT UNITS**

A component unit is a legally separate organization for which the City is considered financially accountable or whose exclusion would make the City's financial statements misleading or incomplete. Discrete presentation refers to presenting financial data of the component unit in a column separate from that of the primary government.

### ***Fitzsimons Redevelopment Authority (FRA)***

FRA was formed for the purpose of economic redevelopment of the former United States Army Garrison, Fitzsimons Military Facility and the surrounding Fitzsimons Redevelopment Area. It acts as the developer and manager of certain components of the Fitzsimons Redevelopment Plan, including the development of a bioscience research park affiliated with the University of Colorado.

### ***Aurora Housing Authority (AHA)***

AHA is supported largely by the United States Department of Housing and Urban Development. Its purpose is to facilitate the provision of decent, safe and affordable housing to low-income and special needs individuals and families.

**CITY OF AURORA, COLORADO**  
**COMBINING COMPONENT UNITS**  
**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2007**

	<b>Fitzsimmons Redevelopment Authority</b>	<b>Aurora Housing Authority</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 15,941,411	\$ 5,925,863	\$ 21,867,274
Investments	—	1,971,582	1,971,582
Receivables (net of allowance)	133,161	7,893,872	8,027,033
Deferred charges	248,312	—	248,312
Restricted assets	22,825	—	22,825
Notes receivable	1,004,536	30,177,541	31,182,077
Equity in joint venture	—	3,863,110	3,863,110
<i>Capital assets (net of accumulated depreciation)</i>			
Land and water rights	4,165,168	3,549,971	7,715,139
Buildings and improvements	9,724,085	8,231,164	17,955,249
Machinery and equipment	35,839	30,338	66,177
Construction in progress	607,689	—	607,689
Total assets	31,883,026	61,643,441	93,526,467
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	870,373	936,759	1,807,132
Unearned revenues	14,848	—	14,848
<i>Noncurrent liabilities</i>			
Due within one year	161,152	2,571,165	2,732,317
Due beyond one year	4,085,152	25,155,996	29,241,148
Total liabilities	5,131,525	28,663,920	33,795,445
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	11,570,533	7,386,765	18,957,298
<i>Restricted for:</i>			
Agreements	—	721,507	721,507
Unrestricted	15,180,968	24,871,249	40,052,217
Total net assets	\$ 26,751,501	\$ 32,979,521	\$ 59,731,022

**CITY OF AURORA, COLORADO**  
**COMBINING COMPONENT UNITS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Changes in Net Assets</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Fitzsimmons Redevelopment Authority</b>	<b>Aurora Housing Authority</b>	<b>Component Units</b>
<b>Component unit</b>							
Fitzsimmons Redevelopment Authority	\$ 2,478,775	\$ 1,947,641	\$ 10,297,031	\$ —	\$ 9,765,897	\$ —	\$ 9,765,897
Aurora Housing Authority	21,827,298	7,633,236	17,929,378	350,244	—	4,085,560	4,085,560
Total Component Units	<u>\$ 24,306,073</u>	<u>\$ 9,580,877</u>	<u>\$ 28,226,409</u>	<u>\$ 350,244</u>	<u>9,765,897</u>	<u>4,085,560</u>	<u>13,851,457</u>
<b>General Revenues</b>							
Unrestricted investment earnings					<u>662,857</u>	<u>—</u>	<u>662,857</u>
Total general revenues					<u>662,857</u>	<u>—</u>	<u>662,857</u>
INCREASE IN NET ASSETS					10,428,754	4,085,560	14,514,314
NET ASSETS - January 1, as restated for entity change					<u>16,322,747</u>	<u>28,893,961</u>	<u>45,216,708</u>
NET ASSETS - December 31					<u>\$ 26,751,501</u>	<u>\$ 32,979,521</u>	<u>\$ 59,731,022</u>



## **FIDUCIARY FUNDS**

Fiduciary funds are used to report assets held for others in a trustee or agency capacity. Fiduciary funds are not available to support City programs and are therefore not included in the citywide financial statements.

### ***Pension Trust Funds***

Pension trust funds account for the activities and accumulation of resources to pay retirement benefits for employees, elected officials and council appointees. The pension trust funds are comprised of the General Employees' Retirement Plan Fund (GERP) and the Elected Officials' and Executive Personnel Defined Benefit Plan Fund (EOEP).

### ***Agency Fund***

The City reports one agency fund that provides for the consolidation of all payroll liabilities after the recording of related payroll expenditures into the appropriate funds.

**CITY OF AURORA, COLORADO**

**FIDUCIARY FUNDS**

**STATEMENT OF FIDUCIARY NET ASSETS**

**DECEMBER 31, 2007**

	<b>Pension Trust Funds</b>	<b>Agency Fund</b>
<hr/>		
<b>ASSETS</b>		
<i>Current assets</i>		
Cash and equivalents	\$ 5,423,381	\$ 334,664
Investments		
Equity securities and funds	164,131,343	—
U.S. government and U.S. government agency obligations	27,071,035	—
Corporate bonds and funds	82,802,330	—
Real estate funds	27,158,812	—
Alternative investments	12,812,068	—
Receivables (net of allowance)	1,394,165	—
	<hr/>	<hr/>
Total assets	320,793,134	\$ 334,664
	<hr/>	<hr/>
<b>LIABILITIES</b>		
<i>Current liabilities</i>		
Accounts payable and other current liabilities	448,388	\$ 334,664
	<hr/>	<hr/>
Total liabilities	448,388	\$ 334,664
	<hr/>	<hr/>
<b>NET ASSETS</b>		
Held in trust for pension benefits	320,344,746	
	<hr/>	
Total net assets	\$ 320,344,746	
	<hr/>	

**CITY OF AURORA, COLORADO**

**FIDUCIARY FUNDS**

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

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	<b>Pension Trust Funds</b>
	<hr/>
<b>ADDITIONS</b>	
<i>Contributions</i>	
City	\$ 4,914,989
Plan members	4,593,477
	<hr/>
Total contributions	9,508,466
	<hr/>
<i>Investment activity</i>	
Investment earnings	18,872,080
Investment expense	(724,366)
	<hr/>
Net investment earnings	18,147,714
	<hr/>
Other income	66,255
	<hr/>
Total additions	27,722,435
	<hr/>
<b>DEDUCTIONS</b>	
Benefits	11,156,637
Administrative expenses	451,140
	<hr/>
Total deductions	11,607,777
	<hr/>
CHANGE IN NET ASSETS	16,114,658
NET ASSETS - January 1	304,230,088
	<hr/>
NET ASSETS - December 31	\$ 320,344,746
	<hr/> <hr/>

# NOTES TO THE BASIC FINANCIAL STATEMENTS

**SUMMARY OF NOTES TO THE BASIC FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
  - A. Financial Reporting Entity
  - B. Fund Accounting
  - C. Measurement Focus and Basis of Accounting
  - D. Financial Statement Presentation
  - E. Cash and Investments
  - F. Interfund Transactions
  - G. Deferred Charges and Inventories
  - H. Capital Assets
  - I. Unearned and Deferred Revenues (Liabilities)
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  - K. Bond Premiums, Discounts and Issuance Costs
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  - M. Use of Estimates
  - N. Fund Balances and Net Assets
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2. RECONCILIATION OF CITYWIDE AND FUND FINANCIAL STATEMENTS
3. CASH AND INVESTMENTS
4. RECEIVABLES
5. RESTRICTED, RESERVED AND DESIGNATED
6. CAPITAL ASSETS
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10. INTEREST RATE SWAP AGREEMENTS
11. INTERFUND TRANSACTIONS
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13. DEFERRED COMPENSATION PLANS
14. PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS
15. OPERATING LEASES
16. RISK MANAGEMENT
17. CONTINGENT LIABILITIES
18. CONDUIT DEBT OBLIGATIONS
19. TAXPAYER BILL OF RIGHTS (TABOR)
20. SUBSEQUENT EVENTS
21. RESTATEMENT OF BEGINNING NET ASSETS FOR REPORTING ENTITY

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements of the City of Aurora, Colorado (the City) are prepared in accordance with accounting principles applicable to governments, which are generally accepted in the United States of America (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Effective January 1, 2007, the City implemented the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes standards for the measurement, recognition and display of Other Post Employment Benefits (OPEB) expense/expenditures and related liabilities (assets), note disclosures and required supplementary information.

A summary of the City's significant accounting policies including descriptions of the financial statements is as follows.

### A. *Financial Reporting Entity*

The City is a home-rule local government governed by an elected eleven-member council. These financial statements include the City and its component units. A component unit is a legally separate organization for which the City is considered financially accountable or whose exclusion would make the City's financial statements misleading or incomplete. Blended component units, although legally separate, are in substance, part of the City's operations. Therefore, data from these organizations are included with data of the primary government. The blended method is used when either of the following circumstances is present: 1) the governing body of the component unit is substantially the same as the governing body of the City; or 2) the component unit provides services entirely or almost entirely to the City government. If neither of these circumstances is present, the component unit is presented discretely. Discrete presentation refers to presenting financial data of the component unit in a column separate from that of the primary government.

#### 1) **Discretely Presented Component Units**

*Fitzsimons Redevelopment Authority (FRA)* – FRA was formed on January 1, 1998 under Colorado Revised Statutes for the purpose of economic redevelopment of the former United States Army Garrison, Fitzsimons Military Facility and the surrounding Fitzsimons Redevelopment Area. FRA acts as the developer and manager of certain components of the Fitzsimons Redevelopment Plan, including the development of a bioscience research park affiliated with the University of Colorado.

FRA is governed by a ten-member board of directors, of which seven members are appointed by the City Council. FRA is a component unit of the City because the City appoints a majority of its governing board and its exclusion would make the City's financial statements misleading. It is discretely presented because FRA's board is not substantially the same as the City Council and FRA does not provide services entirely or almost entirely to the City. Separately issued, audited financial statements for FRA are available by contacting FRA at 12635 East Montview Boulevard, Suite 100, Aurora, Colorado 80045, or telephone (720) 859-4100.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**A. Financial Reporting Entity (continued)**

**1) Discretely Presented Component Units (continued)**

*Aurora Housing Authority (AHA)* – AHA is supported largely by the United States Department of Housing and Urban Development providing decent, safe and affordable housing to low-income and special needs population. AHA is a component unit of the City because in 2007 the City provided a moral obligation pledge to assist the AHA in securing a five million dollar line of credit (see footnote 21). Separately issued, audited financial statements for AHA are available by contacting AHA at 10745 East Kentucky Avenue, Aurora, Colorado 80012.

*Havana Business Improvement District (Havana BID)* – The Havana BID was organized by the City Council on July 21, 2007 under Colorado Revised Statutes, for the purpose of enhancing the economic vitality of the Havana Street corridor. The Havana BID is a quasi-municipal corporation and political subdivision of the State of Colorado with all associated powers and responsibilities. The City Council appointed all the initial members of the Havana BID Board of Directors, which are not substantively the same as the City Council and the BID does not primarily benefit the City government. The City is able to impose its will on the BID as its operating plan and budget are approved by City Council. The Havana BID is a discretely presented component unit of the City. An election was held in November 2007, authorizing the Havana BID to levy property taxes in the years 2007 for collection in 2008, and thereafter. The BID had no operating activity in 2007. Separately issued, audited financial statements will be available for the 2008 fiscal year, and thereafter.

**2) Blended Component Units**

*Aurora Capital Leasing Corporation (ACLC)* – ACLC was organized as a not-for-profit corporation in 1993 to finance capital assets of the City. ACLC is a component unit because the City Council appoints the governing board and because its exclusion would make the City's financial statements misleading. ACLC is a blended component unit because it provides services solely to the City. ACLC financial statements consist of a debt service fund and a capital projects fund. Capital assets and long-term debt for ACLC are included in the citywide statement of net assets. There are no separately issued financial statements for ACLC.

*Aurora Urban Renewal Authority (AURA)* – AURA was formed by action of the City Council in 1981, pursuant to Part 1 of Article 25, Title 31, of the Colorado Revised Statutes. AURA has various expressed powers including the power to: undertake urban renewal projects, mortgage, sell or dispose of property, borrow money and accept grants, and issue tax-increment and other forms of securities. From time to time, the City Council has determined the existence of blighted conditions in the City and designated Urban Renewal Areas. AURA is a component unit because its exclusion would make the City's financial statements misleading. AURA is a blended component unit because AURA's governing body is substantially the same as the City Council and it provides specific financial benefits solely to the City. AURA financial statements consist of a general fund and a debt service fund. The noncurrent debt of AURA is included in the citywide statement of net assets. There are no separately issued financial statements for AURA.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**A. Financial Reporting Entity (continued)**

**3) Component Units that are Fiduciary in Nature**

*City of Aurora General Employees' Retirement Plan (GERP)* – GERP was created to provide retirement benefits to career service and executive personnel. It has a separate, independent board that administers the plan. GERP is a component unit because it is funded by contributions from the City and City employees, and its exclusion would make the City's financial statements misleading. GERP is a blended component unit because it provides services solely to the City. GERP is included in this report as a pension trust fund in the fiduciary fund statements. GERP is not included in the citywide statements because its assets are not available to finance City programs. Separately issued audited financial statements are available by contacting GERP at 12200 E. Iliff Avenue, Suite 108, Aurora, Colorado 80014 or telephone (303) 368-9160.

*City of Aurora Elected Officials' and Executive Personnel Defined Benefit Plan (EOEP)* – EOEP was created in 2001 to provide retirement benefits to elected officials and executive personnel. As required by City Code, a City executive serves as plan trustee and plan administrator. EOEP is a component unit because it is funded solely by contributions from the City and because its exclusion would make the City's financial statements misleading. It is a blended component unit because it provides services solely to the City, its employees and retired elected officials. EOEP is included in this report as a pension trust fund in the fiduciary fund statements. EOEP is not included in the citywide statements because its assets are not available to finance City programs. There are no separately issued financial statements for EOEP.

**4) Joint Venture**

*Aurora-Colorado Springs Joint Water Authority (ACSJWA)* – ACSJWA was formed in 1983, by contract, between the City and the City of Colorado Springs, Colorado, for the purpose of developing water resources, systems, or facilities in whole or in part for the benefit of the two cities. The Council of each city appoints three directors to the board. The ACSJWA must obtain approval from both cities before proceeding with any new project. Prior approval is not required for operating and maintenance expenses related to a previously approved project. To date, the cities have approved one project, the construction and operation of a pipeline to transport raw water. Construction was financed through revenue bonds. The City has a 1/3 participation share and Colorado Springs has a 2/3 participation share in the project.

The City's share of the ACSJWA is accounted for in the Water Fund using the equity method. The Water Fund is a major proprietary fund and business-type activity. Separately issued audited financial statements for ACSJWA are available at Colorado Springs Utilities, P.O. Box 1103, MC1821, Colorado Springs, Colorado 80947-1821 or telephone (719) 668-8712 or (719) 668-4052.



**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***B. Fund Accounting***

The City uses fund accounting to control and manage money intended for a particular purpose or to demonstrate compliance with finance-related legal requirements and to aid financial management by segregating transactions related to certain city functions or activities. A fund is a separate set of self-balancing accounts comprised of assets, liabilities, fund balance / net assets, revenues, and expenditures / expenses as appropriate to the fund type. Funds are established by City Council action. Funds are classified into three categories: governmental, proprietary and fiduciary.

**1) Governmental Funds**

Governmental funds are used to account for traditional governmental type activities. The City maintains twenty-six (26) individual governmental funds. These governmental funds are divided into four fund types: general, special revenue, debt service and capital project.

The *General Fund* is the general operating fund of the City used to account for all financial resources unless they are required to be accounted for in another fund. It accounts for the collection of taxes and other resources traditionally associated with governments. These resources are used to finance general City expenditures and to transfer to other funds as required by law or approved by City Council action.

*Special Revenue Funds* account for revenues that are restricted or designated for a specific purpose. The City has sixteen (16) special revenue funds: Gifts and Grants, Development Review, Abatement, Community Maintenance, Community Development, Enhanced E-911, Conservation Trust, Emergency Contingency, Parks Development, Arapahoe County Open Space, Recreation Services, Cultural Services, Designated Revenues, Policy Reserve, TABOR Reserve and AURA General Fund.

*Debt Service Funds* account for the accumulation of resources and payments of principal, interest and fees related to general obligation, special assessment and revenue bonds and certificates of participation except those accounted for in proprietary funds. The City has five (5) debt service funds: City Debt Service, SID Debt Service, Surplus and Deficiency, AURA Debt Service and ACLC Debt Service.

*Capital Projects Funds* account for resources allocated for the acquisition or construction of capital projects except those financed by special revenue or proprietary funds. The City has four (4) capital project funds: the City Capital Projects Fund, the Bond Proceeds Fund, the Building Repair Fund and the ACLC Capital Projects Fund. The City Capital Projects Fund accounts for the acquisition or construction of major capital projects including: streets, parks, information systems and City facilities. Funding for these projects is provided by proceeds from long-term borrowings, participation revenues and transfers from the General Fund. The Bond Proceeds Fund was established in 2005 to provide for specific transportation, facilities construction, parks acquisitions and construction, and other projects funded through bond financing and the related interest. The Building Repair Fund accounts for the centralized repairs of City owned facilities. Funding comes from operating transfers from the City Capital

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***B. Fund Accounting (continued)***

**1) Governmental Funds (continued)**

Projects Fund. The ACLC Capital Projects Fund is used to account for the construction of City facilities and for the acquisition and construction of certain public safety vehicles and communication systems. ACLC certificates of participation provide funding for these projects.

**2) Proprietary Funds**

Proprietary funds account for operations that are financed and operated in a manner similar to a private business. The City maintains six (6) individual proprietary funds. These funds are classified into two fund types: enterprise and internal service.

*Enterprise Funds* account for activities for which a fee is charged to external users for goods and services. Activities must be reported as enterprise funds if any of the following conditions exist: the activity is financed with debt that is secured solely by a pledge of revenues from fees and charges; laws or regulations require that the activity's costs, including capital costs, be recovered with fees and charges; or the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs. The City has three (3) enterprise funds: Water, Wastewater and Golf.

*Internal Service Funds* are used to account for resources calculated on a cost recovery basis and provided by other City funds for centralized acquisition of supplies and services. The City has three (3) internal service funds: Fleet Management, Print Shop, and Risk Management.

**3) Fiduciary Funds**

Fiduciary funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations and other governments. The City maintains three (3) fiduciary funds. These funds are grouped into two fund types: pension trust and agency.

*Pension Trust Funds* are accounted for in essentially the same manner as proprietary funds. The pension trust funds include the City of Aurora General Employees' Retirement Plan (GERP) and the City of Aurora Elected Officials' and Executive Personnel Defined Benefit Plan (EOEP).

*Agency Funds* are custodial in nature and do not involve measurement of results of operations. The City has one agency fund, the Payroll Clearing Fund, which collects and remits payroll related liabilities collected from employees, and City funds and departments.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### *C. Measurement Focus and Basis of Accounting*

#### **1) Measurement Focus**

The measurement focus identifies the resources to be measured and the effects of transactions or events involving those resources. Two measurement focuses are used in producing this report: economic resources and current financial resources.

##### *Economic Resources Focus*

The economic resources measurement focus is used for proprietary and fiduciary funds as well as for citywide financial reporting. Under the economic resources measurement focus, the financial statements report all inflows, outflows and balances affecting net assets. The statement of net assets reports everything owned as assets and everything owed as liabilities, with the difference between the two being reported as net assets. Operating statements show inflows (revenues) and outflows (expenses).

Although the Agency Fund is a fiduciary fund, it only reports assets and liabilities and, therefore, does not have a measurement focus.

##### *Current Financial Resources Focus*

The current financial resources measurement focus is used solely for reporting the financial position and activities of governmental funds. With this focus, the financial statements report only near-term (current) inflows, outflows and balances of spendable financial resources. Current assets and current liabilities are included on the balance sheet with the difference being reported as fund balance. Operating statements present inflows (revenues and other financing sources) and outflows (expenditures and other financing uses).

#### **2) Basis of Accounting**

The basis of accounting refers to the timing of when transactions or events are recognized in the accounts and reported in the financial statements.

##### *Accrual*

The accrual basis of accounting is used for the citywide financial statements and the proprietary, pension trust and agency fund statements. The accrual basis recognizes the financial effect of transactions and events when they occur, regardless of the timing of the cash flows. Revenues are recorded when earned and expenses are recorded at the time the liability is incurred.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***C. Measurement Focus and Basis of Accounting (continued)***

**2) Basis of Accounting (continued)**

*Modified Accrual*

The modified accrual basis of accounting is used for the governmental funds financial statements. Under modified accrual, revenues are recognized when they become both measurable and available. Expenditures are recorded when the related liability is incurred, with the exception of principal and interest on long-term debt and compensated absences, which are recognized when matured. The City considers revenues, other than grants, to be measurable and available if collected within two months after year-end. Grants are considered measurable and available if collected within one year after year-end and all eligibility requirements, including incurring allowable costs, have been met.

*Revenues susceptible to accrual*

Revenues susceptible to accrual under the modified accrual basis include charges for services, intergovernmental, grants, interest and the following taxes: property, sales, use, lodgers, occupational privilege, franchise, and specific ownership tax. All other revenues are considered measurable and available only when cash is received.

For governmental funds, property tax is reported as receivable and deferred revenue in the year it is levied. An enforceable legal claim occurs at this time. The tax is recognized as revenue in the fund and in the citywide statements in the year it is budgeted to be spent, which is the year the tax is collected.

***D. Financial Statement Presentation***

**1) Application of Private Sector Accounting Standards**

Private-sector standards of accounting and financial reporting (Financial Accounting Standards Board (FASB) pronouncements) issued prior to December 1, 1989 are generally followed in both the citywide and the proprietary fund statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments have the option of following subsequent private-sector guidance for business-type activities and enterprise funds, subject to this same limitation. The City and its component units, FRA and AHA, have elected to not follow subsequent private sector guidance.

**2) Citywide Financial Statements**

The citywide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. These statements provide financial information about the City as a whole. Each of the citywide statements is divided into two groups: the “primary government” and discretely presented “component units.” The primary government includes all activities of the City (including blended component units) except fiduciary funds. Fiduciary funds are not included in the citywide statements because resources of these funds are not available to support City programs.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***D. Financial Statement Presentation (continued)***

**2) Citywide Financial Statements (continued)**

Activities of the primary government are aggregated into two activity types, governmental and business-type.

*Governmental Activities* reflect most of the City's basic services including: judicial, police, fire, other public safety (emergency communications and animal control), public works (streets), economic development, community services, culture and recreation (parks, libraries, recreation services) and general government (administration and other activities). Governmental activities are primarily supported by taxes, grants and intergovernmental revenues. Activities of the internal service funds are included in the governmental activities column because services provided by these funds predominantly benefit governmental activities.

*Business-type Activities* include functions that are intended to recover all or a significant portion of the costs through user fees and charges. Business-type activities of the City include the water, wastewater and golf course operations.

The citywide financial statements consist of the statement of net assets and the statement of activities.

The *statement of net assets* reports what the City owns (assets) and what the City owes (liabilities) with the difference being reported as net assets. City assets consist primarily of cash, investments, receivables, equity in a joint venture and capital assets. Capital assets include land and water rights, buildings and improvements, infrastructure, machinery and equipment and construction in progress. Infrastructure includes: streets, reservoirs, tunnels, wells, water and wastewater distribution systems and other assets that are immovable in nature. Liabilities consist of vendor payables, deferred property taxes, risk claims reserves, bonds, capital leases and various employee related obligations such as earned but not used compensated absences. Net assets are divided into three components: invested in capital assets, net of related debt, restricted, and unrestricted. Invested in capital assets, net of related debt, reflects the City's investment in capital assets as described above, less accumulated depreciation and the outstanding portion of the debt that was issued to acquire or construct those assets. Restricted net assets represent net resources that are subject to external requirements on how the funds may be used. The remaining net assets are shown as unrestricted.

The *statement of activities* is used to report changes in the City's net assets. In the private sector, revenue is the first item in the operating statement, which reflects the goal of business, to maximize revenues. However, in the public sector, the goal is to provide services, not to maximize revenues. For that reason, the statement of activities begins with expenses (cost of providing services) rather than revenues. Expenses include depreciation on capital assets in addition to other operational costs.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***D. Financial Statement Presentation (continued)***

**2) Citywide Financial Statements (continued)**

Revenue sources are separated into program revenues and general revenues.

*Program revenues* are those that are derived directly from the program itself. Program revenues are divided into three groups: charges for services, program-specific operating grants and contributions, and program-specific capital grants and contributions. Charges for services are exchange or exchange-like transactions including: fees, licenses, permits, and special assessments. Program-specific grants and contributions include revenues arising from mandatory and voluntary non-exchange transactions with other governments, private organizations or individuals where monies are required by the grantor / contributor to be used for a particular program or activity. Program-specific grants and contributions that are required to be used to purchase or construct capital assets are shown in the capital grants and contributions column. All other program-specific grants and contributions are shown as operating. Water and Wastewater capital grants and contributions include tap and annexation fees, which are required to be used for the construction of water and wastewater capital assets.

*General Revenues* include: all taxes levied by the City regardless of their purpose; unrestricted investment income; and multi-purpose or non-specific grants and contributions.

**3) Fund Financial Statements**

Fund financial statements are grouped into the three fund categories: governmental, proprietary and fiduciary. The fund financial statements for governmental and proprietary funds report City operations in more detail than the citywide financial statements by providing information about financially significant funds called “major funds.” Individual financial information is presented for each major fund with the remaining “non-major” funds being aggregated into a single “other” column.

***a) Governmental Funds***

Governmental funds account for essentially the same functions reported as “governmental activities” in the citywide financial statements. However, unlike the citywide statements, the governmental fund statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. The governmental fund statements consist of: 1) balance sheet; 2) reconciliation of total governmental funds on the governmental funds balance sheet to governmental activities on the citywide statement of net assets; 3) statement of revenues, expenditures and changes in fund balances; and 4) reconciliation of total governmental funds on the governmental funds statement of revenues, expenditures and changes in fund balances to governmental activities on the citywide statement of activities.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***D. Financial Statement Presentation (continued)***

**3) Fund Financial Statements (continued)**

***a) Governmental Funds (continued)***

Major governmental funds include the General Fund and any governmental fund that comprises 10% or more of a total governmental fund classification (assets, liabilities, revenues or expenditures) and at least 5% of the governmental and enterprise fund total for the same classification. Other than the General Fund, no governmental fund met both the 10% and 5% test. The remaining governmental funds are aggregated into the column labeled "other governmental funds."

The *General Fund* accounts for taxes and other resources traditionally associated with government and the operations of the City that are financed from those resources.

***b) Proprietary Funds***

Proprietary fund statements, excluding internal service funds, report the same functions as presented in the business-type activities on the citywide statements. Like the citywide financial statements, these statements use the economic resources measurement focus and the accrual basis of accounting. Proprietary fund statements include: 1) a statement of net assets; 2) a reconciliation of total enterprise funds on the proprietary funds statement of net assets to business-type activities on the citywide statement of net assets; 3) a statement of revenues, expenses and changes in net assets; 4) a reconciliation of total enterprise funds on the proprietary fund statement of revenues, expenses and changes in net assets to business-type activities on the citywide statement of activities; and 5) a statement of cash flows.

Proprietary funds consist of enterprise and internal service funds.

*Enterprise funds* account for operations financed and operated in a manner similar to private business where any of the following occur: a) the activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; b) laws or regulations require costs of providing a particular service be recovered with fees and charges; or c) the pricing policies of the activity establish fees and charges designed to recover its costs.

*Internal service funds* are used to report activities that provide goods or services to other funds, departments or agencies of the City and its component units on a cost reimbursement basis.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***D. Financial Statement Presentation (continued)***

**3) Fund Financial Statements (continued)**

***b) Proprietary Funds (continued)***

Major enterprise funds are those that comprise 10% or more of a total enterprise fund classification (assets, liabilities, revenues or expenses) and at least 5% of the governmental and enterprise fund total for the same classification. The Water Fund and the Wastewater Fund are major enterprise funds. The Golf Fund is also presented separately as it is the only non-major enterprise fund. The enterprise funds are each considered single identifiable activities for segment reporting. Internal service funds are never major funds and are aggregated into a single column.

The *Water Fund* accounts for the acquisition of water and water rights and for the operation and maintenance of reservoirs, wells, water treatment plants and distribution systems.

The *Wastewater Fund* accounts for the systems and operations used in treating and disposing of wastewater from sanitary wastewater and storm drain services.

The *Golf Fund* accounts for the operations and maintenance of City owned or operated golf courses.

The proprietary fund statement of revenues, expenses and changes in net assets separately presents revenues and expenses that are directly related to the service provided by the fund as "operating." Operating revenues are primarily charges for services (exchange or exchange-like transactions for water, wastewater and golf services). Golf operating revenues also include sales of merchandise. Operating revenues for internal service funds are charges for services provided to other funds and departments. All other revenues in the proprietary funds are reported as non-operating. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, claims losses, and depreciation on capital assets. All other expenses are reported as non-operating.

***c) Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of individuals or other organizations outside the City government. Fund statements for fiduciary funds include: 1) a statement of fiduciary net assets and 2) a statement of changes in fiduciary net assets.



**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***D. Financial Statement Presentation (continued)***

**3) Fund Financial Statements (continued)**

***c) Fiduciary Funds (continued)***

*Pension trust funds* account for the accumulation of resources and the payment of retirement benefits to qualified employees. Pension trust funds use the economic resources measurement focus and accrual basis of accounting. The City has two pension trust funds: the City of Aurora General Employees' Retirement Plan and the City of Aurora Elected Officials' and Executive Personnel Defined Benefit Plan.

The City has one *agency fund*, the Payroll Clearing Fund, which is used to account for the consolidation of payroll liabilities (taxes, pensions, insurance etc.) after the related payroll expenditures are recorded into the appropriate funds. Agency funds consist of only assets and liabilities.

***E. Cash and Investments***

The City pools its cash and investments. All temporary cash surpluses are invested. Earnings on pooled investments are allocated among the funds based on an average daily balance of the individual fund's equity in pooled monies. The amounts shown as "cash and cash equivalents" and "investments" in the citywide and proprietary fund statements of net assets and the governmental funds balance sheet include both unrestricted equity in the City's pool and unrestricted amounts held in non-pooled accounts. Restricted assets include cash and investments required to be used for specific purposes and may contain pooled and non-pooled amounts. Cash and cash equivalents are carried at fair value and include petty cash, demand deposits and highly liquid investments (readily convertible to known amounts of cash) with maturities of three months or less from purchase date. Investments are stated at fair value based upon quoted market prices in brokerage service reports.

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

***F. Interfund Transactions***

During the course of operations, transactions occur between individual funds for goods provided or services rendered. Receivables and payables related to these transactions are reported as due from other funds and due to other funds, respectively, in the fund statements.

Interfund loans or advances, which are made to provide internal financing of capital projects, are reported as interfund loans in the fund statements.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***F. Interfund Transactions (continued)***

In the process of aggregating data for the citywide statement of net assets, amounts reported in the funds as interfund receivables and payables are eliminated in each of the governmental and business-type activity columns. The residual amounts due between governmental and business-type activities are shown on a single line as internal balances. Interfund amounts (if any) due between the primary government and a fiduciary fund are shown on the citywide statement as receivable or payable to external parties rather than internal balances.

Interfund activities include: transfers, internal billings, and transactions with internal service funds. For fund statement presentation, transfers are shown as “transfers in” and “transfers out.” Internal billings, including transactions with internal service funds, are shown as revenues and expenses / expenditures in the respective funds. As a general rule, these revenues / transfers in and expenditures / expenses / transfers out have been eliminated in the aggregation of data for the citywide statement of activities. Exceptions to this rule are charges between the City’s water function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported in the various functions concerned.

***G. Deferred Charges and Inventories***

Certain payments to vendors reflect costs applicable to future accounting periods and are reported as deferred charges for both the citywide and the fund financial statements. See item K of this footnote for treatment of bond issue costs as a deferred charge.

Inventories are stated at the lower of cost determined using the first-in, first-out basis or market. The cost of inventories in the proprietary fund statements and citywide statements are recorded as an expense when consumed rather than when purchased.

***H. Capital Assets***

The criteria used for capitalizing assets include assets with an estimated useful life of more than one year and an acquisition cost of \$5,000 or more per unit. Capital assets are stated at actual cost for purchased and constructed assets, estimated historical cost for older assets for which actual cost was not determinable, and estimated fair value at the time of receipt for donated or contributed items.

Expenditures incurred during the construction phase are recorded as construction in progress. These amounts are transferred from construction in progress to the appropriate classification (water rights, buildings and improvements, or infrastructure) upon completion of the project. Land, machinery, and equipment are normally recorded upon receipt. Salvage value is not material and is therefore not computed. Accordingly, assets are completely depreciated if retained for their total estimated useful life. Straight-line depreciation is used in all cases.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***H. Capital Assets (continued)***

<b>Depreciable lives assigned by individual items</b>	
<b>Description</b>	<b>Estimated Useful Life Years</b>
Buildings and improvements	40
Infrastructure	
Street overlay and improvements	10
Other utility improvements	20-65
Mains and conduits	65-95
Reservoirs/Park improvements	99
Machinery and equipment	13-15

**1) Governmental Activities and Governmental Funds**

The accounting and reporting treatment applied to a fund's capital assets is determined by its measurement focus. Governmental funds are accounted for on a current financial resources measurement focus, whereby only current assets and current liabilities are recorded on the balance sheet. Capital assets purchased by governmental funds are not included in the governmental fund but are recorded as expenditures in the fund. These expenditures are reclassified through the governmental activities adjustments and are shown as increases in capital assets in the governmental activities column in the citywide financial statements. Interest incurred during construction is not capitalized.

Estimated costs for streets constructed by developers and contributed to the City are reported as program revenue for the public works function in the citywide statement of activities and as additions to infrastructure in the citywide statement of net assets. Street infrastructure was recorded from 1973 through 2002 using discounted replacement cost.

**2) Business-type Activities, Proprietary and Pension Trust Funds**

Proprietary funds and pension trust funds use the economic resources measurement focus, therefore, capital assets are included on the fund's statement of net assets as well as in the business-type activities column of the citywide financial statements. Developers who construct water and wastewater lines for subdivisions are required to furnish cost figures to the City for contributed lines. If cost figures are not provided, the City estimates the value of the donated asset. Such costs are recorded as capital assets and capital contribution revenues when accepted by the City.

Interest cost on debt issued for the construction of capital assets is capitalized during construction of assets in accordance with FASB 34, *Capitalization of Interest Cost* and FASB 62, *Capitalization of Interest Cost in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants*.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***I. Unearned and Deferred Revenues (Liabilities)***

*Unearned Revenues*

Under the accrual basis of accounting, revenue is recognized when earned. Unearned revenues reflect amounts that have been received before the City has a legal claim to the funds. In subsequent periods, when revenue recognition criteria are met, or when the City has a legal claim to the resources, the unearned revenue is removed from the balance sheet and revenue is recognized.

*Deferred Revenues*

Under the modified accrual basis of accounting, revenues are recorded when earned and available. Deferred revenues, shown in the governmental funds, may include both amounts that are unearned and amounts unavailable to finance expenditures of the fiscal period. In subsequent periods, when the City has legal claim and the resources become available, the deferred revenues are removed and revenue is recognized in the governmental fund.

***J. Noncurrent Liabilities***

Noncurrent liabilities include: bonds, notes, certificates of participation, capital leases, claims payable, earned but not used compensated absences and other post employment benefits. The accounting and reporting treatment for a fund's noncurrent liabilities is determined by its measurement focus.

**1) Governmental Activities and Governmental Funds**

For governmental funds, only the portion of noncurrent liabilities to be financed from "expendable available financial resources" is reported as a liability in a governmental fund. That is, the liability is recorded in a governmental fund when payment is due, or when resources have been accumulated in the debt service fund for payment early in the following year. Proceeds from issuance of debt are reported in the governmental funds as "other financing sources." Payments of principal on debt are shown as expenditures. For the citywide statements, governmental debt issuances are reflected as increases in noncurrent liabilities. Principal payments are shown as decreases in noncurrent liabilities. The outstanding amounts of noncurrent liabilities are reported on the citywide statement of net assets. Amounts due within the next twelve months are reported as "due within one year" with the remaining amount being reported as "due in more than one year."

**2) Business-type Activities, Proprietary and Pension Trust Funds**

Proprietary funds and pension trust funds use the economic resources measurement focus; therefore, long-term liabilities are accounted for in the fund as well as in the business-type activities column of the citywide financial statements.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***K. Bond Premiums, Discounts and Issuance Costs***

In governmental funds, bond premiums, discounts and issuance costs are recognized as expenditures in the period incurred. For the citywide and the proprietary fund statements, bond premiums, discounts and issuance costs are deferred and amortized over the term of the bonds using the straight-line method. Bond premiums and discounts are presented as a reduction of the face amount of bonds payable whereas issuance costs are recorded as deferred charges.

***L. Compensated Absences***

**1) Annual Leave**

City policy allows employees to accumulate earned but not used annual leave up to maximum hours as indicated in the table. All annual leave hours in excess of the maximum accrual permitted are forfeited on January 1 of each year. Accrued annual leave is payable to the extent earned.

**Maximum Annual Leave Hours**

<b>Employees</b>	<b>Maximum Hours</b>
Police and Career Service	260
Fire Civil Service 8-hour shift	256
Fire Civil Service 24-hour shift	360

**2) Sick Leave**

Generally, employees may convert sick leave hours accumulated in excess of established minimums annually in January to either annual leave hours or cash payments. All employees may convert sick leave hours to annual leave hours at a rate of one hour's pay for every two hours of sick leave up to the established maximum payment hours. In lieu of, or in combination with, cash payment, Career Service employees may elect to increase their annual leave balances by up to forty hours per year in exchange for twice the amount of accrued sick leave.

**Sick Leave Conversion to Annual Leave / Cash Payment**

<b>Employees</b>	<b>Minimum Accrual Hours</b>	<b>Maximum Payment Hours</b>
Police and Career Service	720	120
Fire Civil Service 8-hour shift	684	120
Fire Civil Service 24-hour shift	960	180

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***L. Compensated Absences (continued)***

**3) Accrued Liabilities for Compensated Absences**

The City records a liability for accrued compensated absences and related payroll taxes. The City uses the “vesting method” per GASB 16, *Accounting for Compensated Absences*, to determine the sick leave liability upon termination.

**a) Governmental Activities and Governmental Funds**

Only the portion of compensated absences that is due is reported as a liability in a governmental fund. The entire liability is reflected in the citywide statement of net assets as noncurrent liabilities. The portion of amounts “due within one year” are estimated to be paid (in lieu of used) in the next twelve months.

**b) Business-type Activities, Proprietary and Similar Pension Trust Funds**

The liability for compensated absences for employees whose work primarily benefits a proprietary fund is recorded in the respective fund. The portion of amounts anticipated to be paid (in lieu of used) over the next twelve months are reported as “current portion of long-term liabilities” in the proprietary fund statements and as “due within one year” in the business-type activities on the citywide statement of net assets.

***M. Use of Estimates***

The preparation of financial statements in conformity with U.S. 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 the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***N. Fund Balances and Net Assets***

***Fund balance***

Fund balances reflect assets minus liabilities using the current financial resources measurement focus and the modified accrual basis of accounting. Fund balances are shown only in the governmental fund statements and are divided into two classifications; reserved and unreserved. Fund balance reserves reflect amounts legally segregated for a specific future use. Assets that are required by outside sources to be used for a specific purpose are shown on the balance sheet as “restricted assets.” The City reports liabilities and deferred revenues that are associated with these restricted assets as amounts “payable from restricted assets.” The net difference between restricted assets and amounts payable from restricted assets is shown as fund balance reserves. No assets have been restricted in connection with the reserve for encumbrances. Unreserved fund balance includes designated and undesignated portions. Designations represent management’s intended use of otherwise available current financial resources and reflect actual plans for spending approved by City senior management.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***N. Fund Balances and Net Assets (continued)***

*Net assets*

Net assets are assets minus liabilities using the economic resources measurement focus and the accrual basis of accounting. Net assets are reported in three classifications. Invested in capital assets, net of related debt reflects capital assets (net of accumulated depreciation) reduced by the outstanding amount of debt, which was issued to acquire or construct the capital assets. Restricted net assets report amounts legally segregated for a specific future use. Remaining net assets are reported as unrestricted.

Certain special revenue and debt service funds have been established for restricted purposes. These funds may report unreserved/undesignated fund balances in the fund statements. The assets of these funds are reclassified to report restricted net assets, amounts payable from restricted assets and restricted net assets for the citywide statement of net assets.

***O. Budgets***

On or before September 1 of each year, a proposed budget is presented by the City Manager to the City Council for review. The City Council holds public hearings and may add to, subtract from, or change appropriations and associated revenues and reserves. The City Council is required to adopt the budget for the upcoming year by November 30, but typically does so before every November election.

Budgets are legally adopted for all funds except the Payroll Clearing Agency Fund and component units: ACLC, AURA, GERP, EOEP, FRA and AHA. Budgets for these funds are not adopted as they are not subject to the budgetary requirements of the Colorado Revised Statutes.

The City adopts both annual operating appropriations and project-length appropriations each year. Operating costs are controlled at the fund and department level for the General Fund and at the fund level for all other funds. Expenditures may not exceed appropriations at those levels. Annual operating appropriations lapse at year-end except for amounts that are encumbered (reserves for encumbrances are commitments on purchase orders that remain open at year-end).

The City adopts all capital projects on a project-length budget. Project-length (continuing appropriations) budgets do not lapse until the project for which the appropriation was made is completed or abandoned. Project expenditures are controlled at the fund, department and project levels. Expenditures may not exceed appropriations at any of those levels.

The following funds have both project-length continuing appropriations and annual operational budgets: City Capital Projects, Water, Wastewater, Golf, Gifts and Grants, Community Maintenance, Enhanced E-911, Conservation Trust, Parks Development, Arapahoe County Open Space, Designated Revenues, Bond Proceeds and Building Repair. The Community Development

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### *O. Budgets (continued)*

Fund only adopts project-length budgets.

Since expenditures may not legally exceed budgeted appropriations, appropriation amendments are approved as necessary. Budget amendments require City Council approval by ordinance.

Budget transfers within a department may be made with administrative approval if the transfer is within the same fund. Transfers between departments within the General Fund require City Council approval by ordinance. Transfers between funds require City Council approval by ordinance.

### **Basis of Budgeting**

The City budgets on a “funds available” basis. Budgetary basis revenues and other financing sources are considered increases in funds available and budgetary basis expenditures and other financing uses are considered uses of funds available. In general, funds available are defined as current assets minus current liabilities. However, certain items that are considered current for GAAP accounting are considered long-term for the City budget. Some examples of these in proprietary funds include the current portion of accrued compensated absences and the current portion of long-term debt.

The City’s budget disclosure presents funds available net of reservations and designations. While the reservations and designations are available to appropriate, funds available after reservations and designations represent funds that may be used for previously unanticipated purposes.

#### 1) *Governmental Funds*

Budgets for governmental funds are reported on the same basis as described in the Basis of Accounting section, except as follows:

- a) Encumbrances are treated as expenditures in the year they are encumbered, not when the expenditure occurs.
- b) Grants are considered revenue when awarded, not when earned.
- c) Sales, use and lodgers taxes are considered revenue when received rather than when earned.
- d) Project-length (continuing appropriation) budgets adopted during the year are considered to reduce funds available in the year adopted.
- e) Overspending of project length (continuing appropriation) budgets is considered to reduce funds available.
- f) Close-out of unspent project-length (continuing appropriation) budgets is considered to increase funds available.
- g) Proceeds from capital leases and related capital expenditures are not budgeted.
- h) The value received on the trade-in of capital assets and the related capital expenditures are not budgeted.
- i) Changes in investment income due to recording investments at fair value are not budgeted.



**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***O. Budgets (continued)***

**Basis of Budgeting (continued)**

***2) Proprietary Funds***

Budgets for proprietary funds are adopted on the “funds available” basis. This differs from the U.S. GAAP Basis of Accounting as follows:

- a) Capital outlay is budgeted as an expenditure in the year purchased.
- b) Depreciation is not budgeted.
- c) Interest capitalized during construction is budgeted as interest expense.
- d) Proceeds from the issuance of debt are considered revenues instead of an increase in liabilities.
- e) Principal payments are shown as expenditures rather than reductions of the liability.
- f) Encumbrances are treated as expenditures in the year they are encumbered, not when the expense occurs.
- g) Receipts of long-term receivables are considered revenues, not reductions of the receivable.
- h) Proceeds from the sale of assets are recognized as revenue; however, the related gain or loss is not.
- i) Purchases of inventory are considered expenditures when purchased, not when sold or used.
- j) Debt issue and discount costs are considered to be expended when paid, not capitalized and amortized over the life of the bonds.
- k) Gains or losses on the early extinguishment of debt are considered to increase or decrease the funds available in the year in which they occur and are not capitalized and amortized over the life of the bonds.
- l) Accrued compensated absences are not considered expenditures until paid.
- m) Interest earned on escrowed cash and investments is not considered revenue for budget purposes.
- n) The gain or loss on the equity in the joint venture is not budgeted, however payments to the joint venture, if any, are budgeted as expenditures.
- o) Project-length (continuing appropriation) budgets are considered reductions of funds available when appropriated.
- p) Overspending of project length budgets is considered to reduce funds available.
- q) Close-out of unspent project length budgets is considered to increase funds available.
- r) Proceeds from capital leases and related capital expenditures are not budgeted.
- s) The value received on the trade-in of capital assets and the related capital expenditures are not budgeted.
- t) Changes in investment income due to recording investments at fair value are not budgeted.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*****O. Budgets (continued)*****Basis of Budgeting (continued)****Appropriation Violations**

The General Fund, SID and Surplus and Deficiency Debt Service Funds had budgetary actual expenditures in excess of final budget, which may be a violation of the City's Charter. Appropriation amendments for these expenditures will be requested in the following year and are subject to City Council approval by ordinance.

<b><u>Fund</u></b>	<b><u>Final Budget</u></b>	<b><u>Budgetary Actual</u></b>	<b><u>Variance with Final</u></b>
General Fund			
Civil Service	\$ 543,805	\$ 566,796	\$ (22,991)
Internal Services	12,605,752	12,612,020	(6,268)
SID Debt Service	299,837	495,824	(195,987)
Surplus and Deficiency	-	25,973	(25,973)

**2. RECONCILIATION OF CITYWIDE AND FUND FINANCIAL STATEMENTS**

<b>Reconciliation of Fund Balances on the Governmental Funds Balance Sheet to Net Assets on the Citywide Statement of Net Assets</b>	
Fund balances - Governmental Funds Balance Sheet	\$ 150,978,981
Cash, investments, receivables, notes receivable	(47,109,505)
Deferred charges	1,238,692
Due from other funds	(2,821,619)
Internal balances	480,393
Restricted assets	49,452,347
Capital assets	2,895,703,994
Accounts payable and other current liabilities	362,076
Due to other funds	1,260,402
Deferred revenue / unearned revenue	18,440,276
Payable from restricted assets	(15,439,491)
Non-current liabilities	(179,416,417)
Internal service funds - total net assets	9,075,199
Net assets - Citywide Statement of Net Assets	<u>\$ 2,882,205,328</u>
<b>Reconciliation of the Change in Fund Balances on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Change in Net Assets on the Citywide Statement of Activities</b>	
Net change in fund balances - Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ (12,192,428)
Sales and use tax audit revenue	(347,812)
Charges for services	(19,666,830)
Miscellaneous revenues	8,130,159
Restricted investment income	2,105,383
Investment earnings	(2,128,014)
Current expenditures	(8,056,900)
Debt service	13,337,256
Capital outlay	47,062,412
Capital leases	(1,075,000)
Disposal of capital assets	(263,666)
Internal service funds - total change in net assets	2,686,357
Change in net assets - Citywide Statement of Activities	<u>\$ 29,590,917</u>

**2. RECONCILIATION OF CITYWIDE AND FUND FINANCIAL STATEMENTS (continued)**

**A. *Reconciliation of Fund Balances on the Governmental Fund Balance Sheet to Net Assets on the Citywide Statement of Net Assets***

**1) Cash, investments, receivables, and notes receivable**

Certain governmental funds have been established for restricted purposes. The unrestricted cash, investments, receivables, and notes receivable assets of these funds totaling (\$47,109,505) are reclassified to restricted on the citywide statement of net assets, where the restrictive purpose of the fund is no longer apparent.

**2) Deferred charges**

Deferred charges represent unamortized bond issue costs. Issue costs are immediately expensed in the governmental funds but are deferred and amortized in the citywide statement of net assets.

**3) Due to / Due from**

Amounts due to of \$1,260,402 and due from of (\$2,821,619) other funds are eliminated through the governmental activities adjustment.

**4) Internal balances**

The internal balances due to the governmental activities from the business-type activities result from the allocation of the cumulative internal service fund loss attributable to the business-type activity functions of water, wastewater and golf.

**5) Restricted assets**

As explained in 1) above, assets from certain governmental funds, totaling \$47,109,505, have been reclassified to restricted assets for citywide reporting. Additionally, the net pension asset of \$2,342,842, recorded as a receivable on the citywide statement of net assets in restricted assets, is not available to pay current period expenditures and, therefore, is not recorded in the funds.

**6) Capital assets**

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds balance sheet.

**2. RECONCILIATION OF CITYWIDE AND FUND FINANCIAL STATEMENTS (continued)**

**A. *Reconciliation of Fund Balances on the Governmental Fund Balance Sheet to Net Assets on the Citywide Statement of Net Assets (continued)***

**7) Accounts payable and other current liabilities**

Interest payable on bonds (\$823,134) is not recorded in the governmental funds balance sheet. The funded portion of the sick and annual leave accrual of \$653,223 is reclassified to noncurrent liabilities “due within one year” in the citywide statement of net assets. The liabilities of certain governmental funds, totaling \$934,402, have been reclassified to “payable from restricted assets” in the citywide statement of net assets where the restricted purpose of the fund is no longer apparent. Additionally, the net pension obligation of (\$402,415), recorded in payables on the citywide statement of net assets, will not be paid in the current period and , therefore, is not recorded in the funds.

**8) Deferred revenue / unearned revenue**

Certain revenues that have been earned but are not available to pay current liabilities are shown on the governmental fund balance sheet as deferred revenues. These amounts, totaling \$4,108,824, are recognized as revenues for citywide reporting, leaving only unearned revenue on the citywide statement of net assets at year-end. These amounts include revenues from special assessments, tax audits and notes receivable. Deferred revenues of \$14,331,452 are reclassified to “payable from restricted assets” as they represent deferred revenue from a restricted source.

**9) Payable from restricted assets**

Payables (\$934,402) and deferred revenues (\$14,331,452) are reclassified to “payable from restricted assets” where the corresponding asset is restricted. Arbitrage liability (\$177,000), recorded in the citywide statement of net assets, is not payable from current financial resources and, therefore, is not recorded in the funds. Amounts due to other governmental funds of \$3,363, recorded in the governmental funds balance sheet, are eliminated.

**10) Noncurrent liabilities**

Noncurrent liabilities include amounts: “due within one year” of (\$14,584,469), “due beyond one year” of (\$156,900,444) and “due beyond one year payable from restricted assets” of (\$7,931,504). These amounts representing bonds, certificates of participation and accrued compensated absences are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet. Included in “due within one year” are accrued compensated absences of (\$1,521,248), reclassified from accounts payable and other current liabilities in the fund financial statements.

**11) Internal service funds - total net assets**

Internal service funds are used by the City to accumulate and allocate fleet management, printing, and risk management costs to individual funds. The assets, liabilities, and net assets of the internal service funds are included in governmental activities in the citywide statement

**2. RECONCILIATION OF CITYWIDE AND FUND FINANCIAL STATEMENTS (continued)**

***A. Reconciliation of Fund Balances on the Governmental Fund Balance Sheet to Net Assets on the Citywide Statement of Net Assets (continued)***

**11) Internal service funds - total net assets (continued)**

of net assets because services provided by these funds predominately benefit governmental activities.

***B. Reconciliation of Change in Fund Balances on the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances to the Change in Net Assets on the Citywide Statement of Activities***

**1) Sales and use tax audit revenue**

The sales and use tax audit revenue is recorded in the citywide statement of activities once the receivable amount is known, however it does not provide current financial resources and, therefore, is not reported as revenue in the governmental fund financial statements until collected.

**2) Charges for services**

Interfund charges for services, earned primarily in the General Fund and the internal service funds, are eliminated for citywide financial statement reporting. Also included is the change in special assessment revenue, deferred in the fund financial statements but recognized as revenue on the citywide statement of activities.

**3) Miscellaneous revenues**

Street infrastructure, contributed to the City by developers and recorded as revenue in the citywide statement of activities, is not a current financial resource and, therefore, is not recorded as revenue in the governmental fund financial statements.

**4) Restricted investment earnings and investment earnings**

Certain governmental funds have been established for restricted purposes. Investment earnings recorded in these funds are reclassified to restricted investment earnings for citywide reporting, where the purpose of the fund is not apparent.

**5) Current expenditures**

Certain expenses in the citywide statement of activities do not require the use of current financial resources and, therefore, are not recorded as expenditures in the governmental fund financial statements. These expenses include: depreciation of the governmental funds of (\$22,731,975); change in arbitrage rebate of (\$40,100); change in net pension asset/obligation of (\$2,121,771); and change in accrued compensated absences of (\$1,915,490). Additionally,

**2. RECONCILIATION OF CITYWIDE AND FUND FINANCIAL STATEMENTS (continued)**

***B. Reconciliation of Change in Fund Balances on the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances to the Change in Net Assets on the Citywide Statement of Activities (continued)***

**5) Current expenditures (continued)**

internal service charge expenditures of \$18,752,436 are eliminated here.

**6) Debt service**

The repayment of principal of \$13,583,952 on long-term debt, recorded in the governmental fund financial statements, consumes the current financial resources of the governmental funds, but does not affect the citywide statement of activities. The accrual adjustment of \$75,392 for debt service interest and the amortization of the loss on the 2006 COP's refunding is made for citywide reporting only.

**7) Capital outlay**

Governmental funds report capital outlay as expenditures. However, in the citywide statement of activities, the expenditures are capitalized.

**8) Capital leases**

Capital lease proceeds are recorded in the governmental fund financial statements but have no effect on net assets.

**9) Proceeds from note issued**

The issuance of long-term debt provides current financial resources to governmental funds. The transaction has no effect on net assets.

**10) Disposal of capital assets**

Proceeds from the disposal of capital assets are recorded in the governmental fund financial statements, while on the citywide statement of activities, the gain from disposal of capital assets of \$105,427 is recorded, which also includes the write-off of the carrying value on the related capital assets.

**11) Internal service funds - total change in net assets**

The increase in net assets of internal service fund activity is reported with governmental activities in the citywide statements of activities because services provided by these funds predominately benefit governmental activities.

**2. RECONCILIATION OF CITYWIDE AND FUND FINANCIAL STATEMENTS (continued)**

***C. Reconciliation of Net Assets and Change in Net Assets on Proprietary Funds Financial Statements to Citywide Financial Statements***

**1) Internal balances**

The internal balances due to the governmental activities from the business-type activities result from the allocation of the cumulative internal service fund loss and charges from the Development Review fund for permits and inspections on city projects attributable to the business-type activity functions of water, wastewater and golf.

**2) Interfund loan**

The current and long-term portions of the interfund loan between the Wastewater Fund and the Golf Fund are eliminated.

**3) Accounts payable and other current liabilities/current portion - long-term debt**

The funded portion of accrued compensated absences is reclassified from current liabilities to current portion of long-term debt.

**4) Operating expenses**

The current year internal service fund operating loss of (\$142,840), development review permits and inspections charges of (\$1,557,854) and depreciation expense of (\$12,924) attributable to business-type activity functions are eliminated for citywide reporting. Additionally, the loss on equity in joint venture of \$33,395 are reclassified to expense for citywide reporting.

**5) Interest Income/ Interest Expense**

The interest income / interest expense on the interfund loan between the Wastewater Fund and the Golf Fund is eliminated.

**6) Loss on equity in joint venture**

The loss on equity in joint venture is reclassified to operating expense for citywide reporting.



## CITY OF AURORA, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2007

**3. CASH AND INVESTMENTS**

Cash and investments as of December 31, 2007 are classified in the accompanying financial statements as follows:

**Classifications of Cash and Investments per Citywide and Fiduciary Statements of Net Assets****December 31, 2007**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Component Unit</b>	<b>Fiduciary Funds</b>	<b>Totals</b>
Cash and cash equivalents	\$ 36,061,311	\$ 43,180,125	\$ 21,867,274	\$ 5,758,045	\$ 106,866,755
Investments	58,875,751	237,375,026	1,971,582	313,975,588	612,197,947
Restricted assets	56,415,267	458,716,166	22,825	—	515,154,258
Total cash and investments	<u>\$ 151,352,329</u>	<u>\$ 739,271,317</u>	<u>\$ 23,861,681</u>	<u>\$ 319,733,633</u>	<u>\$ 1,234,218,960</u>

**Summary of Cash and Investments by Fund and Type****December 31, 2007**

<b>Fund</b>	<b>Petty cash</b>	<b>Deposits</b>	<b>Investments</b>	<b>Equity in City pool</b>	<b>Totals</b>
<b>Governmental Activities</b>					
<b>General Fund</b>					
Cash and equivalents	\$ 32,409	\$ 193,469	\$ —	\$ 6,949,770	\$ 7,175,648
Investments	—	—	—	7,590,207	7,590,207
<b>Other Governmental Funds</b>					
Cash and equivalents	3,790	3,000	—	34,790,440	34,797,230
Investments	—	—	—	62,136,884	62,136,884
Restricted assets	—	—	5,654,410	18,032,216	23,686,626
<b>Internal Service Funds</b>					
Cash and equivalents	—	—	—	7,636,478	7,636,478
Investments	—	—	—	8,329,256	8,329,256
<b>Governmental activities adjustments</b>					
Cash and equivalents	—	—	—	(13,548,045)	(13,548,045)
Investments	—	—	—	(19,180,596)	(19,180,596)
Restricted assets	—	—	—	32,728,641	32,728,641
Total governmental activities	<u>36,199</u>	<u>196,469</u>	<u>5,654,410</u>	<u>145,465,251</u>	<u>151,352,329</u>

(continued)

## CITY OF AURORA, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2007

## 3. CASH AND INVESTMENTS (continued)

## Summary of Cash and Investments by Fund and Type

December 31, 2007

Fund	Petty cash	Deposits	Investments	Equity in City pool	Totals
<b>Business-type Activities</b>					
<b>Water Fund</b>					
Cash and equivalents	\$ 198	\$ —	\$ —	\$ 26,625,746	\$ 26,625,944
Investments	—	—	—	188,704,877	188,704,877
Restricted assets	—	—	391,624,657	16,131,706	407,756,363
<b>Wastewater Fund</b>					
Cash and equivalents	—	—	—	15,604,505	15,604,505
Investments	—	—	—	47,722,814	47,722,814
Restricted assets	—	—	46,363,712	4,132,419	50,496,131
<b>Golf Fund</b>					
Cash and equivalents	13,850	—	—	935,826	949,676
Investments	—	—	—	947,335	947,335
Restricted assets	—	—	463,672	—	463,672
Total business-type	14,048	—	438,452,041	300,805,228	739,271,317
<b>Component Units</b>					
<b>Fitzsimons Redevelopment Authority</b>					
Cash and equivalents	—	15,941,411	—	—	15,941,411
Restricted assets	—	22,825	—	—	22,825
<b>Aurora Housing Authority</b>					
Cash and equivalents	—	5,925,863	—	—	5,925,863
Investments	—	—	1,971,582	—	1,971,582
Total component units	—	21,890,099	1,971,582	—	23,861,681
<b>Pension Trust and Agency</b>					
<b>Payroll Clearing Agency Fund</b>					
Cash and equivalents	—	—	—	334,664	334,664
<b>Pension Trust Funds</b>					
Cash and equivalents	—	5,737	5,417,644	—	5,423,381
Investments	—	—	313,975,588	—	313,975,588
Total Pension Trust and Agency	—	5,737	319,393,232	334,664	319,733,633
<b>Total Cash and Investments</b>					
Total All Funds	50,247	22,092,305	765,471,265	446,605,143	\$ 1,234,218,960
City Pool Deposits	—	6,444,275	—	(6,444,275)	
City Pool Investments	—	—	440,160,868	(440,160,868)	
Total Cash and Investments	\$ 50,247	\$ 28,536,580	\$ 1,205,632,133	\$ —	

(concluded)

## CITY OF AURORA, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2007

**3. CASH AND INVESTMENTS (continued)**

The following schedules present all investments held by the City. As a home rule city, the City is allowed by state statute to invest public funds as permitted by charter or ordinance of the City. The City, by ordinance, has established an investment policy that does not include the pension funds. All non-pension plan investments are governed by this policy except for bond proceeds, which are invested in accordance with state statute, terms of the bond indenture or to meet bond insurer requirements.

Investments are subject to many different types of risk including, but not limited to, credit risk, custodial credit risk, concentration of credit risk, interest rate risk and foreign currency risk. The City has no custodial credit or foreign currency risk except for the pension plan investments as discussed under B of this note. City policy gives guidance for investment activity to limit risks, as outlined in the following schedules and discussion.

**Applicable Risk on City Pooled Investments****December 31, 2007**

		Interest Rate Risk			Credit Risk		
		Weighted Average Maturity (Years)	% of Total Portfolio	% Allowed by Policy		Current Ratings on City Investments	
Security	Fair Value				Credit Risk Allowed by City Policy		
City Pool						Moody's	S & P
US Agency Notes	\$ 37,620,590	0.41	8.55%	50%	Rating not limited by City policy.	Aaa	AAA
US Treasury Notes	15,207,450	0.97	3.45%	Not limited	Rating not limited by City policy.	Aaa	AAA
Commercial paper	50,737,418	0.07	11.53%	50%	A rating of A-1, P-1 or their equivalent by any two nationally recognized credit rating agencies.	P1	A1, A1+
Corporate notes	174,612,443	1.85	39.67%	40%	Rating AAA, 40% maximum, 5 year maturity Rating AA, 35% maximum, 5 year maturity Rating A1 or A+, 15% maximum, 3 year maturity.	A1-Aaa	A+-AAA
Municipal bonds	23,607,085	1.63	5.36%	50%	Rated in one of the three highest rating categories by a nationally recognized organization which regularly rates such obligations.	Aa-Aaa	AA-AAA
Colostrust Plus+	43,177,371	-	9.81%	10%	Must be registered with the SEC or rated AAA by any nationally recognized credit rating agency.	Aaa	AAA
Colostrust Prime	55,198,511	-	12.54%	Not limited	Must be registered with the SEC or rated AAA by any nationally recognized credit rating agency. By City Policy this fund is not subject to the 10% limit. The fund invests in U.S. Treasury securities, certain approved obligations of agencies of the U.S. government, and written repurchase agreements collateralized on those securities.	Aaa	AAA
Certificates of deposit	40,000,000	-	9.09%	Not limited	City policy mirrors State statute, which does not limit certificates of deposit. Certificates of deposit are covered by the Public Depository Protection Act. City practice is to require asset and equity ratios be met as well as limiting amounts invested in any single institution.	N/A	N/A
Total City Pool	\$ 440,160,868	1.01	100.00%				

## CITY OF AURORA, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007

## 3. CASH AND INVESTMENTS (continued)

Applicable Risk on City Non-pooled Investments  
(excluding discretely presented component units)  
December 31, 2007

		Interest Rate Risk	Concentration Risk	Credit Risk		
<i>Non-pooled investments</i>	Fair Value	Weighted Avg Maturity (Years)	% of Total Fund Investments	Current Ratings Moody's	S & P	Purpose of Investment
<b>Governmental Activities</b>						
<i>Other Governmental Funds</i>						
<i>ACLIC Debt Service</i>						
Money market funds	\$ 277,176	—	N/A	Aaa	AAA	2002, 2004, 2005 and 2006 COPs issues held by trustee for debt service.
US Treasury Notes	3,283,359	4.95	N/A	Aaa	AAA	2004 and 2005 COPs issues held by trustee for reserve requirement.
<i>ACLIC Capital Projects</i>						
Money market funds	2,093,875	—	N/A	Aaa	AAA	2002 and 2005 COPs proceeds held by trustee for ACLC capital projects.
Total Other Governmental Funds	5,654,410					
Total Governmental Activities	5,654,410					
<b>Business-type Activities</b>						
<i>Water Fund</i>						
US Treasury Notes	5,225,932	5.63	N/A	Aaa	AAA	2003 bond issue held by trustee for bond reserve requirement.
Money market funds	105,527	—	N/A	Aaa	AAA	2004A 2nd Lien Water bond issue held for debt service.
Money market funds	2,004,000	—	N/A	Aaa	AAA	Owner controlled insurance policy for Prairie Water Project.
Repurchase Agreement						
US Agency Notes	381,788,169	4.21	70.34%	Aa1*	AA	2007 bond issue held for Water capital projects and reserve requirement.
Money market funds	2,501,029	—	N/A	Aaa	AAA	2007 bond issue held for Water capital projects and reserve requirement.
Total Water Fund	391,624,657					
<i>Wastewater Fund</i>						
Repurchase Agreement	3,749,250	28.60	3.82%	Aaa*		2006 bond issue held for Wastewater capital projects and reserve requirement.
US Agency Notes						
Money market funds	42,614,462	—	N/A	Aaa	AAA	2006 bond issue held for Wastewater capital projects and reserve requirement.
Total Wastewater Fund	46,363,712					
<i>Golf Fund</i>						
US Agency Notes	463,672	7.42	32.86%	Aaa	AAA	2005 refunding bond issue held for bond reserve requirement.
Total business-type activities	438,452,041					
<b>Fiduciary Funds</b>						
<i>General Employee's Retirement Plan (GERP)</i>	315,795,314	See following disclosures				
<i>Elected Officials' and Executive Personnel Defined Benefit Plan (EOEP)</i>	3,597,918	See following disclosures				
Total Fiduciary Funds	319,393,232					
<b>Total All Investments</b>	\$ 1,203,660,551					

\* The credit ratings represent the rating on the underlying investments within the Repurchase Agreement.

**3. CASH AND INVESTMENTS (continued)**

***A. Non-Pension Plan Investments***

- 1) **Credit Risk** - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the City as holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Obligations of the U.S. government or explicitly guaranteed by the U.S. government are not considered to have credit risk. All City non-pension plan investments meet credit risk control requirements as specified by City policy.
- 2) **Interest Rate Risk** - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to interest rate risk, it is the City's policy to invest in a manner that securities can normally be held to maturity, or close to maturity, and to limit the types and maturities of permitted securities.

The City manages its exposure by limiting the weighted average maturities of the portfolio to less than 2.5 years, unless the investments are funded by specifically identified sources such as bond indentures. The weighted average maturity for investments in the City pool is 1.01 years. Non-pooled investments, having a weighted average maturity exceeding 2.5 years, are invested in accordance with state statute, terms of the bond indenture or to meet bond insurer requirements.

- 3) **Concentration Risk** - Concentration of credit risk is the risk of loss attributable to the magnitude of the City's investment in a single issuer. Concentration risk as defined by the Governmental Accounting Standards Board is any investment that represents 5% or more of the total investments to any one issuer. The City pooled fund investments are in compliance with City policy which limits unsecured investments with any single issuer other than the federal government to no more than 4%.

The City does have investments that represent more than 5% to a single issuer within specific funds within the City. These include the Golf Fund reserve requirement and the Water Fund repurchase agreement for bond reserve requirement and capital projects. These investments are invested pursuant to specific requirements of bond indentures.

### 3. CASH AND INVESTMENTS (continued)

#### *B. Pension Plan Investments*

##### **General Employees' Retirement Plan**

- 1) **Credit Risk** – Each investment portfolio is managed in accordance with investment guidelines as stated in the Plan's investment policy adopted July 21, 2005. These guidelines are specific to two strategies (core and core plus) within the fixed income asset class.

The *core* portfolio will include the following:

- Debt instruments issued by the U.S. Government, its Agencies and Instrumentalities.
- Debt instruments that have been issued by domestic entities rated BBB- or Baa3 or above by Standard & Poor's rating service or Moody's Investors Service, respectively.
- Dollar denominated debt securities issued under section 144(A); and mortgage backed and asset backed securities of investment grade quality.

The *core plus* portfolio will follow the above guidelines with the following exceptions:

- While the overall portfolio credit quality shall be maintained at investment grade, up to 25 percent of the portfolio at market value may be invested in securities rated below investment grade. Split rated securities will be governed by the lower designation.
- Up to 20 percent of the portfolio at market value may be invested in securities issued by foreign issuers and denominated in foreign currencies.

At December 31, 2007, the Plan held the following fixed income investments with respective quality ratings, excluding those obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government, which are not considered to have credit risk.

Description	Credit Quality Rating	Fair Value	% of Total
Corporate Bonds	AAA	\$14,018,511	17.2%
	AA	3,601,191	4.4%
	A	13,276,990	16.3%
	BBB	14,665,284	18.0%
Bond Fund	AA	35,944,888	44.1%
Total Corporate Bond and Funds		<u>\$81,506,864</u>	<u>100.00%</u>

**3. CASH AND INVESTMENTS (continued)*****B. Pension Plan Investments (continued)*****General Employees' Retirement Plan (continued)**

**2) Interest Rate Risk** – Interest rate risk exposure is dictated by each portfolio manager's agreement. Each portfolio is managed in accordance with investment guidelines as stated in the Plan's investment policy adopted on July 21, 2005. These guidelines are specific to two strategies (core and core plus) within the fixed income asset class.

- The *core* fixed income portfolio is to maintain duration within plus or minus 25 percent of the duration of the Lehman Government Corporate Index.
- The *core plus* portfolio shall normally maintain duration within a range of three to six years.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Trustees. The Board of Trustees for the Plan has formally adopted an investment policy that allows investment maturities greater than five years.

The Plan had the following investments and maturities at December 31, 2007:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1-5	6-10	>10
Industrial Bonds	\$10,844,437	\$ —	\$5,903,027	\$3,787,212	\$1,154,198
Transportation Bonds	366,716	—	—	—	366,716
Utility Bonds	5,479,046	1,726,198	797,766	1,902,653	1,052,429
Finance Bonds	11,382,102	524,569	5,785,614	4,309,558	762,361
REIT Bonds	412,300	—	412,300	—	—
Non-Corp Bonds	2,839,842	651,451	1,053,326	1,135,065	—
Asset Backed Bonds	4,021,610	—	2,282,204	1,522,809	216,597
Govt Mtg Backed	7,708,428	5,890	13,409	—	7,689,129
Coll Mtg Backed	2,507,495	—	111,894	491,363	1,904,238
U.S. Agency Bonds	1,191,623	—	1,191,623	—	—
U.S. Treasury Bonds	25,879,412	—	5,817,188	11,013,161	9,049,063
Certificate of Deposit	248,103	—	248,103	—	—
Corporate Bond Fund	35,944,888	—	—	35,944,888	*
Money Market Funds	5,132,730	5,132,730	—	—	—
<b>Equity Investments</b>					
Equity Securities	162,201,097	162,201,097	—	—	—
Real Estate Funds	26,823,417	26,823,417	—	—	—
Alternative Invest.	12,812,068	12,812,068	—	—	—
Total All Investments	<u>\$315,795,314</u>	<u>\$209,877,420</u>	<u>\$23,616,454</u>	<u>\$60,106,709</u>	<u>\$22,194,731</u>

\*Average maturity for the Corporate Bond Fund is 6.41 years.

**3. CASH AND INVESTMENTS (continued)*****B. Pension Plan Investments (continued)*****General Employees' Retirement Plan (continued)**

- 3) Concentration of Credit Risk** – For the fixed income investment manager, the Plan's investment policy states that for purposes of diversification, the exposure to any single issuer, other than securities guaranteed by the U.S. Treasury, shall not exceed 5% of the market value of the portfolio. For the domestic equity investment manager, the Plan's investment policy states that the market value of any single security holding should be limited to a weight of 5% of the portfolio, or 150% of the security's weight in the benchmark, whichever is higher. There is no formal policy for concentration of credit risk for the international equity and real estate investment managers.

At December 31, 2007 the Plan did not have investments in any one organization representing 5% or more of the Plan's assets other than the following indexed and commingled Funds:

Investment	Fair Value	% of Investments
Barclays Global Investors Equity		
Index Fund A	\$96,352,909	31%
Pimco Total Return Fund	35,944,888	11%
Dodge & Cox International		
Stock Fund	20,675,352	7%
International Alpha Select		
Stock Fund	20,480,513	6%
Blackrock Granite Fund	17,878,487	6%

- 4) Foreign Currency Risk** – Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment or deposit. The Plan's currency risk exposure resides entirely within investments in international equity mutual funds. The plan has no formal policy regarding foreign currency risk.

The Plan's exposure to foreign currency risk in U.S. dollars as of December 31, 2007 is \$41,155,865, which is entirely composed of investments in international equity mutual funds.

**Elected Officials' and Executive Personnel Defined Benefit Plan**

- 1) Credit Risk** – Credit risk exposure is dictated by each manager's agreement with the Plan or in the fund's prospectus.



**3. CASH AND INVESTMENTS (continued)**

***B. Pension Plan Investments (continued)***

**Elected Officials' and Executive Personnel Defined Benefit Plan (continued)**

**1) Credit Risk (continued)**

At December 31, 2007 the Plan held the following fixed income investments:

<b>Description</b>	<b>Credit Quality Rating</b>	<b>Fair Value</b>	<b>% of Total</b>
PIMCO Total Return Fund	AA	\$ 529,304	41%
Westcore Bond Fund	AA-	766,162	59%
Total Corporate Bond and Funds		<u>\$ 1,295,466</u>	<u>100%</u>

**2) Interest Rate Risk** – Colorado revised statutes limit investment maturities to five years or less unless formally approved by the trustee(s). The EOEP trustee has determined that it is appropriate for the Plan to follow the investment guidelines developed by the City of Aurora General Employees' Retirement Plan. Those guidelines allow investment maturities greater than five years.

The Plan had the following investments at December 31, 2007:

<b>Investment Type</b>	<b>Average Maturity (years)</b>	<b>Fair Value</b>
<b>Debt</b>		
Corporate Bond Funds	7.54	\$ 1,295,466
Money Market Funds	0.08	36,811
<b>Equities</b>		
Equity Securities		1,930,246
Real Estate Funds		335,395
Total All Investments		<u>\$ 3,597,918</u>

**3) Concentration of Credit Risk** – The Plan does not have a formal policy regarding the concentration of credit risk. At December 31, 2007, the Plan did not have investments in any one organization representing 5% or more of the Plan assets, other than indexed and commingled funds listed below:

**3. CASH AND INVESTMENTS (continued)****Elected Officials' and Executive Personnel Defined Benefit Plan (continued)****3) Concentration of Credit Risk (continued)**

<b>Investment</b>	<b>Fair Value</b>	<b>% of Investments</b>
iShares Trust - S&P 500 Index Fund	\$ 1,059,463	29.4%
Westcore Plus Bond Fund	766,162	21.3%
Pimco Total Return Fund	529,304	14.7%
Ark Asset Management Small Cap Value Fund I	355,465	9.9%
Black Rock Granite Fund	240,743	6.7%
Dodge & Cox International Stock Fund	238,562	6.6%
State Street Global Advisors International Alpha Select SL Fund	236,314	6.6%

**4. RECEIVABLES****Classification of Receivables per Citywide and Fiduciary Statements of Net Assets  
December 31, 2007**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Component Unit</b>	<b>Fiduciary Funds</b>	<b>Total</b>
Receivables (net of allowance)	\$ 53,537,502	\$ 14,714,223	\$ 8,027,033	\$ 1,394,165	\$ 77,672,924
Restricted assets	26,600,626	10,610,557	-	-	37,211,183
Notes receivable	1,231,156	158,950	31,182,077	-	32,572,183
Total receivables	<u>\$ 81,369,284</u>	<u>\$ 25,483,730</u>	<u>\$ 39,209,110</u>	<u>\$ 1,394,165</u>	<u>\$ 147,456,289</u>

## CITY OF AURORA, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2007

## 4. RECEIVABLES (continued)

**Receivables by Fund and Type**  
**December 31, 2007**

Fund	Taxes	Accounts	Interest	Due from Other Governments	Other	Notes	Total Receivables	Collection not expected within one year
<b>Governmental Activities</b>								
<b>General Fund</b>								
Receivables (net)	\$ 44,681,118	\$ 87,848	\$ 815,690	\$ 1,301,938	\$ 18,780	\$ -	\$ 46,905,374	\$ -
Notes receivable	-	-	-	-	-	90,000	90,000	-
<b>Other Governmental Funds</b>								
Receivables (net)	-	1,135,070	344,802	2,813,526	3,119,558	-	7,412,956	-
Restricted assets	6,348,492	483,807	29,004	1,534,030	1,481,587	-	9,876,920	-
Notes receivable	-	-	-	-	-	14,587,665	14,587,665	14,450,476
<b>Internal Service</b>								
Receivables (net)	-	-	102,995	-	50,532	-	153,527	-
<b>Governmental Activities Adjustment</b>								
Receivables (net)	-	-	(51,490)	(2,813,526)	1,930,661	-	(934,355)	-
Restricted assets	-	-	51,490	2,813,526	412,181	13,446,509	16,723,706	13,446,509
Notes receivable	-	-	-	-	-	(13,446,509)	(13,446,509)	(13,446,509)
Total governmental activities	51,029,610	1,706,725	1,292,491	5,649,494	7,013,299	14,677,665	81,369,284	14,450,476
<b>Business-type Activities</b>								
<b>Water Fund</b>								
Receivables (net)	-	7,603,529	1,637,806	-	97,525	-	9,338,860	-
Restricted assets	-	-	8,901,913	-	-	-	8,901,913	-
Notes receivable	-	-	-	-	-	-	-	-
<b>Wastewater Fund</b>								
Receivables (net)	-	4,952,619	421,921	-	293	-	5,374,833	-
Restricted assets	-	-	84,124	-	1,623,409	-	1,707,533	-
<b>Golf Fund</b>								
Receivables (net)	-	-	530	-	-	-	530	-
Restricted assets	-	-	1,111	-	-	-	1,111	-
Notes receivable	-	-	-	-	-	158,950	158,950	134,986
Total business-type	-	12,556,148	11,047,405	-	1,721,227	158,950	25,483,730	134,986
<b>Component Unit</b>								
<b>FRA</b>								
Receivables (net)	-	-	-	-	133,161	-	133,161	-
Notes receivable	-	-	-	-	-	1,004,536	1,004,536	1,004,536
<b>AHA</b>								
Receivables (net)	-	-	638,872	-	7,255,000	-	7,893,872	-
Notes receivable	-	-	-	-	-	30,177,541	30,177,541	30,177,541
Total component unit	-	-	638,872	-	7,388,161	31,182,077	39,209,110	31,182,077
<b>Fiduciary Funds</b>								
<b>GERP</b>								
Receivables (net)	-	-	1,149,266	231,705	-	-	1,380,971	-
<b>EOEP</b>								
Receivables (net)	-	-	8,007	-	5,187	-	13,194	-
Total fiduciary funds	-	-	1,157,273	231,705	5,187	-	1,394,165	-
<b>Total</b>								
Total all funds	\$ 51,029,610	\$ 14,262,873	\$ 14,136,041	\$ 5,881,199	\$ 16,127,874	\$ 46,018,692	\$ 147,456,289	\$ 45,767,539

#### **4. RECEIVABLES (continued)**

##### ***A. Taxes***

###### **1) Property Tax**

Property tax is levied on December 15 and attaches as a lien on property the following January 1. The tax is payable in full by April 30 or in two equal installments due February 28 and June 15. Each county bills and collects property tax for all taxing entities within the county. Property tax collected by Arapahoe, Adams and Douglas counties for the City are remitted in the subsequent month. Property tax is reported as a receivable and as deferred revenue when levied in both the funds and for citywide reporting. Revenue is recognized when collected in the following year. Collection begins on January 1 of the following year. Based upon experience, one percent of outstanding receivables is recorded in an allowance account and is deducted from the deferred revenue and the receivable for reporting purposes. Total allowance at December 31, 2007 is \$263,266.

###### **2) Sales, Use and Lodgers Taxes**

Sales, use and lodgers taxes are recognized as revenue when earned. Sales tax collected and use tax incurred are due to the City by the 20th day of the following month. Amounts calculated as owed during sales and use tax compliance audits are recorded as receivables and deferred revenues in the General Fund. Tax audit revenue is recognized in subsequent periods when payment is received. For citywide reporting, revenue is recognized when earned.

###### **3) Franchise Taxes**

Franchise taxes such as telephone, cable television, gas and electric, due to the City but not received at year-end, are recorded as receivables.

##### ***B. Accounts***

###### **1) City Services**

Amounts billed for weed cutting, trash removal, demolition, tree trimming and removal, overtime inspection fees and reimbursement for property damages are recorded as receivables and the revenue is recognized when services have been performed.

###### **2) Utility Billings**

Utility charges, which include water and wastewater usage and storm drainage fees, are billed monthly and are due and payable within 25 days from the billing date. Earned but unbilled utility charges at December 31, 2007 is \$3,997,600. Billed and unbilled charges are recorded as revenue when earned. Estimates of uncollectible utility charges, based upon a percentage of aged outstanding receivables, are established in allowance accounts which are deducted from utility receivables for reporting purposes. Total allowance at December 31, 2007 is \$96,460.

#### 4. RECEIVABLES (continued)

##### *C. Interest*

Interest receivable includes interest earned but not received on investments and notes receivable.

##### *D. Due from Other Governments*

Due from other governments consists of county road and bridge tax, state highway users tax, lottery proceeds, cigarette tax and federal and state grants, which the City has earned but not yet received. These amounts were collected by the county or State and remitted to the City within the first two months of the following year.

##### *E. Other*

Other receivables include liens for uncollected weed cutting, billings for wastewater services, E-911 surcharges, special improvement district receivables, the net pension asset, rent receivable for FRA, deposits held by Urban Drainage and Flood Control District and bond proceeds loaned to the City from the Colorado Water Resources and Power Development Authority.

##### *F. Notes*

Notes receivable are supported by contracts, which outline the repayment of borrowed funds.

#### Notes Receivable December 31, 2007

<b>Fund</b>	<b>Economic Development</b>	<b>Community Services</b>	<b>FRA</b>	<b>Total Notes Receivable</b>
General Fund	\$ -	\$ 90,000	\$ -	\$ 90,000
Gifts and Grants	713,161	-	-	713,161
Community Development	-	12,733,348	-	12,733,348
Recreation	-	23,500	-	23,500
Designated Revenue	164,358	-	-	164,358
Capital Projects	-	-	953,298	953,298
Golf	-	-	158,950	158,950
FRA	-	1,004,536	-	1,004,536
AHA	-	30,177,541	-	30,177,541
Total	<u>\$ 877,519</u>	<u>\$ 44,028,925</u>	<u>\$ 1,112,248</u>	<u>\$ 46,018,692</u>

#### 1) Economic Development

The City has a participation interest in loans made by Aurora Economic Development Council to various commercial and industrial enterprises. These loans are incentives for the relocation or expansion of these enterprises within the boundaries of the City. There are a total of 7 loans; 1 Brownsfield loan with a 5% interest rate and due to repaid when property changes title and 6 economic development loans with interest rates ranging between 2% - 8.25% and maturity dates between 2012 – 2015 with real and business property collateral. The balance outstanding as of December 31, 2007 is \$713,161.

**4. RECEIVABLES (continued)**

*F. Notes (continued)*

**1) Economic Development (continued)**

In 2000, the City created an Art District Loan Fund by ordinance, the purpose of which was to promote and establish art uses in the downtown Aurora Arts District. There are a total of 4 loans to non-profit organizations with interest rates ranging between 2% - 4.25% and maturity dates between 2013-2016. The balance outstanding at December 31, 2007 is \$164,358.

**2) Community Services**

To assist in the redevelopment of low-income areas, the City makes loans from federal funds to assist in the renovation of housing and businesses. There are a total of 1,108 loans with various maturity dates and interest rates. The balance outstanding as of December 31, 2007 is \$12,733,348.

In 2007, the City advanced \$90,000 to the Colfax Marathon Partnership, Inc. to assist with the costs associated with the organizing, planning, advertising and producing of the marathon. The balance outstanding at December 31, 2007 is \$90,000.

In November of 2006, the City entered into an agreement with the Mission Aurora Colorado Swimming and the Aurora Masters Swim Club for use of City pools. The note is interest free and has a maturity date of November 1, 2011. The balance outstanding as of December 31, 2007 is \$23,500.

In 2004, FRA entered into a note receivable with The Children's Hospital (TCH) for \$2,645,967 for the transfer of land from FRA to TCH for construction of its new hospital. The note is payable to FRA in quarterly installments through July 30, 2009. The note does not have a stated interest rate but the imputed interest rate on the note is 2.5%. The balance outstanding as of December 31, 2007 is \$1,004,536.

**3) FRA**

The City entered into an agreement to assist FRA with required matching funds in conjunction with two grants it received from the U.S. Department of Commerce, Economic Development Administration (EDA) for the purpose of designing and constructing a bioscience incubation facility at Fitzsimmons. The loan of \$1,371,888 is repayable in ten equal annual installments beginning June 1, 2005. The interest rate is variable and the maturity date is June 1, 2014. FRA also paid \$7,023 on the City's behalf per a separate agreement, reducing the principal balance owed. The principal balance outstanding and accrued interest as of December 31, 2007 are \$953,298 and \$22,828 respectively.

In January 2004, the City entered into a note agreement for \$245,935 to assist FRA with the initial purchase of equipment and startup costs of the Fitzsimmons Golf Course. This note is being paid to the City in ten equal annual installments of principal and interest beginning December 1,

**4. RECEIVABLES (continued)***F. Notes (continued)***3) FRA (continued)**

2004. The note has a 4% interest rate and the final payment is due December 1, 2013. The balance outstanding as of December 31, 2007 is \$158,950.

**4) AHA**

The AHA has twenty outstanding notes receivable relating to real property. The total at December 31, 2007 is \$30,177,541.

**5. RESTRICTED, RESERVED AND DESIGNATED***A. Restricted and Reserved*

Restricted assets are those legally segregated for a specific future use. All restricted assets of the City are expendable. The City reports liabilities associated with restricted assets as “payable from restricted assets.” The net difference between restricted assets and payable from restricted assets is restricted net assets.

**Restricted Assets by Classification**  
**December 31, 2007**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Component Unit</b>	<b>Totals</b>
Cash and investments	\$ 56,415,267	\$ 458,716,166	\$ 22,825	\$ 515,154,258
Receivables	<u>26,600,626</u>	<u>10,610,557</u>	<u>—</u>	<u>37,211,183</u>
Total restricted assets per citywide statement of net assets	<u>\$ 83,015,893</u>	<u>\$ 469,326,723</u>	<u>\$ 22,825</u>	<u>\$ 552,365,441</u>

**Payable from Restricted Assets**  
**December 31, 2007**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Component Unit</b>	<b>Totals</b>
Payables - current and other	\$ 1,673,977	\$ 15,719,765	\$ —	\$ 17,393,742
Unearned Revenues	21,499,123	—	—	21,499,123
Due within one year payable from restricted assets	—	3,057,946	—	3,057,946
Due beyond one year payable from restricted assets	<u>7,931,504</u>	<u>444,419,319</u>	<u>—</u>	<u>452,350,823</u>
Total payable from restricted assets per citywide statement of net assets	<u>\$ 31,104,604</u>	<u>\$ 463,197,030</u>	<u>\$ —</u>	<u>\$ 494,301,634</u>

## CITY OF AURORA, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2007

## 5. RESTRICTED, RESERVED AND DESIGNATED (continued)

*A. Restricted and Reserved (continued)*Restricted Balances by Purpose  
December 31, 2007

	Construction	Arbitrage	Debt Service	Other	Total Restricted Assets	Payable from Restricted Assets	Reserved Fund Balance/ Restricted Net Assets
<b>Governmental Activities</b>							
<b>Other Governmental Funds</b>							
<i>Gifts and Grants</i>							
Police - seizure funds	\$ —	\$ —	\$ —	\$ 961,175	\$ 961,175	\$ (30,487)	\$ 930,688
<i>Community Development</i>							
Grants upfront funding	—	—	—	819,180	819,180	(819,180)	—
<i>Arapahoe County Open Space</i>							
Urban Drainage	1,308,105	—	—	—	1,308,105	—	1,308,105
<i>Designated Revenues</i>							
Agreements	1,367,522	—	—	11,245,714	12,613,236	(206,748)	12,406,488
<i>City Debt Service</i>							
Bond proceeds	—	104,000	1,565,563	—	1,669,563	—	1,669,563
Dedicated property taxes	—	—	6,348,491	—	6,348,491	(6,348,491)	—
<i>SID Debt Service</i>							
Fence financing reserve	—	—	36,800	—	36,800	—	36,800
<i>ACLC Debt Service</i>							
2004 COPs	—	33,000	880,482	—	913,482	—	913,482
2005 COPs	—	40,000	2,455,744	—	2,495,744	—	2,495,744
2006 COPs	—	—	162,426	10,631	173,057	(10,631)	162,426
<i>City Capital Projects Fund</i>							
2000 GO bonds FMP	271,514	—	—	—	271,514	(43,877)	227,637
1999 General Fund - Sports Park	18	—	—	—	18	—	18
Adams County road and bridge	2,011,723	—	—	—	2,011,723	—	2,011,723
Gifts and Grants	1,840,327	—	—	—	1,840,327	(270,832)	1,569,495
<i>ACLC Capital Projects</i>							
2002 COPs	1,098,329	—	—	—	1,098,329	—	1,098,329
2005 COPs	1,002,802	—	—	—	1,002,802	(3,363)	999,439
Total Other Governmental Funds	8,900,340	177,000	11,449,506	13,036,700	33,563,546	(7,733,609)	25,829,937

(continued)



## CITY OF AURORA, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007

## 5. RESTRICTED, RESERVED AND DESIGNATED (continued)

## A. Restricted and Reserved (continued)

Restricted Balances by Purpose  
December 31, 2007

	Construction	Arbitrage	Debt Service	Other	Total Restricted Assets	Payable from Restricted Assets	Reserved Fund Balance/ Restricted Net Assets
<b>Governmental Activities (continued)</b>							
<b>Governmental Activities Adjustments</b>							
Gifts and Grants	\$ —	\$ —	\$ —	\$ 3,509,239	\$ 3,509,239	\$ (1,703,819)	\$ 1,805,420
Community Development	—	—	—	13,581,963	13,581,963	(12,881,420)	700,543
Enhanced E-911	—	—	—	6,290,512	6,290,512	(278,660)	6,011,852
Conservation Trust	—	—	—	6,518,502	6,518,502	(153,429)	6,365,073
Parks Development	—	—	—	5,152,591	5,152,591	(9)	5,152,582
Arapahoe County Open Space	—	—	—	4,960,303	4,960,303	(180,025)	4,780,278
Cultural Services	—	—	—	1,175,490	1,175,490	(66,491)	1,108,999
Urban Renewal-AURA General Fund	—	—	—	11,382	11,382	—	11,382
TABOR Reserve	—	—	—	7,745,299	7,745,299	—	7,745,299
Bond Proceeds	—	—	—	507,066	507,066	(2,000)	505,066
Arbitrage	—	—	—	—	—	(177,000)	(177,000)
Bonds payable - construction	—	—	—	—	—	(2,827,128)	(2,830,493)
Bonds payable - debt service	—	—	—	—	—	(5,101,014)	(5,101,014)
Total Governmental Activities Adjustments	—	—	—	49,452,347	49,452,347	(23,370,995)	26,077,987
<b>Total Governmental Activities</b>	<b>8,900,340</b>	<b>177,000</b>	<b>11,449,506</b>	<b>62,489,047</b>	<b>83,015,893</b>	<b>(31,104,604)</b>	<b>51,907,924</b>
<b>Business-type Activities</b>							
<b>Water Fund</b>							
1999 water revenue bond -							
Operation & maintenance reserve	—	—	—	1,250,000	1,250,000	—	1,250,000
Debt payment reserve	—	—	574,808	—	574,808	(574,808)	—
2003 water revenue bond-							
Debt service reserve	—	—	5,306,871	—	5,306,871	(5,306,871)	—
Debt payment reserve	—	8,000	2,087,260	—	2,095,260	(2,095,260)	—
2004 water revenue bond-							
Debt payment reserve	—	—	105,363	—	105,363	(105,363)	—
2005 water revenue bond-							
Debt payment reserve	—	—	1,859,016	—	1,859,016	(1,859,016)	—
2007 water revenue bond-							
Debt service reserve	358,568,316	1,148,822	33,758,563	—	393,475,701	(393,475,701)	—
Debt payment reserve	—	—	9,987,257	—	9,987,257	(9,987,257)	—
Prairie Waters Project -							
Owner Controlled Insurance Program	—	—	—	2,004,000	2,004,000	—	2,004,000
Total Water Fund	358,568,316	1,156,822	53,679,138	3,254,000	416,658,276	(413,404,276)	3,254,000
<b>Wastewater Fund</b>							
1999 sewer revenue bond -							
Operation & maintenance reserve	—	—	—	1,250,000	1,250,000	—	1,250,000
Debt payment reserve	—	230,129	901,555	—	1,131,684	(1,131,684)	—
2006 sewer revenue bond-							
Unspent bond proceeds	42,468,456	—	3,749,250	—	46,217,706	(46,217,706)	—
Debt payment reserve	—	—	1,980,864	—	1,980,864	(1,980,864)	—
Urban Drainage	1,623,410	—	—	—	1,623,410	—	1,623,410
Total Wastewater Fund	44,091,866	230,129	6,631,669	1,250,000	52,203,664	(49,330,254)	2,873,410
<b>Golf Fund</b>							
2005 Golf Course revenue bond -							
Debt service reserve	—	—	464,783	—	464,783	(462,500)	—
Total Golf Fund	—	—	464,783	—	464,783	(462,500)	—
<b>Total Business-type Activities</b>	<b>402,660,182</b>	<b>1,386,951</b>	<b>60,775,590</b>	<b>4,504,000</b>	<b>469,326,723</b>	<b>(463,197,030)</b>	<b>6,127,410</b>
<b>Component Unit</b>							
Fitzsimons Redevelopment Authority	22,825	—	—	—	22,825	—	—
Aurora Housing Authority	—	—	—	—	—	—	721,507
<b>Total all Funds</b>							
Total restricted balances	\$ 411,583,347	\$ 1,563,951	\$ 72,225,096	\$ 66,993,047	\$ 552,365,441	\$ (494,301,634)	\$ 58,756,841

(concluded)

**5. RESTRICTED, RESERVED AND DESIGNATED (continued)**

***A. Restricted and Reserved (continued)***

**1) Restricted for Construction**

***a) City Capital Projects Fund***

In 2000, the City issued general obligation bonds to finance a program of improvements outlined in the Facilities Master Plan (FMP) including: libraries, parks and open space and public safety facilities. The City Capital Projects Fund has unexpended bond proceeds and accumulated earnings on those proceeds that are restricted for the completion of these projects.

The 1999 General Fund bonds were issued to finance a recreation and youth sports complex known as Sports Park. The City Capital Projects Fund has unexpended bond proceeds and accumulated earnings on those proceeds, which are restricted for the completion of the project.

Adams County Road and Bridge tax is a 0.5% sales tax collected by Adams County and allocated back to the City for the purpose of constructing roads and bridges located within both jurisdictions.

Assets relating to transportation improvement program (TIP) grants and the City's matching portion required by the various grant agreements are shown as restricted as gifts and grants in the City Capital Projects Fund.

***b) Arapahoe County Open Space Fund***

In late 2004, the citizens in Arapahoe County voted and passed a use tax increase of .25%, the proceeds of which are remitted to the City to be used for parks and open space construction and maintenance in Arapahoe County. A portion of the remitted funds have been sent to the Urban Drainage and Flood Control District to fund construction of storm drain infrastructure in the parks. City funds not needed to complete the project will be returned to the City for use on other City parks projects within Arapahoe County.

***c) Designated Revenues Fund***

Amounts restricted for construction were remitted to the City as settlement of a judgment against another jurisdiction for noise violations at Denver International Airport. Amounts remitted are to be used to acquire land and improvements in the airport vicinity in an effort to mitigate noise in the surrounding communities.

**5. RESTRICTED, RESERVED AND DESIGNATED (continued)**

**A. *Restricted and Reserved (continued)***

**1) Restricted for Construction (continued)**

*d) ACLC Capital Projects Fund*

In 2002, ACLC issued COPs to finance the acquisition and construction of communications equipment and vehicles for use by the police and fire departments. The ACLC Capital Projects Fund has unexpended COPs proceeds and accumulated earnings on those proceeds that are restricted for the completion of the project.

In 2005, ACLC issued COPs to finance public improvement projects and to acquire property in the City dedicated to water, wildlife, open space, trails and neighborhood parks. The ACLC Capital Projects Fund has unexpended COPs proceeds and accumulated earnings on those proceeds that are restricted for the completion of the project.

*e) Water Fund*

The 2007 water revenue bonds were issued for the purpose of financing a portion of a program of capital additions to the water system. The capital project consists of elements of a water diversion and treatment project known as the Prairie Waters Project intended to provide a substantial enhancement to the raw water supplies available to the system. The Prairie Waters Project is being undertaken for the purpose of making the system more drought resistant and increasing its capacity to serve existing and future customers.

*f) Wastewater Fund*

The 2006 wastewater revenue bonds were issued for the purpose of financing the acquisition and construction of additions and improvements to the wastewater utility system. The Wastewater Fund has unexpended earnings on revenue bond proceeds that are restricted for the completion of the project.

Urban Drainage projects restrictions represent City funds held in trust by the Urban Drainage and Flood Control District to fund construction of storm drain infrastructure in the City. City funds not needed to complete the project will be returned to the City or transferred to other Urban Drainage projects as directed by the City.

**5. RESTRICTED, RESERVED AND DESIGNATED (continued)**

**A. *Restricted and Reserved (continued)***

**2) Restricted for Arbitrage**

Federal tax law provides that, with the exception of certain “temporary periods”, governments may not invest the proceeds of tax-exempt debt in a higher yielding taxable security. Arbitrage occurs if a government earns more than the yield allowed by law. Excess arbitrage earnings must be rebated to the Federal government. All outstanding bonds and COPs are reviewed annually for potential arbitrage rebate liability and corresponding reserves are established as necessary.

*a) City Debt Service Fund*

Arbitrage amounts anticipated to be paid with funds held in the City Debt Service Fund include \$81,000 for the 2000 GO Bonds (FMP), \$18,000 for the 1998 Alameda / I225 bonds and \$5,000 for the 1999 General Fund Sports Park bonds.

*b) ACLC Debt Service Fund*

Arbitrage amounts anticipated to be paid on the 2000 and 2004 Certificates of Participation are shown as restricted in the ACLC Debt Service Fund.

*c) Water Fund*

Arbitrage amounts anticipated to be paid on the 2003 and 2007 Water Revenue bonds are shown as restricted in the Water Fund.

*d) Wastewater Fund*

Arbitrage amounts anticipated to be paid on the 1999 Wastewater Revenue bonds are shown as restricted in the Wastewater Fund.

**3) Restricted for Debt Service**

*a) City Debt Service Fund*

Property tax received for the repayment of general obligation debt is restricted in the City Debt Service Fund for the payment of debt service.

*b) SID Debt Service Fund*

The Special Improvement District Revenue Notes Series 2005 and 2007 require the City to maintain a debt service reserve.

*c) AURA Debt Service Fund*

Amount represents the debt service reserve on the 1996 AURA Tax Increment Revenue Refunding Bonds.

**5. RESTRICTED, RESERVED AND DESIGNATED (continued)**

**A. *Restricted and Reserved (continued)***

**3) Restricted for Debt Service (continued)**

*d) ACLC Debt Service Fund*

Debt service reserves and amounts set aside for debt service payments relating the Series 2004, 2005 and 2006 issues are restricted as they are only available for the retirement of the COPs.

*e) Water Fund*

The 1999 Water Revenue Bonds require the City to maintain a debt payment reserve.

The 2003 Water Revenue Bonds require the City to maintain a debt service reserve and a debt payment reserve.

The 2004 Water Revenue Bonds require the City to maintain a debt payment reserve.

The 2005 Water Revenue Bonds require the City to maintain a debt payment reserve.

The 2007 Water Revenue Bonds require the City to maintain a debt payment reserve.

*f) Wastewater Fund*

The 1999 Wastewater Revenue Bonds require the City to maintain a debt payment reserve.

The 2006 Wastewater Revenue Bonds require the City to maintain a debt payment reserve.

*g) Golf Fund*

The 2005 Golf Course Revenue Refunding Bonds require a debt service reserve account.

**4) Other Restrictions**

*a) Gifts and Grants Fund*

The City receives seizure funds from forfeiture actions in state and federal courts. State law restricts the use of seizure funds to specific activities of the City Police Department.

**5. RESTRICTED, RESERVED AND DESIGNATED (continued)**

**A. *Restricted and Reserved (continued)***

**4) Other Restrictions (continued)**

*b) Community Development*

The Community Development Fund is composed of the Community Development Block Grant (CDBG) and the Home Investment Partnership (HOME) program funds from the United States Department of Housing and Urban Development (HUD). Funding for Grants is received upfront and is spent on qualifying projects within the City.

*c) Designated Revenues Fund*

Amounts represent funds that have specific purposes under various agreements with outside parties.

*d) ACLC Debt Service*

Amounts owed to other funds for advances on debt service payments.

*e) ACLC Capital Projects*

Amounts owed to other funds for advances paid on construction projects.

*f) Governmental Activities Adjustments*

Amounts reserved by the nature of the fund on the fund financial statements (i.e. no reservation is presented) are restricted net assets for citywide reporting. These amounts include: funds contained within the Gifts and Grants, the Community Development and the Cultural Services Funds that are restricted for gifts and grants as specified by the grantor; revenues collected by the Enhanced E-911 Fund that are restricted for construction, acquisition and operation of emergency communication equipment; lottery funds collected by the Conservation Trust Fund, revenues collected by the Parks Development Fund and by the Arapahoe County Open Space Fund that are restricted for parks and recreation programs; amounts in the TABOR Reserve Fund that report emergency reserves as required by the TABOR amendment; funds in the AURA General Fund that are restricted for urban renewal; and funds in the Bond Proceeds Fund are restricted bond proceeds for capital projects.

**5. RESTRICTED, RESERVED AND DESIGNATED (continued)**

***A. Restricted and Reserved (continued)***

**5) Other Restrictions (continued)**

*f) Governmental Activities Adjustments (continued)*

Restricted amounts due to and due from other funds are eliminated through the governmental activities adjustments. Additionally, the liability for arbitrage and outstanding bonded debt are added to the governmental activities adjustment as they are reported only on the citywide financial statements.

*g) Water Fund*

The 1999 Water Revenue Bonds require the City to maintain an operations and maintenance reserve, which is held in the Water Fund as restricted investments.

The Prairie Waters project has an Owner Controlled Insurance Program which includes an escrow account for \$1,980,000 and insurance for \$24,000.

*h) Wastewater Fund*

The 1999 Wastewater Revenue Bonds require the City to maintain an operations and maintenance reserve, which is held in the Wastewater Fund as restricted investments.

**5. RESTRICTED, RESERVED AND DESIGNATED (continued)*****B. Reserved for Encumbrances***

Fund balance shown as “reserved for encumbrances” represents encumbered amounts on unperformed purchase orders. These reservations are eliminated for citywide reporting.

**Reserved for Encumbrances  
December 31, 2007**

<b>Operating encumbrances</b>	
<b>General Fund</b>	\$ 1,687,871
<b>Other Governmental Funds</b>	
Gifts and Grants	322,003
Abatement	41,318
Enhanced E-911	89,200
Arapahoe County Open Space	75,959
Recreation Services	18,566
Cultural Services	4,125
Designated Revenues	123,591
	<hr/>
Total operating encumbrances	2,362,633
	<hr/>
<b>Capital projects encumbrances (unrestricted funds)</b>	
<b>Other Governmental Funds</b>	
Gifts and Grants	122,732
Community Development	12,140
Enhanced E-911	30,946
Conservation Trust	182,810
Parks Development	51,543
Arapahoe County Open Space	111,841
Designated Revenues	22,301
City Capital Projects	2,050,441
Building Repair	503,538
	<hr/>
Total capital projects encumbrances	3,088,292
	<hr/>
<b>Total reserve for encumbrances</b>	
Total reserve for encumbrances	<u><u>\$ 5,450,925</u></u>



**5. RESTRICTED, RESERVED AND DESIGNATED (continued)****C. Designated Fund Balances**

Designations of fund balances represent the City's intent to use assets for specific future purposes. These designations are eliminated for citywide reporting.

**Designations by Fund and Type**  
**December 31, 2007**

<b>Fund</b>	<b>Payment of Long-term Liabilities</b>	<b>Subsequent Year Budgets</b>	<b>Project-length Appropriations</b>	<b>Operating Designation</b>	<b>Total</b>
<b>General Fund</b>	\$ 16,280,560	\$ 2,847,837	\$ —	\$ 6,758,518	\$ 25,886,915
<b>Other Governmental</b>					
Gifts and Grants	—	—	127,404	—	127,404
Development Review	—	894,271	—	—	894,271
Abatement	—	103,155	—	—	103,155
Enhanced E-911	—	349,902	1,301,774	—	1,651,676
Conservation Trust	—	—	3,335,321	—	3,335,321
Parks Development	—	221,610	1,315,184	—	1,536,794
Arapahoe County Open Space	—	—	4,110,761	—	4,110,761
Cultural Services	—	109,702	—	—	109,702
Designated Revenues	—	4,217,916	2,868,105	—	7,086,021
Surplus & Deficiency	—	470,000	—	—	470,000
City Capital Projects Fund	—	6,310,556	9,797,872	—	16,108,428
Bond Proceeds Capital Projects	—	—	363,673	—	363,673
Building Repair	—	—	292,566	—	292,566
<b>Total designations</b>	<b>\$ 16,280,560</b>	<b>\$ 15,524,949</b>	<b>\$ 23,512,660</b>	<b>\$ 6,758,518</b>	<b>\$ 62,076,687</b>

**1) Payment of Long-term Liabilities**

Amounts equal to the sales, use and lodger tax accruals have been designated for the payment of future liabilities.

**2) Subsequent Year Budgets**

This amount represents fund balances budgeted as funding sources (as adopted in the 2008 budget) for subsequent year appropriations.

**3) Project-length Appropriations**

Budgets for capital projects are adopted on a project length basis. At year-end, the unspent appropriation will carry forward to the subsequent year.

**4) Operating Designation**

The "Operating Reserve" has a minimum target policy of 1% to 3% of annual budgetary revenues and may be spent for one-time uses such as unexpected revenue shortfalls, unexpected expenses, and emergencies.

## CITY OF AURORA, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007

## 6. CAPITAL ASSETS

Summary of Changes in Capital Assets  
For the Year Ended December 31, 2007

	Balance January 1	Additions	Disposals	Transfers	Balance December 31	Accumulated Depreciation	Capital Assets net of Accumulated Depreciation
<b>Governmental Activities</b>							
<i>Capital assets not depreciated</i>							
Land	\$ 226,192,025	\$ 11,514,329	\$ -	\$ -	\$ 237,706,354	\$ -	\$ 237,706,354
Construction in progress	7,014,624	28,888,881	(154,337)	(25,657,685)	10,091,483	-	10,091,483
Total capital assets not depreciated	233,206,649	40,403,210	(154,337)	(25,657,685)	247,797,837	-	247,797,837
<i>Capital assets being depreciated</i>							
Building and improvements	199,051,252	23,789	-	3,657,862	202,732,903	(41,549,923)	161,182,980
Infrastructure	2,502,844,258	7,426,360	-	21,053,935	2,531,324,553	(77,640,345)	2,453,684,208
Machinery and equipment	67,100,991	7,276,328	(2,114,180)	945,889	73,209,028	(39,658,997)	33,550,031
Total capital assets being depreciated	2,768,996,497	14,726,477	(2,114,180)	25,657,686	2,807,266,484	(158,849,265)	2,648,417,219
<i>Accumulated depreciation</i>							
Building and improvements	(36,145,946)	(5,403,977)	-	-	(41,549,923)		
Infrastructure	(65,460,633)	(12,179,712)	-	-	(77,640,345)		
Machinery and equipment	(36,438,108)	(5,225,739)	2,004,850	-	(39,658,997)		
Total accumulated depreciation	(138,044,682)	(22,809,428)	2,004,850	-	(158,849,265)		
Total governmental activities	\$ 2,864,158,464	\$ 32,320,259	\$ (263,667)	\$ -	\$ 2,896,215,056		\$ 2,896,215,056
<b>Business-type Activities</b>							
<i>Capital assets not depreciated</i>							
Land and water rights	\$ 273,944,911	\$ 24,772,845	\$ -	\$ -	\$ 298,717,756	\$ -	\$ 298,717,756
Construction in progress	76,944,633	96,012,127	-	(16,163,372)	156,793,388	-	156,793,388
Total capital assets not depreciated	350,889,544	120,784,972	-	(16,163,372)	455,511,144	-	455,511,144
<i>Capital assets being depreciated</i>							
Building and improvements	120,275,196	-	-	10,963,372	131,238,568	(26,353,487)	104,885,081
Infrastructure	777,099,962	46,811,281	-	5,200,000	829,111,243	(149,485,451)	679,625,792
Machinery and equipment	37,581,091	2,037,033	(538,818)	-	39,079,306	(23,775,150)	15,304,156
Total capital assets being depreciated	934,956,249	48,848,314	(538,818)	16,163,372	999,429,117	(199,614,088)	799,815,029
<i>Accumulated depreciation</i>							
Building and improvements	(23,211,231)	(3,142,256)	-	-	(26,353,487)		
Infrastructure	(138,320,749)	(11,164,702)	-	-	(149,485,451)		
Machinery and equipment	(21,696,528)	(2,556,323)	477,701	-	(23,775,150)		
Total accumulated depreciation	(183,228,508)	(16,863,281)	477,701	-	(199,614,088)		
Total business-type activities	\$ 1,102,617,285	\$ 152,770,005	\$ (61,117)	\$ -	\$ 1,255,326,173		\$ 1,255,326,173

(continued)

## CITY OF AURORA, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2007

## 6. CAPITAL ASSETS (continued)

Summary of Changes in Capital Assets  
For the Year Ended December 31, 2007 (continued)

Component Unit	Balance January 1	Additions	Disposals	Transfers	Balance December 31	Accumulated Depreciation	Capital Assets net of Accumulated Depreciation
<b>Capital assets not depreciated</b>							
Land	\$ 8,539,172	\$ 11,694	\$ (835,727)	\$ -	\$ 7,715,139	\$ -	\$ 7,715,139
Construction in progress	29,925	577,764	-	-	607,689	-	607,689
Total capital assets not depreciated	4,276,133	589,458	(835,727)	-	8,322,828	-	8,322,828
<b>Capital assets being depreciated</b>							
Building and improvements	26,216,535	92,962	(2,309,316)	-	24,000,181	(6,044,932)	17,955,249
Machinery and equipment	836,622	32,954	(155,220)	-	714,356	(648,179)	66,177
Total capital assets being depreciated	13,349,384	125,916	(2,464,536)	-	24,714,537	(6,693,111)	18,021,426
<b>Accumulated depreciation</b>							
Building and improvements	(5,523,229)	(885,863)	364,160	-	(6,044,932)		
Machinery and equipment	(645,207)	(55,052)	52,080	-	(648,179)		
Total accumulated depreciation	(2,462,066)	(940,915)	416,240	-	(6,693,111)		
Total component unit	\$ 15,163,451	\$ (225,541)	\$ (2,884,023)	\$ -	\$ 26,344,254		\$ 26,344,254

## 2007 Depreciation Expense by Function

Function	Depreciation
<b>Governmental Activities</b>	
General government	\$ 1,738,022
Judicial	44,399
Police	1,449,568
Fire	775,022
Other public safety	230,786
Public works	12,326,105
Economic development	132,689
Community services	236,241
Culture and recreation	2,571,127
Unallocated*	3,292,545
Depreciation expense governmental activities	22,796,504
Depreciation of internal service fund capital assets attributable to business-type activities	12,924
Total depreciation expense governmental activities	22,809,428
<b>Business-type Activities</b>	
Water	9,781,937
Wastewater	6,108,060
Golf	986,208
Depreciation business-type activities	16,876,205
Depreciation of internal service fund capital assets attributable to business-type activities	(12,924)
Total depreciation business-type activities	16,863,281
<b>Component Unit</b>	
AHA	445,887
FRA	495,028
Total depreciation component units	940,915
<b>Total All Funds</b>	
Total depreciation expense all funds	\$ 40,613,624

\* Unallocated depreciation represents depreciation on multi-use City office buildings such as the Aurora Municipal Center. Depreciation of all other facilities is included in the function that uses that particular building.

**6. CAPITAL ASSETS (continued)****Interest Expensed and Capitalized on Construction Projects 2007**

<b>Fund</b>	<b>Capitalized</b>	<b>Expensed</b>	<b>Totals</b>
Water Fund	\$ 6,415,909	\$ 15,544,841	\$ 21,960,750
Wastewater Fund	1,199,403	2,244,079	3,443,482
Golf Fund	-	466,425	466,425
Total Enterprise Funds	<u>\$ 7,615,312</u>	<u>\$ 18,255,345</u>	<u>\$ 25,870,657</u>

**7. JOINT VENTURE**

The Aurora – Colorado Springs Joint Water Authority (ACSJWA) was formed between the City of Aurora and the City of Colorado Springs. ACSJWA is reported in the Water Fund using the equity interest method. ACSJWA charges both cities transmission service fees to pay current expenses incurred in the operation and maintenance of the project.

**2007 Changes in City's Equity Interest in ACSJWA**

<b>Investment at January 1</b>	<b>Transmission Service Fees</b>	<b>City's Share of Change in Net Assets</b>	<b>City Contributions</b>	<b>Investment at December 31</b>
\$ 2,537,832	\$ -	\$ (33,395)	\$ -	\$ 2,504,437

## CITY OF AURORA, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007

## 8. PAYABLES

Classifications of Payables per the Citywide Statement of Net Assets  
December 31, 2007

	Governmental Activities	Business-type Activities	Component Units	Fiduciary Funds	Totals
Accounts payable and other current liabilities (Accounts payable and other)	\$ 12,587,850	\$ 22,702,931	\$ 1,807,132	\$ 783,052	\$ 37,880,965
Payable from restricted assets (excluding unearned revenues of \$21,499,123)	1,673,977	15,719,765	-	-	17,393,742
Total payables	<u>\$ 14,261,827</u>	<u>\$ 38,422,696</u>	<u>\$ 1,807,132</u>	<u>\$ 783,052</u>	<u>\$ 55,274,707</u>

Payables by Fund and Type  
December 31, 2007

	Vendors	Salaries & Benefits	Accrued Interest	Deposits & Refunds	Other	Total Payables ( All due within one year)
<b>Governmental Activities</b>						
<b>General Fund</b>						
Accounts payable and other	\$ 2,322,391	\$ 4,168,712	\$ -	\$ 1,228,121	\$ 255,365	\$ 7,974,589
<b>Other Governmental Funds</b>						
Accounts payable and other	3,791,069	481,633	-	1,733	45,441	4,319,876
Payable from restricted assets	565,938	-	-	-	-	565,938
Total other governmental funds	<u>4,357,007</u>	<u>481,633</u>	<u>-</u>	<u>1,733</u>	<u>45,441</u>	<u>4,885,814</u>
<b>Internal Service Funds</b>						
Accounts payable and other	579,873	75,588	-	-	-	655,461
<b>Governmental Activities Adjustments</b>						
Accounts payable and other	(934,402)	(250,808)	823,134	-	-	(362,076)
Payable from restricted assets	1,108,039	-	-	-	-	1,108,039
Total governmental activities adjustments	<u>173,637</u>	<u>(250,808)</u>	<u>823,134</u>	<u>-</u>	<u>-</u>	<u>745,963</u>
Total Governmental Activities	<u>7,432,908</u>	<u>4,475,125</u>	<u>823,134</u>	<u>1,229,854</u>	<u>300,806</u>	<u>14,261,827</u>

(continued)

## CITY OF AURORA, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007

## 8. PAYABLES (continued)

Payables by Type Fund and Type  
December 31, 2007 (continued)

	Vendors	Salaries & Benefits	Accrued Interest	Deposits & Refunds	Other	Total Payables ( All due within one year)
<b>Business-type Activities</b>						
<b>Water</b>						
Accounts payable and other	\$ 4,502,587	\$ 393,584	\$ 13,378,435	\$ 87,990	\$ 565	\$ 18,363,161
Payable from restricted assets	12,962,950	-	-	-	1,156,822	14,119,772
<b>Wastewater</b>						
Accounts payable and other	2,538,498	201,341	1,369,864	-	-	4,109,703
Payable from restricted assets	1,369,864	-	-	-	230,129	1,599,993
<b>Golf</b>						
Accounts payable and other	170,677	89,521	46,678	-	3,236	310,112
<b>Business-type Activities adjustments</b>						
Reclass compensated absences	-	(80,045)	-	-	-	(80,045)
Total Business-type Activities	21,544,576	604,401	14,794,977	87,990	1,390,752	38,422,696
<b>Component Unit</b>						
<b>Fitzsimons Redevelopment Authority</b>						
Accounts payable and other	378,627	37,755	22,828	431,163	-	870,373
<b>Aurora Housing Authority</b>						
Accounts payable and other	235,895	53,853	7,209	48,010	591,792	936,759
Total Component Units	614,522	91,608	30,037	479,173	591,792	1,807,132
<b>Fiduciary Funds</b>						
<b>General Employees' Retirement Plan</b>						
Accounts payable and other	444,262	-	-	-	-	444,262
<b>EOEP Pension Fund</b>						
Accounts payable and other	4,126	-	-	-	-	4,126
<b>Payroll Clearing Agency Fund</b>						
Accounts payable and other	202	334,462	-	-	-	334,664
Total Fiduciary Funds	448,590	334,462	-	-	-	783,052
<b>Total Reporting Entity</b>						
Total Reporting Entity	\$ 30,040,596	\$ 5,505,596	\$ 15,648,148	\$ 1,797,017	\$ 2,283,350	\$ 55,274,707

(concluded)

## CITY OF AURORA, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2007

## 9. NONCURRENT LIABILITIES

Noncurrent Liabilities per the Citywide Statement of Net Assets  
December 31, 2007

Description	Governmental Activities	Business-type Activities	Component Unit
Due in one year	\$ 18,192,910	\$ 11,759,407	\$ 2,722,233
Due in one year - payable from restricted assets	-	3,057,946	-
Due beyond one year	160,838,311	296,981,050	29,241,148
Due beyond one year - payable from restricted assets	7,931,504	444,419,319	-
	186,962,725	756,217,722	31,963,381
OPEB Obligation (see footnote 14)	(915,050)	(153,950)	-
Total noncurrent liabilities	\$ 186,047,675	\$ 756,063,772	\$ 31,963,381

## Summary of Changes in Noncurrent Long-Term Liabilities During 2007

Description	Balance January 1	Additions	Reductions	Balance December 31	Due within One year
<b>Governmental Activities</b>					
General obligation bonds	\$ 40,840,000	\$ -	\$ (4,295,000)	\$ 36,545,000	\$ 4,500,000
Revenue bonds	12,290,000	-	(1,915,000)	10,375,000	1,270,000
Certificates of participation	115,780,000	-	(6,285,000)	109,495,000	6,220,000
SID Notes payable	1,055,000	1,075,000	(175,000)	1,955,000	125,000
Total bonds, COPs & notes payable	169,965,000	1,075,000	(12,670,000)	158,370,000	12,115,000
Capitalized leases	3,963,516	-	(933,143)	3,030,373	948,320
Accrued compensated absences	20,725,425	1,853,391	(18,095)	22,560,721	1,563,594
Accrued claims payable	7,155,914	3,420,837	(3,407,386)	7,169,365	3,565,996
Unamortized debt discounts	(6,197,020)	-	287,450	(5,909,570)	-
Unamortized debt premium	903,636	-	(76,850)	826,786	-
Total Governmental Activities	\$ 196,516,471	\$ 6,349,228	\$ (16,818,024)	\$ 186,047,675	\$ 18,192,910
<b>Business-type Activities</b>					
General obligation bonds	\$ 43,910,000	\$ -	\$ (6,635,000)	\$ 37,275,000	\$ 6,840,000
Revenue bonds	275,355,094	421,495,000	(5,559,175)	691,290,919	6,719,071
Notes payable	6,350,133	-	(716,579)	5,633,554	745,519
Less: Unamortized bond discounts	(910,988)	-	73,659	(837,329)	-
Unamortized bond premiums	6,529,342	12,884,428	(642,230)	18,771,540	-
Total bonds and notes payable	331,233,581	434,379,428	(13,479,325)	752,133,684	14,304,590
Capitalized leases	450,337	233,587	(173,403)	510,521	168,130
Accrued compensated absences	2,891,706	527,861	-	3,419,567	344,633
Total Business-type Activities	\$ 334,575,624	\$ 435,140,876	\$ (13,652,728)	\$ 756,063,772	\$ 14,817,353
<b>Component Units</b>					
Bonds payable	\$ 23,863,000	\$ 2,850,000	\$ (3,511,404)	\$ 23,201,596	\$ 1,003,054
Notes payable	6,312,962	1,672,356	(598,362)	7,386,956	1,719,179
Interest payable	1,116,343	167,713	-	1,284,056	-
Total Component Units	\$ 31,292,305	\$ 4,690,069	\$ (4,109,766)	\$ 31,872,608	\$ 2,722,233

\*\$10,084 of current compensated absences and \$90,773 of long-term compensated absences for Aurora Housing Authority is not included in this footnote but is included in the long-term liabilities on the Statement of Net Assets.

## CITY OF AURORA, COLORADO

## NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2007

## 9. NONCURRENT LIABILITIES (continued)

## Debt Service Requirements by Type of Debt As of December 31, 2007

Year Due	Governmental Activities							
	General Obligation		Revenue		Certificates of Participation		SID Notes	
	2.00-5.00%		4.75-5.80%		2.50-5.00%		4.89-5.00%	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 4,500,000	\$ 1,714,500	\$ 1,270,000	\$ 490,774	\$ 6,220,000	\$ 3,933,699	\$ 125,000	\$ 79,814
2009	4,715,000	1,516,783	1,335,000	425,649	7,340,000	3,721,949	120,000	89,487
2010	4,480,000	1,307,933	1,400,000	357,274	6,170,000	3,469,174	115,000	83,498
2011	4,705,000	1,101,853	1,475,000	285,399	6,430,000	3,241,084	120,000	77,759
2012	4,940,000	882,610	1,550,000	209,774	6,705,000	2,998,299	120,000	71,770
2013-2017	13,205,000	1,325,080	3,345,000	173,406	21,860,000	11,389,823	1,310,000	198,251
2018-2022	-	-	-	-	17,730,000	8,202,015	45,000	1,125
2023-2027	-	-	-	-	21,725,000	4,908,384	-	-
2028-2032	-	-	-	-	15,315,000	1,061,739	-	-
Total	\$ 36,545,000	\$ 7,848,759	\$ 10,375,000	\$ 1,942,276	\$ 109,495,000	\$ 42,926,166	\$ 1,955,000	\$ 601,704

Year Due	Business-type Activities							
	General Obligation Water		Water Revenue		Water Notes		Wastewater Revenue	
	2.00-4.00%		2.00-5.00%		5.00%		5.00-5.125%	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 6,840,000	\$ 1,363,013	\$ 3,708,938	\$ 30,800,085	\$ 505,330	\$ 192,679	\$ 2,625,133	\$ 3,114,598
2009	5,905,000	1,157,813	3,810,404	29,528,903	941,952	218,192	2,708,192	3,031,636
2010	6,120,000	965,900	3,962,238	29,377,789	587,494	191,094	2,796,635	2,936,281
2011	6,365,000	736,400	6,394,805	29,210,522	587,494	161,720	2,910,843	2,826,917
2012	6,640,000	481,800	6,647,372	28,963,692	587,494	132,345	3,004,285	2,727,614
2013-2017	5,405,000	326,800	34,115,144	139,826,703	1,705,637	282,695	10,601,930	12,206,126
2018-2022	-	-	80,530,000	129,139,288	353,767	26,532	8,335,000	10,405,863
2023-2027	-	-	117,275,000	102,368,213	-	-	10,545,000	8,181,388
2028-2032	-	-	143,975,000	74,478,794	-	-	13,410,000	5,323,375
2033-2037	-	-	154,260,000	37,988,514	-	-	13,335,000	1,645,638
2038-2042	-	-	62,770,000	4,746,000	-	-	-	-
Total	\$ 37,275,000	\$ 5,031,726	\$ 617,448,901	\$ 636,428,503	\$ 5,269,168	\$ 1,205,257	\$ 70,272,018	\$ 52,399,436

Year Due	Business-type Activities				Component Unit			
	Golf Revenue		Golf Note		FRA		AHA	
	3.375-4.375%		4.54%		3.261%		Various	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 385,000	\$ 146,525	\$ 240,187	\$ 13,847	\$ 161,152	\$ 42,206	\$ 2,561,081	\$ 1,293,493
2009	405,000	131,125	124,199	2,819	162,111	35,616	557,061	1,225,522
2010	420,000	114,925	-	-	163,108	28,987	275,192	1,210,779
2011	435,000	98,125	-	-	164,145	22,319	291,053	1,195,185
2012	455,000	80,725	-	-	165,223	571,565	307,829	1,178,690
2013-2017	1,470,000	127,976	-	-	296,509	2,790,862	1,825,777	5,610,842
2018-2022	-	-	-	-	1,850,000	373,826	11,052,437	3,882,833
2023-2027	-	-	-	-	-	-	10,755,874	414,741
Total	\$ 3,570,000	\$ 699,401	\$ 364,386	\$ 16,666	\$ 2,962,248	\$ 3,865,381	\$ 27,626,304	\$ 16,012,085



**9. NONCURRENT LIABILITIES (continued)**

**A. General Obligation Bonds**

The City has issued governmental and business-type activities general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds pledge the full faith and credit of the City for the repayment of the debt.

**1) Governmental Activities**

The City has three outstanding issuances of general obligation bonds. Amounts originally issued and amounts outstanding at December 31, 2007, respectively were: 1998 Alameda and I-225 Interchange \$10,000,000 and \$4,395,000; 2000 Facility Master Plan \$50,100,000 and \$31,265,000; and 2003 Public Safety Refunding \$2,530,000 and \$885,000. Unamortized premiums and discounts totaled \$3,260 and \$1,241, respectively.

**2) Business-type Activities**

The one outstanding issuance of general obligation water bonds are payable from earnings of the Water Fund. Amounts originally issued and amounts outstanding at December 31, 2007, respectively were: 2003 Refunding \$62,775,000 and \$37,275,000. Unamortized discounts on the bonds totaled \$121,157 and unamortized premiums totaled \$640,415.

**B. Revenue Bonds**

Revenue bonds pledge income derived from the acquired or constructed assets to pay debt service. In the case of the General Fund bonds, income pledged is from any legally available funds or revenues of the General Fund.

**1) Governmental Activities**

In 1999, the City issued \$17,470,000 in Sports Park General Fund bonds, payable from General Fund revenue, to finance the creation of a youth sports complex. As of December 31, 2007, the amount of Sports Park bonds outstanding was \$10,375,000.

In 1996, AURA issued \$3,580,000, in revenue refunding bonds payable from incremental sales and property taxes collected within the Aurora City Center Urban Renewal Area. As of December 31, 2007, these bonds were paid in full.

**2) Business-type Activities**

In 2005, the City issued its \$100,000,000 Governmental Agency Bond, evidencing the City's obligation pursuant to a loan agreement between the City and the Colorado Water Resources and Power Development Authority (CWR&PDA), for the purpose of financing the acquisition of water rights and the acquisition and construction of water facilities. As of December 31, 2007, the amount outstanding was \$100,000,000. Unamortized premiums on the bond at December 31, 2007 totaled \$1,486,496. CWR&PDA was established by the Colorado Water Resources and Power Development Authority Act under Colorado Revised Statutes for the purpose of financing projects for the preservation, upgrading, development, and management of water resources in the State.

**9. NONCURRENT LIABILITIES (continued)**

***B. Revenue Bonds (continued)***

**2) Business-type Activities (continued)**

In 2007, the City issued \$421,495,000 First Lien Water Improvement Revenue Bonds, Series 2007 for the purpose of financing additions and improvements to the water system. As of December 31, 2007, the amount outstanding was \$421,495,000. Unamortized premium on the bond totaled \$12,626,739 as of December 31, 2007.

In 2004, the City issued \$40,000,000 in variable rate Second-Lien Water Improvement Revenue Bonds, Series 2004A for the purpose of financing additions and improvements to the water system. This variable rate debt bears interest at an “auction period rate” resulting from a weekly bond auction. As of December 31, 2007, the interest rate on the bonds was 3.80%. As of December 31, 2007, the amount outstanding was \$40,000,000 and unamortized discounts totaled \$186,302.

In 2003, the City issued \$55,860,000 First-Lien Water Improvement Revenue Bonds, Series 2003A for the purpose of financing additions and improvements to the water system. As of December 31, 2007, the amount outstanding was \$48,140,000. Unamortized discount on the bonds at December 31, 2007 totaled \$153,333. Unamortized premium on the bond totaled \$2,419,767 as of December 31, 2007.

In 1999, the City issued a \$14,999,899 Governmental Agency revenue bond, pursuant to a loan agreement between the Colorado Water Resources and Power Development Authority and the Water Fund for the refurbishment of the Griswold Water Plant. The bond payments are payable from the revenues of the Water Fund. As of December 31, 2007, the amount outstanding was \$7,813,901. Unamortized discount on the bond at December 31, 2007 totaled \$41,304. Unamortized premium on the bond totaled \$182,063 as of December 31, 2007.

In 2006, the City issued a \$57,790,000 First-Lien Wastewater Improvement Revenue Bonds, Series 2006 for the purpose of financing the acquisition and construction of additions and improvements to the wastewater utility system. As of December 31, 2007, the amount outstanding was \$57,790,000. Unamortized discount on the bond at December 31, 2007 totaled \$122,977. Unamortized premium on the bond totaled \$1,366,760 as of December 31, 2007.

In 1999, the City issued a \$24,124,366 Governmental Agency revenue bond, pursuant to a loan agreement between the Colorado Water Resources and Power Development Authority and the Wastewater Fund to upgrade the wastewater facility and to add reuse storage and piping. The bond payments are payable from the revenues of the Wastewater Fund. As of December 31, 2007, the amount outstanding was \$12,482,018. Unamortized discount on the bond at December 31, 2007 totaled \$67,977. Unamortized premium on the bond totaled \$49,300 as of December 31, 2007.

**9. NONCURRENT LIABILITIES (continued)**

***B. Revenue Bonds (continued)***

**2) Business-type Activities (continued)**

In 2005, the City issued \$4,625,000 of Golf Course Enterprise System Refunding Revenue Bonds, Series 2005 for the purpose of refinancing obligations originally incurred in 1995 that financed construction of the Saddle Rock Golf Course. The bonds are payable from revenues of the Golf Fund. As of December 31, 2007, the amount outstanding was \$3,570,000. Unamortized discounts on the bonds at December 31, 2007 totaled \$144,279.

***C. Certificates of Participation***

Certificates of Participation (COPs) are issued by ACLC and represent participation in a capital lease financing. The COPs are payable from the City's lease payments to ACLC, which are assigned to the trustee for the COPS debt service. There are five outstanding COPs issues: the 2002 Series, issued for \$15,380,000, which financed the acquisition of public safety vehicles and the construction of public safety communications equipment; the 2004 Series, issued for \$8,750,000, which refunded the 1994 Refunding COPs; the 2005 Series, issued for \$23,395,000, which financed public improvements and open space acquisitions; and in 2006, the City issued Series 2006 A-1 (fixed-rate) and Series 2006 A-2 (variable-rate) in the amounts of \$20,290,000 and \$60,915,000, respectively, for the purpose of refunding \$74,755,000 of the outstanding 2000 COPs originally issued to finance the construction of the City administrative office building.

Series 2006 A-2 debt service requirements and net swap payments, using rates as of December 31, 2007 and assuming current interest rates remain the same for their term, are shown in footnote 10. As rates vary, variable-rate interest payments and net swap payments will vary.

The amounts outstanding at December 31, 2007 were: 2002 Series \$9,055,000, 2004 Series \$4,175,000, 2005 Series \$17,810,000, Series 2006 A-1 \$17,540,000, and Series 2006 A-2 \$60,915,000. Unamortized discounts totaled \$5,908,329 at December 31, 2007. Unamortized premium totaled \$823,526 at December 31, 2007.

***D. Notes Payable***

**1) Governmental Activities**

In 2007, the City issued a Special Improvement District Revenue Note for \$1,075,000 to reimburse the City for expenditures made by the City to construct the Ptarmigan masonry fence. The note is payable solely from the special assessments levied on the Ptarmigan neighborhood. The total outstanding amount of the note at December 31, 2007 was \$1,075,000.

In 2005, the City issued a Special Improvement District Revenue Note for \$1,140,000 to reimburse the City for expenditures made by the City to construct the Dam West masonry fence. The note is payable solely from the special assessments levied on the Dam West neighborhood. The total outstanding amount of the note at December 31, 2007 was \$880,000.

## 9. NONCURRENT LIABILITIES (continued)

### *D. Notes Payable (continued)*

#### 2) Business-type Activities

In 2007, the City issued \$75,750,000 Colorado Water Conservation Water Board note for the purpose of financing the Prairie Waters Project and will be repaid by revenue of the Water fund. The City, through its utility enterprise, will draw on this note until the project is substantially complete or December 31, 2011. At that time repayment of the loan will begin. The rate on this note is 3.75%. At December 31, 2007, there was no outstanding balance.

In 2004, the City issued utility enterprise water resources revenue notes to acquire certain water rights in the amount of \$8,280,091. The water rights notes are paid from the revenues of the Water Fund. In 1999, the City issued \$503,112 in water rights notes to acquire certain water rights. Total water rights notes outstanding at December 31, 2007 for the 1999 and 2004 issues are \$100,623 and \$5,168,545 respectively.

In 2004, the City issued \$1,125,000 in golf course enterprise system revenue notes for the purpose of financing irrigation system improvements to the golf course system and are paid from the revenues of the Golf Fund. The amount outstanding at December 31, 2007 is \$364,386.

#### 3) Component Unit

The FRA entered into an agreement with the United States Army for the conveyance of 332 acres of land along with associated improvements and equipment at Fitzsimons. The purchase price for the conveyance is \$1,850,000. The note is payable in ten equal annual installments of \$555,956 beginning December 31, 2012 through December 31, 2021. Interest accrued at December 31, 2007 is \$1,284,056.

The FRA entered into a loan agreement with the City whereby the FRA could draw up to \$1,150,000. The FRA was permitted to draw the funds to provide partial matching for two grants the FRA received from the U.S. Department of Commerce Economic Development Administration, for the purpose of designing and constructing a bioscience incubator facility at Fitzsimons. The loan is payable in ten equal installments of \$137,189 beginning June 1, 2005 through June 1, 2014. Interest accrued from the time of draw through June 1, 2005 is rolled into the balance of the loan. At December 31, 2007 the balance of the loan is \$953,298 and accrued interest is \$22,828.

The FRA entered into a note obligation with the City to enable the FRA to operate the eighteen-hole Fitzsimons Golf Course and to purchase necessary equipment and make improvements to the clubhouse. The note is payable in ten equal installments of principal and interest of \$30,322 beginning December 1, 2004 and ending December 1, 2013. Any net income from the operation of the Golf Course in excess of \$150,000 shall also be applied to the outstanding balance of the note until paid in full. The current balance of the note at December 31, 2007 is \$158,950 and accrued interest is \$530.

**9. NONCURRENT LIABILITIES (continued)**

***D. Notes Payable (continued)***

**3) Component Unit (continued)**

The AHA has three mortgages payable with \$2,552,352 outstanding at December 31, 2007 with interest rates varying from 3.75% to 5.48% with one maturing in 2008, one maturing in 2009 and the last one maturing in 2024. All mortgages are secured by building and land.

The AHA has a \$5,000,000 revolving line of credit payable with a balance of \$1,444,356 at December 31, 2007. The rate for the line of credit is 3.0%. The note is for the development of affordable housing. The City has a moral obligation pledge on this line of credit.

The AHA has two HOME Funds payable to the State of Colorado with for the acquisition of East Park Villages and Trolley Park. Total outstanding at December 31, 2008 is \$228,000. If AHA stays in compliance with the terms of the loan agreement for 15 years, the loans will be forgiven. If the loan agreement terms are violated, the loan is due immediately upon the default of non-compliance.

The AHA has four bond issues outstanding at December 31, 2007 for a total of \$23,201,596. All issues are Multifamily Housing Revenue Bonds with varying maturity dates.

***E. Capitalized Leases***

**Noncurrent Liabilities per the Citywide Statement of Net Assets  
December 31, 2007**

Year Due	Government Activities		Business-type Activities	
	General Fund Revenues		Golf	
	2.97-4.04%		3.85-5.25%	
	Principal	Interest	Principal	Interest
2008	948,320	107,075	168,130	23,545
2009	938,307	71,402	142,679	15,808
2010	711,777	37,368	125,374	9,211
2011	431,969	10,882	74,338	3,287
2012	-	-	-	-
Total	\$ 3,030,373	\$ 226,727	\$ 510,521	\$ 51,851

## **9. NONCURRENT LIABILITIES (continued)**

### ***E. Capitalized Leases (continued)***

#### **1) Governmental Activities**

The City has entered into leases for fourteen dump trucks, two motor graders, four fire trucks, three street sweepers, and police equipment which are funded from the General Fund, and a lease for imaging equipment which is funded from the Print Shop Fund. The leases have been capitalized for financial statement purposes. The City has the option to purchase the equipment at the end of the lease period. The gross amount of the machinery and equipment acquired under each lease is \$1,881,640, \$421,664, \$1,775,346, \$486,924, \$207,280 and \$176,312 respectively and accumulated amortization as of December 31, 2007 is \$796,968.

#### **2) Business-type Activities**

The City has entered into golf cart leases that have been capitalized for financial statement purposes. The City has the option to purchase the equipment at the end of the lease period. The gross amount of the machinery and equipment acquired under the leases is \$771,158 and accumulated amortization as of December 31, 2007 is \$328,758.

### ***F. Accrued Compensated Absences***

Accrued compensated absences recorded in governmental activities are generally liquidated from the General Fund. Amounts outstanding at December 31, 2007 are \$22,560,721 for governmental activities and \$3,419,567 for business-type activities.

### ***G. Legal Debt Limit***

The City's legal debt limit is 3% of the assessed valuation of taxable property. After certain deductions allowed by law, the legal debt margin as of December 31, 2007 is \$88,891,907. In 1992, Colorado voters approved an amendment to the state constitution (TABOR), which requires multiple-fiscal year debt and certain other financial obligations to be authorized by voters, regardless of whether or not the City is at its legal debt margin. Voter approval of additional debt typically includes a provision exempting the new debt from the debt margin. Consequently, the computation of the City's legal debt margin has little real significance.

## **10. INTEREST RATE SWAP AGREEMENTS**

### ***A. Objective of the Interest Rate Swap***

The City determined that issuing variable rate debt and entering into an interest rate swap simultaneously, in order to create synthetic fixed rate debt, would result in a lower overall interest cost than issuing conventional fixed rate debt.

**10. INTEREST RATE SWAP AGREEMENTS (continued)*****B. Terms***

The City entered into two agreements on February 16, 2006, one with Morgan Stanley Capital Services, Inc (counterparty). and one with JP Morgan Chase Bank, N.A. (counterparty), that are scheduled to end on December 1, 2030 and required no initial net cash receipt or payment by the City. The City entered into an agreement with the two counterparties, each with a notional value of \$30,457,500, for a combined notional value of \$60,915,000. The agreements provide for the City to receive interest from the counterparties at 70% of the London Interbank Offering Rate (LIBOR) and to pay interest to the counterparties at a fixed rate of 3.943%. The combined notional amount outstanding as of December 31, 2007 was \$60,915,000. The notional amount of the swaps and the principal amount of the associated debt were equal at inception of the swaps, and the notional amount declines by a corresponding amount each time a principal payment becomes due on the associated debt. Under the agreement, the City receives the floating interest amount monthly, and on the semi-annual fixed payment date pays the net interest amount with the net amounts included in interest expense.

***C. Fair Value***

As of December 31, 2007, the Morgan Stanley agreement had a fair value of \$(822,293) and the JP Morgan agreement had a fair value of \$(860,390), calculated using the par-value method, which compares the fixed rate on the swaps with the current fixed rates that could be achieved in the marketplace should the swaps be unwound. The fixed-rate component was valued by discounting the fixed-rate cash flows using the current yield to maturity of a comparable bond. The variable-rate component was assumed to be at par value because the interest rate resets to the market rate at every reset date. The fair value was then calculated by subtracting the estimated market value of the fixed component from the established market value of the variable component. The fair value of the agreement is not recognized in the City's financial statements.

***D. Credit Risk***

The swap's fair value represented the City's credit exposure to the counterparties as of December 31, 2007. Should the counterparties to this transaction fail to perform according to the terms of the swap agreement, the City has a maximum possible loss equivalent to the swap's fair value at that date. As of December 31, 2007, the City was not exposed to credit risk because the swap had a negative fair value. The swap counterparties were rated Aaa and Aa3 by Moody's Investors Services, AA- and AA by and Standard & Poor's and AA- by Fitch Ratings as of December 31, 2007. To mitigate the potential for credit risk, if the counterparty's credit quality rating falls below A+ or A1 by Standard & Poor's and Moody's, respectively, the fair value of the swap is to be collateralized by the counterparties subject to certain threshold limits.

***E. Basis Risk***

The swap exposes the City to basis risk should the relationship between LIBOR and the weekly rates set by the remarketing agent J.P. Morgan change in a manner adverse to the City. If an adverse change occurs in the relationship between these rates, the expected cost savings may not be realized.

**10. INTEREST RATE SWAP AGREEMENTS (continued)*****F. Termination Risk***

The City or the counterparties may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable-rate notes would no longer have a synthetic fixed rate of interest. Also, if the swap has a negative fair value at the time of termination, the City would be liable to the counterparties for a payment equal to the swap's then fair value.

***G. Swap Payments and Associated Debt***

Using rates as of December 31, 2007, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

**Certificates of Participation (COP) 2006 A-2 Issue**

Year Due	Variable-Rate Note		Interest Rate	
	Principal	Interest	Swap, Net	Total
2008	\$ -	\$ 2,083,293	\$ 327,723	\$ 2,411,016
2009	-	2,083,293	327,723	2,411,016
2010	-	2,083,293	327,723	2,411,016
2011	-	2,083,293	327,723	2,411,016
2012	-	2,083,293	327,723	2,411,016
2013-2017	6,145,000	10,313,523	1,622,421	18,080,944
2018-2022	17,730,000	8,202,015	1,290,259	27,222,274
2023-2027	21,725,000	4,908,384	772,138	27,405,522
2028-2032	15,315,000	1,061,739	167,023	16,543,762
	<u>\$ 60,915,000</u>	<u>\$ 34,902,126</u>	<u>\$ 5,490,456</u>	<u>\$ 101,307,582</u>



## 11. INTERFUND TRANSACTIONS

**Interfund Receivables and Payables**  
**December 31, 2007**

Reporting fund Fund due from / due to	Purpose	Receivable Due From	Payable Due to
<b>Governmental Activities</b>			
<i>Reported in Unrestricted</i>			
<b>General Fund</b>			
Development Review	Charges for services	\$ -	\$ 481,913
Community Development	Offset negative cash balance	700,543	-
<b>Other Governmental Funds</b>			
<i>Development Review</i>			
General Fund	Charges for services	481,913	-
Capital Projects Fund	Charges for services	77,946	-
Water Fund	Charges for services	1,557,854	-
<i>Community Development</i>			
General Fund	Offset negative cash balance	-	700,543
<i>City Capital Projects</i>			
Development Review	Charges for services	-	77,946
ACLC Capital Projects	Reimburse for expenses	3,363	-
<i>Governmental Activities Adjustment</i>			
Governmental Activities	Citywide elimination of interfund receivables and payables	(2,821,619)	(1,260,402)
Business-type Activities	Internal Service Funds profit/loss attributable to Enterprise Funds	-	-
Total reported in unrestricted assets		<u>\$ -</u>	<u>\$ -</u>
<i>Reported in Restricted</i>			
<b>Other Governmental Funds</b>			
<i>ACLC Capital Projects</i>			
City Capital Projects	Reimburse for expenses reclassified	-	3,363
<i>Governmental Activities Adjustment</i>			
Governmental Activities	Citywide elimination of interfund receivables	-	(3,363)
Total reported in restricted assets		<u>\$ -</u>	<u>\$ -</u>
			(continued)

## 11. INTERFUND TRANSACTIONS (continued)

**Interfund Receivables and Payables (continued)**  
**December 31, 2007**

Reporting fund Fund due from / due to	Purpose	Receivable Due From	Payable Due to
<b>Business-type Activities</b>			
<b>Reported in Unrestricted Water Fund</b>			
Development Review	Charges for service	\$ -	\$ 1,557,854
<b>Business-type Activities Adjustment</b>			
Business type Activities	Citywide elimination of interfund activity	-	(1,557,854)
Total reported in unrestricted assets		<u>\$ -</u>	<u>\$ -</u>
<b>Reported in Current/Noncurrent Interfund Loan</b>			
<b>Wastewater Fund</b>			
Golf	Debt service on Murphy Creek Golf Course loan (due within one year)	\$ 256,000	\$ -
Golf	Murphy Creek Golf Course loan (not expected to be paid within one year)	4,352,000	-
<b>Golf Fund</b>			
Wastewater	Debt service on Murphy Creek Golf Course loan (due within one year)	-	256,000
Wastewater	Murphy Creek Golf Course loan (not expected to be paid within one year)	-	4,352,000
<b>Business-type Activities Adjustment</b>			
Enterprise Funds	Citywide elimination of interfund receivables and payables	(4,608,000)	(4,608,000)
Total reported in interfund loan		<u>\$ -</u>	<u>\$ -</u>
			(concluded)

## 11. INTERFUND TRANSACTIONS (continued)

## 2007 Interfund Transfers

Reporting Fund Fund transfer from/to	Purpose	Transfer In	Transfer Out
<b>Governmental Activities</b>			
<b>General Fund</b>			
Development Review	Indirect support costs	\$ 1,494,230	\$ -
Community Maintenance	Close community maintenance fund	257,470	-
Community Development	HOAP Loans - HOME CD	-	273,320
Emergency Contingency Fund	Fund indirect support costs	36,000	-
Recreation Fund	Recreation Programs	-	5,348,804
	Sports Park Maintenance	1,140,000	-
Cultural Services Fund	Cultural Services Programs	-	1,166,654
Designated Revenues	Sister Cities Support	-	2,000
	ACLC future lease funding	-	117,890
	Hampden Town Center Denver	-	372,875
	Hampden Town Center Greenwood Village	-	498,245
	Heritage Eagle Bend	-	55,139
	Visitors Promotion Admin	-	282,925
	Aurora City Place	-	1,404,814
	Gander Mountain	-	36,477
	Amazing Jake's Incentive	-	47,503
	Art District Loan Program	20,000	-
Policy Reserve Fund	Maintain policy minimum for fund	-	623,069
TABOR Reserve Fund	Reimbursement for snow removal	-	1,101,201
City Debt Services Fund	Sports Park Debt Service	-	1,761,100
Capital Projects Fund	Capital improvement projects	-	17,099,684
Fleet Management Fund	Fleet Vehicle Fund Admin	-	624,329
	General Fund Admin	75,000	-
ACLC Debt Service	Facilities lease payments	-	5,791,792
Total General Fund		3,022,700	36,607,821
<b>Other Governmental Funds</b>			
<i>Development Review</i>			
General Fund	Indirect support costs	-	1,494,230
Designated Revenue	Economic Development AEDC	-	381,000
<i>Community Maintenance Fund</i>			
General Fund	Close fund	-	257,470
<i>Community Development Fund</i>			
General Fund	HOAP Loans-HOAP CD	273,320	-
<i>Enhanced E-911</i>			
ACLC	Communications equipment lease payments	-	1,705,481
Capital Projects	Radio system expansion	1,710,000	-
<i>Emergency Contingency Fund</i>			
General Fund	Fund indirect support costs	-	36,000
(continued)			

## 11. INTERFUND TRANSACTIONS (continued)

## 2007 Interfund Transfers (continued)

Reporting Fund Fund transfer from/to	Purpose	Transfer In	Transfer Out
<b>Governmental Activities (continued)</b>			
<i>Arapahoe County Open Space Fund</i> ACLC	Open Space COPs debt service	\$ -	\$ 1,177,674
<i>Recreation Fund</i> General Fund	Sports Parks Maintenance Recreation Programs	- 5,348,804	1,140,000 -
<i>Cultural Services Fund</i> General Fund	Cultural Services Programs	1,166,654	-
Designated Revenue	Visitors Promotion Admin	8,000	-
Capital Projects	Art in Public Places	200,000	-
<i>Designated Revenues Fund</i> General Fund	Art District Loan Program	-	20,000
	Sister City Support	2,000	-
	Visitors Promotion Admin	282,925	-
	ACLC future lease funding	117,890	-
	Heritage Eagle Bend	55,139	-
	Aurora City Place	1,404,814	-
	Hampden Town Center-Denver	372,875	-
	Hampden Town Center-Greenwood	498,245	-
	Gander Mountain	36,477	-
	Amazing Jake's Incentive	47,503	-
Development Review Fund	Economic Development AEDC	381,000	-
Cultural Services Fund	Visitors Promotion Admin	-	8,000
AURA	ACLC future lease funding	882,110	-
ACLC	Facilities lease payments	-	2,013,726
<i>Policy Reserve Fund</i> General Fund	Maintain policy minimum for fund	623,069	-
TABOR Reserve Fund	Maintain required balance	-	76,907
<i>TABOR Reserve Fund</i> General Fund	Reimbursement for snow removal	1,101,201	-
Policy Reserve Fund	Maintain required balance	76,907	-
<i>City Debt Service</i> General Fund	Sports Park debt service	1,761,100	-
<i>City Capital Projects</i> General Fund	Capital Improvement Projects	17,099,684	-
Cultural Services Fund	Art acquisition and maintenance	-	200,000
Enhanced E-911 Fund	Radio system expansion	-	1,710,000
Bond Proceeds Fund	Bond related projects	-	57,507
Building Repair	Capital Improvement Projects	-	2,133,800
(continued)			

## 11. INTERFUND TRANSACTIONS (continued)

## 2007 Interfund Transfers (continued)

Reporting Fund Fund transfer from/to	Purpose	Transfer In	Transfer Out
<b>Governmental Activities (continued)</b>			
<i>Bond Proceeds</i>			
Capital Projects Fund	Bond related projects	\$ 57,507	\$ -
<i>Building Repair</i>			
Capital Projects	Capital Improvement Projects	2,133,800	-
<i>AURA Debt Service</i>			
Designated Revenues	ACLC future lease funding	-	882,110
<i>ACLC Debt Service</i>			
General Fund	Facilities lease payments	5,791,792	-
Enhanced E-911	Communications equipment lease payments	1,705,481	-
Arapahoe County Open Space	Open Space COPs debt service	1,177,674	-
Designated Revenues	Facilities lease payments	2,013,726	-
Total Other Governmental Funds		46,329,697	13,293,905
<b>Internal Service Funds</b>			
<i>Fleet Management</i>			
General Fund	Fleet auction proceeds	624,329	-
	Indirect support costs	-	75,000
Total Internal Service Funds		624,329	75,000
Total Governmental Activities		\$ 49,976,726	\$ 49,976,726
			(concluded)

**12. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS****A. Continuing Appropriations**

The City stipulates that appropriations for capital projects do not lapse until the purpose for which the appropriation was made has been accomplished or abandoned. Additionally, any project is deemed abandoned if three years have elapsed without expenditure or encumbrance to the project. As of December 31, 2007, the City had various commitments for the acquisition and construction of projects.

**Summary of Construction Commitments - Project Inception to December 31, 2007**

Number of Projects	Fund	Project		Expended to December 31	Unexpended Balance		
		Appropriations/ Committed Funds					
Governmental Activities							
Other Governmental Funds							
11	Gifts and Grants	\$	25,011,359	\$	23,942,358	\$	1,069,001
32	Community Development		44,262,147		38,094,651		6,167,496
3	Enhanced E-911		12,086,723		10,754,003		1,332,720
7	Arapahoe County Open Space		6,831,788		2,609,186		4,222,602
13	Designated Revenues		15,888,295		11,630,367		4,257,928
21	Conservation Trust		20,899,443		17,381,311		3,518,132
6	Parks Development		1,746,160		379,433		1,366,727
99	City Capital Projects		224,165,959		210,456,795		13,709,164
9	Bond Proceeds		1,511,246		1,147,573		363,673
2	Building Repair		8,983,835		8,187,730		796,105
2	ACLC Capital Projects		35,482,943		21,950,175		13,532,768
Total other governmental funds			173,632,830		137,005,678		36,627,152
Total Governmental Activities		\$	397,798,789	\$	347,462,473	\$	50,336,316
Business-type Activities							
112	Water	\$	485,229,854	\$	288,376,548	\$	196,853,306
91	Wastewater		113,069,677		59,275,034		53,794,643
9	Golf		1,488,482		1,004,071		484,411
Total Business-type Activities		\$	599,788,013	\$	348,655,653	\$	251,132,360

## 12. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS (continued)

### *B. Fitzsimons Golf Course Operations*

FRA has retained the City under contract to manage the operation, maintenance and repair of the Fitzsimons Golf Course. The agreement is for the period from January 1, 2004 through December 31, 2008, with an option for an extension through December 31, 2013. FRA compensates the City for such services with a management fee payable solely from revenues of the golf course. In return, the City pays FRA a minimum of \$150,000 per year as FRA's share of the proceeds from the operations of the golf course. Any additional net income above the management fee will be applied to the Note balance between FRA and Fitzsimons Golf Course until such time the Note is paid in full. Once the Note is paid in full any additional net income will be split equally between FRA and the City.

### *C. Tax Incentive Agreements*

The City enters into tax incentive agreements to encourage retail development within its borders. At December 31, 2007, the City had incentive agreements with the developers of the Heritage at Eagle Bend, Town Center at Aurora and Gander Mountain retail centers and Amazing Jake's, a family restaurant and entertainment center.

<b>Retail Development</b>	<b>Tax Incentive Payments Inception to December 31, 2007</b>	<b>Approximate Incentive Commitment</b>	
Heritage at Eagle Bend	\$ 196,763	\$ 5,415,000	(1)
Town Center at Aurora	873,862	15,000,000	(2)
Gander Mountain	71,834	300,000	(2)
Amazing Jake's	84,459	2,000,000	(1)

(1) Maximum payment

(2) Maximum payment not including interest of 7%

**12. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS (continued)**

***C. Tax Incentive Agreements (continued)***

The City also enters into tax incentive agreements whereby City levied taxes are rebated as an incentive to encourage industrial enterprise expansion in the City. At December 31, 2007, the City has entered into such incentive agreements with Raytheon Company, Merrick and Company, Kroger Company, Corporate Express, Furniture Row and Whirlpool Corporation.

<b>Retail Development</b>	<b>Tax Incentive Payments Inception to December 31, 2007</b>	<b>Maximum Incentive Commitment</b>
Raytheon Company	\$ 387,922	\$ 1,450,000
Merrick and Company	127,645	497,500
Kroger Company	665,920	881,250
Corporate Express	-	203,000
Furniture Row	-	253,125
Whirlpool Corporation	-	178,500

**13. DEFERRED COMPENSATION PLANS**

The City offers its employees the opportunity to participate in one of four deferred compensation plans. All of the plans are created in accordance with Internal Revenue Code Section 457. The plans allow employees to defer a portion of their salary until future years. The deferred amounts are not available to the employees until termination, retirement, death or unforeseeable emergency. The plans available to employees are administered by: Nationwide Retirement Solutions, International City Management Association Retirement Corporation (ICMA-RC), Lincoln National Life Insurance Company, and the Fire and Police Pension Association (FPPA). The amounts under the deferred compensation plan are held in trust for the benefit of the City's employees. The City is not the trustee for the deferred compensation plans and its fiduciary responsibility is one of "due care" in selecting the third-party administration.

**14. PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS**

The City provides the following plans:

General Employees' Retirement Plan (GERP)  
Fire Pension Plan (Old Hire-Fire)  
Police Pension Plan (Old Hire-Police)  
Fire Department Money Purchase Pension Plan (New Hire-Fire)  
Police Department Money Purchase Pension Plan (New Hire-Police)  
Executive Retirement Plan – Money Purchase Pension Plan (ERP)  
Elected Officials' and Executive Personnel Defined Benefit Plan (EOEP)  
Other Post-Employment Benefits (OPEB)



**14. PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS (continued)****Covered and Total Payroll for 2007**

<b>Plan Name</b>	<b>Covered Payroll</b>
GERP	\$ 81,888,796
Old Hire - Fire	1,235,636
Old Hire - Police	1,104,682
New Hire - Fire	18,666,293
New Hire - Police	41,709,247
ERP	3,989,733
EOEP	2,038,216
Total covered payroll	150,632,603
Total 2007 payroll (OPEB)	\$ 168,468,721

**Contributions for 2007**

<b>Plan Name</b>	<b>Employees</b>	<b>City</b>	<b>Totals</b>
GERP	\$ 4,593,477	\$ 4,539,320	\$ 9,132,797
Old Hire - Fire	-	626,929	626,929
Old Hire - Police	-	1,730,595	1,730,595
New Hire - Fire	1,866,641	1,866,641	3,733,282
New Hire - Police	4,183,161	4,183,161	8,366,322
ERP	398,973	398,973	797,946
EOEP	-	375,669	375,669
OPEB	-	682,000	682,000
Totals	\$ 11,042,252	\$ 14,403,288	\$ 25,445,540

**14. PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS (continued)****The City's Annual Pension Cost for 2007 and Related Information**

	<b>GERP</b>	<b>EOEP</b>	<b>Old Hire - Fire</b>	<b>Old Hire - Police</b>	<b>OPEB</b>
Annual required contribution (ARC)	\$ 5,532,018	\$ 375,669	\$ 626,929	\$ 1,730,595	\$ 1,751,000
Interest on net pension obligation (NPO)	(236,753)	-	(26,053)	33,275	-
Adjustment to ARC	175,701	-	36,638	(46,794)	-
Annual pension cost	5,470,966	375,669	637,514	1,717,076	1,751,000
Contributions made	(4,539,320)	(375,669)	(626,929)	(1,730,595)	(682,000)
Increase (decrease) in NPO	931,646	-	10,585	(13,519)	1,069,000
NPO - beginning of year	(2,959,408)	-	(325,666)	415,934	-
NPO - end of year	<u>\$ (2,027,762)</u>	<u>\$ -</u>	<u>\$ (315,081)</u>	<u>\$ 402,415</u>	<u>\$ 1,069,000</u>
Actuarial valuation date	1/1/07	1/1/07	1/1/06	1/1/06	1/1/07
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Unit credit cost
Amortization method	Level percent - open	Level dollar - open	Level dollar - open	Level dollar - open	Level percent - open
Remaining amortization period	20 years	30 years	16 years	16 years	30 years
Asset valuation method	3-year smoothing	Market	3 -year smoothed fair market value	3 -year smoothed fair market value	Market
Actuarial assumptions:					
Investment rate of return *	8.0%	8.0%	8.0%	8.0%	5.0%
Payroll growth rate	6.0%	n/a	n/a	n/a	4.0%
Projected salary increases *	4.5 to 7.5%	n/a	4.75 to 13.25%	4.75 to 13.25%	n/a
Cost of living adjustment	3.75% base, 5.00% supplemental	3.75% base, 5.00% supplemental	3.00 to 4.00%	3.00 to 4.00%	n/a
Health care cost trend	n/a	n/a	n/a	n/a	11% to 6%
*Includes inflation at	n/a	n/a	3.50%	3.50%	n/a
Actuarial valuations of an on-going plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future.					

**14. PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS (continued)****Three Year Trend Information**

	<b>Year ended December 31</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation (Asset)</b>
GERP	2005	7,099,051	56.42%	(3,984,329)
	2006	5,171,133	80.18%	(2,959,408)
	2007	5,470,966	82.97%	(2,027,762)
EOEP	2005	428,000	100.00%	-
	2006	375,669	100.00%	-
	2007	375,669	100.00%	-
Old Hire - Fire	2005	1,449,249	99.50%	(333,573)
	2006	1,449,967	99.45%	(325,666)
	2007	637,514	98.34%	(315,081)
Old Hire - Police	2005	3,124,953	100.29%	426,033
	2006	3,124,037	100.32%	415,934
	2007	1,717,076	100.79%	402,415
OPEB	2007	1,751,000	38.95%	1,069,000

**A. General Employees' Retirement Plan****1) Description of Plan**

The City of Aurora General Employees' Retirement Plan (GERP) is a contributory single employer defined benefit pension plan covering all full-time and part-time City employees except police officers, firefighters, elected officials, temporary employees and executives who have elected to participate in the Executive Retirement Plan. GERP was established by City Council resolution and is administered by the GERP Board. The GERP is not subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA); however, it has been qualified as a tax-exempt plan under Sections 401(a) and 501(a) of the Internal Revenue Code. Employee contributions are required as a condition of employment and are matched, dollar for dollar, by the City.

**2) Plan Benefits**

The GERP provides retirement, death and disability, and supplement benefits. Employees with less than five years of credited service at date of termination receive a refund of their contributions, including interest, plus their vested City contribution, which is a 25% match of the employee's contributions and interest for less than one year of credited service, increasing by 5% for each year of credited service completed. Employees with at least five years of credited service at date of termination may choose a refund or a deferred vested benefit. If termination occurs before age 65, an employee with between 5 and 10 years of

**14. PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS (continued)**

***A. General Employees' Retirement Plan (continued)***

**2) Plan Benefits (continued)**

credited service is eligible for a deferred vested benefit, in which monthly payments will begin at age 65. If termination occurs after an employee has obtained 10 years of credited service, monthly payments may begin anytime between the ages of 50 and 65. Benefits may be reduced when a participant retires before age 65, depending on the participant's age and length of service.

Normal retirement benefits are the greater of 1.75 percent of final average monthly compensation, multiplied by years of credited service, including fractional years, or the annuitized value of the contribution refund described above, including the City of Aurora's matching contribution. Final average monthly compensation is the average pay an employee received (excluding overtime) during the employee's highest paid 36 consecutive months with the City, out of the employee's last 10 years of employment.

Optional benefits are available in lieu of the straight life annuity in order to provide survivorship benefits. Disability retirement benefits are calculated in the same manner as a normal retirement benefit, using the monthly earnings as of the date of the disability. Participants receiving disability benefits earn credited service during the period of time they are on disability.

Death benefits paid to a beneficiary depend upon when the employee's death occurs. A one-time lump sum benefit of \$6,250 is provided to a beneficiary when a participant dies after retirement. This payment is separate from, and in addition to, any other benefits received.

A medical supplement is provided for all participants who have five or more years of credited service and is prorated for service less than 20 years. Both the supplement and normal retirement benefit are subject to annual cost of living increase.

**3) Funding Policies**

City Code establishes contribution requirements for the employees and the employer. Actuarial studies are considered in establishing funding policies. However, contributions are not actuarially determined. All 2007 contributions were for normal costs. A funded ratio of 105.72% existed on December 31, 2007.

**14. PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS (continued)**

***B. Fire and Police Pension Plans - Old Hire***

**1) Description of Plans**

The Old Hire Plans are closed, non-contributory agent multiple-employer defined benefit plans covering all full-time police officers or fire fighters hired before April 8, 1978. The Old Hire plans are a part of the statewide multiple employer public employee retirement system and are administered by the Fire and Police Pension Association of Colorado (FPPA). The FPPA follows the Colorado Revised Statutes for plan contribution requirements and benefits. Both plans are included in the FPPA's annual report. This report can be obtained at Fire & Police Pension Association, 5290 DTC Parkway, Suite 100, Greenwood Village, Colorado 80111-2721 or telephone (303) 770-3772.

**2) Plan Benefits**

*a) Old Hire - Fire*

For a firefighter hired on or before January 1, 1976, normal retirement date is the date on which he has attained 50 years of age and completed 20 years of service. The normal retirement date of a firefighter hired after January 1, 1976 is the date on which he has attained 50 years of age and completed 25 years of service.

Any firefighter who elects to retire on or after his normal retirement date is eligible for a monthly pension equal to one half of monthly salary plus an additional 4% of monthly salary for each year in excess of the service and age requirement for normal retirement to a maximum of six additional years.

A severance benefit of 49% of base monthly salary is paid to firefighters terminating with 20 or more years of service, but prior to normal retirement. The benefit is payable immediately upon termination. The benefit for firefighters who terminate with less than 20 years of service is 2% of base monthly salary for each year of service not to exceed 40% of the current basic monthly salary, payable at the firefighter's normal retirement date.

A benefit adopted by the City increases benefits in proportion to pay increases received by active employees (rank escalator). This plan also provides benefits to surviving spouses and dependent children of retired firefighters. These benefits range from 50% to 66% of the firefighter's benefit.

*b) Old Hire - Police*

A police officer's normal retirement date is the date upon completion of 20 years of service regardless of age. Any police officer who elects to retire on or after his normal retirement date is eligible for a monthly pension equal to 2.25% for each year of service, up to a maximum of 20 years of service, multiplied by the highest current salary paid for the rank or grade at the time of retirement.

**14. PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS (continued)**

***B. Fire and Police Pension Plans - Old Hire (continued)***

**2) Plan Benefits (continued)**

*b) Old Hire – Police (continued)*

For service beyond 20 years but before January 1, 1990 the monthly normal retirement pension is increased by 2% of base salary, multiplied by years of service. For service beyond 20 years and after January 1, 1990, the monthly pension is increased by 4% of base salary, multiplied by years of service. Benefits are capped at 74% of a member's base salary.

Any police officer that has completed five years of service, but is not eligible for normal retirement, is eligible for a monthly vested pension computed the same way as for normal retirement, based on 2.25% of base salary multiplied by years of service. The benefit is payable beginning at the police officer's normal retirement date.

A benefit adopted by the City increases benefits in proportion to pay increases received by active employees (rank escalator). The Old Hire Plan also provides benefits to surviving spouses and dependent children of retired officers. These benefits for members who retired after May 1, 1991 range from 75% to 100% of the officer's benefit.

*c) Old Hire - Deferred Retirement Option Plan*

Effective January 1, 1997, Old Hire Fire and Police participants may make a one-time irrevocable decision to elect a Deferred Retirement Option Plan (DROP). The option allows an employee to elect to have retirement or severance benefits put into an escrow account for up to five years while the employee continues to work. Upon the employee's election to participate in the DROP plan, that employee's retirement benefits are frozen for percentages of retirement benefit and rank escalation to the eligible amounts at that time. The employee must terminate employment with the department within five years, at which time the employee has a number of options by which to draw down the escrow.

Funds in DROP are derived from three sources: 1) the employee's service retirement benefits; 2) the employee's pension contributions (elective); and 3) earnings on DROP accounts.

**3) Funding Policies**

The Old Hire funding policies provide for actuarially determined contributions calculated by the "entry age normal actuarial cost method." Under this method, the normal cost is computed as a percentage of pay which, if paid from the earliest time each member would have been eligible to join the plans if they then existed (entry age) until his retirement or termination and based upon the benefit formula applicable to new members, would

**14. PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS (continued)**

***B. Fire and Police Pension Plans - Old Hire (continued)***

**3) Funding Policies (continued)**

accumulate with interest at the rate assumed in the valuation to an amount sufficient to pay all such benefits under the plans. The normal cost for the plans is determined by summing the normal costs for all members. The latest actuarial studies for both plans were dated January 1, 2006.

***C. Police and Fire Pension Plans - New Hire***

The City has two separate single-employer defined contribution money purchase plans for full time fire and police hired on or after April 8, 1978. The New Hire Plans were established by City Ordinance and are administered by a committee established by each of the two agreements.

The New Hire Plans are qualified as tax-exempt defined contribution plans under Sections 401(a) and 501(a) of the Internal Revenue Code, and meet the requirements of the Employee Retirement Income Security Act of 1974, and applicable laws of the State of Colorado.

The City establishes contribution requirements for the employer and the employees. Employee contributions and earnings on those contributions are non-forfeitable. City contributions and earnings on those contributions are distributable to the employee based on the employee's years of service. Employees receive no City contributions until they have completed five years of service, at which time they are 100% vested. If a participant terminates service because of death, the entire amount credited to the participant from the employer is considered vested. Forfeited non-vested employer contributions may be used to reduce employer contributions but may not be used to otherwise increase any participant's plan benefit. Benefits may be distributed upon retirement, termination or death.

***D. Executive Retirement Plan (ERP)***

ERP is a defined contribution money purchase plan for City executive personnel that is administered by ICMA-RC. The plan is qualified as a tax-exempt defined contribution plan under section 401(a) of the Internal Revenue Code. Contributions for the employer and the employee were established by resolution.

Contributions by employees and earnings on those contributions are non-forfeitable. Contributions by the City and earnings on those contributions are distributable to the employee based on the schedule of vesting ranging from 33.3% to 100% over a period of 1 to 3 years. Benefits may be distributed upon retirement, termination or death. Employees may make voluntary, unmatched after-tax contributions subject to IRS and plan limitations.

***E. Elected Officials' and Executive Personnel Defined Benefit Plan***

The City has a non-contributory single employer defined benefit pension plan that became effective January 1, 2001.

**14. PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS (continued)*****E. Elected Officials' and Executive Personnel Defined Benefit Plan (continued)***

The plan provides base and supplemental retirement benefits to members of the City Council and a standard retirement benefit to executive personnel who are also members of the Executive Retirement Plan (ERP). The City currently has 25 retirees and others receiving benefits with 41 active plan members. There are ten former employees that are deferred vested and entitled to receive benefits in the future.

With respect to elected officials in office before January 1, 2001, normal retirement age means the latter of age 60 or the date on which the elected official has accrued six years of service. With respect to elected officials in office after January 1, 2001, normal retirement age means the latter of age 56 or the date on which the elected official has accrued six years of service. Base benefits are paid at the rate of \$25.76 per month for each year of qualifying service prior to November 11, 1991, \$32.78 per month for service from November 11, 1991 through November 11, 1999 and \$64.40 for service after that date. For 2007 the supplemental benefit is equal to \$227.51 per month subject to a cost of living adjustment. With respect to executive personnel, normal retirement age means the latter of age 50 or the date on which the executive has accrued three years of service. If an executive participant has accrued fewer than six years of service, upon retirement, the participant's standard retirement benefit shall be equal to the following percentages of the full monthly benefit: less than 3 years = 0%; 3 years = 50%; 4 years = 67%; 5 years = 83% and 6 years = 100%. For eligible executive personnel, the standard retirement benefit is equal to \$227.51 per month for 2007 subject to a cost of living adjustment.

<b>EOEP</b>	
<b>STATEMENT OF FIDUCIARY NET ASSETS</b>	
<b>December 31, 2007</b>	
<b>ASSETS</b>	
<i>Current Assets</i>	
Investments	
Cash equivalents and short term investments	\$ 36,811
Equity securities and funds	1,930,246
Corporate bond funds	1,295,466
Real estate funds	335,395
Receivables (net of allowance)	8,007
Prepaid expenses	5,187
Total assets	<u>3,611,112</u>
<b>LIABILITIES</b>	
<i>Current Liabilities</i>	
Accounts payable and other current liabilities	4,126
Total liabilities	<u>4,126</u>
<b>NET ASSETS</b>	
Held in trust for pension benefits	<u>3,606,986</u>
Total net assets	<u>\$ 3,606,986</u>



**14. PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS (continued)*****E. Elected Officials' and Executive Personnel Defined Benefit Plan (continued)***

EOEP	
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS	
FOR THE YEAR ENDED DECEMBER 31, 2007	
<b>ADDITIONS</b>	
<i>Contributions</i>	
City	\$ 375,669
Total contributions	375,669
<i>Investment activity</i>	
Investment income	164,841
Investment expense	(13,233)
Net investment income	151,608
Total additions	527,277
<b>DEDUCTIONS</b>	
Benefits	147,789
Administrative expenses	13,677
Total deductions	161,466
CHANGE IN NET ASSETS	365,811
NET ASSETS - January 1	3,241,175
NET ASSETS - December 31	\$ 3,606,986

**14. PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS (continued)**

***F. Post-Retirement Benefits Other than Pensions***

**1) Description of Plan**

In addition to pension benefits, the City acts in a single-employer capacity in providing medical benefits to eligible retirees and their qualifying dependents through the City's group health insurance plan. Based on City practice, eligible retirees are allowed to participate in the health benefit program up to Medicare age. Police and Fire employees are eligible at any age following 20 years of service. All other employees are eligible at a minimum age of 50 with 10 or more years of service. Currently, there are 2,420 active employees covered under the City's health insurance plan. Of these, 592 are fully eligible for the plan. In addition, there are 289 retired employees who are receiving medical coverage under this program. No stand-alone financial report is issued for the OPEB plan.

The City implemented GASB 45 effective January 1, 2007 and has been implemented prospectively, therefore, the OPEB obligation at transition is \$0.

**2) Funding Policy**

Retirees pay 100% of the blended premium cost of their participation for health insurance coverage. Since current and retired employees participate in the same group plan, the City in effect is providing an "implicit subsidy" for the retirees in the plan. The required contribution will be annual premiums based on projected pay-as-you-go financing requirements. This expense is the net expected cost of providing retiree benefits including all expected claims and related expenses offset by retiree contributions. The expected pay-as-you-go expense for the year ended December 31, 2007 is \$682,000.

Below is a summary of the Net OPEB obligation at the end of 2007 by Business-type and Governmental activities:

<b>Fund</b>	<b>Amount</b>
Water Fund	\$ 83,054
Wastewater Fund	50,478
Golf Fund	20,418
Total Business-type Activities	153,950
Total Governmental Activities	915,050
Total Net OPEB	
Obligation December 31	\$ 1,069,000

**15. OPERATING LEASES**

The City is committed under various leases for buildings, office and storage space, and equipment. All leases are cancelable and must be re-appropriated annually. These leases are considered for accounting purposes to be operating leases. Payment on these leases during 2007 totaled \$1,285,525.

**Future Minimum Payments on Operating Leases**

<b>Year</b>	<b>Minimum Lease Payments</b>
2008	\$ 1,127,913
2009	917,229
2010	578,882
2011	255,861
2012	41,600
2013-2017	<u>73,600</u>
Total	<u>\$ 2,995,085</u>

**16. RISK MANAGEMENT**

The City is exposed to various risks and losses related to torts, theft, damage or destruction of assets, errors and omissions, natural disasters, property damage, worker's compensation, auto liability, and unemployment. In addition, the City is party to various pending or threatened lawsuits, under which it may be required to pay certain amounts upon final disposition of these matters.

The City retains risk up to the levels where it has been determined that commercial insurance is more cost beneficial. The insurance companies promise payments of claims in excess of stated deductibles, with variable limits depending upon the specific line of coverage. For payment to be made by the insurance company the claim must fall under the insuring agreements and coverage, the insured must meet the insurer's conditions, and certain claims are excluded under certain conditions. The Colorado Governmental Immunity Act establishes limits for claims made against governmental entities. These limits are \$150,000 per person up to a maximum of \$600,000 per occurrence. These stated limitations do not apply to federal claims. There were no significant reductions in insurance coverage from the prior year. There have been no claim settlements in excess of insurance coverage in the last three years.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Amounts estimated to be paid on known cases are reported as case reserves. Case reserves are estimated through in-house methods and do include incremental claims adjustment expenses. Total self-insurance reserves are actuarially determined and include estimated costs for incurred but not reported claims (IBNR). The total liability has been recorded using the discounted method with an expected 4.50% interest return over the life of the liabilities. The City reports the current and

**16. RISK MANAGEMENT (continued)**

noncurrent portions of the accrued claims liability and related claim settlements and judgments within the Risk Management Fund.

**Summary of the Accrued Claims Liability  
December 31, 2007**

Self Insured Program	Case Reserves	IBNR	Total	Discounted
Worker's compensation	\$ 1,479,574	\$ 4,144,494	\$ 5,624,068	\$ 4,779,691
Multi-line liability	927,990	1,750,997	2,678,987	2,388,000
Totals	<u>\$ 2,407,564</u>	<u>\$ 5,895,491</u>	<u>\$ 8,303,055</u>	<u>\$ 7,167,691</u>

**Reconciliation of Claims Liability  
December 31, 2007**

Year	Balance January 1	Current Year Accrued Claims	Claim Payments	Recoveries	Balance December 31
2006	\$ 8,856,133	\$ 2,185,333	\$ (4,826,667)	\$ 941,115	\$ 7,155,914
2007	7,155,914	3,145,427	(3,566,018)	432,368	7,167,691

**17. CONTINGENT LIABILITIES**

The City is a party to various lawsuits, which may require expenditures of funds upon decision of the courts or in connection with out-of-court settlements. The City Attorney's Office reports several possible contingent liabilities based on damages alleged in various cases. However, it is the opinion of the City Attorney that the City's liability in these cases will be far less than the amounts demanded and/or will be covered by insurance. Accordingly, management of the City considers the amount of liabilities established in the Risk Management Fund to be sufficient to cover any liabilities that may result from the eventual outcome of these matters.

Proceeds of refunded debt were placed in irrevocable refunding escrow accounts. The funds deposited in these accounts are invested in U.S. Treasury obligations that, together with interest earned thereon, are expected to provide amounts sufficient to pay all principal and interest on the following debt issues as they become due. Should these funds be insufficient to pay the maturing bonds and interest, the City would be liable for the deficiency. The likelihood of the earnings and principal maturities of the U.S. Treasury obligations not being sufficient to pay the refunded bond issues is remote. Accordingly, the escrow accounts and the refunded bonds are not included in the City's financial statements.

**17. CONTINGENT LIABILITIES (continued)**

**Outstanding Principal of Defeased Debt Issues**  
**December 31, 2007**

<b>Issue Description</b>	<b>Date of Issue</b>	<b>Series</b>	<b>Balance</b>
Aurora Capital Leasing Corporation (ACLC) Certificates of Participation	8/8/00	2000	\$ 73,535,000

**18. CONDUIT DEBT OBLIGATIONS**

From time to time, the City has issued revenue bonds to provide financial assistance to private sector and non-profit entities for the acquisition and construction of industrial, commercial and residential properties deemed to be in the public interest. The bonds are payable solely from payments received on the underlying funding source. The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2007, there were sixteen series of revenue bonds outstanding, which included five Hospital Revenue Bonds payable from operating revenues, one Educational Development Bond payable from lease payments, seven Multi-Family Mortgage Bonds, payable from rental and mortgage payments, and three Single Family Mortgage Bonds payable from mortgage payments. The total aggregate principal amount payable was \$397,065,000.

**19. TAXPAYER BILL OF RIGHTS (TABOR)**

In November 1992, Colorado voters approved a State constitutional amendment, TABOR, the general purpose of which is to restrain government growth (as measured by revenues and expenditures) without a vote of the local citizens. The key mechanisms for restraining growth without a vote are: 1) the prohibition of revenue and expenditure growth other than for inflation and a component for new construction growth, 2) the prohibition of new taxes or higher tax rates, 3) the prohibition of new debt, and 4) the refunding of any revenues collected in excess of the revenue limitations. In 2007, property tax revenue and general revenue collections were below the limits imposed by the TABOR Amendment.

TABOR further requires emergency reserves of at least 3% of fiscal year revenue as defined by TABOR (excluding bonded debt service). The City maintains the required reserves in the TABOR Reserve Fund, a Special Revenue fund. TABOR specifies that local governments are permitted to use reserve funds for "emergencies" with the requirement that the reserve funds be restored to 3% of fiscal year spending in the following fiscal year. City TABOR Reserve funds of \$1.1 million were restored in 2007, this amount was used for the 2006 snow emergency, which provided an immediate source for the emergency expenditure while also providing the flexibility to restore the TABOR reserve in 2007 out of "best available" fund sources. The amount recorded in the TABOR Reserve Fund at December 31, 2007, was \$7,745,299 or 3% of fiscal year spending.

The City's management believes the City is in compliance with the provisions of TABOR at December 31, 2007.

## 20. SUBSEQUENT EVENTS

On April 15, 2008, the City, acting by and through its Utility Enterprise, issued \$39,995,000 First-Lien Water Refunding Revenue Bonds, Series 2008A. The bonds have a fixed interest rate of 5.00% with a maturity date of August 1, 2033. The bonds are being issued for the purpose of refunding, paying and discharging all of the outstanding Second Lien Water Improvement Revenue bonds, Series 2004A which have a variable rate and will fix the interest rate applicable to the 2008A bonds.

On May 15, 2008, the City, through the Aurora Capital Leasing Corporation, issued \$68,540,000 Adjustable Rate Refunding Certificates of Participation, Series 2008A refunding the 2006A-2 issue. The 2006 A-2 issue was defeased but not discharged for 30 days after closing. The Swap Agreements discussed in footnote 10 have been continued with the 2008A issue. This series is an adjustable rate that matures December 1, 2030. The COPs are being issued to gain a more favorable interest rate.

## 21. RESTATEMENT OF BEGINNING NET ASSETS FOR REPORTING ENTITY CHANGE

Upon the execution of the moral obligation pledge to assist Aurora Housing Authority (AHA) during 2007, AHA met the requirements for inclusion as a component unit of the City. Accordingly, the component units' net assets as of January 1, 2007 have been increased to reflect the change in reporting entities by \$28,893,961.

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## Required Supplementary Information

**CITY OF AURORA, COLORADO**

**DEFINED BENEFIT PENSION PLANS  
AND OTHER POST EMPLOYMENT BENEFITS (OPEB)  
SCHEDULE OF FUNDING PROGRESS  
DECEMBER 31, 2007**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets ( a )</b>	<b>Actuarial Accrued Liability (AAL) Entry Age ( b )</b>	<b>Unfunded AAL (UAAL) ( b-a )</b>	<b>Funded Ratio ( a / b )</b>	<b>Projected Covered Payroll ( c )</b>	<b>UAAL as a Percent of Covered Payroll ( b-a ) / ( c )</b>
<b><u>Old Hire - Fire Plan</u></b>						
1/1/02	\$ 102,091,395	\$ 93,169,516	\$ (8,921,879)	109.58%	\$ 1,536,052	(580.83)%
1/1/04	85,014,289	99,587,091	14,572,802	85.37%	1,330,722	1095.10%
1/1/06	92,918,056	99,466,498	6,548,442	93.42%	647,157	1011.88%
<b><u>Old Hire - Police Plan</u></b>						
1/1/02	109,285,846	114,157,050	4,871,204	95.73%	1,569,478	310.37%
1/1/04	89,956,249	121,678,839	31,722,590	73.93%	859,811	3689.48%
1/1/06	98,845,438	116,106,755	17,261,317	85.13%	241,569	7145.50%
<b><u>GERP</u></b>						
1/1/05	241,818,542	243,234,592	\$ 1,416,050	99.42%	72,821,091	1.94%
1/1/06	268,566,265	255,005,107	(13,561,158)	105.32%	75,383,664	(17.99)%
1/1/07	292,889,736	277,052,492	(15,837,244)	105.72%	76,620,753	(20.67)%
<b><u>EOEP</u></b>						
1/1/03	2,342,205	3,772,442	1,430,237	62.09%	—	—
1/1/05	2,182,694	3,793,673	1,610,979	57.54%	—	—
1/1/07	3,241,175	4,462,141	1,220,966	72.64%	—	—
<b><u>OPEB</u></b>						
1/1/07	—	20,441,000	20,441,000	0.00%	168,468,721	12.13%



**CITY OF AURORA, COLORADO**

**ELECTED OFFICIALS' AND EXECUTIVE PERSONNEL DEFINED BENEFIT PLAN  
AND OTHER POST EMPLOYMENT BENEFITS  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
DECEMBER 31, 2007**

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<b>Year</b>	<b>Annual Required Contribution (ARC)</b>	<b>Percentage Contributed</b>
<b><i>EOEP</i></b>		
2003	\$ 397,307	123%
2004	419,304	100%
2005	422,000	101%
2006	375,669	100%
2007	375,669	100%

Actuarial studies were performed for this plan beginning in 2003.

<b><i>OPEB</i></b>		
2007	\$ 1,751,000	39%

Actuarial studies were performed for this plan beginning in 2007.



## CITY OF AURORA, COLORADO

## GENERAL FUND

## SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE

## BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

## FOR THE YEAR ENDED DECEMBER 31, 2007

OFFICE OF THE CITY CLERK - BUDGET FY 2024

	Budgets		Budgetary	Variance
	Original	Final	Actual	with Final
SOURCES				
Taxes				
Property	\$ 24,037,892	\$ 24,037,892	\$ 24,006,129	\$ (31,763)
Sales	125,569,984	125,569,984	124,659,318	(910,666)
Use	29,379,422	29,379,422	28,533,895	(845,527)
Lodgers	3,650,518	3,650,518	4,602,723	952,205
Franchise	12,609,351	12,609,351	11,439,537	(1,169,814)
Other	9,723,002	9,723,002	11,452,043	1,729,041
Total taxes	204,970,169	204,970,169	204,693,645	(276,524)
Intergovernmental	10,200,020	10,653,412	10,800,109	146,697
Licenses and permits	4,605,374	4,605,374	2,742,650	(1,862,724)
Charges for services	8,440,237	8,440,237	6,979,481	(1,460,756)
Fines and forfeitures	7,132,819	7,132,819	6,836,170	(296,649)
Investment income	1,238,634	1,238,634	1,663,045	424,411
Other revenues	835,906	835,906	974,544	138,638
Proceeds from sales of assets	—	624,329	357,654	(266,675)
Transfers in	3,246,598	3,291,113	3,022,700	(268,413)
TOTAL SOURCES	240,669,757	241,791,993	238,069,998	(3,721,995)
USES				
Municipal Court				
Judicial	2,049,608	2,098,610	1,928,561	170,049
Court Administration	6,676,793	6,942,959	6,942,883	76
Public Defender	588,977	606,113	595,358	10,755
Total municipal court	9,315,378	9,647,682	9,466,802	180,880
City Attorney	4,553,404	4,654,138	4,553,931	100,207
General Management Group				
City Council	959,132	978,901	858,972	119,929
Civil Service	535,711	543,805	566,796	(22,991)
General Management	1,026,629	1,434,669	1,434,266	403
Communications	724,422	772,361	772,361	—
Management Support	1,282,507	1,027,890	1,027,890	—
Development Services	851,768	871,908	812,799	59,109
Total general management group	5,380,169	5,629,534	5,473,084	156,450

	<b>Budgets</b>		<b>Budgetary</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>with Final</b>
<i>Administrative Services Group</i>				
Management Support	\$ —	\$ 428,683	\$ 428,683	\$ —
Human Resources	1,423,836	1,398,640	1,387,242	11,398
Finance	5,153,882	5,278,596	4,947,031	331,565
Information Technology	6,782,815	6,933,730	6,892,511	41,219
Internal Services	12,962,067	12,605,752	12,612,020	(6,268)
Total administrative services group	26,322,600	26,645,401	26,267,487	377,914
<i>Operations Group</i>				
Public Works	19,427,067	19,742,258	19,303,667	438,591
Parks and Open Space	13,882,798	13,865,301	13,863,824	1,477
Planning	1,159,614	1,193,295	1,176,064	17,231
Total operations group	34,469,479	34,800,854	34,343,555	457,299
<i>Community Services Group</i>				
Non-Departmental	—	45,000	45,000	—
Library, Recreation and Cultural Services	12,390,981	12,707,949	12,706,811	1,138
Police	71,545,018	71,810,268	71,406,995	403,273
Public Safety Communications	5,215,476	5,215,476	4,971,452	244,024
Fire	31,869,490	31,954,930	31,674,071	280,859
Neighborhood Services	3,511,512	3,602,001	3,577,625	24,376
Total community services group	124,532,477	125,335,624	124,381,954	953,670
<i>Non-departmental</i>	38,055,097	38,198,787	37,392,789	805,998
TOTAL USES	242,628,604	244,912,020	241,879,602	3,032,418
CHANGE IN FUNDS AVAILABLE	(1,958,847)	(3,120,027)	(3,809,604)	(689,577)
FUNDS AVAILABLE - January 1	—	—	13,394,824	13,394,824
FUNDS AVAILABLE - December 31	\$ (1,958,847)	\$ (3,120,027)	9,585,220	\$ 12,705,247
Less: Designations			(9,585,220)	
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESERVATIONS AND COUNCIL DESIGNATIONS - December 31			\$ —	
<b>RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE</b>				
FUNDS AVAILABLE (BUDGETARY BASIS) - December 31			\$ 9,585,220	
Add: Sales, use and lodgers tax accrual			16,280,560	
Current year encumbrances			1,687,871	
Less: Adjustment of investments to fair value			21,135	
FUND BALANCE (U.S. GAAP BASIS) - DECEMBER 31			\$ 27,574,786	

## GENERAL FUND BUDGETARY INFORMATION

### *Budget Policies*

The City adopts annual operating appropriations each year. Operating costs are controlled at the fund and department level for the General Fund. Expenditures may not exceed appropriations at those levels. Annual operating appropriations lapse at year-end except for amounts that are encumbered (reserves for encumbrances are commitments on purchase orders that remain open at year-end).

Since expenditures may not legally exceed budgeted appropriations, appropriation amendments require City Council approval by ordinance. Budget transfers within a department may be made with administrative approval. Transfers between departments require City Council approval by resolution.

The City budgets on a “funds available” basis. Budgetary basis revenues and other financing sources are considered increases in funds available and budgetary basis expenditures and other financing uses are considered uses of funds available. In general, funds available are defined as current assets minus current liabilities.

The City’s budget disclosure presents funds available, net of reservations and designations, which are available for general purposes.

Budgets for the General Fund are reported on the same basis as described above, except as follows:

- a) Encumbrances are treated as expenditures in the year they are encumbered, not when the expenditure occurs.
- b) Grants are considered revenue when awarded, not when earned.
- c) Sales, use and lodgers taxes are considered revenue when received rather than when earned.
- d) Proceeds from capital leases and related capital expenditures are not budgeted.
- e) The value received on the trade-in of fixed assets and the related capital expenditures are not budgeted.
- f) Changes in investment income due to recording investments at fair value are not budgeted.



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## Combining and Individual Fund Statements and Schedules

OTHER (NON-MAJOR)  
GOVERNMENTAL FUNDS

**CITY OF AURORA, COLORADO**  
**OTHER GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**DECEMBER 31, 2007**

	<b>Total Non-major Special Revenue</b>	<b>Total Non-major Debt Service</b>	<b>Total Non-major Capital Projects</b>	<b>Total Other Governmental</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 19,649,536	\$ 715,872	\$ 14,431,822	\$ 34,797,230
Investments	46,204,840	744,015	15,188,029	62,136,884
Receivables (net of allowance)	4,522,360	2,630,249	260,347	7,412,956
Due from other funds	2,117,713	—	3,363	2,121,076
Restricted assets	15,701,696	11,637,137	6,224,713	33,563,546
Notes receivable	13,634,367	—	953,298	14,587,665
Total assets	<u>\$ 101,830,512</u>	<u>\$ 15,727,273</u>	<u>\$ 37,061,572</u>	<u>\$ 154,619,357</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Liabilities</i>				
Accounts payable				
and other current liabilities	\$ 1,627,434	\$ 184,729	\$ 2,507,713	\$ 4,319,876
Due to other funds	700,543	—	77,946	778,489
Deferred revenues	14,799,641	2,630,249	953,298	18,383,188
Payable from restricted assets	1,056,415	6,359,122	318,072	7,733,609
Total liabilities	<u>18,184,033</u>	<u>9,174,100</u>	<u>3,857,029</u>	<u>31,215,162</u>
<i>Fund balances</i>				
<i>Reserved for:</i>				
Encumbrances	1,209,075	—	2,553,979	3,763,054
Construction	2,675,627	—	4,337,146	7,012,773
Police	930,688	—	—	930,688
Gifts and grants	—	—	1,569,495	1,569,495
Debt related	—	5,101,015	—	5,101,015
Arbitrage	—	177,000	—	177,000
Agreements	11,038,966	—	—	11,038,966
<i>Unreserved</i>				
Designated	18,955,105	470,000	16,764,667	36,189,772
Undesignated	48,837,018	805,158	7,979,256	57,621,432
Total fund balances	<u>83,646,479</u>	<u>6,553,173</u>	<u>33,204,543</u>	<u>123,404,195</u>
Total liabilities and fund balances	<u>\$ 101,830,512</u>	<u>\$ 15,727,273</u>	<u>\$ 37,061,572</u>	<u>\$ 154,619,357</u>



## CITY OF AURORA, COLORADO

## OTHER GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2007

	Total Non-major Special Revenue	Total Non-major Debt Service	Total Non-major Capital Projects	Total Other Governmental
<b>REVENUES</b>				
Taxes				
Sales	\$ —	\$ 398,603	\$ —	\$ 398,603
Property	—	6,807,055	—	6,807,055
Occupational privilege	—	95,482	—	95,482
Charges for services	11,459,153	—	182,189	11,641,342
Licenses and permits	6,781,328	—	—	6,781,328
Fines and forfeitures	2,026,219	—	—	2,026,219
Special assessments	—	315,761	229,612	545,373
Intergovernmental	17,693,068	—	3,467,793	21,160,861
Surcharges	2,862,077	—	—	2,862,077
Miscellaneous	6,620,203	—	457,952	7,078,155
Investment earnings	4,421,219	768,620	1,782,111	6,971,950
Total revenues	51,863,267	8,385,521	6,119,657	66,368,445
<b>EXPENDITURES</b>				
<i>Current</i>				
General government	752,907	547,605	3,800,239	5,100,751
Judicial	90,853	—	—	90,853
Police	3,348,400	—	24,250	3,372,650
Fire	536,527	—	18,779	555,306
Other public safety	2,126,863	—	141,224	2,268,087
Public works	193,460	—	2,695,673	2,889,133
Economic development	11,669,774	3,519	128,451	11,801,744
Community services	6,215,591	—	—	6,215,591
Culture and recreation	14,782,383	—	240,752	15,023,135
<i>Debt service</i>				
Principal	—	12,670,000	—	12,670,000
Interest	—	6,999,817	—	6,999,817
Capital outlay	19,274,131	—	22,788,133	42,062,264
Total expenditures	58,990,889	20,220,941	29,837,501	109,049,331
Excess (deficiency) of revenues over (under) expenditures	(7,127,622)	(11,835,420)	(23,717,844)	(42,680,886)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	14,588,933	12,449,773	19,290,991	46,329,697
Transfers out	(8,310,488)	(882,110)	(4,101,307)	(13,293,905)
Notes issued	—	—	1,075,000	1,075,000
Sale of capital assets	11,439	—	—	11,439
Total other financing sources (uses)	6,289,884	11,567,663	16,264,684	34,122,231
NET CHANGE IN FUND BALANCES	(837,738)	(267,757)	(7,453,160)	(8,558,655)
FUND BALANCES - January 1	84,484,217	6,820,930	40,657,703	131,962,850
FUND BALANCES - December 31	\$ 83,646,479	\$ 6,553,173	\$ 33,204,543	\$ 123,404,195

## **OTHER (NON-MAJOR) GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS**

Special revenue funds account for revenues from specific sources that are required legally or by management decision to be used for particular activities.

### ***Gifts and Grants Fund***

The Gifts and Grants Fund accounts for various gifts and grants where the size or length of time of the funding source does not warrant establishing a separate fund.

### ***Development Review Fund***

The Development Review Fund accounts for revenues from development related fees for various plan reviews, permits/inspections and similar services. Expenditures are made to cover the costs of the development review process and to fund organizations that promote economic growth and development within the City.

### ***Abatement Fund***

The Abatement Fund accounts for costs related to weed cutting, trash removal, building demolition, tree trimming, and tree removal on properties that have not been maintained in accordance with City ordinances. Revenues are from fees collected from property owners and county collected liens on the properties.

### ***Community Maintenance Fund***

The Community Maintenance Fund accounts for fees from multi-family mortgage revenue bonds, surplus revenues from single-family mortgage revenue bonds and interest earnings thereon. Expenditures are made for neighborhood and commercial revitalization, housing rehabilitation, economic development, open space acquisition and protection of the public health, safety and welfare. The Fund was closed effective December 31, 2007.

### ***Community Development Fund***

The Community Development Fund accounts for revenues and expenditures from grants and other monies received from the United States Department of Housing and Urban Development.

### ***Enhanced E-911 Fund***

The Enhanced E-911 Fund accounts for revenues derived from special telephone surcharges. Monies are used to purchase and maintain enhanced E-911 equipment and related activities.

### ***Conservation Trust Fund***

The Conservation Trust Fund accounts for lottery proceeds that are received from the State of Colorado. These monies are used for the development and renovation of qualifying parks and recreation facilities and infrastructure.

### ***Emergency Contingency Fund***

The Emergency Contingency Fund provides funding for expenditures that could not have been readily foreseen at the time of budget preparation. All expenditures require approval of the City Council. Revenues are primarily from interest earnings.

## **OTHER (NON-MAJOR) GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS (Continued)**

### ***Parks Development Fund***

The Parks Development Fund accounts for annexation fees and payments from developers that are required to be used for the creation of City parks.

### ***Arapahoe County Open Space Fund***

The Arapahoe County Open Space Fund accounts for dedicated use tax revenues received from Arapahoe County that are required to be used for parks construction and maintenance and the acquisition of open space within that portion of the City of Aurora located in Arapahoe County.

### ***Recreation Services Fund***

The Recreation Services Fund accounts for recreational services provided to citizens. Funding for these services are from user fees and General Fund transfers.

### ***Cultural Services Fund***

The Cultural Services Fund accounts for revenues from fees, donations, grant funds from the Scientific and Cultural Facilities District (SCFD) and other grantors, proceeds from the Art in Public Places (AIPP) ordinance and General Fund transfers. Expenditures are made to provide cultural-related services to citizens.

### ***Designated Revenues Fund***

The Designated Revenues Fund accounts for revenues other than gifts or grants that are required by law, contract or City policy to be spent for a specific purpose where the size or length of time of the funding source does not warrant establishing a separate fund.

### ***Policy Reserve Fund***

The Policy Reserve Fund accounts for funds available maintained by City policy in an amount currently equal to 10% or greater of the General Fund's adjusted budgetary operating expenditures for the year.

### ***TABOR Reserve Fund***

The TABOR Reserve Fund accounts for emergency reserves of at least 3% of fiscal year spending (excluding bonded debt service) as required under the taxpayer bill of rights (TABOR), a State constitutional amendment approved in 1992.

### ***Aurora Urban Renewal Authority (AURA) General Fund***

The AURA General Fund accounts for activities related to Fletcher Plaza Urban Renewal Area, which is not associated with tax incremental financing. Funding is currently from transfers from other City funds.

## CITY OF AURORA, COLORADO

NON-MAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2007

	<u>Gifts and Grants</u>	<u>Development Review</u>	<u>Abatement</u>	<u>Community Maintenance</u>	<u>Community Development</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,460,973	\$ 1,534,908	\$ 372,672	\$ —	\$ —
Investments	—	1,674,155	—	—	—
Receivables (net of allowance)	1,335,105	—	895,154	—	848,615
Due from other funds	—	2,117,713	—	—	—
Restricted assets	961,175	—	—	—	819,180
Notes receivable	713,161	—	—	—	12,733,348
Total assets	<u>\$ 4,470,414</u>	<u>\$ 5,326,776</u>	<u>\$ 1,267,826</u>	<u>\$ —</u>	<u>\$ 14,401,143</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<i>Liabilities</i>					
Accounts payable					
and other current liabilities	\$ 132,132	\$ 206,080	\$ 69,364	\$ —	\$ 148,072
Due to other funds	—	—	—	—	700,543
Deferred revenues	1,571,687	—	134,632	—	12,733,348
Payable from restricted assets	30,487	—	—	—	819,180
Total liabilities	<u>1,734,306</u>	<u>206,080</u>	<u>203,996</u>	<u>—</u>	<u>14,401,143</u>
<i>Fund balances</i>					
<i>Reserved for:</i>					
Encumbrances	444,735	—	41,318	—	12,140
Construction	—	—	—	—	—
Police	930,688	—	—	—	—
Agreements	—	—	—	—	—
<i>Unreserved</i>					
Designated	127,404	894,271	103,155	—	—
Undesignated	1,233,281	4,226,425	919,357	—	(12,140)
Total fund balances	<u>2,736,108</u>	<u>5,120,696</u>	<u>1,063,830</u>	<u>—</u>	<u>—</u>
Total liabilities and fund balances	<u>\$ 4,470,414</u>	<u>\$ 5,326,776</u>	<u>\$ 1,267,826</u>	<u>\$ —</u>	<u>\$ 14,401,143</u>

(continued)

## CITY OF AURORA, COLORADO

NON-MAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2007

	Enhanced E-911	Conservation Trust	Emergency Contingency	Parks Development	Arapahoe County Open Space
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,908,483	\$ 2,752,364	\$ 388,432	\$ 2,464,506	\$ 2,372,534
Investments	3,172,340	3,032,655	423,670	2,688,085	2,587,769
Receivables (net of allowance)	209,689	733,483	—	—	—
Due from other funds	—	—	—	—	—
Restricted assets	—	—	—	—	1,308,105
Notes receivable	—	—	—	—	—
Total assets	<u>\$ 6,290,512</u>	<u>\$ 6,518,502</u>	<u>\$ 812,102</u>	<u>\$ 5,152,591</u>	<u>\$ 6,268,408</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<i>Liabilities</i>					
Accounts payable					
and other current liabilities	\$ 278,660	\$ 153,429	\$ —	\$ 9	\$ 180,025
Due to other funds	—	—	—	—	—
Deferred revenues	—	—	—	—	—
Payable from restricted assets	—	—	—	—	—
Total liabilities	<u>278,660</u>	<u>153,429</u>	<u>—</u>	<u>9</u>	<u>180,025</u>
<i>Fund balances</i>					
<i>Reserved for:</i>					
Encumbrances	120,146	182,810	—	51,543	187,800
Construction	—	—	—	—	1,308,105
Police	—	—	—	—	—
Agreements	—	—	—	—	—
<i>Unreserved</i>					
Designated	1,651,676	3,335,321	—	1,536,794	4,110,761
Undesignated	<u>4,240,030</u>	<u>2,846,942</u>	<u>812,102</u>	<u>3,564,245</u>	<u>481,717</u>
Total fund balances	<u>6,011,852</u>	<u>6,365,073</u>	<u>812,102</u>	<u>5,152,582</u>	<u>6,088,383</u>
Total liabilities and fund balances	<u>\$ 6,290,512</u>	<u>\$ 6,518,502</u>	<u>\$ 812,102</u>	<u>\$ 5,152,591</u>	<u>\$ 6,268,408</u>

<b>Recreation Services</b>	<b>Cultural Services</b>	<b>Designated Revenues</b>	<b>Policy Reserve</b>	<b>TABOR Reserve</b>	<b>AURA General</b>	<b>Total Non-major Special Revenue</b>
\$ 480,613	\$ 1,076,675	\$ 3,831,932	\$ —	\$ —	\$ 5,444	\$ 19,649,536
—	—	4,167,793	20,758,626	7,693,809	5,938	46,204,840
36,571	98,815	161,689	151,749	51,490	—	4,522,360
—	—	—	—	—	—	2,117,713
—	—	12,613,236	—	—	—	15,701,696
23,500	—	164,358	—	—	—	13,634,367
<u>\$ 540,684</u>	<u>\$ 1,175,490</u>	<u>\$ 20,939,008</u>	<u>\$ 20,910,375</u>	<u>\$ 7,745,299</u>	<u>\$ 11,382</u>	<u>\$ 101,830,512</u>
\$ 227,743	\$ 40,075	\$ 191,845	\$ —	\$ —	\$ —	\$ 1,627,434
—	—	—	—	—	—	700,543
169,200	26,416	164,358	—	—	—	14,799,641
—	—	206,748	—	—	—	1,056,415
<u>396,943</u>	<u>66,491</u>	<u>562,951</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>18,184,033</u>
18,566	4,125	145,892	—	—	—	1,209,075
—	—	1,367,522	—	—	—	2,675,627
—	—	—	—	—	—	930,688
—	—	11,038,966	—	—	—	11,038,966
—	109,702	7,086,021	—	—	—	18,955,105
<u>125,175</u>	<u>995,172</u>	<u>737,656</u>	<u>20,910,375</u>	<u>7,745,299</u>	<u>11,382</u>	<u>48,837,018</u>
<u>143,741</u>	<u>1,108,999</u>	<u>20,376,057</u>	<u>20,910,375</u>	<u>7,745,299</u>	<u>11,382</u>	<u>83,646,479</u>
<u>\$ 540,684</u>	<u>\$ 1,175,490</u>	<u>\$ 20,939,008</u>	<u>\$ 20,910,375</u>	<u>\$ 7,745,299</u>	<u>\$ 11,382</u>	<u>\$ 101,830,512</u>

(concluded)

## CITY OF AURORA, COLORADO

## NON-MAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2007

	Gifts and Grants	Development Review	Abatement	Community Maintenance	Community Development
<b>REVENUES</b>					
Charges for services	\$ 36,248	\$ 3,916,844	\$ 983,700	\$ —	\$ 696,752
Licenses and permits	—	6,707,814	—	—	—
Fines and forfeitures	82	—	—	—	—
Intergovernmental	4,365,518	—	—	—	4,354,003
Surcharges	—	—	—	—	—
Miscellaneous	1,345,924	7,138	—	—	—
Investment earnings	184,154	275,859	20,052	35,047	—
Total revenues	5,931,926	10,907,655	1,003,752	35,047	5,050,755
<b>EXPENDITURES</b>					
<i>Current</i>					
General government	37,156	30,000	—	—	—
Judicial	4,794	—	—	—	—
Police	2,039,083	—	—	—	—
Fire	447,085	—	—	—	—
Other public safety	—	—	—	—	—
Public works	92,100	—	—	37,052	—
Economic development	57,908	9,159,594	—	—	842,497
Community services	513,015	—	656,435	—	4,417,262
Culture and recreation	1,094,750	—	—	—	—
Capital outlay	451,163	50,059	—	—	67,834
Total expenditures	4,737,054	9,239,653	656,435	37,052	5,327,593
Excess (deficiency) of revenues over (under) expenditures	1,194,872	1,668,002	347,317	(2,005)	(276,838)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	—	—	—	—	273,320
Transfers out	—	(1,875,230)	—	(257,470)	—
Sale of capital assets	7,921	—	—	—	3,518
Total other financing sources (uses)	7,921	(1,875,230)	—	(257,470)	276,838
<b>NET CHANGE IN</b>					
FUND BALANCES	1,202,793	(207,228)	347,317	(259,475)	—
FUND BALANCES - January 1	1,533,315	5,327,924	716,513	259,475	—
FUND BALANCES - December 31	\$ 2,736,108	\$ 5,120,696	\$ 1,063,830	\$ —	\$ —

<b>Enhanced E-911</b>	<b>Conservation Trust</b>	<b>Emergency Contingency</b>	<b>Parks Development</b>	<b>Arapahoe County Open Space</b>	<b>Recreation Services</b>	<b>Cultural Services</b>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,751,414	\$ 580,461
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	3,114,751	—	—	5,364,504	—	—
2,513,859	—	—	—	—	—	—
39,596	—	—	1,412,565	528,956	84,457	570,455
256,523	307,844	45,304	231,777	476,496	—	55,886
2,809,978	3,422,595	45,304	1,644,342	6,369,956	3,835,871	1,206,802
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
2,007,454	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	251,182	—	2,645	1,260,247	8,007,590	2,694,388
85,096	3,778,984	—	78,065	4,646,252	18,322	—
2,092,550	4,030,166	—	80,710	5,906,499	8,025,912	2,694,388
717,428	(607,571)	45,304	1,563,632	463,457	(4,190,041)	(1,487,586)
1,710,000	—	—	—	—	5,348,804	1,374,654
(1,705,481)	—	(36,000)	—	(1,177,674)	(1,140,000)	—
—	—	—	—	—	—	—
4,519	—	(36,000)	—	(1,177,674)	4,208,804	1,374,654
721,947	(607,571)	9,304	1,563,632	(714,217)	18,763	(112,932)
5,289,905	6,972,644	802,798	3,588,950	6,802,600	124,978	1,221,931
\$ 6,011,852	\$ 6,365,073	\$ 812,102	\$ 5,152,582	\$ 6,088,383	\$ 143,741	\$ 1,108,999

(continued)



## CITY OF AURORA, COLORADO

## NON-MAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2007

	Designated Revenues	Policy Reserve	TABOR Reserve	AURA General	Total Non-major Special Revenue
<b>REVENUES</b>					
Charges for services	\$ 1,493,734	\$ —	\$ —	\$ —	\$ 11,459,153
Licenses and permits	73,514	—	—	—	6,781,328
Fines and forfeitures	2,026,137	—	—	—	2,026,219
Intergovernmental	494,292	—	—	—	17,693,068
Surcharges	348,218	—	—	—	2,862,077
Miscellaneous	2,631,112	—	—	—	6,620,203
Investment earnings	1,029,916	1,124,672	377,211	478	4,421,219
Total revenues	8,096,923	1,124,672	377,211	478	51,863,267
<b>EXPENDITURES</b>					
<i>Current</i>					
General government	685,751	—	—	—	752,907
Judicial	86,059	—	—	—	90,853
Police	1,309,317	—	—	—	3,348,400
Fire	89,442	—	—	—	536,527
Other public safety	119,409	—	—	—	2,126,863
Public works	64,308	—	—	—	193,460
Economic development	1,609,775	—	—	—	11,669,774
Community services	628,879	—	—	—	6,215,591
Culture and recreation	1,471,581	—	—	—	14,782,383
Capital outlay	10,098,356	—	—	—	19,274,131
Total expenditures	16,162,877	—	—	—	58,990,889
Excess (deficiency) of revenues over (under) expenditures	(8,065,954)	1,124,672	377,211	478	(7,127,622)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	4,080,978	623,069	1,178,108	—	14,588,933
Transfers out	(2,041,726)	(76,907)	—	—	(8,310,488)
Sale of capital assets	—	—	—	—	11,439
Total other financing sources (uses)	2,039,252	546,162	1,178,108	—	6,289,884
<b>NET CHANGE IN</b>					
FUND BALANCES	(6,026,702)	1,670,834	1,555,319	478	(837,738)
FUND BALANCES - January 1	26,402,759	19,239,541	6,189,980	10,904	84,484,217
FUND BALANCES - December 31	\$ 20,376,057	\$ 20,910,375	\$ 7,745,299	\$ 11,382	\$ 83,646,479

(concluded)

## **OTHER (NON-MAJOR) GOVERNMENTAL FUNDS DEBT SERVICE FUNDS**

Debt service funds account for the accumulation of resources to pay principal, interest and agency fees on governmental long-term debt.

### ***City Debt Service Fund***

The City Debt Service Fund accounts for the payment of principal and interest on general obligation bonds and General Fund revenue bonds. Revenues are from General Fund transfers and property taxes assessed for the repayment of debt.

### ***Special Improvement District (SID) Debt Service Fund***

The Special Improvement District Debt Service Fund accounts for debt service related to special improvements. Funding is from special assessments on the related properties.

### ***Surplus and Deficiency Fund***

The Surplus and Deficiency Fund accounts for special assessments from property owners where the associated bonded debt has been defeased. These monies are used to repay other special assessment bonds if sufficient funds from special assessments are not available in the City Debt Service Fund to make regularly scheduled debt service payments and to pay City administrative costs associated with special improvement districts. After all special assessment debt secured by this fund is paid, the City may also transfer monies to the City Capital Projects Fund or other improvement districts to finance, acquire, or construct other public improvements.

### ***Aurora Urban Renewal Authority (AURA) Debt Service Fund***

The City created AURA to redevelop and support areas within the City that are considered blighted. This fund accounts for the payment of principal, interest, and agency fees for the AURA tax increment revenue bonds. Monies in excess of those needed for the repayment of the revenue bonds may be used to pay other obligations of AURA.

### ***Aurora Capital Leasing Corporation (ACLC) Debt Service Fund***

ACLC is a non-profit corporation established to finance City capital projects, primarily buildings. This fund accounts for the principal and interest payments on certificates of participation issued by ACLC. Revenues are from lease payments (transfers) from the General Fund.

**CITY OF AURORA, COLORADO**  
**NON-MAJOR DEBT SERVICE FUNDS**  
**COMBINING BALANCE SHEET**  
**DECEMBER 31, 2007**

	<b>City Debt Service</b>	<b>SID Debt Service</b>	<b>Surplus and Deficiency</b>	<b>AURA Debt Service</b>	<b>ACLC Debt Service</b>	<b>Total Non-major Debt Service</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ —	\$ 135,048	\$ 385,129	\$ 195,695	\$ —	\$ 715,872
Investments	—	110,498	420,068	213,449	—	744,015
Receivables (net of allowance)	—	2,539,082	91,167	—	—	2,630,249
Restricted assets	8,018,054	36,800	—	—	3,582,283	11,637,137
Total assets	<u>\$ 8,018,054</u>	<u>\$ 2,821,428</u>	<u>\$ 896,364</u>	<u>\$ 409,144</u>	<u>\$ 3,582,283</u>	<u>\$ 15,727,273</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<i>Liabilities</i>						
Accounts payable and other current liabilities	\$ —	\$ 158,757	\$ 25,972	\$ —	\$ —	\$ 184,729
Deferred revenues	—	2,539,082	91,167	—	—	2,630,249
Payable from restricted assets	6,348,491	—	—	—	10,631	6,359,122
Total liabilities	<u>6,348,491</u>	<u>2,697,839</u>	<u>117,139</u>	<u>—</u>	<u>10,631</u>	<u>9,174,100</u>
<i>Fund balances</i>						
<i>Reserved for:</i>						
Debt service	1,565,563	36,800	—	—	3,498,652	5,101,015
Arbitrage	104,000	—	—	—	73,000	177,000
<i>Unreserved</i>						
Designated	—	—	470,000	—	—	470,000
Undesignated	—	86,789	309,225	409,144	—	805,158
Total fund balances	<u>1,669,563</u>	<u>123,589</u>	<u>779,225</u>	<u>409,144</u>	<u>3,571,652</u>	<u>6,553,173</u>
Total liabilities and fund balances	<u>\$ 8,018,054</u>	<u>\$ 2,821,428</u>	<u>\$ 896,364</u>	<u>\$ 409,144</u>	<u>\$ 3,582,283</u>	<u>\$ 15,727,273</u>

## CITY OF AURORA, COLORADO

## NON-MAJOR DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2007

	City Debt Service	SID Debt Service	Surplus and Deficiency	AURA Debt Service	ACLCLC Debt Service	Total Non-major Debt Service
<b>REVENUES</b>						
<i>Taxes</i>						
Sales	\$ —	\$ —	\$ —	\$ 398,603	\$ —	\$ 398,603
Property	6,414,180	—	—	392,875	—	6,807,055
Occupational privilege	—	—	—	95,482	—	95,482
Total taxes	6,414,180	—	—	886,960	—	7,301,140
Special assessments	—	300,566	15,195	—	—	315,761
Investment earnings	207,017	101,925	48,011	61,771	349,896	768,620
Total revenues	6,621,197	402,491	63,206	948,731	349,896	8,385,521
<b>EXPENDITURES</b>						
<i>Current</i>						
General government	62,102	271,558	25,972	—	187,973	547,605
Economic development	—	—	—	3,519	—	3,519
<i>Debt service</i>						
Principal	5,500,000	175,000	—	710,000	6,285,000	12,670,000
Interest and fiscal charges	2,455,029	49,267	—	41,180	4,454,341	6,999,817
Total expenditures	8,017,131	495,825	25,972	754,699	10,927,314	20,220,941
Excess (deficiency) of revenues over (under) expenditures	(1,395,934)	(93,334)	37,234	194,032	(10,577,418)	(11,835,420)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	1,761,100	—	—	—	10,688,673	12,449,773
Transfers out	—	—	—	(882,110)	—	(882,110)
Total other financing sources (uses)	1,761,100	—	—	(882,110)	10,688,673	11,567,663
NET CHANGE IN FUND BALANCES	365,166	(93,334)	37,234	(688,078)	111,255	(267,757)
FUND BALANCES - January 1	1,304,397	216,923	741,991	1,097,222	3,460,397	6,820,930
FUND BALANCES - December 31	\$ 1,669,563	\$123,589	\$ 779,225	\$ 409,144	\$ 3,571,652	\$ 6,553,173

## **OTHER (NON-MAJOR) GOVERNMENTAL FUNDS CAPITAL PROJECTS FUNDS**

### ***City Capital Projects Fund***

The City Capital Projects Fund accounts for the financial resources used for the construction and acquisition of major capital projects such as streets, parks, information systems and City facilities. Funding sources include: General Fund transfers and participation revenue from outside sources. In 2005 the Bond Proceeds Fund was created to account for new projects financed from bond proceeds. Ongoing bond projects from previous years will continue to be recorded in the City Capital Projects Fund until completed.

### ***Bond Proceeds Fund***

The Bond Proceeds Fund accounts for proceeds from the issuance of bonds and the accumulated earnings on those proceeds. These monies will be used to finance improvements as outlined in the related bond documents and are restricted for those purposes. Ongoing bond projects from previous years will continue to be accounted for in the City Capital Projects Fund until completed.

### ***Building Repair Fund***

The Building Repair Fund accounts for monies of the City used for major repairs and maintenance, renovations, remodeling and expansion of City-operated buildings and other similar facilities, whether owned or leased. Revenues are from operating transfers from the City Capital Projects Fund.

### ***Aurora Capital Leasing Corporation (ACLC) Capital Projects Fund***

The ACLC Capital Projects Fund accounts for financial resources used by ACLC for the construction of City facilities and certain public safety vehicles and communication systems. Funding for these projects is provided by proceeds of certificates of participation issued by ACLC.

**CITY OF AURORA, COLORADO**  
**NON-MAJOR CAPITAL PROJECTS**  
**COMBINING BALANCE SHEET**  
**DECEMBER 31, 2007**

	<b>City Capital Projects</b>	<b>Bond Proceeds</b>	<b>Building Repair</b>	<b>ACLC Capital Projects</b>	<b>Total Non-major Capital Projects</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 13,205,726	\$ 507,066	\$ 719,030	\$ —	\$ 14,431,822
Investments	14,403,768	—	784,261	—	15,188,029
Receivables (net of allowance)	260,347	—	—	—	260,347
Due from other funds	3,363	—	—	—	3,363
Restricted assets	4,123,582	—	—	2,101,131	6,224,713
Notes receivable	953,298	—	—	—	953,298
Total assets	<u>\$ 32,950,084</u>	<u>\$ 507,066</u>	<u>\$ 1,503,291</u>	<u>\$ 2,101,131</u>	<u>\$ 37,061,572</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<i>Liabilities</i>					
Accounts payable					
and other current liabilities	\$ 1,908,601	\$ 2,000	\$ 597,112	\$ —	\$ 2,507,713
Due to other funds	77,946	—	—	—	77,946
Deferred revenues	953,298	—	—	—	953,298
Payable from restricted assets	314,709	—	—	3,363	318,072
Total liabilities	<u>3,254,554</u>	<u>2,000</u>	<u>597,112</u>	<u>3,363</u>	<u>3,857,029</u>
<i>Fund balances</i>					
<i>Reserved for:</i>					
Encumbrances	2,050,441	—	503,538	—	2,553,979
Construction	2,239,378	—	—	2,097,768	4,337,146
Gifts and grants	1,569,495	—	—	—	1,569,495
<i>Unreserved</i>					
Designated	16,108,428	363,673	292,566	—	16,764,667
Undesignated	7,727,788	141,393	110,075	—	7,979,256
Total fund balances	<u>29,695,530</u>	<u>505,066</u>	<u>906,179</u>	<u>2,097,768</u>	<u>33,204,543</u>
Total liabilities and fund balances	<u>\$ 32,950,084</u>	<u>\$ 507,066</u>	<u>\$ 1,503,291</u>	<u>\$ 2,101,131</u>	<u>\$ 37,061,572</u>

## CITY OF AURORA, COLORADO

## NON-MAJOR CAPITAL PROJECTS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2007

	City Capital Projects	Bond Proceeds	Building Repair	ACLC Capital Projects	Total Non-major Capital Projects
<b>REVENUES</b>					
Charges for services	\$ 137,189	\$ —	\$ 45,000	\$ —	\$ 182,189
Special assessments	229,612	—	—	—	229,612
Intergovernmental	3,467,793	—	—	—	3,467,793
Miscellaneous	457,952	—	—	—	457,952
Investment earnings	1,571,575	32,380	59,640	118,516	1,782,111
Total revenues	5,864,121	32,380	104,640	118,516	6,119,657
<b>EXPENDITURES</b>					
<i>Current</i>					
General government	661,674	—	3,138,565	—	3,800,239
Police	24,250	—	—	—	24,250
Fire	18,779	—	—	—	18,779
Other public safety	77,946	—	—	63,278	141,224
Public works	2,695,673	—	—	—	2,695,673
Economic development	128,451	—	—	—	128,451
Culture and recreation	235,327	2,062	—	3,363	240,752
Capital outlay	20,682,403	449,824	4,500	1,651,406	22,788,133
Total expenditures	24,524,503	451,886	3,143,065	1,718,047	29,837,501
Deficiency of revenues under expenditures	(18,660,382)	(419,506)	(3,038,425)	(1,599,531)	(23,717,844)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	17,099,684	57,507	2,133,800	—	19,290,991
Transfers out	(4,101,307)	—	—	—	(4,101,307)
Notes issued	1,075,000	—	—	—	1,075,000
Total other financing sources (uses)	14,073,377	57,507	2,133,800	—	16,264,684
NET CHANGE IN FUND BALANCES	(4,587,005)	(361,999)	(904,625)	(1,599,531)	(7,453,160)
FUND BALANCES - January 1	34,282,535	867,065	1,810,804	3,697,299	40,657,703
FUND BALANCES - December 31	<u>\$ 29,695,530</u>	<u>\$ 505,066</u>	<u>\$ 906,179</u>	<u>\$ 2,097,768</u>	<u>\$ 33,204,543</u>

## **INTERNAL SERVICE FUNDS**

Internal Service Funds account for centralized acquisition of supplies and services. Revenues are from user charges to funds and departments, which are calculated on a cost-reimbursement basis.

### ***Fleet Management Fund***

The Fleet Management Fund accounts for centralized maintenance of City owned vehicles. Operations are funded by charges to user departments.

### ***Print Shop Fund***

The Print Shop Fund accounts for centralized printing and copying for departments of the City.

### ***Risk Management Fund***

The Risk Management Fund accounts for centralized costs of risk retention, risk administration and excess insurance coverage for claims and judgments made against the City. Revenues are from charges to departments.



## CITY OF AURORA, COLORADO

## INTERNAL SERVICE FUNDS

## COMBINING STATEMENT OF NET ASSETS

DECEMBER 31, 2007

	<b>Fleet Management</b>	<b>Print Shop</b>	<b>Risk Management</b>	<b>Total Internal Service</b>
<b>ASSETS</b>				
<i>Current assets</i>				
Cash and cash equivalents	\$ 343,916	\$ 213,748	\$ 7,078,814	\$ 7,636,478
Investments	375,115	233,139	7,721,002	8,329,256
Receivables (net of allowance)	48,732	1,800	102,995	153,527
Inventories	617,189	29,456	—	646,645
Total current assets	1,384,952	478,143	14,902,811	16,765,906
<i>Capital assets, (net of accumulated depreciation)</i>				
Infrastructure	383,745	—	—	383,745
Machinery and equipment	115,904	11,413	—	127,317
Total capital assets	499,649	11,413	—	511,062
Total assets	1,884,601	489,556	14,902,811	17,276,968
<b>LIABILITIES</b>				
<i>Current liabilities</i>				
Accounts payable and other current liabilities	461,754	88,081	105,626	655,461
Current portion long-term liabilities	22,840	8,514	3,577,087	3,608,441
Total current liabilities	484,594	96,595	3,682,713	4,263,902
<i>Noncurrent liabilities</i>				
Due beyond one year	282,338	633	3,654,896	3,937,867
Total liabilities	766,932	97,228	7,337,609	8,201,769
<b>NET ASSETS</b>				
Invested in capital assets net of related debt	499,649	11,413	—	511,062
Unrestricted	618,020	380,915	7,565,202	8,564,137
Total net assets	\$ 1,117,669	\$ 392,328	\$ 7,565,202	\$ 9,075,199



**CITY OF AURORA, COLORADO**

**INTERNAL SERVICE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<b>Fleet Management</b>	<b>Print Shop</b>	<b>Risk Management</b>	<b>Total Internal Service</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 7,560,657	\$ 718,017	\$ 7,105,571	\$ 15,384,245
<b>OPERATING EXPENSES</b>				
Cost of sales and service	7,694,846	579,957	2,544,091	10,818,894
Claims losses	—	—	3,419,187	3,419,187
Administrative expenses	76,470	11,517	41,742	129,729
Depreciation	58,720	18,734	—	77,454
Total operating expenses	7,830,036	610,208	6,005,020	14,445,264
Operating income (loss)	(269,379)	107,809	1,100,551	938,981
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment earnings	18,098	18,673	706,977	743,748
Miscellaneous revenues	18,396	—	436,027	454,423
Interest expense	—	(124)	—	(124)
Net nonoperating revenues	36,494	18,549	1,143,004	1,198,047
Income (loss) before transfers	(232,885)	126,358	2,243,555	2,137,028
Transfers in	624,329	—	—	624,329
Transfers out	(75,000)	—	—	(75,000)
CHANGE IN NET ASSETS	316,444	126,358	2,243,555	2,686,357
NET ASSETS - January 1	801,225	265,970	5,321,647	6,388,842
NET ASSETS - December 31	\$ 1,117,669	\$ 392,328	\$ 7,565,202	\$ 9,075,199

**CITY OF AURORA, COLORADO**

**INTERNAL SERVICE FUNDS**

**COMBINING STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<b>Fleet Management</b>	<b>Print Shop</b>	<b>Risk Management</b>	<b>Total Internal Service</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<i>Cash received from:</i>				
Customers and others	\$ (5,486)	\$ 2,949	\$ 436,028	\$ 433,491
Interfund services provided and used	7,535,808	715,068	7,105,571	15,356,447
<i>Cash payments to:</i>				
Employees	(2,299,041)	(198,541)	(625,122)	(3,122,704)
Suppliers of goods and services	(5,379,270)	(389,799)	(5,359,587)	(11,128,656)
Net cash provided by (used in) operating activities	(147,989)	129,677	1,556,890	1,538,578
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Cash transfers in	624,329	—	—	624,329
Cash transfers out	(349,329)	—	—	(349,329)
Net cash provided by financing activities	275,000	—	—	275,000
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
<i>Payments for:</i>				
Capital assets	(27,115)	—	—	(27,115)
Principal on capital debt	—	(19,190)	—	(19,190)
Interest on capital debt	—	(372)	—	(372)
Net cash used in capital and related financing activities	(27,115)	(19,562)	—	(46,677)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Decrease in equity in pooled investments	195,752	69,091	4,205,766	4,470,609
Interest received	13,183	15,973	583,137	612,293
Net cash provided by investing activities	208,935	85,064	4,788,903	5,082,902

	<b>Fleet Management</b>	<b>Print Shop</b>	<b>Risk Management</b>	<b>Total Internal Service</b>
NET INCREASE IN CASH AND CASH EQUIVALENTS	308,831	195,179	6,345,793	6,849,803
TOTAL CASH AND CASH EQUIVALENTS, January 1	35,085	18,569	733,021	786,675
TOTAL CASH AND CASH EQUIVALENTS, December 31	<u>\$ 343,916</u>	<u>\$ 213,748</u>	<u>\$ 7,078,814</u>	<u>\$ 7,636,478</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>				
Operating income (loss)	<u>\$ (269,379)</u>	<u>\$ 107,809</u>	<u>\$ 1,100,551</u>	<u>\$ 938,981</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	58,720	18,734	—	77,454
Miscellaneous nonoperating revenues	18,396	—	436,027	454,423
<i>Changes in operating assets and liabilities</i>				
Receivables	(48,731)	—	—	(48,731)
Inventories	(130,827)	(5,508)	—	(136,335)
Accounts payable other current liabilities	223,832	8,642	20,312	252,786
Total adjustments	121,390	21,868	456,339	599,597
Net cash provided by (used in) operations	<u>\$ (147,989)</u>	<u>\$ 129,677</u>	<u>\$ 1,556,890</u>	<u>\$ 1,538,578</u>
<b>NONCASH INVESTING, CAPITAL AND AND FINANCING ACTIVITIES</b>				
Increase in fair value of investments	\$ 4,916	\$ 2,700	\$ 102,521	\$ 110,137



## **PENSION TRUST FUNDS**

Pension trust funds account for the activities and accumulation of resources to pay retirement benefits for elected officials, council appointees and employees.

### ***General Employees' Retirement Plan Fund (GERP)***

The GERP Fund (component unit) accounts for the accumulation of resources and the payment of retirement benefits to qualified City employees.

### ***Elected Officials' and Executive Personnel Defined Benefit Plan Fund (EOEP)***

The EOEP Fund (component unit) accounts for the accumulation of resources and the payment of retirement benefits to qualified elected officials and executive personnel of the City.

**CITY OF AURORA, COLORADO**

**PENSION TRUST FUNDS**

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**

**DECEMBER 31, 2007**

	<b>GERP</b>	<b>EOEP</b>	<b>Total Pension Trust</b>
<b>ASSETS</b>			
<i>Current assets</i>			
Cash and cash equivalents	\$ 5,386,570	\$ 36,811	\$ 5,423,381
Investments			
Equity securities and funds	162,201,097	1,930,246	164,131,343
U.S. government and U.S. government agency obligations	27,071,035	—	27,071,035
Corporate bonds and funds	81,506,864	1,295,466	82,802,330
Real estate funds	26,823,417	335,395	27,158,812
Alternative investments	12,812,068	—	12,812,068
Receivables (net of allowance)	1,380,971	13,194	1,394,165
Total assets	317,182,022	3,611,112	320,793,134
<b>LIABILITIES</b>			
<i>Current Liabilities</i>			
Accounts payable and other current liabilities	444,262	4,126	448,388
Total liabilities	444,262	4,126	448,388
<b>NET ASSETS</b>			
Held in trust for pension benefits	316,737,760	3,606,986	320,344,746
Total net assets	\$ 316,737,760	\$ 3,606,986	\$ 320,344,746



**CITY OF AURORA, COLORADO**

**PENSION TRUST FUNDS**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**

**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<b>GERP</b>	<b>EOEP</b>	<b>Total Pension Trust</b>
<b>ADDITIONS</b>			
<i>Contributions</i>			
City	\$ 4,539,320	\$ 375,669	\$ 4,914,989
Plan members	4,593,477	—	4,593,477
Total contributions	9,132,797	375,669	9,508,466
<i>Investment activity</i>			
Investment income	18,707,239	164,841	18,872,080
Investment expense	(711,133)	(13,233)	(724,366)
Net investment income	17,996,106	151,608	18,147,714
Other income	66,255	—	66,255
Total additions	27,195,158	527,277	27,722,435
<b>DEDUCTIONS</b>			
Benefits	11,008,848	147,789	11,156,637
Administrative expenses	437,463	13,677	451,140
Total deductions	11,446,311	161,466	11,607,777
CHANGE IN NET ASSETS	15,748,847	365,811	16,114,658
NET ASSETS - January 1	300,988,913	3,241,175	304,230,088
NET ASSETS - December 31	\$ 316,737,760	\$ 3,606,986	\$ 320,344,746

## **AGENCY FUND**

### ***Payroll Clearing Fund***

The City has one agency fund, the Payroll Clearing Fund, which provides for the consolidation of all payroll liabilities after the recording of related payroll expenditures/expenses into the appropriate funds.

**CITY OF AURORA, COLORADO**

**AGENCY FUND**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2007**

---

	<b>Payroll Clearing Fund</b>			<b>Balance December 31</b>
	<b>Balance January 1</b>	<b>Additions</b>	<b>Deductions</b>	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,969,157	\$ 212,873,946	\$ (214,508,439)	\$ 334,664
Total assets	<u>\$ 1,969,157</u>	<u>\$ 212,873,946</u>	<u>\$ (214,508,439)</u>	<u>\$ 334,664</u>
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	\$ 1,969,157	\$ 216,098,685	\$ (217,733,178)	\$ 334,664
Total liabilities	<u>\$ 1,969,157</u>	<u>\$ 216,098,685</u>	<u>\$ (217,733,178)</u>	<u>\$ 334,664</u>



**SCHEDULES OF SOURCES, USES AND CHANGES  
IN FUNDS AVAILABLE –BUDGET AND ACTUAL  
(NON-GAAP BUDGETARY BASIS)**



## CITY OF AURORA, COLORADO

## GENERAL FUND

## SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE

## BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

## FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgets		Budgetary	Variance
	Original	Final	Actual	with Final
SOURCES				
Taxes				
Property	\$ 24,037,892	\$ 24,037,892	\$ 24,006,129	\$ (31,763)
Sales	125,569,984	125,569,984	124,659,318	(910,666)
Use	29,379,422	29,379,422	28,533,895	(845,527)
Lodgers	3,650,518	3,650,518	4,602,723	952,205
Franchise	12,609,351	12,609,351	11,439,537	(1,169,814)
Other	9,723,002	9,723,002	11,452,043	1,729,041
Total taxes	204,970,169	204,970,169	204,693,645	(276,524)
Intergovernmental	10,200,020	10,653,412	10,800,109	146,697
Licenses and permits	4,605,374	4,605,374	2,742,650	(1,862,724)
Charges for services	8,440,237	8,440,237	6,979,481	(1,460,756)
Fines and forfeitures	7,132,819	7,132,819	6,836,170	(296,649)
Investment income	1,238,634	1,238,634	1,663,045	424,411
Other revenues	835,906	835,906	974,544	138,638
Proceeds from sales of assets	—	624,329	357,654	(266,675)
Transfers in	3,246,598	3,291,113	3,022,700	(268,413)
TOTAL SOURCES	240,669,757	241,791,993	238,069,998	(3,721,995)
USES				
Municipal Court				
Judicial	2,049,608	2,098,610	1,928,561	170,049
Court Administration	6,676,793	6,942,959	6,942,883	76
Public Defender	588,977	606,113	595,358	10,755
Total municipal court	9,315,378	9,647,682	9,466,802	180,880
City Attorney	4,553,404	4,654,138	4,553,931	100,207
General Management Group				
City Council	959,132	978,901	858,972	119,929
Civil Service	535,711	543,805	566,796	(22,991)
General Management	1,026,629	1,434,669	1,434,266	403
Communications	724,422	772,361	772,361	—
Management Support	1,282,507	1,027,890	1,027,890	—
Development Services	851,768	871,908	812,799	59,109
Total general management group	5,380,169	5,629,534	5,473,084	156,450

	Budgets		Budgetary Actual	Variance with Final
	Original	Final		
<i>Administrative Services Group</i>				
Management Support	\$ —	\$ 428,683	\$ 428,683	\$ —
Human Resources	1,423,836	1,398,640	1,387,242	11,398
Finance	5,153,882	5,278,596	4,947,031	331,565
Information Technology	6,782,815	6,933,730	6,892,511	41,219
Internal Services	12,962,067	12,605,752	12,612,020	(6,268)
Total administrative services group	26,322,600	26,645,401	26,267,487	377,914
<i>Operations Group</i>				
Public Works	19,427,067	19,742,258	19,303,667	438,591
Parks and Open Space	13,882,798	13,865,301	13,863,824	1,477
Planning	1,159,614	1,193,295	1,176,064	17,231
Total operations group	34,469,479	34,800,854	34,343,555	457,299
<i>Community Services Group</i>				
Non-Departmental	—	45,000	45,000	—
Library, Recreation and Cultural Services	12,390,981	12,707,949	12,706,811	1,138
Police	71,545,018	71,810,268	71,406,995	403,273
Public Safety Communications	5,215,476	5,215,476	4,971,452	244,024
Fire	31,869,490	31,954,930	31,674,071	280,859
Neighborhood Services	3,511,512	3,602,001	3,577,625	24,376
Total community services group	124,532,477	125,335,624	124,381,954	953,670
<i>Non-departmental</i>	38,055,097	38,198,787	37,392,789	805,998
TOTAL USES	242,628,604	244,912,020	241,879,602	3,032,418
CHANGE IN FUNDS AVAILABLE	(1,958,847)	(3,120,027)	(3,809,604)	(689,577)
FUNDS AVAILABLE - January 1	9,211,425	9,211,425	13,394,824	4,183,399
FUNDS AVAILABLE - December 31	\$ 7,252,578	\$ 6,091,398	9,585,220	\$ 3,493,822
Less: Designations			(9,585,220)	
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESERVATIONS AND COUNCIL DESIGNATIONS - December 31			\$ —	
<b>RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE</b>				
FUNDS AVAILABLE (BUDGETARY BASIS) - December 31			\$ 9,585,220	
Add: Sales, use and lodgers tax accrual			16,280,560	
Current year encumbrances			1,687,871	
Less: Adjustment of investments to fair value			21,135	
FUND BALANCE (U.S. GAAP BASIS) - DECEMBER 31			\$ 27,574,786	



## CITY OF AURORA, COLORADO

## SPECIAL REVENUE FUNDS

## SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE

## BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

## FOR THE YEAR ENDED DECEMBER 31, 2007

	Gifts and Grants			
	Budgets		Budgetary	Variance
	Original	Final	Actual	with Final
<b>SOURCES</b>				
Property taxes	\$ —	\$ —	\$ —	\$ —
Intergovernmental revenues	2,868,361	3,037,618	4,303,800	1,266,182
Licenses and permits	—	—	—	—
Charges for services	—	95,000	930	(94,070)
Fines and forfeitures	—	—	82	82
Investment income	3,750	3,800	82,070	78,270
Miscellaneous revenues	2,801,415	2,679,250	651,857	(2,027,393)
Proceeds from sale of assets	—	—	—	—
Transfers in	—	—	—	—
<b>TOTAL SOURCES</b>	<b>5,673,526</b>	<b>5,815,668</b>	<b>5,038,739</b>	<b>(776,929)</b>
<b>USES</b>				
<i>Operating Costs</i>				
Municipal Court	14,000	14,000	4,794	9,206
General Management Group	729,533	217,244	56,672	160,572
Administrative Services Group	—	—	—	—
Operations Group	1,020,000	1,081,400	101,627	979,773
Community Services Group	4,220,591	4,399,748	4,234,870	164,878
Non-Departmental	837	120,837	118,827	2,010
<i>Continuing Appropriations</i>				
General Management Group	—	—	—	—
Administrative Services Group	—	—	—	—
Community Services Group	—	—	—	—
Operations Group	—	—	—	—
<b>TOTAL USES</b>	<b>5,984,961</b>	<b>5,833,229</b>	<b>4,516,790</b>	<b>1,316,439</b>
<b>CHANGE IN FUNDS AVAILABLE</b>	<b>(311,435)</b>	<b>(17,561)</b>	<b>521,949</b>	<b>539,510</b>
<b>FUNDS AVAILABLE - January 1</b>	<b>4,113,627</b>	<b>4,113,627</b>	<b>3,306,767</b>	<b>(806,860)</b>
<b>FUNDS AVAILABLE - December 31</b>	<b>\$ 3,802,192</b>	<b>\$ 4,096,066</b>	<b>3,828,716</b>	<b>\$ (267,350)</b>
Less: Reservations			(3,828,716)	
Designations			—	
<b>FUNDS AVAILABLE FOR APPROPRIATION AFTER RESERVATIONS AND COUNCIL DESIGNATIONS - December 31</b>			<b>\$ —</b>	
<b>RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE</b>				
<b>FUNDS AVAILABLE (BUDGETARY BASIS) - December 31</b>			<b>\$ 3,828,716</b>	
Add: Current year operating encumbrances			322,002	
Carryforward of continuing appropriations			1,069,001	
Seizure funds			930,688	
Adjust investments to fair value			—	
Assets not available for appropriations			—	
Less: Deferred revenue - Federal grants			(3,414,299)	
<b>FUND BALANCE (U.S. GAAP BASIS) - December 31</b>			<b>\$ 2,736,108</b>	

Development Review				Abatement			
Budgets		Budgetary	Variance	Budgets		Budgetary	Variance
Original	Final	Actual	with Final	Original	Final	Actual	with Final
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—	—	—
7,998,639	7,998,639	6,707,814	(1,290,825)	—	—	—	—
2,669,523	2,669,523	3,916,844	1,247,321	328,000	348,000	983,701	635,701
—	—	—	—	—	—	—	—
247,301	247,301	235,803	(11,498)	10,125	10,125	20,051	9,926
643	643	7,138	6,495	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
10,916,106	10,916,106	10,867,599	(48,507)	338,125	358,125	1,003,752	645,627
—	—	—	—	—	—	—	—
5,981,809	6,155,895	5,472,927	682,968	—	—	—	—
—	—	—	—	—	—	—	—
4,029,065	4,116,996	3,532,741	584,255	80,000	80,000	21,673	58,327
—	—	—	—	283,203	589,488	640,932	(51,444)
2,386,950	1,940,936	1,875,230	65,706	1,285	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
12,397,824	12,213,827	10,880,898	1,332,929	364,488	669,488	662,605	6,883
(1,481,718)	(1,297,721)	(13,299)	1,284,422	(26,363)	(311,363)	341,147	652,510
5,266,876	5,266,876	5,129,333	(137,543)	491,130	491,130	681,365	190,235
<u>\$ 3,785,158</u>	<u>\$ 3,969,155</u>	5,116,034	<u>\$ 1,146,879</u>	<u>\$ 464,767</u>	<u>\$ 179,767</u>	1,022,512	<u>\$ 842,745</u>
		—				—	
		(1,481,718)				(103,156)	
		<u>\$ 3,634,316</u>				<u>\$ 919,356</u>	
		\$ 5,116,034				\$ 1,022,512	
		—				41,318	
		—				—	
		4,662				—	
		—				—	
		—				—	
		<u>\$ 5,120,696</u>				<u>\$ 1,063,830</u>	

(continued)

## CITY OF AURORA, COLORADO

## SPECIAL REVENUE FUNDS

## SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE

## BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

## FOR THE YEAR ENDED DECEMBER 31, 2007

	Community Maintenance			
	Budgets		Budgetary	Variance
	Original	Final	Actual	with Final
<b>SOURCES</b>				
Property taxes	\$ —	\$ —	\$ —	\$ —
Intergovernmental revenues	—	—	—	—
Licenses and permits	—	—	—	—
Charges for services	—	—	—	—
Fines and forfeitures	—	—	—	—
Investment income	6,277	6,277	34,125	27,848
Miscellaneous revenues	—	—	—	—
Proceeds from sale of assets	—	—	—	—
Transfers in	—	—	—	—
<b>TOTAL SOURCES</b>	<b>6,277</b>	<b>6,277</b>	<b>34,125</b>	<b>27,848</b>
<b>USES</b>				
<i>Operating Costs</i>				
Municipal Court	—	—	—	—
General Management Group	—	—	—	—
Administrative Services Group	—	—	—	—
Operations Group	—	—	—	—
Community Services Group	—	—	—	—
Non-Departmental	—	257,470	257,470	—
<i>Continuing Appropriations</i>				
General Management Group	—	—	—	—
Administrative Services Group	—	—	—	—
Community Services Group	—	—	—	—
Operations Group	—	(71,109)	(71,109)	—
<b>TOTAL USES</b>	<b>—</b>	<b>186,361</b>	<b>186,361</b>	<b>—</b>
<b>CHANGE IN FUNDS AVAILABLE</b>	<b>6,277</b>	<b>(180,084)</b>	<b>(152,236)</b>	<b>27,848</b>
<b>FUNDS AVAILABLE - January 1</b>	<b>156,937</b>	<b>156,937</b>	<b>152,236</b>	<b>(4,701)</b>
<b>FUNDS AVAILABLE - December 31</b>	<b>\$ 163,214</b>	<b>\$ (23,147)</b>	<b>—</b>	<b>\$ 23,147</b>
Less: Reservations			—	
Designations			—	
<b>FUNDS AVAILABLE FOR APPROPRIATION AFTER RESERVATIONS AND COUNCIL DESIGNATIONS - December 31</b>			<b>\$ —</b>	
<b>RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE</b>				
<b>FUNDS AVAILABLE (BUDGETARY BASIS) - December 31</b>			<b>\$ —</b>	
Add: Current year operating encumbrances			—	
Carryforward of continuing appropriations			—	
Seizure funds			—	
Adjust investments to fair value			—	
Assets not available for appropriations			—	
Less: Deferred revenue - Federal grants			—	
<b>FUND BALANCE (U.S. GAAP BASIS) - December 31</b>			<b>\$ —</b>	

Community Development				Enhanced E-911			
Budgets		Budgetary Actual	Variance with Final	Budgets		Budgetary Actual	Variance with Final
Original	Final			Original	Final		
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
3,768,795	3,768,902	3,756,353	(12,549)	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	2,397,251	2,397,251	2,513,860	116,609
—	—	—	—	—	—	—	—
—	—	—	—	163,022	163,022	214,875	51,853
1,296,124	1,296,124	996,769	(299,355)	—	—	39,596	39,596
—	—	3,518	3,518	—	—	—	—
276,148	273,320	273,320	—	1,710,000	1,710,000	1,710,000	—
5,341,067	5,338,346	5,029,960	(308,386)	4,270,273	4,270,273	4,478,331	208,058
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	2,111,051	2,117,234	1,845,625	271,609
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	10,816	4,633	—	4,633
—	—	—	—	—	—	—	—
—	—	—	—	2,152,989	2,152,978	2,152,978	—
5,341,067	5,029,960	5,029,960	—	—	—	—	—
—	—	—	—	—	—	—	—
5,341,067	5,029,960	5,029,960	—	4,274,856	4,274,845	3,998,603	276,242
—	308,386	—	(308,386)	(4,583)	(4,572)	479,728	484,300
—	—	—	—	3,715,850	3,715,850	4,101,371	385,521
\$ —	\$ 308,386	—	\$ (308,386)	\$ 3,711,267	\$ 3,711,278	4,581,099	\$ 869,821
		—				—	
		—				(4,583)	
		\$ —				\$ 4,576,516	
		\$ —				\$ 4,581,099	
		—				89,200	
		6,167,496				1,332,720	
		—				—	
		—				8,833	
		—				—	
		(6,167,496)				—	
		\$ —				\$ 6,011,852	

(continued)

## CITY OF AURORA, COLORADO

## SPECIAL REVENUE FUNDS

## SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE

## BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

## FOR THE YEAR ENDED DECEMBER 31, 2007

	Conservation Trust			
	Budgets		Budgetary	Variance
	Original	Final	Actual	with Final
<b>SOURCES</b>				
Property taxes	\$ —	\$ —	\$ —	\$ —
Intergovernmental revenues	2,845,300	2,845,300	3,114,751	269,451
Licenses and permits	—	—	—	—
Charges for services	—	—	—	—
Fines and forfeitures	—	—	—	—
Investment income	180,000	180,000	263,660	83,660
Miscellaneous revenues	—	—	—	—
Proceeds from sale of assets	—	—	—	—
Transfers in	—	—	—	—
<b>TOTAL SOURCES</b>	<b>3,025,300</b>	<b>3,025,300</b>	<b>3,378,411</b>	<b>353,111</b>
<b>USES</b>				
<i>Operating Costs</i>				
Municipal Court	—	—	—	—
General Management Group	—	—	—	—
Administrative Services Group	—	—	—	—
Operations Group	519,352	529,985	435,749	94,236
Community Services Group	32,600	32,600	24,250	8,350
Non-Departmental	11,331	698	—	698
<i>Continuing Appropriations</i>				
General Management Group	—	—	—	—
Administrative Services Group	—	—	—	—
Community Services Group	180,000	(210,681)	(210,681)	—
Operations Group	1,273,000	1,273,000	1,273,000	—
<b>TOTAL USES</b>	<b>2,016,283</b>	<b>1,625,602</b>	<b>1,522,318</b>	<b>103,284</b>
<b>CHANGE IN FUNDS AVAILABLE</b>	<b>1,009,017</b>	<b>1,399,698</b>	<b>1,856,093</b>	<b>456,395</b>
<b>FUNDS AVAILABLE - January 1</b>	<b>836,178</b>	<b>836,178</b>	<b>982,404</b>	<b>146,226</b>
<b>FUNDS AVAILABLE - December 31</b>	<b>\$ 1,845,195</b>	<b>\$ 2,235,876</b>	<b>2,838,497</b>	<b>\$ 602,621</b>
Less: Reservations			—	
Designations			—	
<b>FUNDS AVAILABLE FOR APPROPRIATION AFTER RESERVATIONS AND COUNCIL DESIGNATIONS - December 31</b>			<b>\$ 2,838,497</b>	
<b>RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE</b>				
<b>FUNDS AVAILABLE (BUDGETARY BASIS) - December 31</b>			<b>\$ 2,838,497</b>	
Add: Current year operating encumbrances			—	
Carryforward of continuing appropriations			3,518,131	
Seizure funds			—	
Adjust investments to fair value			8,445	
Assets not available for appropriations			—	
Less: Deferred revenue - Federal grants			—	
<b>FUND BALANCE (U.S. GAAP BASIS) - December 31</b>			<b>\$ 6,365,073</b>	

Emergency Contingency				Parks Development			
Budgets		Budgetary Actual	Variance with Final	Budgets		Budgetary Actual	Variance with Final
Original	Final			Original	Final		
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
36,000	36,000	38,962	2,962	120,000	120,000	201,017	81,017
—	—	—	—	550,000	550,000	1,412,565	862,565
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
36,000	36,000	38,962	2,962	670,000	670,000	1,613,582	943,582
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
36,000	36,000	36,000	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	547,934	547,934	547,934	—
36,000	36,000	36,000	—	547,934	547,934	547,934	—
—	—	2,962	2,962	122,066	122,066	1,065,648	943,582
805,621	805,621	807,960	2,339	2,269,159	2,269,159	2,712,722	443,563
<u>\$ 805,621</u>	<u>\$ 805,621</u>	810,922	<u>\$ 5,301</u>	<u>\$ 2,391,225</u>	<u>\$ 2,391,225</u>	3,778,370	<u>\$ 1,387,145</u>
		—				—	
		—				—	
		<u>\$ 810,922</u>				<u>\$ 3,778,370</u>	
		\$ 810,922				\$ 3,778,370	
		—				—	
		—				1,366,727	
		—				—	
		1,180				7,485	
		—				—	
		—				—	
		<u>\$ 812,102</u>				<u>\$ 5,152,582</u>	

(continued)

## CITY OF AURORA, COLORADO

## SPECIAL REVENUE FUNDS

## SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE

## BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

## FOR THE YEAR ENDED DECEMBER 31, 2007

	Arapahoe County Open Space			
	Budgets		Budgetary	Variance
	Original	Final	Actual	with Final
<b>SOURCES</b>				
Property taxes	\$ —	\$ —	\$ —	\$ —
Intergovernmental revenues	5,274,708	5,274,708	5,364,504	89,796
Licenses and permits	—	—	—	—
Charges for services	—	—	—	—
Fines and forfeitures	—	—	—	—
Investment income	200,000	200,000	262,793	62,793
Miscellaneous revenues	—	—	—	—
Proceeds from sale of assets	—	—	—	—
Transfers in	—	—	—	—
<b>TOTAL SOURCES</b>	<u>5,474,708</u>	<u>5,474,708</u>	<u>5,627,297</u>	<u>152,589</u>
<b>USES</b>				
<i>Operating Costs</i>				
Municipal Court	—	—	—	—
General Management Group	—	—	—	—
Administrative Services Group	—	—	—	—
Operations Group	3,105,614	3,119,502	2,946,870	172,632
Community Services Group	—	—	—	—
Non-Departmental	13,888	—	—	—
<i>Continuing Appropriations</i>				
General Management Group	—	—	—	—
Administrative Services Group	—	—	—	—
Community Services Group	—	—	—	—
Operations Group	<u>4,379,143</u>	<u>4,379,143</u>	<u>4,379,143</u>	<u>—</u>
<b>TOTAL USES</b>	<u>7,498,645</u>	<u>7,498,645</u>	<u>7,326,013</u>	<u>172,632</u>
<b>CHANGE IN FUNDS AVAILABLE</b>	(2,023,937)	(2,023,937)	(1,698,716)	325,221
<b>FUNDS AVAILABLE - January 1</b>	<u>2,080,058</u>	<u>2,080,058</u>	<u>2,173,227</u>	<u>93,169</u>
<b>FUNDS AVAILABLE - December 31</b>	<u>\$ 56,121</u>	<u>\$ 56,121</u>	<u>474,511</u>	<u>\$ 418,390</u>
Less: Reservations			—	
Designations			(2,023,937)	
<b>FUNDS AVAILABLE FOR APPROPRIATION AFTER RESERVATIONS AND COUNCIL DESIGNATIONS - December 31</b>			<u>\$ (1,549,426)</u>	
<b>RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE</b>				
<b>FUNDS AVAILABLE (BUDGETARY BASIS) - December 31</b>			\$ 474,511	
Add: Current year operating encumbrances			75,959	
Carryforward of continuing appropriations			4,222,602	
Seizure funds			—	
Adjust investments to fair value			7,206	
Assets not available for appropriations			1,308,105	
Less: Deferred revenue - Federal grants			—	
<b>FUND BALANCE (U.S. GAAP BASIS) - December 31</b>			<u>\$ 6,088,383</u>	

Recreation Services				Cultural Services			
Budgets		Budgetary Actual	Variance with Final	Budgets		Budgetary Actual	Variance with Final
Original	Final			Original	Final		
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	346,967	346,967	345,318	(1,649)
—	—	—	—	—	—	—	—
4,419,592	4,419,592	3,751,414	(668,178)	605,218	605,218	580,461	(24,757)
—	—	—	—	—	—	—	—
—	—	—	—	24,000	24,000	55,886	31,886
58,400	58,400	84,456	26,056	173,400	173,400	150,448	(22,952)
—	—	—	—	—	—	—	—
5,348,804	5,348,804	5,348,804	—	1,306,654	1,374,654	1,374,654	—
9,826,796	9,826,796	9,184,674	(642,122)	2,456,239	2,524,239	2,506,767	(17,472)
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
9,708,520	9,815,894	9,143,060	672,834	2,505,220	3,251,993	2,698,513	553,480
118,276	10,902	—	10,902	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
9,826,796	9,826,796	9,143,060	683,736	2,505,220	3,251,993	2,698,513	553,480
—	—	41,614	41,614	(48,981)	(727,754)	(191,746)	536,008
147,123	147,123	83,561	(63,562)	1,211,575	1,211,575	1,359,814	148,239
\$ 147,123	\$ 147,123	125,175	\$ (21,948)	\$ 1,162,594	\$ 483,821	1,168,068	\$ 684,247
		—				—	
		—				(109,702)	
		<u>\$ 125,175</u>				<u>\$ 1,058,366</u>	
		\$ 125,175				\$ 1,168,068	
		18,566				4,125	
		—				—	
		—				—	
		—				—	
		—				(63,194)	
		<u>\$ 143,741</u>				<u>\$ 1,108,999</u>	

(continued)



## CITY OF AURORA, COLORADO

## SPECIAL REVENUE FUNDS

## SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE

## BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

## FOR THE YEAR ENDED DECEMBER 31, 2007

	Designated Revenues			
	Budgets		Budgetary	Variance
	Original	Final	Actual	with Final
<b>SOURCES</b>				
Property taxes	\$ 300,370	\$ 300,370	\$ —	\$ (300,370)
Intergovernmental revenues	321,000	321,000	494,292	173,292
Licenses and permits	—	150,000	73,514	(76,486)
Charges for services	1,466,297	1,531,869	1,831,943	300,074
Fines and forfeitures	1,585,537	2,037,253	2,026,137	(11,116)
Investment income	51,720	51,720	861,754	810,034
Miscellaneous revenues	1,417,817	2,081,101	2,641,122	560,021
Proceeds from sale of assets	—	—	—	—
Transfers in	6,165,396	6,165,396	4,080,978	(2,084,418)
<b>TOTAL SOURCES</b>	<b>11,308,137</b>	<b>12,638,709</b>	<b>12,009,740</b>	<b>(628,969)</b>
<b>USES</b>				
<i>Operating Costs</i>				
Municipal Court	124,150	124,683	86,059	38,624
General Management Group	1,873,490	2,068,329	1,326,722	741,607
Administrative Services Group	648,668	203,289	171,188	32,101
Operations Group	947,420	1,028,282	378,457	649,825
Community Services Group	2,641,062	3,552,717	3,071,010	481,707
Non-Departmental	6,148,439	5,509,701	2,932,356	2,577,345
<i>Continuing Appropriations</i>				
General Management	2,310,461	2,535,461	2,535,461	—
Administrative Services Group	—	425,000	425,000	—
Community Services Group	—	—	—	—
Operations Group	100,000	620,000	620,000	—
<b>TOTAL USES</b>	<b>14,793,690</b>	<b>16,067,462</b>	<b>11,546,253</b>	<b>4,521,209</b>
<b>CHANGE IN FUNDS AVAILABLE</b>	<b>(3,485,553)</b>	<b>(3,428,753)</b>	<b>463,487</b>	<b>3,892,240</b>
<b>FUNDS AVAILABLE - January 1</b>	<b>13,801,766</b>	<b>13,801,766</b>	<b>15,506,338</b>	<b>1,704,572</b>
<b>FUNDS AVAILABLE - December 31</b>	<b>\$ 10,316,213</b>	<b>\$ 10,373,013</b>	<b>15,969,825</b>	<b>\$ 5,596,812</b>
Less: Reservations			(11,025,859)	
Designations			(4,217,916)	
<b>FUNDS AVAILABLE FOR APPROPRIATION AFTER RESERVATIONS AND COUNCIL DESIGNATIONS - December 31</b>			<b>\$ 726,050</b>	
<b>RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE</b>				
<b>FUNDS AVAILABLE (BUDGETARY BASIS) - December 31</b>			<b>\$ 15,969,825</b>	
Add: Current year operating encumbrances			123,591	
Carryforward of continuing appropriations			4,257,928	
Seizure funds			—	
Adjust investments to fair value			24,713	
Assets not available for appropriations			—	
Less: Deferred revenue - Federal grants			—	
<b>FUND BALANCE (U.S. GAAP BASIS) - December 31</b>			<b>\$ 20,376,057</b>	

Policy Reserve				Tabor Reserve			
Budgets		Budgetary Actual	Variance with Final	Budgets		Budgetary Actual	Variance with Final
Original	Final			Original	Final		
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
840,258	840,258	935,910	95,652	288,388	288,388	313,640	25,252
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
623,069	623,069	623,069	—	50,468	1,178,108	1,178,108	—
1,463,327	1,463,327	1,558,979	95,652	338,856	1,466,496	1,491,748	25,252
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
50,468	76,907	76,907	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
50,468	76,907	76,907	—	—	—	—	—
1,412,859	1,386,420	1,482,072	95,652	338,856	1,466,496	1,491,748	25,252
19,316,272	19,316,272	19,370,499	54,227	7,310,645	7,310,645	6,232,127	(1,078,518)
<u>\$ 20,729,131</u>	<u>\$ 20,702,692</u>	20,852,571	<u>\$ 149,879</u>	<u>\$ 7,649,501</u>	<u>\$ 8,777,141</u>	7,723,875	<u>\$ (1,053,266)</u>
		—				—	
		—				—	
		<u>\$ 20,852,571</u>				<u>\$ 7,723,875</u>	
		\$ 20,852,571				\$ 7,723,875	
		—				—	
		—				—	
		57,804				21,424	
		—				—	
		—				—	
		<u>\$ 20,910,375</u>				<u>\$ 7,745,299</u>	

(concluded)

## CITY OF AURORA, COLORADO

## DEBT SERVICE FUNDS

## SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE

## BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

## FOR THE YEAR ENDED DECEMBER 31, 2007

	City Debt Service			
	Budgets		Budgetary	Variance
	Original	Final	Actual	with Final
<b>SOURCES</b>				
Property taxes	\$ 6,259,481	\$ 6,259,481	\$ 6,414,180	\$ 154,699
Special assessment taxes	—	—	—	—
Investment income	85,090	85,090	196,227	111,137
Funds from restricted assets	—	—	—	—
Transfers in	1,761,100	1,761,100	1,761,100	—
<b>TOTAL SOURCES</b>	<b>8,105,671</b>	<b>8,105,671</b>	<b>8,371,507</b>	<b>265,836</b>
<b>USES</b>				
<i>Operating Costs</i>				
Administrative Services Group	—	—	—	—
Non-Departmental	8,017,131	8,017,131	8,019,231	(2,100)
<b>TOTAL USES</b>	<b>8,017,131</b>	<b>8,017,131</b>	<b>8,019,231</b>	<b>(2,100)</b>
<b>CHANGE IN FUNDS AVAILABLE</b>	<b>88,540</b>	<b>88,540</b>	<b>352,276</b>	<b>263,736</b>
<b>FUNDS AVAILABLE - January 1</b>	<b>1,095,341</b>	<b>1,095,341</b>	<b>1,210,862</b>	<b>115,521</b>
<b>FUNDS AVAILABLE - December 31</b>	<b>\$ 1,183,881</b>	<b>\$ 1,183,881</b>	<b>1,563,138</b>	<b>\$ 379,257</b>
Less: Reservations			(1,563,138)	
Designations			—	
<b>FUNDS AVAILABLE FOR APPROPRIATION AFTER RESERVATIONS AND COUNCIL DESIGNATIONS - December 31</b>			<b>\$ —</b>	
<b>RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE</b>				
<b>FUNDS AVAILABLE (BUDGETARY BASIS) - December 31</b>			<b>\$ 1,563,138</b>	
Add: Assets not available for appropriation			104,000	
Less: Adjust investments to fair value			2,425	
<b>FUND BALANCE (U.S. GAAP BASIS) - December 31</b>			<b>\$ 1,669,563</b>	

SID Debt Service				Surplus and Deficiency			
Budgets		Budgetary	Variance	Budgets		Budgetary	Variance
Original	Final	Actual	with Final	Original	Final	Actual	with Final
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
261,636	261,636	300,566	38,930	—	—	15,195	15,195
40,740	40,740	100,131	59,391	30,143	30,143	42,072	11,929
—	—	(6,800)	(6,800)	—	—	—	—
—	—	—	—	—	—	—	—
302,376	302,376	393,897	91,521	30,143	30,143	57,267	27,124
—	—	—	—	—	—	25,973	(25,973)
299,837	299,837	495,824	(195,987)	—	—	—	—
299,837	299,837	495,824	(195,987)	—	—	25,973	(25,973)
2,539	2,539	(101,927)	(104,466)	30,143	30,143	31,294	1,151
129,665	129,665	188,306	58,641	742,047	742,047	746,761	4,714
<u>\$ 132,204</u>	<u>\$ 132,204</u>	86,379	<u>\$ (45,825)</u>	<u>\$ 772,190</u>	<u>\$ 772,190</u>	778,055	<u>\$ 5,865</u>
		(36,800)				—	
		—				(470,000)	
		<u>\$ 49,579</u>				<u>\$ 308,055</u>	
		\$ 86,379				\$ 778,055	
		36,800				—	
		<u>410</u>				<u>1,170</u>	
		<u>\$ 123,589</u>				<u>\$ 779,225</u>	

## CITY OF AURORA, COLORADO

## CAPITAL PROJECTS FUNDS

## SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE

## BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

## FOR THE YEAR ENDED DECEMBER 31, 2007

	City Capital Projects			
	Budgets		Budgetary	Variance
	Original	Final	Actual	with Final
<b>SOURCES</b>				
Special assessments	\$ —	\$ —	\$ 229,612	\$ 229,612
Intergovernmental revenues	3,481,583	4,404,860	1,658,373	(2,746,487)
Charges for services	—	—	—	—
Investment income	1,200,000	1,200,000	1,317,977	117,977
Miscellaneous revenues	632,702	632,702	595,142	(37,560)
Proceeds from long term borrowing	—	—	1,075,000	1,075,000
Transfers in	18,358,980	18,617,492	17,099,684	(1,517,808)
<b>TOTAL SOURCES</b>	<b>23,673,265</b>	<b>24,855,054</b>	<b>21,975,788</b>	<b>(2,879,266)</b>
<b>USES</b>				
<i>Operating Costs</i>				
Administrative Services Group	2,206,616	2,206,616	2,206,616	—
Non-Departmental	2,333,800	2,391,307	2,391,307	—
<i>Continuing Appropriations</i>				
General Management	32,580	(467,420)	(467,420)	—
Administrative Services Group	645,000	645,000	645,000	—
Operations Group	20,699,608	21,981,882	21,981,882	—
Community Services Group	2,356,000	803,000	803,000	—
<b>TOTAL USES</b>	<b>28,273,604</b>	<b>27,560,385</b>	<b>27,560,385</b>	<b>—</b>
<b>CHANGE IN FUNDS AVAILABLE</b>	<b>(4,600,339)</b>	<b>(2,705,331)</b>	<b>(5,584,597)</b>	<b>(2,879,266)</b>
<b>FUNDS AVAILABLE - January 1</b>	<b>21,178,182</b>	<b>21,178,182</b>	<b>21,855,916</b>	<b>677,734</b>
<b>FUNDS AVAILABLE - December 31</b>	<b>\$ 16,577,843</b>	<b>\$ 18,472,851</b>	<b>16,271,319</b>	<b>\$ (2,201,532)</b>
Less: Reservations			(2,273,084)	
Designations			(6,310,556)	
<b>FUNDS AVAILABLE FOR APPROPRIATION AFTER RESERVATIONS AND COUNCIL DESIGNATIONS - December 31</b>			<b>\$ 7,687,679</b>	
<b>RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE</b>				
<b>FUNDS AVAILABLE (BUDGETARY BASIS) - December 31</b>			<b>\$ 16,271,319</b>	
Add: Carry forward of continuing appropriations			13,709,165	
Less: Deferred revenue - Federal grants			(327,401)	
Adjust investments to fair value			42,447	
<b>FUND BALANCE (U.S. GAAP BASIS) - December 31</b>			<b>\$ 29,695,530</b>	

Bond Proceeds				Building Repair			
Budgets		Budgetary	Variance	Budgets		Budgetary	Variance
Original	Final	Actual	with Final	Original	Final	Actual	with Final
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—	—	—
—	—	—	—	45,000	45,000	45,000	—
7,200	7,200	32,379	25,179	22,000	22,000	43,538	21,538
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	57,507	57,507	—	2,133,800	2,133,800	2,133,800	—
7,200	64,707	89,886	25,179	2,200,800	2,200,800	2,222,338	21,538
—	—	—	—	115,171	115,171	115,171	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	2,044,581	2,098,441	2,098,441	—
—	5,228	5,228	—	—	—	—	—
—	2,050	2,050	—	—	—	—	—
—	7,278	7,278	—	2,159,752	2,213,612	2,213,612	—
7,200	57,429	82,608	25,179	41,048	(12,812)	8,726	21,538
235,728	235,728	58,785	(176,943)	82,674	82,674	99,164	16,490
<u>\$ 242,928</u>	<u>\$ 293,157</u>	141,393	<u>\$ (151,764)</u>	<u>\$ 123,722</u>	<u>\$ 69,862</u>	107,890	<u>\$ 38,028</u>
		—				—	
		—				—	
		<u>\$ 141,393</u>				<u>\$ 107,890</u>	
		\$ 141,393				\$ 107,890	
		363,673				796,105	
		—				—	
		—				2,184	
		<u>\$ 505,066</u>				<u>\$ 906,179</u>	

## CITY OF AURORA, COLORADO

## ENTERPRISE FUNDS

## SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE

## BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

## FOR THE YEAR ENDED DECEMBER 31, 2007

	Water			
	Budgets		Budgetary Actual	Variance with Final
	Original	Final		
<b>SOURCES</b>				
Charges for services	\$ 86,391,914	\$ 86,391,914	\$ 83,373,085	\$ (3,018,829)
Intergovernmental	—	—	126,077	126,077
Licenses and permits	65,933	65,933	116,101	50,168
Fines and forfeitures	—	—	—	—
Investment income	5,149,359	5,149,359	20,463,682	15,314,323
Miscellaneous revenues	33,235,824	33,282,654	42,744,831	9,462,177
Proceeds from sale of assets	56,596	56,596	12,486	(44,110)
Proceeds from long-term borrowings	130,000,000	130,000,000	434,379,428	304,379,428
Transfers in	—	—	—	—
Funds from restricted assets	—	—	(35,711,726)	(35,711,726)
Release of prior year designation	8,545,569	8,545,569	8,545,569	—
<b>TOTAL SOURCES</b>	<b>263,445,195</b>	<b>263,492,025</b>	<b>554,049,533</b>	<b>290,557,508</b>
<b>USES</b>				
<i>Operating Costs</i>				
Operations Group	79,582,557	80,257,518	79,075,158	1,182,360
Non-Departmental	461,986	51,230	—	51,230
<i>Continuing Appropriations</i>				
Operations Group	137,410,975	197,486,872	197,486,872	—
<b>TOTAL USES</b>	<b>217,455,518</b>	<b>277,795,620</b>	<b>276,562,030</b>	<b>1,233,590</b>
CHANGE IN FUNDS AVAILABLE	45,989,677	(14,303,595)	277,487,503	291,791,098
FUNDS AVAILABLE - January 1	91,359,621	91,359,621	88,286,645	(3,072,976)
FUNDS AVAILABLE - December 31	<u>\$ 137,349,298</u>	<u>\$ 77,056,026</u>	365,774,148	<u>\$ 288,718,122</u>
Less: Reservations			(2,004,000)	
Designations			—	
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESERVATIONS AND COUNCIL DESIGNATIONS - December 31			<u>\$ 363,770,148</u>	
<b>RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE</b>				
FUNDS AVAILABLE (BUDGETARY BASIS) - December 31			\$ 365,774,148	
Add: Current year operating encumbrances			1,396,841	
Carryforward of continuing appropriations			196,853,306	
Deferred charges			5,471,620	
Assets not available for appropriation			43,173,025	
Long-term interfund receivables			—	
Equity in joint venture			2,504,437	
Capital assets net of depreciation			877,543,658	
Inventories			—	
Less: Current portion of long-term debt			(11,196,371)	
Long-term debt			(668,630,282)	
Adjust investments to fair value			791,655	
NET ASSETS (U.S. GAAP BASIS) - December 31			<u>\$ 813,682,037</u>	

Wastewater				Golf			
Budgets		Budgetary Actual	Variance with Final	Budgets		Budgetary Actual	Variance with Final
Original	Final			Original	Final		
\$ 40,577,588	\$ 40,577,588	\$ 39,070,667	\$ (1,506,921)	\$ 9,728,100	\$ 9,728,100	\$ 9,332,170	\$ (395,930)
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	825	825
1,302,421	1,302,421	5,124,442	3,822,021	108,000	108,000	122,602	14,602
8,452,304	8,452,304	8,007,110	(445,194)	270,300	270,300	499,696	229,396
11,661	11,661	19,335	7,674	—	—	58	58
—	—	56,921	56,921	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	7,774	7,774
—	—	—	—	—	—	—	—
50,343,974	50,343,974	52,278,475	1,934,501	10,106,400	10,106,400	9,963,125	(143,275)
38,656,566	36,796,642	34,175,355	2,621,287	10,080,335	10,171,304	9,780,092	391,212
255,399	26,413	—	26,413	92,863	1,894	—	1,894
29,090,565	26,077,290	26,077,290	—	382,500	382,500	382,500	—
68,002,530	62,900,345	60,252,645	2,647,700	10,555,698	10,555,698	10,162,592	393,106
(17,658,556)	(12,556,371)	(7,974,170)	4,582,201	(449,298)	(449,298)	(199,467)	249,831
65,199,719	65,199,719	61,752,414	(3,447,305)	1,368,702	1,368,702	1,007,873	(360,829)
<u>\$ 47,541,163</u>	<u>\$ 52,643,348</u>	53,778,244	<u>\$ 1,134,896</u>	<u>\$ 919,404</u>	<u>\$ 919,404</u>	808,406	<u>\$ (110,998)</u>
		—				—	
		—				(231,009)	
		<u>\$ 53,778,244</u>				<u>\$ 577,397</u>	
		\$ 53,778,244				\$ 808,406	
		856,181				8,825	
		53,794,643				484,410	
		351,674				62,289	
		6,852,788				456,529	
		4,608,000				—	
		—				—	
		345,174,478				32,608,037	
		—				268,867	
		(2,730,167)				(1,066,770)	
		(69,630,235)				(8,423,786)	
		<u>144,394</u>				<u>10,892</u>	
		<u>\$ 393,200,000</u>				<u>\$ 25,217,699</u>	



## CITY OF AURORA, COLORADO

## INTERNAL SERVICE FUNDS

## SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE

## BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

## FOR THE YEAR ENDED DECEMBER 31, 2007

	Fleet Management			
	Budgets		Budgetary Actual	Variance with Final
	Original	Final		
<b>SOURCES</b>				
Charges for services	\$ 7,439,537	\$ 7,683,537	\$ 7,560,657	\$ (122,880)
Investment income	—	—	13,183	13,183
Miscellaneous revenues	5,000	5,000	18,396	13,396
Proceeds from sale of assets	350,000	—	—	—
Transfers in	—	624,329	624,329	—
<b>TOTAL SOURCES</b>	<b>7,794,537</b>	<b>8,312,866</b>	<b>8,216,565</b>	<b>(96,301)</b>
<b>USES</b>				
<i>Operating Costs</i>				
Administrative Services Group	7,684,214	7,991,701	7,991,680	21
Non-departmental	67,751	4,264	—	4,264
<b>TOTAL USES</b>	<b>7,751,965</b>	<b>7,995,965</b>	<b>7,991,680</b>	<b>4,285</b>
CHANGE IN FUNDS AVAILABLE	42,572	316,901	224,885	(92,016)
FUNDS AVAILABLE - January 1	330,226	330,226	23,379	(306,847)
FUNDS AVAILABLE - December 31	<u>\$ 372,798</u>	<u>\$ 647,127</u>	248,264	<u>\$ (398,863)</u>
Less: Designations			—	
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESERVATIONS AND COUNCIL DESIGNATIONS - December 31			<u>\$ 248,264</u>	
<b>RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE</b>				
FUNDS AVAILABLE (BUDGETARY BASIS) - December 31			\$ 248,264	
Add: Capital assets net of depreciation			499,649	
Inventories			617,189	
Current year operating encumbrances			56,700	
Less: Current portion of long-term debt			(22,840)	
Long-term debt			(282,338)	
Adjust investments to fair value			<u>1,045</u>	
NET ASSETS - (U.S. GAAP BASIS) - December 31			<u>\$ 1,117,669</u>	

Print Shop				Risk Management			
Budgets		Budgetary Actual	Variance with Final	Budgets		Budgetary Actual	Variance with Final
Original	Final			Original	Final		
\$ 711,046	\$ 711,046	\$ 718,017	\$ 6,971	\$ 7,106,911	\$ 7,106,911	\$ 7,105,571	\$ (1,340)
7,000	7,000	15,972	8,972	469,000	469,000	604,455	135,455
—	—	—	—	216,000	216,000	436,028	220,028
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
718,046	718,046	733,989	15,943	7,791,911	7,791,911	8,146,054	354,143
652,271	655,810	647,454	8,356	8,614,765	8,633,865	6,074,795	2,559,070
4,928	1,389	—	1,389	19,100	—	—	—
657,199	657,199	647,454	9,745	8,633,865	8,633,865	6,074,795	2,559,070
60,847	60,847	86,535	25,688	(841,954)	(841,954)	2,071,259	2,913,213
165,687	165,687	242,486	76,799	3,057,108	3,057,108	5,419,069	2,361,961
<u>\$ 226,534</u>	<u>\$ 226,534</u>	329,021	<u>\$ 102,487</u>	<u>\$ 2,215,154</u>	<u>\$ 2,215,154</u>	7,490,328	<u>\$ 5,275,174</u>
		—				(45,369)	
		<u>\$ 329,021</u>				<u>\$ 7,444,959</u>	
		\$ 329,021				\$ 7,490,328	
		11,413				—	
		29,456				—	
		30,936				117,644	
		(8,514)				(11,091)	
		(633)				(53,179)	
		649				21,500	
		<u>\$ 392,328</u>				<u>\$ 7,565,202</u>	





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## Statistical Section

Financial Trends

Revenue Capacity

Debt Capacity

Demographic and Economic Information

Operating Information

## **FINANCIAL TRENDS STATISTICS**

These schedules provide financial trend information, which shows how the City's financial performance has changed over time.

**Exhibit A-1**

**Net Assets by Component**

**Exhibit A-2**

**Changes in Net Assets**

**Exhibit A-3**

**Fund Balances, Governmental Funds**

**Exhibit A-4**

**Changes in Fund Balances, Governmental Funds**

**Exhibit A-5**

**Total Sales and Use Tax Revenues**

Sources: Unless otherwise noted, the information in these schedules is derived from Comprehensive Annual Financial Reports for the relevant years.



**City of Aurora**

**Exhibit A-1**

**Net Assets by Component**

**Last Six Years**

		<b>Fiscal Year</b>					
		<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>
Governmental activities							
Invested in capital assets, net of related debt		\$ 2,275,203,538	\$ 2,333,052,302	\$ 2,479,755,028	\$ 2,564,482,012	\$ 2,711,545,994	\$ 2,750,014,460
Restricted							
Construction	(a)	1,464,086	3,310,450	-	11,624,224	15,432,018	4,687,349
Police	(b)	6,901,872	1,040,402	840,769	441,853	649,829	930,688
E-911 equipment & services		3,996,089	3,227,306	4,181,097	4,730,191	5,289,905	6,011,852
Parks and Recreation	(c)	5,545,882	6,948,069	9,792,734	13,679,692	13,537,324	16,297,932
Emergencies		6,134,321	6,339,676	6,587,427	6,784,149	6,189,980	7,745,299
Gifts and grants		4,422,877	8,655,457	7,345,087	6,754,529	4,706,420	5,184,456
Agreements	(d)	4,750,398	5,325,373	5,251,278	4,442,130	9,587,071	11,038,966
Urban renewal	(e)	1,750,963	2,110,891	1,170,124	721,486	127,822	11,382
Unrestricted		91,381,281	87,399,854	76,870,105	76,210,900	85,548,045	80,282,944
Total governmental activities net assets		<u>\$ 2,401,551,307</u>	<u>\$ 2,457,409,780</u>	<u>\$ 2,591,793,649</u>	<u>\$ 2,689,871,166</u>	<u>\$ 2,852,614,408</u>	<u>\$ 2,882,205,328</u>
Business-type activities							
Invested in capital assets, net of related debt		\$ 589,713,105	\$ 647,248,248	\$ 675,344,617	\$ 764,659,039	\$ 876,261,788	\$ 946,462,131
Restricted							
Construction	(f)	104,185	3,994,407	4,199,838	1,984,417	13,762,820	3,627,410
Debt related		3,100,000	3,100,000	3,100,000	2,500,000	2,500,000	2,500,000
Other		672,952	-	-	-	-	-
Unrestricted		121,493,852	115,611,638	161,607,602	182,168,952	201,213,673	280,587,656
Total business-type activities net assets		<u>\$ 715,084,094</u>	<u>\$ 769,954,293</u>	<u>\$ 844,252,057</u>	<u>\$ 951,312,408</u>	<u>\$ 1,093,738,281</u>	<u>\$ 1,233,177,197</u>

Primary government							
Invested in capital assets, net of related debt	\$ 2,864,916,643	\$ 2,980,300,550	\$ 3,155,099,645	\$ 3,329,141,051	\$ 3,587,807,782	\$ 3,696,476,591	
Restricted							
Construction	1,568,271	7,304,857	4,199,838	13,608,641	29,194,838	8,314,759	
Police	6,901,872	1,040,402	840,769	441,853	649,829	930,688	
E-911 equipment & services	3,996,089	3,227,306	4,181,097	4,730,191	5,289,905	6,011,852	
Parks and recreation	5,545,882	6,948,069	9,792,734	13,679,692	13,537,324	16,297,932	
Emergencies	6,134,321	6,339,676	6,587,427	6,784,149	6,189,980	7,745,299	
Gifts and grants	4,422,877	8,655,457	7,345,087	6,754,529	4,706,420	5,184,456	
Debt related	3,100,000	3,100,000	3,100,000	2,500,000	2,500,000	2,500,000	
Agreements	5,423,350	5,325,373	5,251,278	4,442,130	9,587,071	11,038,966	
Urban renewal	1,750,963	2,110,891	1,170,124	721,486	127,822	11,382	
Unrestricted	212,875,133	203,011,492	238,477,707	258,379,852	286,761,718	360,870,600	
Total primary government net assets	\$ 3,116,635,401	\$ 3,227,364,073	\$ 3,436,045,706	\$ 3,641,183,574	\$ 3,946,352,689	\$ 4,115,382,525	

Note: The City is only reporting years beginning with 2002, the year GASB Statement 34 was implemented.

- (a) In 2004, no receipts restricted for county road and bridge improvements remained unspent at yearend. In 2005, noise mitigation court settlements were received and restricted for capital related purchases (mainly land acquisitions). In 2006, dedicated open space revenues remained unspent.
- (b) Police restricted equity represents seizure funds. Fluctuation in this account is expected.
- (c) Increase from 2003 to 2004 represents Conservation Trust and Park Development revenue growth. Increase from 2004 to 2005 represents new Arapahoe County Open Space tax receipts. Increase from 2006 to 2007 represents accumulation of Park Development revenues for future construction.
- (d) Increase from 2005 to 2006 represents amounts anticipated to be paid out on future agreements.
- (e) Activity reflects the spend down of funds dedicated to the Fletcher Plaza Enhancement Area.
- (f) 2006 increase represents unspent amounts set aside to fund storm drain projects. 2007 decrease represents spend down of storm drain project funds.



Exhibit A-2

City of Aurora

Changes in Net Assets

Last Six Years

Fiscal Year

Expenses		2002	2003	2004	2005	2006	2007
<i>Governmental activities:</i>							
General government	(a)	\$ 24,153,407	\$ 32,106,373	\$ 34,865,194	\$ 53,727,660	\$ 32,428,420	\$ 35,443,241
Judicial		6,108,249	6,412,905	6,891,787	6,955,078	7,182,054	7,744,454
Police		61,059,499	64,279,691	64,975,624	67,694,840	71,983,533	76,903,178
Fire		28,287,789	30,113,236	29,082,202	29,227,035	30,915,945	33,196,185
Other public safety	(b)	4,209,271	5,847,178	9,465,582	10,351,525	10,813,970	11,977,596
Public works	(c)	27,001,770	25,023,998	28,175,551	39,425,303	42,713,262	36,963,018
Economic development		15,840,176	15,822,183	14,095,722	15,214,633	16,873,516	15,266,467
Community services		7,410,045	9,049,017	9,407,800	9,632,404	9,964,733	10,389,047
Culture and recreation		31,302,143	31,612,407	34,217,470	35,608,066	35,750,658	37,470,446
Unallocated depreciation		943,937	2,528,558	2,741,752	2,944,641	3,305,620	3,187,118
Interest on long-term debt		9,625,237	9,478,162	8,958,150	8,610,617	6,949,427	7,388,080
Total governmental activities expenses		215,941,523	232,273,708	242,876,834	279,391,802	268,881,138	275,928,830
<i>Business-type activities:</i>							
Water	(d)	34,046,181	40,784,896	46,903,285	58,689,242	60,675,340	72,215,638
Wastewater	(e)	22,269,398	24,807,909	26,173,594	30,141,125	33,453,356	37,101,476
Golf		8,641,960	8,545,279	8,729,124	8,696,129	8,990,266	9,320,032
Total business-type activities expenses		64,957,539	74,138,084	81,806,003	97,526,496	103,118,962	118,637,146
Total primary government expenses		\$ 280,899,062	\$ 306,411,792	\$ 324,682,837	\$ 376,918,298	\$ 372,000,100	\$ 394,565,976
<b>Program Revenues</b>							
<i>Governmental activities:</i>							
Charges for services							
General government	(f)	\$ 1,723,963	\$ 1,766,942	\$ 1,499,724	\$ 5,101,144	\$ 1,794,049	\$ 2,361,233
Judicial	(g)	4,985,565	5,473,368	5,419,785	7,290,726	7,254,834	8,255,912
Police		1,597,194	1,640,253	1,728,947	1,756,746	2,310,862	2,809,446
Fire		541,088	522,448	548,843	521,594	612,917	443,224
Other public safety		-	900	-	3,060	169,371	180,945
Public works		353,714	360,109	485,472	971,021	1,626,995	683,325
Economic development	(h)	10,228,777	10,214,741	13,247,894	16,228,709	12,976,173	10,177,375
Community services	(i)	1,708,174	2,554,164	2,193,055	3,531,460	1,504,620	2,813,009
Culture and recreation		5,355,502	5,321,819	5,331,250	5,625,750	5,734,638	5,545,510
Operating grants & contributions	(j)	33,318,184	31,364,667	31,554,456	49,966,351	47,522,357	24,565,452
Capital grants & contributions	(k)	33,547,825	44,542,305	125,614,269	86,963,191	136,709,120	28,260,368
Total governmental activities program revenues		93,359,986	103,761,716	187,623,695	177,959,752	218,215,936	86,095,799
<i>Business-type activities:</i>							
Charges for services							
Water	(l)	39,612,430	40,231,989	50,924,714	64,603,833	74,797,433	83,489,049
Wastewater	(m)	24,252,421	25,580,371	26,327,715	29,059,182	33,286,941	39,070,578
Golf		9,174,718	8,205,072	8,266,180	8,737,191	9,055,305	9,332,171
Operating grants & contributions	(n)	59,298	1,452,549	1,757,856	2,957,447	12,866,255	23,957,607
Capital grants & contributions	(o)	53,568,608	51,868,133	67,566,320	96,735,378	113,381,835	97,844,561
Total business-type activities program revenues		126,667,475	127,338,114	154,842,785	202,093,031	243,387,769	253,693,966
Total primary government program revenues		\$ 220,027,461	\$ 231,099,830	\$ 342,466,480	\$ 380,052,783	\$ 461,603,705	\$ 339,789,765

**Net (Expense)/Revenue**

Governmental activities	\$	(122,581,537)	\$	(128,511,992)	\$	(55,253,139)	\$	(101,432,050)	\$	(50,665,202)	\$	(189,833,031)
Business-type activities		61,709,936		53,200,030		73,036,782		104,566,535		140,268,807		135,056,820
Total primary government net expense	\$	(60,871,601)	\$	(75,311,962)	\$	17,783,643	\$	3,134,485	\$	89,603,605	\$	(54,776,211)

**General Revenues & Other Changes in Net Assets***Governmental activities:*

Taxes												
Sales & use taxes	\$	130,722,511	\$	128,687,061	\$	135,610,392	\$	143,592,080	\$	149,931,394	\$	152,895,195
Property taxes		26,732,855		29,799,273		28,033,332		28,644,691		29,742,954		30,813,184
Franchise taxes		8,777,935		10,183,683		10,606,171		11,224,526		11,566,625		11,439,537
Lodgers taxes		3,231,779		3,044,341		3,130,347		3,344,153		4,008,854		4,572,800
Occupational privilege taxes		3,824,913		3,684,159		3,755,667		3,950,531		4,058,928		4,215,950
Other taxes		4,430,407		4,864,920		5,361,765		5,366,799		7,292,324		7,331,575
Nonspecific grants & contributions		883,670		832,315		862,890		793,718		855,949		784,891
Unrestricted investment earnings		7,396,774		3,264,743		2,276,444		2,793,069		5,951,416		7,370,814
Transfers		2,438		9,970		-		(200,000)		-		-
Total governmental activities general revenues		186,003,282		184,370,465		189,637,008		199,509,567		213,408,444		219,423,946
<i>Business-type activities:</i>												
Unrestricted investment earnings		5,807,397		1,680,139		1,260,982		2,293,816		2,157,066		4,382,097
Transfers		(2,438)		(9,970)		-		200,000		-		-
Total business-type activities		5,804,959		1,670,169		1,260,982		2,493,816		2,157,066		4,382,097
Total primary government	\$	191,808,241	\$	186,040,634	\$	190,897,990	\$	202,003,383	\$	215,565,510	\$	223,806,043
<b>Change in Net Assets</b>												
Governmental activities	\$	63,421,745	\$	55,858,473	\$	134,383,869	\$	98,077,517	\$	162,743,242	\$	29,590,917
Business-type activities		67,514,895		54,870,199		74,297,764		107,060,351		142,425,873		139,438,920
Change in net assets	\$	130,936,640	\$	110,728,672	\$	208,681,633	\$	205,137,868	\$	305,169,115	\$	169,029,837

Note: The City is only reporting years beginning with 2002, the year GASB Statement 34 was implemented.

- (a) Increase in 2005 results from: the early payoff of a tax incentive; payment of excation fees collected on behalf of another government; and a Net Pension Asset writedown.
- (b) Increase from 2002 to 2003 represents moving detention center costs from police. Increase from 2003 to 2004 represents moving police & fire communications costs from Police and Fire function. Increase from 2004 to 2005 represents new dispatch center operating costs and an increase in E-911 contract costs.
- (c) 2005 increase results from noncapitalizable landfill cleanup costs. 2006 increase includes additional landfill cleanup costs and snowstorm costs. 2007 decrease due to no landfill cleanup or snowstorm costs, but does reflect increased depreciation and operating expenses.
- (d) Increases reflect expansion of the water system.
- (e) Increases reflect an increase in sewer treatment expense and an increase in sewer personnel costs.
- (f) Increase in 2005 represents exaction fees collected to offset bridge widening costs.
- (g) Increase from 2004 to 2005 represents an increase in the court fines schedule.
- (h) Increase from 2003 to 2005 represents an increase in developer review activity and permit revenue growth. Subsequent decreases reflect reduced development activity.
- (i) Increase in 2005 represents an increase in Dam West SID receipts to fund neighborhood fence costs.
- (j) Increase from 2004 to 2005 results from federal reimbursement for a landfill cleanup and a court settlement to mitigate airport noise. 2006 activity remained strong as more funding was received for the landfill cleanup. 2007 activity decreased as the landfill cleanup was completed. Additionally, highway road and bridge intergovernmental revenue was moved from operating grants to capital grants.
- (k) Fluctuation primarily represents fluctuation in developer contributed streets from year to year.
- (l) Increases attributable to new water rate schedule.
- (m) Increases attributable to new rate schedule and volume increases.
- (n) Increase from 2005 to 2007 attributable to interest earnings on development revenues and bond proceeds.
- (o) Amounts represent developer tap fee revenue and developer contributed water and sewer mains.



Exhibit A-3

**City of Aurora**  
**Fund Balances, Governmental Funds**  
**Last Ten Years**

		Fiscal Year									
		<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Fund											
Reserved		\$ 12,173,876	\$ 13,308,521	\$ 13,522,647	\$ 10,552,694	\$ 6,956,701	\$ 1,711,075	\$ 992,384	\$ 1,318,383	\$ 1,298,394	\$ 1,687,871
Unreserved		29,011,752	24,082,648	24,492,485	21,592,048	31,631,227	27,223,539	23,433,917	26,290,788	29,910,165	25,886,915
Total General Fund		41,185,628	37,391,169	38,015,132	32,144,742	38,587,928	28,934,614	24,426,301	27,609,171	31,208,559	27,574,786
Unreserved, reported in:											
Special revenue funds											
Policy Reserve	(a)	-	14,134,222	15,470,863	16,945,902	17,748,258	18,109,610	18,275,311	18,744,164	19,239,541	20,910,375
TABOR Reserve	(a)	4,807,000	5,057,863	5,393,012	5,826,763	6,134,321	6,339,676	6,587,427	6,784,149	6,189,980	7,745,299
Total General, Policy & TABOR Reserve funds		\$ 45,992,628	\$ 56,583,254	\$ 58,879,007	\$ 54,917,407	\$ 62,470,507	\$ 53,383,900	\$ 49,289,039	\$ 53,137,484	\$ 56,638,080	\$ 56,230,460
All Other Governmental Funds											
Reserved		22,693,118	30,366,096	146,757,408	131,319,918	85,741,579	65,025,259	36,701,725	42,655,158	45,371,137	29,592,991
Unreserved, reported in:											
Special revenue funds	(b)	3,780,299	14,361,177	9,917,889	15,687,402	13,963,613	17,466,800	21,441,259	31,503,230	31,623,727	39,136,449
Debt service funds		6,861,983	3,054,733	3,075,573	3,105,575	660,519	724,289	788,296	907,313	1,158,038	1,275,158
Capital projects funds		21,363,057	19,968,626	35,875,724	39,963,289	41,357,853	28,891,430	28,225,242	24,577,647	28,380,427	24,743,923
Total all other governmental funds		54,698,457	67,750,632	195,626,594	190,076,184	141,723,564	112,107,778	87,156,522	99,643,348	106,533,329	94,748,521
Total fund balances		\$ 100,691,085	\$ 124,333,886	\$ 254,505,601	\$ 244,993,591	\$ 204,194,071	\$ 165,491,678	\$ 136,445,561	\$ 152,780,832	\$ 163,171,409	\$ 150,978,981

(a) The TABOR and Policy Reserve funds were not created until 1999. In 1998, the TABOR reserve was held in the Emergency Contingency Fund.

(b) Excluding TABOR and Policy Reserve funds.

Note: The Policy and TABOR reserve are being shown with the General Fund to show the emergency reserves available to the City.

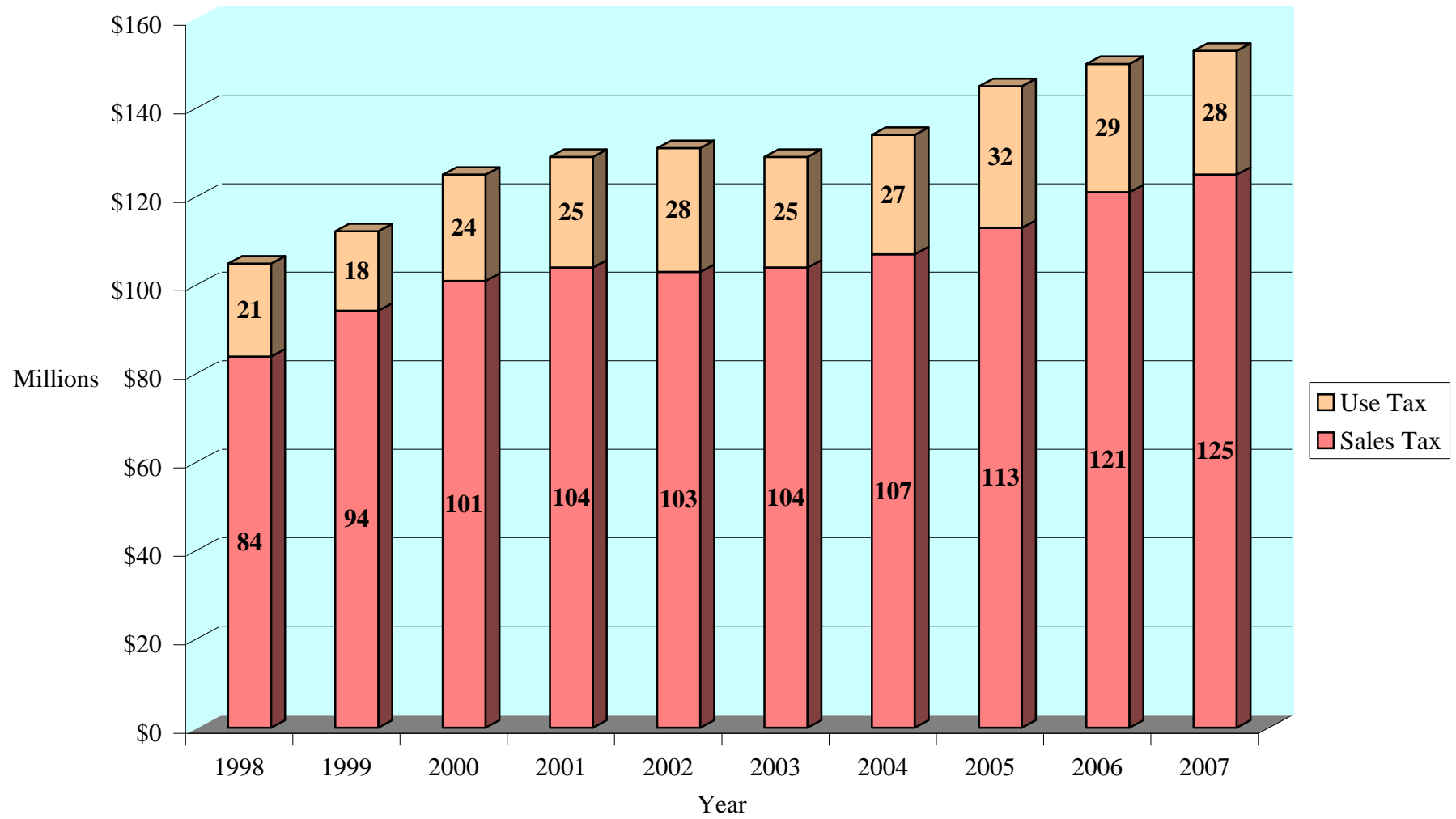
Changes in Fund Balance, Governmental Funds  
Last Ten Years

## Exhibit A-4

		Fiscal Year									
		1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>REVENUES</b>											
<i>Taxes</i>											
Sales and use	\$	104,496,321	\$ 112,612,925	\$ 124,670,054	\$ 128,794,583	\$ 131,175,237	\$ 128,674,426	\$ 134,245,043	\$ 145,134,048	\$ 149,526,922	\$ 153,243,007
Property		16,378,085	18,225,450	19,429,113	25,138,146	26,732,855	29,799,273	28,033,332	28,644,691	29,742,954	30,813,184
Franchise		7,626,706	8,030,548	8,560,036	10,117,112	8,777,935	10,183,683	10,606,171	11,224,526	11,566,625	11,439,537
Lodgers		2,904,587	3,480,224	3,808,955	3,438,213	3,231,779	3,044,341	3,130,347	3,344,153	4,008,854	4,572,800
Occupational privilege		3,324,441	3,448,211	3,679,334	3,657,773	3,824,913	3,684,159	3,755,667	3,950,531	4,058,928	4,215,950
Other		3,782,492	3,081,293	3,804,754	4,207,334	4,430,407	4,864,920	5,361,765	5,366,799	7,292,324	7,331,575
Charges for services		11,438,078	11,702,854	10,662,570	12,670,536	14,453,021	15,298,469	18,951,376	19,902,708	15,408,472	18,620,824
Licenses and permits		4,703,725	5,373,101	6,005,710	7,140,457	9,394,758	8,902,351	10,974,896	13,710,827	13,121,874	9,523,978
Fines and forfeitures		3,883,813	4,038,670	4,099,854	4,742,280	4,858,917	5,312,628	5,195,033	7,081,565	7,547,331	8,862,389
Special assessments		667,666	473,694	433,235	318,617	192,493	264,002	47,795	1,024,193	292,474	545,373
Intergovernmental		19,619,408	21,439,172	21,110,332	22,258,953	24,455,505	22,780,958	28,557,034	36,785,824	35,509,439	32,005,970
Surcharges		1,303,438	1,440,582	1,501,376	2,716,398	2,693,191	2,604,231	2,650,587	2,694,385	2,790,662	2,862,077
Miscellaneous		1,165,612	6,439,036	3,553,612	2,978,342	5,509,569	4,283,746	5,174,348	16,033,741	15,473,953	8,052,699
Investment earnings		6,108,022	3,921,313	10,827,210	15,023,970	14,867,221	5,327,877	4,099,535	3,692,282	7,027,993	8,755,080
Total revenues		187,402,394	203,707,073	222,146,145	243,202,714	254,597,801	245,025,064	260,782,929	298,590,273	303,368,805	300,844,443
<b>EXPENDITURES</b>											
<i>Current</i>											
General government		18,333,837	21,267,721	22,364,376	22,361,989	25,271,995	32,974,743	34,809,025	51,361,370	34,353,933	34,207,588
Judicial		4,823,742	5,101,551	5,455,373	5,745,870	6,110,996	6,296,055	6,867,461	6,818,969	7,175,054	7,706,708
Police		50,114,775	53,020,967	54,624,074	57,845,300	59,326,105	61,411,745	62,661,168	65,764,443	70,298,998	74,496,292
Fire		21,621,083	23,137,014	25,150,075	26,767,183	27,972,743	28,758,598	27,840,562	28,195,821	29,977,336	32,308,850
Other public safety		690,903	494,574	2,082,171	1,281,460	3,927,902	5,260,630	9,038,844	10,106,404	10,506,510	11,780,534
Public works		23,172,588	30,177,441	37,714,179	30,306,245	21,598,825	19,260,674	20,605,607	30,631,449	32,304,425	24,933,938
Economic development		9,329,376	10,447,573	12,581,764	14,443,774	15,940,491	15,753,059	14,102,957	15,305,193	16,695,677	15,585,637
Community services		6,799,399	7,496,958	7,842,842	8,024,127	7,233,833	8,829,366	9,257,105	9,493,039	9,724,207	10,151,162
Culture and recreation		25,449,192	27,376,586	26,054,568	28,574,815	29,599,895	29,364,362	31,825,342	32,766,693	32,886,396	34,973,302
<i>Debt Service</i>											
Principal		5,544,612	6,000,330	5,625,474	6,675,508	6,679,071	7,652,362	8,921,242	10,577,968	13,036,135	13,583,952
Interest		2,440,873	2,842,798	4,643,108	9,672,964	9,506,354	9,528,666	9,046,758	8,598,608	6,874,792	7,141,260
Capital outlay		18,657,436	8,718,653	13,780,493	39,349,089	102,817,652	61,302,114	50,060,333	38,591,864	33,354,866	47,062,412
Total expenditures		186,977,816	196,082,166	217,918,497	251,048,324	315,985,862	286,392,374	285,036,404	308,211,821	297,188,329	313,931,635
Excess (deficiency) of revenues over (under) expenditures		424,578	7,624,907	4,227,648	(7,845,610)	(61,388,061)	(41,367,310)	(24,253,475)	(9,621,548)	6,180,476	(13,087,192)
<b>OTHER FINANCING SOURCES (USES)</b>											
Transfers in		42,462,056	56,187,962	49,273,414	47,975,096	43,664,588	55,204,349	57,960,594	83,160,614	57,744,381	49,352,397
Transfers out		(43,634,444)	(57,909,505)	(51,753,472)	(50,404,651)	(41,196,352)	(55,294,379)	(57,885,594)	(82,745,807)	(58,198,520)	(49,901,726)
Premium(discount) on debt issues		-	-	-	-	-	-	187,611	(179,797)	797,089	-
Proceeds from debt issues		10,250,000	17,470,000	126,475,000	-	15,421,826	2,549,559	8,750,000	24,535,000	539,309	-
Payment to refunded bond escrow agent		-	-	-	-	-	(2,490,000)	(14,975,000)	-	-	-
Notes Issued		-	-	-	-	-	-	-	-	-	1,075,000
Proceeds from capital leases		819,229	-	1,239,232	343,677	-	-	944,280	915,600	2,912,974	-
Proceeds from disposal of capital assets		267,792	269,437	340,850	419,478	2,698,480	2,695,389	225,467	271,209	414,868	369,093
Total other financing sources (uses)		10,164,633	16,017,894	125,575,024	(1,666,400)	20,588,542	2,664,918	(4,792,642)	25,956,819	4,210,101	894,764
Net change in fund balances	\$	10,589,211	\$ 23,642,801	\$ 129,802,672	\$ (9,512,010)	\$ (40,799,519)	\$ (38,702,392)	\$ (29,046,117)	\$ 16,335,271	\$ 10,390,577	\$ (12,192,428)
Debt service as a percentage of noncapital expenditures	(a)	4.74%	4.72%	5.03%	7.72%	7.59%	7.63%	7.65%	7.11%	7.55%	7.77%

(a) This calculation is performed as follows: Total debt service (principal plus interest) divided by total noncapital expenditures (total expenditures less capital outlay).

### Total Sales and Use Tax Revenues





## **REVENUE CAPACITY STATISTICS**

These schedules provide additional information about sales and use taxes and property taxes, the City's most significant local revenue sources.

**Exhibit A-6**

**Sales and Use Tax Receipts by Business Sector**

**Exhibit A-7**

**Direct and Overlapping Sales Tax Rates**

**Exhibit A-8**

**Top Ten Sales and Use Tax Payers by Industry Group**

**Exhibit A-9**

**Assessed and Estimated Actual Value of Taxable Property**

**Exhibit A-10**

**Property Tax Rates – Direct and Primary Overlapping Governments**

**Exhibit A-11**

**Top Ten Principal Property Tax Payers**

**Exhibit A-12**

**Property Tax Levies and Collections**

Sources: Unless otherwise noted the information in these schedules is derived from Comprehensive Annual Financial Reports for the relevant years.



**City of Aurora**

**Exhibit A-6**

**Sales and Use Tax Receipts by Business Sector (Cash Basis)**

**Last Eight Years**

	Fiscal Year							
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Sales and Use Tax Receipts by Business Sector								
Retail trade	\$ 59,880,657	\$ 61,666,655	\$ 59,119,766	\$ 60,660,159	\$ 61,323,123	\$ 64,149,437	\$ 68,785,268	\$ 72,371,462
Accommodation & food services	11,148,645	11,643,288	11,842,340	12,060,851	12,688,329	13,521,657	14,209,309	15,722,168
Information/Media	9,610,289	10,757,972	9,089,360	7,410,538	8,410,406	9,404,063	10,084,979	10,735,395
Utilities	6,260,234	7,896,573	10,004,207	7,368,457	8,338,419	9,254,990	10,868,971	10,176,084
Real estate, rental & leasing	4,584,136	5,066,623	4,717,082	4,779,630	4,246,358	4,351,737	4,595,117	4,738,835
Manufacturing	4,224,016	3,862,112	3,593,335	3,387,378	3,505,429	3,220,917	3,560,554	2,796,082
Wholesale trade	2,187,058	2,769,157	3,855,464	4,341,125	4,166,333	4,806,379	5,428,407	5,251,516
Finance and insurance	1,706,488	1,675,830	1,655,349	1,286,834	1,036,981	908,032	985,344	1,032,270
Arts, entertainment & recreational	908,933	978,288	967,856	912,800	958,913	916,219	880,367	825,845
Professional, scientific and technical	819,190	930,322	648,743	801,065	728,034	1,025,581	958,251	1,050,971
Construction	760,707	693,967	1,040,284	1,083,967	1,083,516	2,206,861	1,987,942	1,760,245
Other services	4,145,471	4,202,351	4,363,934	4,537,029	4,408,874	4,340,091	4,758,881	5,284,155
Automobile use tax	10,157,743	11,438,366	11,469,004	10,948,897	10,215,871	10,284,541	9,834,375	10,845,015
Building materials use tax	8,507,397	7,782,462	10,291,664	8,629,048	11,955,724	15,459,058	13,645,196	12,328,785
Total Sales and Use Tax Receipts	<u>\$ 124,900,964</u>	<u>\$ 131,363,966</u>	<u>\$ 132,658,388</u>	<u>\$ 128,207,778</u>	<u>\$ 133,066,310</u>	<u>\$ 143,849,563</u>	<u>\$ 150,582,961</u>	<u>\$ 154,918,828</u>
City direct sales/use tax rate	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%

SOURCE: City of Aurora's Sales Tax Division, except for automobile and building material use tax which is tracked within the Finance Department.

Amounts shown on this table from the City Sales Tax Division include taxes received for both the General Fund and AURA.

The amounts reflected in this table are gross amounts received and will not necessarily reflect U.S. GAAP as recorded in the financial statements; differences include refunds and accruals.

Notes: Detailed data by business sector was not available before the year 2000

Exhibit A-7

City of Aurora

Direct and Overlapping Sales Tax Rates

Last Ten Years

Arapahoe County

Fiscal Year	City Direct Rate	State	RTD	Scientific & Cultural	(a) Football Stadium District	Open Space	Total Rate Arapahoe County
1998	3.75%	3.00%	0.60%	0.10%	0.10%	-	7.55%
1999	3.75%	3.00%	0.60%	0.10%	0.10%	-	7.55%
2000	3.75%	3.00%	0.60%	0.10%	0.10%	-	7.55%
2001	3.75%	2.90%	0.60%	0.10%	0.10%	-	7.45%
2002	3.75%	2.90%	0.60%	0.10%	0.10%	-	7.45%
2003	3.75%	2.90%	0.60%	0.10%	0.10%	-	7.45%
2004	3.75%	2.90%	0.60%	0.10%	0.10%	0.25%	7.70%
2005	3.75%	2.90%	1.00%	0.10%	0.10%	0.25%	8.10%
2006	3.75%	2.90%	1.00%	0.10%	0.10%	0.25%	8.10%
2007	3.75%	2.90%	1.00%	0.10%	0.10%	0.25%	8.10%

Adams County

Fiscal Year	City Direct Rate	State	RTD	Scientific & Cultural	(a) Football Stadium District	Open Space	Roads & Bridges	Total Rate Adams County
1998	3.75%	3.00%	0.60%	0.10%	0.10%	-	0.50%	8.05%
1999	3.75%	3.00%	0.60%	0.10%	0.10%	-	0.50%	8.05%
2000	3.75%	3.00%	0.60%	0.10%	0.10%	0.20%	0.50%	8.25%
2001	3.75%	2.90%	0.60%	0.10%	0.10%	0.20%	0.50%	8.15%
2002	3.75%	2.90%	0.60%	0.10%	0.10%	0.20%	0.50%	8.15%
2003	3.75%	2.90%	0.60%	0.10%	0.10%	0.20%	0.50%	8.15%
2004	3.75%	2.90%	0.60%	0.10%	0.10%	0.20%	0.50%	8.15%
2005	3.75%	2.90%	1.00%	0.10%	0.10%	0.20%	0.50%	8.55%
2006	3.75%	2.90%	1.00%	0.10%	0.10%	0.20%	0.50%	8.55%
2007	3.75%	2.90%	1.00%	0.10%	0.10%	0.25%	0.50%	8.60%

SOURCE: City of Aurora's Tax & Licensing Division

(a) This was a "Baseball District Tax" through the year 2000.

Exhibit A-8

City of Aurora

Top Ten Principal Sales and Use Tax Payers by Industry Group  
Current Year and Seven Years Ago

	2007			2000		
	Sales & Use Tax Receipts	Rank	Percentage of Total City Sales & Use Tax Receipts	Sales & Use Tax Receipts	Rank	Percentage of Total City Sales & Use Tax Receipts
Department stores	\$ 17,395,358	1	11.23%	\$ 13,281,289	1	10.63%
Full-service restaurants	12,023,103	2	7.76%	10,347,586	2	8.28%
Electrical power generation, transmission distribution	9,971,990	3	6.44%	6,192,016	5	4.96%
Building materials & supplies stores	8,147,469	4	5.26%	5,733,398	6	4.59%
Telecommunications	7,437,635	5	4.80%	7,440,810	3	5.96%
Clothing stores	6,186,695	6	3.99%			
Automobile dealers	5,400,041	7	3.49%	6,373,534	4	5.10%
Other miscellaneous retail stores	4,870,938	8	3.14%	5,234,411	7	4.19%
Electronics and appliance stores	4,534,280	9	2.93%	3,564,209	10	2.85%
Other general merchandise stores	4,478,562	10	2.89%	4,924,476	8	3.94%
Grocery stores				3,682,863	9	2.95%
Total	<u>\$ 80,446,071</u>		<u>51.93%</u>	<u>\$ 66,774,592</u>		<u>53.46%</u>

SOURCE: City of Aurora's Sales Tax Division

Notes: Detailed data was not available before the year 2000.

Total City sales and use tax receipts were \$154,918,828 for 2007 and \$124,900,964 for the year 2000.

**City of Aurora, Colorado**

**Exhibit A-9**

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**

Last Ten Years

Assessment/ Levy Year	Collection/ Budget Year	Real Property (a)			Total				Percent of Total Assessed Value to Estimated Actual Value	Total Direct Tax Rate
		Assessed Value Adams County	Assessed Value Arapahoe County (b)	Assessed Value Douglas County	Assessed Value	Percentage Change	Estimated Actual Value	Percentage Change		
1998	1999	\$ 237,253,350	\$ 1,306,561,110	\$ 2,480	\$ 1,543,816,940	2.4%	\$ 10,420,035,339	2.4%	14.8%	11.507
1999	2000	292,819,650	1,594,238,220	2,480	1,887,060,350	22.2%	12,500,191,290	20.0%	15.1%	11.796
2000	2001	316,583,610	1,673,391,071	2,480	1,989,977,161	5.5%	12,917,885,512	3.3%	15.4%	10.594
2001	2002	382,141,380	1,947,164,470	2,600	2,329,308,450	17.1%	16,840,511,419	30.4%	13.8%	12.193
2002	2003	391,969,270	2,039,310,460	32,610	2,431,312,340	4.4%	17,631,037,265	4.7%	13.8%	11.409
2003	2004	415,203,720	2,069,917,070	48,550	2,485,169,340	2.2%	20,375,486,637	15.6%	12.2%	11.161
2004	2005	447,208,260	2,127,672,860	80,810	2,574,961,930	3.6%	21,018,710,901	3.2%	12.3%	11.079
2005	2006	487,883,880	2,223,143,550	81,270	2,711,108,700	5.3%	22,166,078,150	5.5%	12.2%	10.958
2006	2007	510,091,180	2,315,537,610	1,099,640	2,826,728,430	4.3%	23,166,543,343	4.5%	12.2%	10.867
2007	2008	542,673,070	2,507,656,430	3,582,000	3,053,911,500	8.0%	24,396,193,173	5.3%	12.5%	10.701

Notes: Data obtained from Certifications of Valuation provided by Adams, Arapahoe and Douglas counties. Colorado statutes provide procedures for the valuation of property for assessment purposes. The "Assessment/Levy Year" is the calendar year in which the property value is assessed. It is also the year in which the associated tax is levied. The tax revenue for a "Collection/Budget Year" is based on the assessment and tax levy made in the prior year. Tax revenue collections occur in the budget year.

The County Assessor bases the assessed values on property values as of June 30 of the year prior to the assessment year. Thus the assessed values for the taxes associated with budget year 2008 are based on the 2007 assessment, which itself is based on property values as of June 30, 2006.

The assessed valuation percentage is established each year and was as follows: Residential: 1998 through 2000 - 9.74%; 2001 and 2002 - 9.15%; and 2003 through 2007 - 7.96%.

All other classes of property were assessed at 29% of estimated actual value.

Differences in the percentage change between actual value and assessed value relate to the change in the mix of residential to other property from year to year. Additionally, exempt property is represented in actual value but not in assessed value.

(a) Includes both real and some business personal property.

(b) Does not include tax increment financing district incremental assessed valuation of: \$3,628,490 - 1998; \$8,090,420 - 1999; \$8,728,579 - 2000; \$8,168,440 - 2001; \$6,685,640 - 2002; \$5,813,860 - 2003; \$4,720,910 - 2004; \$5,164,460 - 2005; \$5,453,930 - 2006 and 6,202,670 - 2007.

**City of Aurora, Colorado**

**Exhibit A-10**

**PROPERTY TAX RATES - DIRECT AND PRIMARY OVERLAPPING GOVERNMENTS**

(Per \$1,000 of Assessed Valuation)

Last Ten Years

Assessment/ Levy Year	Collection/ Budget Year	City of Aurora	Counties		Schools		(1) Total Tax Rate - City of Aurora and:		
			Adams	Arapahoe	Aurora 28J	Cherry Creek	Adams County and Aurora Schools 28J	Arapahoe County and Aurora Schools 28J	Arapahoe County and Cherry Creek Schools
1998	1999	11.507	26.168	15.549	60.935	61.059	98.610	87.991	88.115
1999	2000	11.796	25.273	13.706	53.799	53.093	90.868	79.301	78.595
2000	2001	10.594	25.681	14.013	53.686	52.397	89.961	78.293	77.004
2001	2002	12.193	23.541	14.028	49.978	46.889	85.712	76.199	73.110
2002	2003	11.409	26.370	14.594	49.825	47.331	87.604	75.828	73.334
2003	2004	11.161	26.779	14.140	47.964	49.654	85.904	73.265	74.955
2004	2005	11.079	26.903	15.450	47.003	51.132	84.985	73.532	77.661
2005	2006	10.958	26.804	15.421	45.824	51.575	83.586	72.203	77.954
2006	2007	10.867	26.974	16.083	45.745	51.129	83.586	72.695	78.079
2007	2008	10.701	26.899	15.217	45.530	47.397	83.130	71.448	73.315

Notes: Data obtained from Certifications of Valuation provided by Adams, Arapahoe and Douglas counties. Colorado statutes provide procedures for the valuation of property for assessment purposes. The "Assessment/Levy Year" is the calendar year in which the property value is assessed. It is also the year in which the associated tax is levied. The tax revenue for a "Collection/Budget Year" is based on the assessment and tax levy made in the prior year. Tax revenue collections occur in the budget year.

The County Assessor bases the assessed values on property values as of June 30 of the year prior to the assessment year. Thus the assessed values for the taxes associated with budget year 2008 are based on the 2007 assessment, which itself is based on property values as of June 30, 2006.

- (1) The Adams and Arapahoe County Assessor's Offices report that property owners within county boundaries may be subject to a variety of different mill levies depending on the property's location. This schedule presents mill levies for counties and school districts only and may not represent the total tax rate for each property.

**Exhibit A-11**

**City of Aurora**

**Top Ten Principal Property Tax Payers**

**Current Year and Nine Years Ago**

	2007				1998			
	Assessed Valuation of Property	Rank	Percentage of Total Assessed Valuation		Assessed Valuation of Property	Rank	Percentage of Total Assessed Valuation	
Xcel Energy (formerly Public Service Co of Colorado)	\$ 43,167,480	1	1.41%		\$ 31,728,780	1	2.06%	
Qwest Communications (formerly U.S. West Communications)	42,213,800	2	1.38%		25,227,900	2	1.63%	
Blue Spruce Energy Center LLC	29,237,200	3	0.96%					
Medical Center of Aurora (formerly Columbia Health One, LLC)	24,231,640	4	0.79%		11,368,000	3	0.74%	
Arapahoe Crossings	15,804,990	5	0.52%					
NRFC Denver Holding LLC	12,760,000	6	0.42%					
Verizon	12,306,150	7	0.40%					
Weingarten/Miller/Aurora II	12,180,000	8	0.40%					
Comcast of Colorado	11,812,210	9	0.39%					
King Soopers	9,071,630	10	0.30%					
Retail Property Trust					8,555,000	4	0.55%	
Glenborough Properties					7,760,200	5	0.50%	
Pro Logis					7,422,670	6	0.48%	
Aberdeen Land Company					6,811,000	7	0.44%	
IBM Credit Corporation					6,005,440	8	0.39%	
Lucent Technologies					5,691,160	9	0.37%	
OhioCubco, Inc					4,961,640	10	0.32%	
Total	\$ 212,785,100		6.97%		\$ 115,531,790		7.48%	

Source: Data obtained from Certifications of Valuations provided by Adams, Arapahoe and Douglas Counties. The Total Assessed Value in assessment year 2007 is \$3,053,911,500 and 1998 was \$1,543,816,940. This total does not include the tax increment financing district assessed valuation for 2007 of \$6,202,670 or 1998 of \$3,628,490.

Exhibit A-12

City of Aurora, Colorado

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Years

Assessment/ Levy Year	Collection/ Budget Year	Total Tax Levy (a)	Current Tax Collections	Percent of Levy Collected	Delinquent Collections/ (Refunds) (b)	Total Tax Collections	Collections as % of Current Tax Levy	TABOR (c)		Tax Increment Collections	Total Property Tax Revenues
								Excess Collections	Tax Credit		
1997	1998	\$ 17,974,286	\$ 17,862,322	99.38%	\$ (3,337)	\$ 17,858,985	99.36%	\$ (1,663,744)	\$ -	\$ 182,844	\$ 16,378,085
1998	1999	17,726,529	17,575,493	99.15%	(79,042)	17,496,451	98.70%	(1,235,123)	1,649,456	314,666	18,225,450
1999	2000	22,170,875	22,041,571	99.42%	(11,747)	22,029,824	99.36%	(4,385,448)	1,154,154	630,583	19,429,113
2000	2001	21,016,790	20,528,208	97.68%	(186,875)	20,341,333	96.79%	-	4,134,476	662,337	25,138,146
2001	2002	28,340,445	28,112,473	99.20%	(195,833)	27,916,640	98.50%	(2,012,800)	218,559	610,456	26,732,855
2002	2003	27,738,843	27,468,922	99.03%	(164,695)	27,304,227	98.43%	- (d) -	2,008,487	486,559	29,799,273
2003	2004	27,736,975	27,577,434	99.42%	(51,454)	27,525,980	99.24%	-	-	507,352	28,033,332
2004	2005	28,528,003	28,331,940	99.31%	(34,316)	28,297,624	99.19%	-	-	347,067	28,644,691
2005	2006	29,708,330	29,573,589	99.55%	(128,117)	29,445,472	99.12%	-	-	297,482	29,742,954
2006	2007	30,718,057	30,501,534	99.30%	(81,225)	30,420,309	99.03%	-	-	392,875	30,813,184

Notes: Data obtained from Certifications of Valuation provided by Adams, Arapahoe and Douglas counties. Colorado statutes provide procedures for the valuation of property for assessment purposes. The "Assessment/Levy Year" is the calendar year in which the property value is assessed. It is also the year in which the associated tax is levied. The tax revenue for a "Collection/Budget Year" is based on the assessment and tax levy made in the prior year. Tax revenue collections occur in the budget year.

The County Assessor bases the assessed values on property values as of June 30 of the year prior to the assessment year. Thus the assessed values for the taxes associated with budget year 2007 are based on the 2006 assessment, which itself is based on property values as of June 30, 2005.

- (a) Property taxes are assessed by Adams, Arapahoe and Douglas counties and remitted to the City after collection.
- (b) Delinquent tax collections are netted with refunds of appealed assessments. Positive numbers reflect more delinquent tax collections than refunds for the year. Negative numbers reflect refunds of appealed assessments in excess of delinquent collections for the year.
- (c) For collection years 1998, 1999, 2000 and 2002, property tax revenues were collected in excess of the limits imposed under the Taxpayer Bill of Rights (TABOR) Amendment. Taxpayers were given a "temporary tax credit" (net of County collection fees) for these excess collections in the form of a reduction in the following year tax levy which reduced the amount they were required to pay. Amounts collected in excess of the limit are recognized as deferred revenue in the year collected and as revenue in the following year.
- (d) In November, 2003, a majority of the City's electors authorized the City to collect, retain and spend a portion of 2003 property tax revenues which was in excess of the TABOR limits and would otherwise have to be refunded to the City's taxpayers. This amounted to \$2,039,130 for the period ended 2003.





## **DEBT CAPACITY STATISTICS**

These schedules provide detailed information about the City's current levels of outstanding debt, and can help the financial statement user assess the City's ability to issue additional debt in the future.

### **Exhibit A-13**

### **Ratios of Outstanding Debt by Type**

### **Exhibit A-14**

### **Ratios of Net General Obligation Bonded Debt Outstanding**

### **Exhibit A-15**

### **Direct and Overlapping Governmental Activities Debt**

### **Exhibit A-16**

### **Legal Debt Margin Information**

### **Exhibit A-17**

### **Schedules of Revenue Bond Coverage – Water, Wastewater and Golf**

Sources: Unless otherwise noted the information in these schedules is derived from Comprehensive Annual Financial Reports for the relevant years.

Exhibit A-13

City of Aurora, Colorado

Ratios of Outstanding Debt by Type

Last Ten Years

Year	Governmental Activities					Business Activities					Total Primary Government	Percentage of Personal Income (b)	Per Capita	Population (a)
	General Obligation Bonds	Revenue Bonds	Special Assessments Notes	Certificates of Participation	Tax Increment Refunding Bonds	General Obligation Bonds	Revenue Bonds	Water Rights Notes	Golf Revenue Note					
1998	\$ 16,695,000	\$ -	\$ 840,000	\$ 27,085,000	\$ 2,965,000	\$ 115,030,000	\$ 14,730,000	\$ -	\$ -	\$ 177,345,000	-	\$ 663	267,685	
1999	14,460,000	17,470,000	520,000	24,115,000	2,730,000	105,610,005	51,324,260	503,112	-	216,732,377	-	795	272,642	
2000	63,095,000	17,300,000	235,000	97,565,000	2,480,000	95,750,000	46,193,710	452,801	-	323,071,511	-	1,169	276,393	
2001	59,480,000	16,800,000	-	96,070,000	2,220,000	85,615,000	42,309,735	402,489	-	302,897,224	-	1,064	284,606	
2002	56,110,000	15,855,000	-	109,875,000	1,950,000	75,185,000	38,287,762	352,178	-	297,614,940	9.4%	1,021	291,418	
2003	52,610,000	14,865,000	-	107,430,000	1,665,000	68,410,000	91,520,896	301,867	-	336,802,763	10.7%	1,153	292,158	
2004	48,870,000	13,825,000	-	97,745,000	1,365,000	59,155,000	128,820,266	7,640,006	1,023,519	358,443,791	10.2%	1,202	298,303	
2005	44,945,000	12,730,000	1,140,000	116,165,000	1,045,000	51,635,000	223,000,126	6,698,054	813,594	458,171,774	12.3%	1,508	303,833	
2006	40,840,000	11,580,000	1,055,000	115,780,000	710,000	43,910,000	275,355,094	5,756,102	594,031	495,580,227	12.8%	1,615	306,908	
2007	36,545,000	10,375,000	1,955,000	109,495,000	-	37,275,000	691,290,919	5,269,168	364,386	892,569,473	18.9%	2,885	309,416	

Notes:

(a) Data was provided by the City's Planning Department. The population for 1997 - 1999 are intercensal estimates from the Colorado Department of Local Affairs. The population for 2000 was taken from the 2000 U.S. Census information. The population for 2001 and 2002 was provided by the Denver Regional Council of Governments (DRCOG). The population for 2003 through 2005 was provided by Clarion Associates. The population for 2006 was provided by the Aurora's Economic and Development Council.

(b) See Exhibit A-18 (Demographic and Economic) for personal income totals. Personal income data not available before the year 2002.

**City of Aurora, Colorado**

**Exhibit A-14**

**Ratios of Net General Obligation Bonded Debt Outstanding**

Last Ten Years									
Year	Population	Assessed Value	Governmental Activities	Business Activities	Gross General Obligation Bonded Debt	Less: Debt Service Fund Balance	Net General Obligation Bonded Debt	Net General Obligation Bonded Debt to Assessed Value	Net General Obligation Bonded Debt Per Capita
	(a)	(b)			(c)				
1998	267,685	\$ 1,543,816,940	\$ 16,695,000	\$ 115,030,000	\$ 131,725,000	\$ 294,476	\$ 131,430,524	8.5%	\$ 491
1999	272,642	1,887,060,350	14,460,000	105,610,005	120,070,005	446,998	119,623,007	6.3%	439
2000	276,393	1,989,977,161	63,095,000	95,750,000	158,845,000	564,549	158,280,451	8.0%	573
2001	284,606	2,329,308,450	59,480,000	85,615,000	145,095,000	464,815	144,630,185	6.2%	508
2002	291,418	2,431,312,340	56,110,000	75,185,000	131,295,000	1,394,136	129,900,864	5.3%	446
2003	292,158	2,485,169,340	52,610,000	68,410,000	121,020,000	1,260,224	119,759,776	4.8%	410
2004	298,303	2,574,961,930	48,870,000	59,155,000	108,025,000	1,298,621	106,726,379	4.1%	358
2005	303,833	2,711,108,700	44,945,000	51,635,000	96,580,000	1,484,328	95,095,672	3.5%	313
2006	306,908	2,826,728,430	40,840,000	43,910,000	84,750,000	1,304,397	83,445,603	3.0%	272
2007	309,416	3,053,911,500	36,545,000	37,275,000	73,820,000	1,669,563	72,150,437	2.4%	233

Notes:

- (a) Data was provided by the City's Planning Department. The population for 1998 - 1999 are intercensal estimates from the Colorado Department of Local Affairs. The population for 2000 was taken from the 2000 U.S. Census information. The population for 2001 and 2002 was provided by the Denver Regional Council of Governments (DRCOG). The population for 2003 through 2005 was provided by Clarion Associates. The population for 2006 was provided by Aurora's Economic and Development Council.
- (b) Does not include tax increment financing district assessed valuation of: \$3,628,490 - 1998; \$8,090,420 - 1999; \$8,728,579 - 2000; \$8,168,440 - 2001; \$6,685,640 - 2002; \$5,813,860 for 2003; \$4,720,910 for 2004; \$5,164,460 for 2005; \$5,453,930 for 2006; and \$6,202,670 for 2007. Data obtained from Certifications of Valuation provided by Adams, Arapahoe and Douglas Counties.
- (c) Gross general obligation bonded debt includes general obligation bonds supported by General Fund revenues and general obligation water bonds which are paid for from Water Fund revenues but are a contingent general obligation of the City. Includes General Obligation Bonds Series 2000 and General Obligation Refunding Bonds Series 2003 which are excluded from the debt limit calculation per Section 11-19-1 of the City Charter.

**City of Aurora**

**Exhibit A-15**

**Direct and Overlapping Governmental Activities Debt**

December 31, 2007

<b>Jurisdiction</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable (d)</b>	<b>Estimated Share of Overlapping Debt</b>
<i>Direct:</i>			
City of Aurora (a)			\$ 158,370,000
<i>Overlapping:</i>			
<b>Debt repaid with property taxes</b>			
Aurora Public School District			
General obligation bonds (b)	204,270,000	94.09%	192,197,643
Cherry Creek School District			
General obligation bonds (b)	371,706,083	27.35%	101,661,614
Other debt	5,165,000	27.35%	1,412,628
Arapahoe County			
Revenue bonds	1,790,000	31.63%	566,177
Other debt	72,795,373	31.63%	23,025,176
Other overlapping entities (c)			
General obligation bonds (b)	1,331,346,438	35.54%	473,146,928
Other debt	40,221,953	23.38%	9,405,077
<b>Debt repaid from other sources (e)</b>			
Other overlapping entities (c)			
Revenue bonds	2,544,746,634	4.61%	117,406,002
Other debt	468,265,745	8.24%	38,604,088
Total overlapping debt:			957,425,333
Total Direct and Overlapping Debt			\$ 1,115,795,333

**Notes:**

- (a) Includes all governmental activities debt of the City of Aurora such as, general obligation bonds, revenue bonds, certificates of participation, special assessments, and tax increment revenue bonds.
- (b) General obligation debt outstanding is the net of general obligation debt less any monies reserved for the retiring of these general obligation bonds, such as sinking funds or debt service reserve funds.
- (c) More than 200 other taxing entities overlap the City in whole or in part and nearly 60 of those have issued some form of debt. Examples of overlapping taxing entities that are metro area-wide and have issued debt include but are not limited to, the Regional Transportation District, the E-470 Public Highway Authority, the Arapahoe Library District, and South Metro Fire Rescue. Debt issuing overlapping taxing entities primarily in the City of Aurora include Southlands Metropolitan District No. 1, Sand Creek Metropolitan District, and Eagle Bend Metropolitan District No. 2.
- (d) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value. This approach was also used for all debt paid from other sources.
- (e) This category includes any remaining debt held by overlapping entities which is paid from sources other than property taxes (e.g., sales tax, tolls, facility fees, etc.).

**City of Aurora, Colorado**

**Exhibit A-16**

**Legal Debt Margin Information**

In accordance with Aurora Charter Article XI

**Legal Debt Margin Calculation for Fiscal Year 2007**

Assessed valuation, all Counties: (a)	\$	3,053,911,500	
Debt limit - 3% of assessed valuation			91,617,345
Amount of debt outstanding: (b)			
Total bonded debt		775,485,919	
Other debt		120,624,450	
Total			896,110,369
Less: Fund balance in debt service funds		1,669,563	
Other deductions allowed by law:			
General obligation bonds exempt from limit		32,150,000	(c)
General obligation water bonds		37,275,000	
Capitalized lease obligations		3,540,894	
Certificates of participation		109,495,000	
Revenue notes		2,319,387	
Water rights		5,269,168	
Revenue bonds		701,665,919	
Total deductions			893,384,931
Total amount of debt applicable to debt limit			2,725,438
Legal Debt Margin			88,891,907 (d)

	<b><u>Last Ten Fiscal Years</u></b>									
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Debt limit	46,314,508	56,611,811	59,699,315	69,879,254	72,939,370	74,555,080	77,248,858	81,333,261	84,801,853	91,617,345
Total net debt applicable to limit	12,534,328	10,489,600	9,346,598	8,331,807	7,324,379	6,004,776	5,296,379	4,410,672	3,855,603	2,725,438
Legal debt margin	33,780,180	46,122,211	50,352,717	61,547,447	65,614,991	68,550,304	71,952,479	76,922,589	80,946,250	88,891,907
Total net debt applicable to the limit as a percentage of debt limit	27.1%	18.5%	15.7%	11.9%	10.0%	8.1%	6.9%	5.4%	4.5%	3.0%

(a) Does not include assessed valuation of tax increment financing district.

(b) Does not include related debt outstanding of tax increment financing district.

(c) These bonds are exempt from the general obligation debt limit by voter approval and per Section 11-19-1 of the City Charter.

(d) Article X, Section 20(4)(b) of the Colorado Constitution requires the City to receive voter approval in advance for the creation of any multiple fiscal year direct or indirect debt or other financial obligation, regardless of whether or not the City is at its legal debt margin. Typically, voter approval of additional debt includes a provision exempting the new debt from the debt margin. Consequently, the computation of the City's legal debt margin has little real significance.

Enterprises, as defined in Article X, Section 20(2)(d) of the Colorado Constitution, are not required to receive voter approval. An "enterprise" is a city-owned business authorized to issue its own revenue bonds and receiving under 10% of annual revenues in grants from all Colorado state and local governments combined.

## City of Aurora, Colorado

## SCHEDULE OF WATER REVENUE BOND COVERAGE

Last Ten Years

Debt Service Requirements															
												Coverage Ratios (g)			
			Net Revenue Available For Debt Service	First Lien Revenue Obligations (c)		First & Second Lien Revenue Obligations (d)		Debt Secured by Net Pledged Revenues (e)		Debt Payable from System Revenues (f)					
Year	Gross Revenue (a)	Expenses (b)		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	(c)	(d)	(e)	(f)
1998	\$ 41,519,310	\$ 12,894,040	\$ 28,625,270	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,082,960	\$ 5,218,641	-	-	-	2.00
1999	47,467,930	15,578,617	31,889,313	-	37,500	-	37,500	-	37,500	9,457,502	4,844,044	850.38	850.38	850.38	2.23
2000	51,883,165	16,707,759	35,175,406	821,104	158,388	821,104	158,388	871,415	183,543	10,731,415	4,495,288	35.91	35.91	33.34	2.31
2001	63,681,217	21,965,001	41,716,216	837,204	445,986	837,204	445,986	887,515	468,626	11,022,515	4,460,819	32.51	32.51	30.76	2.69
2002	61,869,563	21,961,421	39,908,142	858,670	519,414	858,670	519,414	908,981	539,539	11,338,981	4,198,052	28.96	28.96	27.55	2.57
2003	67,083,106	28,694,146	38,388,960	885,504	495,735	885,504	495,735	935,815	513,344	7,130,815	3,823,128	27.79	27.79	26.49	3.50
2004	87,939,198	35,214,632	52,724,566	906,970	2,449,544	906,970	3,565,100	1,848,922	2,688,553	11,103,922	4,983,223	15.71	11.79	11.62	3.28
2005	120,569,923	45,166,591	75,403,332	3,458,804	2,934,269	3,458,804	3,960,158	4,400,756	4,309,474	11,920,756	6,246,059	11.79	10.16	8.66	4.15
2006	130,689,742	42,814,760	87,874,982	3,530,638	6,598,664	3,530,638	7,942,664	4,472,590	8,322,149	12,197,590	10,074,561	8.68	7.66	6.87	3.95
2007	146,607,372	48,913,130	97,694,242	3,607,104	7,244,069	3,607,104	8,830,807	4,549,056	9,118,612	11,184,056	10,664,088	9.00	7.85	7.15	4.47

Note: Includes long-term debt payable from Water revenues, including General Obligation bonds, Revenue bonds, and Water Notes Payable. Debt service requirements represent annual amounts as opposed to the maximum annual amount. Therefore, coverage ratios on this schedule will not match ratios in the Debt Continuing Disclosure section.

- (a) Includes charges for services and other operating revenues, tap and development fees, and interest income. Excludes fair value adjustment and annexation fees.
- (b) Includes operating expenses such as personal services, supplies and other services and charges. Excludes depreciation expense.
- (c) Includes the City's portion of the Colorado Water Resources and Power Development Authority's Drinking Water Bonds Series 1999A and 2005D and the City's First Lien Water Improvement Revenue Bonds Series 2007 and 2003A. The legal covenant for debt service coverage is 1.20.
- (d) Includes (c) above and Second Lien Water Improvement Revenue Bonds Series 2004A. The legal covenant for debt service coverage is 1.05.
- (e) Includes (d) above and all Water Rights Notes Payable. The legal covenant for debt service coverage is 1.05.
- (f) Includes (e) above and General Obligation Water Bonds which are payable from revenues of the system but are not secured by the Net Pledged Revenues. The legal covenant for debt service coverage is 1.00.
- (g) Net Revenue Available for Debt Service divided by Total Debt Service Requirements for "c", "d", "e" and "f", respectively.

(continued)

**City of Aurora, Colorado**

**Exhibit A-17**

**SCHEDULE OF WASTEWATER REVENUE BOND COVERAGE**

Last Ten Years

Year	Gross Revenue (a)		Expenses (b)	Net Revenue Available For Debt Service	Debt Service Requirements (c)			Coverage Ratio (d)					
					Principal	Interest	Total						
1998	\$	24,722,245	\$	14,678,050	\$	10,044,195	\$	2,170,000	\$	439,697	\$	2,609,697	3.85
1999		26,420,990		16,534,343		9,886,647		2,275,000		348,142		2,623,142	3.77
2000		27,764,451		16,986,157		10,778,294		4,044,451		692,984		4,737,435	2.28
2001		31,838,320		17,620,275		14,218,045		2,766,772		942,533		3,709,305	3.83
2002		30,971,483		19,018,629		11,952,854		2,868,303		865,023		3,733,326	3.20
2003		32,061,284		20,976,324		11,084,960		1,426,362		756,247		2,182,609	5.08
2004		34,241,386		21,806,876		12,434,510		1,458,658		725,224		2,183,882	5.69
2005		38,358,057		24,623,664		13,734,393		1,496,335		683,337		2,179,672	6.30
2006		44,101,003		26,130,780		17,970,223		1,539,395		1,250,162		2,789,557	6.44
2007		50,582,848		28,794,436		21,788,412		1,577,073		3,347,387		4,924,460	4.42

Notes: Includes long-term debt payable from Sewer revenues, including revenue bonds.

- (a) Includes charges for services and other operating revenues, tap and development fees, and interest income. Excludes fair value adjustment and annexation fees.
- (b) Includes operating expenses such as personal services, supplies and other services and charges. Excludes depreciation expense.
- (c) The Debt Service Requirements consist of the First Lien Sewer Improvement Revenue Bonds, Series 2006, and the Colorado Water Resources and Power Development Authority's Clean Water Revenue Bonds, Series 1999A.
- (d) Net Revenue Available for Debt Service divided by Total Debt Service Requirements. The legal covenant for debt service coverage is 1.20.

(continued)

**City of Aurora, Colorado**

**Exhibit A-17**

**SCHEDULE OF GOLF REVENUE BOND COVERAGE**

Last Nine Years											
Year	Gross Revenue (b)	Operating & Maintenance Expenses (c)	Net Revenue Available For Debt Service	Senior Debt Service Requirements (a)				Subordinate Debt Service Requirements (a)			
				Principal	Interest	Total	Coverage Ratio (d)	Principal	Interest	Total	Coverage Ratio (e)
1998	\$ 6,534,361	\$ 4,572,949	\$ 1,961,412	\$ 245,000	\$ 415,538	\$ 660,538	2.97	\$ -	\$ 30,444	\$ 30,444	42.73
1999	8,571,543	6,065,401	2,506,142	255,000	404,268	659,268	3.80	-	315,688	315,688	5.85
2000	8,548,231	7,345,386	1,202,845	265,000	391,773	656,773	1.83	-	369,546	369,546	1.48
2001	9,635,480	7,457,920	2,177,560	280,000	378,257	658,257	3.31	256,000	371,987	627,987	2.42
2002	9,594,529	7,477,569	2,116,960	295,000	363,558	658,558	3.21	256,000	304,248	560,248	2.60
2003	8,710,254	7,470,858	1,239,396	315,000	347,628	662,628	1.87	256,000	227,021	483,021	1.19
2004	8,715,486	7,596,567	1,118,919	436,481	357,055	793,536	1.41 (f)	256,000	174,862	430,862	0.76
2005	9,083,314	7,452,160	1,631,154	524,924	311,925	836,849	1.95	256,000	184,687	440,687	1.80
2006	9,331,298	7,966,640	1,364,658	584,563	208,773	793,336	1.72	256,000	219,261	475,261	1.20
2007	9,932,252	8,294,101	1,638,151	604,644	185,917	790,561	2.07	256,000	241,595	497,595	1.70

Notes: Includes long-term debt payable from Golf revenues, including Revenue bonds and long-term interfund payables. Debt service requirements represent annual amounts as opposed to the maximum annual amount. Therefore, coverages ratios on this schedule will not match ratios in the Debt Continuing Disclosure section.

(a) The Senior Debt Service Requirement consists of the 1995 Golf Revenue Bonds and, beginning in 2004, the 2004 Golf Revenue Note. In 2005 the 1995 Golf Revenue Bonds were replaced by the 2005 Golf Revenue Refunding Bonds. The Subordinate Debt Service Requirement is the 1995 Interfund Loan Payable to the Wastewater Fund.

(b) Includes operating revenues, investment income, miscellaneous non-operating revenues, annexation fees and golf lot premium fees. Excludes fair value adjustment.

(c) Includes operating expenses such as personal services, supplies, other services and charges, and for 2001 and after, the principal and interest on the golf cart capital leases. Excludes depreciation expense.

(d) Net Revenue Available for Debt Service divided by Total Senior Debt Service Requirements. For years beginning with 2005, the legal covenant for debt service coverage is 1.35.

(e) Net Revenue Available for Debt Service less Total Senior Debt Service Requirements, divided by Total Subordinate Debt Service Requirements. For years beginning with 2005, the legal covenant for debt service coverage is 1.00.

(f) Golf was in compliance with the covenants under the 1995 bond agreement which required them to bring in a consultant to analyze the rate structure in any year in which they fail to meet the rate maintenance requirement. A consultant was hired during 2004 and the rate structure was adjusted in accordance with the recommendations for 2005.

(concluded)





## **DEMOGRAPHIC AND ECONOMIC STATISTICS**

These schedules present demographic and economic indicators to assist the financial statement user in understanding the environment in which the City's financial activities occur.

### **Exhibit A-18**

### **Demographic and Economic Statistics**

### **Exhibit A-19**

### **Principal Employers, Current Year and Nine Years Ago**

Sources: Unless otherwise noted the information in these schedules is derived from Comprehensive Annual Financial Reports for the relevant years.

**Exhibit A-18**

**City of Aurora, Colorado**

**Demographic and Economic Statistics**

Last Ten Years

Year	General Population (a)	Personal Income (b)	Aurora Labor Force Population (c)	Personal Income Per Capita (Labor Force)	Unemployment Rate (d)
1998	267,685	\$ -	-	\$ -	3.0%
1999	272,642	-	-	-	2.5%
2000	276,393	-	-	-	2.2%
2001	284,606	-	-	-	3.5%
2002	291,418	3,159,127,720	165,200	19,123	6.1%
2003	292,158	3,156,972,760	168,276	18,761	6.6%
2004	298,303	3,524,922,668	160,148	22,010	6.9%
2005	303,833	3,728,443,396	168,139	22,175	5.2%
2006	306,908	3,875,932,660	171,065	22,658	5.3%
2007	309,416	4,725,828,136	173,158	27,292	4.8%

Notes:

- (a) Data was provided by the City's Planning Department. The population for 1997 - 1999 are intercensal estimates from the Colorado Department of Local Affairs. The population for 2000 was taken from the 2000 U.S. Census information. The population for 2001 and 2002 was provided by the Denver Regional Council of Governments (DRCOG). The population for 2003 through 2005 was provided by Clarion Associates. The population for 2006 and 2007 was provided by Aurora's Economic and Development Council.
- (b) Data was provided by the City's Planning Department. Personal income totals not available before 2002. Personal income totals provided to the City by the State of Colorado, Department of Labor and Employment, Quarterly Census of Employment and Wages. These totals are based on data provided to the State by businesses (for unemployment purposes) and do not include businesses with 3 or less employees.
- (c) Data provided by the City's Planning Department through the Colorado Department of Labor and Employment. Totals include any person working within the City of Aurora, sixteen years of age or older.
- (d) Data was provided by the City's Planning Department. Source - Colorado Department of Labor and Employment.

**Exhibit A-19****City of Aurora, Colorado****Top Ten Principal Employers****Current Year and Nine Years Ago**

<u>Employer</u>	2007			1998		
	<u>Employees</u>	<u>Rank</u>	(b) Percentage of Total City <u>Employment</u>	<u>Employees</u>	<u>Rank</u>	(b) Percentage of Total City <u>Employment</u>
Buckley Air Force Base (a)	12,817	1	11.36%	8,000	1	8.99%
City of Aurora	3,826	2	3.39%	2,315	3	2.60%
Aurora Public Schools	3,786	3	3.36%	2,832	2	3.18%
Univ. of CO at Denver and Health Sciences Center	3,300	4	2.93%			
Cherry Creek Public Schools	2,854	5	2.53%	1,262	5	1.42%
Raytheon	2,600	6	2.30%	1,330	4	1.50%
ADT Security Systems	1,585	7	1.40%	1,200	6	1.35%
Kaiser Permanente	1,493	8	1.32%	1,140	7	1.28%
University of Colorado Hospital	1,458	9	1.29%			
Healthone Medical Center of Aurora	1,380	10	1.22%	1,000	9	1.12%
OEA, Inc.				1,100	8	1.24%
US West				925	10	1.04%

Note: Data provided by the Aurora Economic Development Council and the City of Aurora unless otherwise noted. This schedule does not include retail sector employers.

(a) Data provided by the Department of Defense. Buckley Air Force Base Includes: Air Force, Army, Marines, Navy, Dept. of Defense (civilians), Air National Guard, Active Duty Reserves, and other civilian employees.

(b) Total City employment for 2007 was 112,816 and for 1998 was 88,947. Provided by the City's Planning Department.

## **OPERATING STATISTICS**

These schedules contain service and infrastructure data to help the financial statement user understand how the information in the City's financial statements relates to the services the City provides.

<b><u>Exhibit A-20</u></b>	<b>Budgeted Full-time Equivalent City Government Employees by Function</b>
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<b><u>Exhibit A-21</u></b>	<b>Operating Indicators by Function</b>
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<b><u>Exhibit A-22</u></b>	<b>Capital Asset Statistics by Function</b>
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Sources: Unless otherwise noted the information in these schedules is derived from Comprehensive Annual Financial Reports for the relevant years.

**City of Aurora, Colorado**

**Exhibit A-20**

**Budgeted Full-time Equivalent City Government Employees by Function**

		Last Ten Years									
		1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>General Government</b>											
	City Council	13.00	13.00	13.00	13.00	13.00	14.00	14.00	13.00	13.00	14.00
	Finance	49.65	52.30	54.30	54.30	54.50	57.50	60.50	60.50	60.00	63.00
	General Management (b)	28.50	39.50	41.50	44.50	42.50	40.50	44.80	131.80	125.30	127.80
	Human Resources (a)	-	-	-	-	29.00	28.00	27.00	26.00	24.00	24.00
	Information Technology	38.75	38.00	39.00	41.00	49.00	48.00	45.00	43.00	43.00	47.00
	Internal Services (b)	86.00	86.00	87.00	84.00	92.00	95.00	92.00	-	-	-
	Planning	39.12	40.10	42.10	42.12	49.12	49.12	46.12	45.12	44.10	45.10
<b>Judicial</b>											
	City Attorney	44.00	44.50	48.50	49.50	49.00	50.00	50.00	50.00	50.00	51.00
	Court Administration (c)	67.50	69.50	74.50	74.50	71.50	124.00	125.00	125.00	125.00	126.00
	Public Defender	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	8.00	8.00
<b>Police</b>		745.30	754.00	763.00	775.00	797.00	787.00	732.00	740.00	759.00	773.00
<b>Fire</b>		313.30	320.00	327.00	333.00	356.00	346.00	318.00	309.00	325.00	329.00
<b>Other Public Safety (d)</b>		-	-	-	-	4.00	4.00	70.00	70.00	78.00	85.00
<b>Public Works</b>		173.00	176.00	180.00	183.00	189.00	189.00	186.00	185.00	185.00	196.00
<b>Community Services</b>											
	Neighborhood Services	126.95	135.20	147.20	158.20	178.20	177.20	163.60	165.60	160.50	158.50
	Parks & Open Space	179.40	198.40	212.90	220.40	199.80	203.30	196.30	193.50	187.50	202.80
<b>Culture and Recreation</b>		180.60	180.80	180.70	185.00	187.80	198.20	187.80	182.00	177.00	183.50
<b>Water</b>		143.31	149.30	154.80	156.75	167.25	183.16	195.37	206.00	241.00	258.15
<b>Wastewater</b>		79.69	83.80	87.30	91.25	98.75	101.84	108.63	123.00	134.00	144.85
<b>Total</b>		2,315.07	2,387.40	2,459.80	2,512.52	2,634.42	2,702.82	2,669.12	2,675.52	2,739.40	2,836.70

Data was provided by the City of Aurora Office of Budget and Financial Planning.

Notes: (a) Prior to 2002, Human Resources FTEs had been included in Internal Services.

(b) Internal Services positions included in General Management starting 2005.

(c) Positions for detention center moved from Police and included in Court Administration beginning 2003.

(d) Additional positions created for the communications center beginning in 2004.

**City of Aurora, Colorado**

**Exhibit A-21**

**Operating Indicators by Function**

Last Ten Years

Incorporation: May 5, 1903 under the name of Fletcher and later incorporated as the Town of Aurora on February 20, 1907  
 Date First Charter Adopted: 1961  
 Form of Government: Council - Manager

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>General Government</b>										
<i>Building Permits: Data provided by COA Building Code Division</i>										
Permits Issued (a)	5,133	8,271	4,972	4,189	9,701	9,034	9,920	10,121	10,037	9,538
Value of Buildings (millions)	346	378	423	481	614	530	750	897	777	992
<i>Tax &amp; Licensing: Data provided by COA Tax &amp; Licensing Division</i>										
New business licenses	2,653	2,116	2,277	2,509	3,280	2,897	2,661	2,099	2,183	2,333
<b>Police Protection: Data provided by COA Police Department</b>										
Number of Law Violations (Part I Crime) (b)	14,529	14,303	15,526	17,224	18,206	17,050	16,895	16,506	14,872	13,583
Total calls dispatched & officer initiated	-	140,035	143,668	157,653	254,153	168,712	276,441	288,682	300,953	317,442
Total moving violations	-	35,755	37,080	40,142	41,631	41,834	40,841	44,487	42,801	49,043
Total parking violations	-	6,310	6,543	8,914	8,697	8,054	6,713	7,898	7,433	9,164
<b>Fire Protection: Data provided by COA Fire Department</b>										
Number of fire inspections	(c)	(c)	(c)	(c)	7,506	7,665	8,111	7,639	7,845	8,723
Total Fire calls (Fire, EMS, other)	(c)	(c)	(c)	(c)	23,268	24,042	23,857	26,011	26,870	29,839
Haz Mat calls	(c)	(c)	(c)	(c)	47	39	42	34	20	35
<b>Community Services: Data provided by COA Neighborhood Services Department</b>										
Total number of Code Enforcement Inspections	(d)	61,162	68,639	72,465	80,745	84,127	90,382	86,477	84,599	89,493
<b>Culture and Recreation: Data provided by COA Library, Recreation and Cultural Services Department</b>										
Library items circulated	(e)	(e)	(e)	(e)	(e)	1,001,651	1,136,356	1,152,630	1,173,261	1,163,463
Library patron visits	(e)	(e)	(e)	(e)	(e)	850,525	891,831	926,497	1,036,513	1,213,191
Recreational classes offered	(e)	(e)	(e)	(e)	(e)	7,407	8,013	8,363	8,229	7,697
Recreational attendance	(e)	(e)	(e)	(e)	(e)	314,485	306,898	289,539	286,292	278,216
Cultural services in house program attendance	(e)	(e)	(e)	(e)	(e)	221,464	174,673	186,783	186,976	124,916

Notes:

- (a) Beginning in 2002, permit total also includes plumbing, heating, life safety and electrical for existing residential and non-residential structures. This expanded category was not included prior to 2002.
- (b) Part I crime includes both violent and property crime.
- (c) Data not available before 2002.
- (d) Data not available in 1998.
- (e) Data not available before 2003.

**Exhibit A-22**

**City of Aurora, Colorado**

**Capital Asset Statistics by Function**

	Last Ten Years									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Police Protection: Data provided by COA Police Department</b>										
Patrol Vehicles	123	127	132	138	138	138	156	165	167	167
Detention Facilities (a)	1	1	1	1	1	1	1	1	1	1
<b>Fire Protection: Data provided by COA Fire Department</b>										
Number of Fire Stations	11	11	12	12	12	13	13	13	15	15
<b>Public Works: Data provided by COA Public Works Department</b>										
Miles of Improved Streets (center-line miles)	875	915	915	1,009	1,014	1,054	1,095	1,118	1,172	1,174
Tons of asphalt for patching & overlay	103,656	108,801	132,020	131,198	175,213	170,422	181,211	171,108	179,125	188,037
Square yards of street repair & overlay (b)	1,161,665	1,092,990	1,444,905	1,389,791	1,316,000	1,502,523	1,459,415	976,199	1,383,276	1,342,659
<b>Culture and Recreation: Data provided by COA Parks and Open Space Department</b>										
Number of Playgrounds	64	65	65	65	65	65	75	78	79	79
Number of Golf Courses	6	6	7	7	7	7	7	7	7	7
Number of Swimming Pools	10	10	10	10	10	10	10	10	10	10
Parks - Number of Acres (c)	7,370	7,380	7,400	7,400	7,700	7,700	7,937	8,045	8,627	8,630
<b>Water: Data provided by COA Aurora Water Department</b>										
Number of Water Taps (d)	60,393	61,366	63,409	64,845	65,933	67,953	70,709	70,759	76,240	76,422
Miles of water mains constructed (e)	32	32	42	35	35	35	54	63	52	25
<b>Wastewater: Data provided by COA Aurora Water Department</b>										
Number of Sanitary Sewer Taps (d)	65,455	67,011	68,840	70,777	72,920	74,616	76,901	79,974	82,754	84,384
Miles of Sanitary Sewer constructed (e)	12	18	23	21	27	24	25	47	38	10

(a) As of 2003, this facility now falls under courts.

(b) These totals include the following: reconstructive patching, in-place patching, slurry seal, chip seal and reconstructive planing. All work performed through the Capital Projects Fund by contract.

(c) Includes parks, golf courses and open space. Beginning in 2004, the Parks & Open Space Department revised the methodology used to calculate totals.

(d) Total includes inactive and stubbed taps.

(e) Total includes newly constructed mains during the period.







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## Other Schedules

Miscellaneous Schedules

Debt Continuing Disclosures

## **MISCELLANEOUS SCHEDULES (unaudited)**

***Exhibit B-1      Schedule of Indebtedness – All Funds***

This schedule provides a summary of all outstanding debt of the City at year-end.

***Exhibit B-2      Schedule of Debt Service Requirements – Governmental Activities***

This schedule provides a summary of all debt service requirements to maturity by revenue source for all governmental funds and internal service funds.

***Exhibit B-3      Schedule of Debt Service Requirements – Business-type Activities***

This schedule provides a summary of all debt service requirements to maturity by revenue source for all business-type activities – enterprise funds.

***Exhibit B-4      Schedule of Conduit Debt Outstanding***

This schedule provides a summary of revenue bonds issued by the City to provide functional assistance to private sector and non-profit entities.

***Exhibit B-5      Schedule of Debt Ratings***

This schedule lists the debt rating on applicable outstanding debt.

***Exhibit B-6      Schedule of Pooled Investments***

This schedule lists the investments held by the City in its pooled accounts at year-end.

***Exhibit B-7      Local Highway Finance Report***

This report is required for all local governments that receive highway user taxes from the State of Colorado.

***Exhibit B-8      Schedule of Insurance Coverages***

This schedule provides a summary of City insurance policies.

***Exhibit B-9      Forecast Schedules – General Fund, Policy Reserve Fund and TABOR Reserve Fund***

These schedules provide forecasted financial information for the above-referenced funds.

**EXHIBIT B-1**
**CITY OF AURORA, COLORADO**
**SCHEDULE OF INDEBTEDNESS - ALL FUNDS (unaudited)**  
**DECEMBER 31, 2007**

	Interest Rates	Dates		Debt		
		Issue	Maturity	Authorized and Issued	Outstanding	Current Maturities
<b>GENERAL OBLIGATION DEBT</b>						
Supported by dedicated property tax						
Alameda and I-225 Interchange	4.50 - 4.80%	06/01/98	2008 - 2012	\$ 10,000,000	\$ 4,395,000	\$ 800,000
Libraries, parks, public safety	4.60 - 5.00%	12/01/00	2008 - 2015	50,100,000	31,265,000	3,265,000
Public safety refunding	2.00 - 3.00%	10/01/03	2008 - 2009	2,530,000	885,000	435,000
Unamortized premium				—	3,260	—
Unamortized discount				—	(1,241)	—
Total supported by dedicated property tax				62,630,000	36,547,019	4,500,000
Supported by Water Fund revenues						
General obligation refunding	2.00 - 4.00%	10/01/03	2008 - 2014	62,775,000	37,275,000	6,840,000
Unamortized premium				—	640,414	—
Unamortized discount				—	(121,157)	—
Total supported by Water Fund revenues				62,775,000	37,794,257	6,840,000
<b>REVENUE BONDS</b>						
Supported by General Fund revenues						
Sports Park	4.75 - 5.125%	07/29/99	2008 - 2014	17,470,000	10,375,000	1,270,000
Supported by Water Fund revenues						
Governmental agency	4.75 - 4.875%	05/01/99	2008 - 2014	14,999,899	7,813,901	1,008,938
First-Lien Water Revenue	2.00 - 5.00%	10/15/03	2008 - 2021	55,860,000	48,140,000	2,700,000
Second-Lien Water Revenue	Auction rate	04/22/04	2021 - 2033	40,000,000	40,000,000	—
Governmental agency	3.20 - 5.00%	09/29/05	2011 - 2025	100,000,000	100,000,000	—
First-Lien Water Revenue	4.75 - 5.00%	07/11/07	2020 - 2039	421,495,000	421,495,000	—
Unamortized premium				—	16,715,065	—
Unamortized discount				—	(380,939)	—
Total supported by Water Fund revenues				632,354,899	633,783,027	3,708,938
Supported by Wastewater Fund revenues						
Governmental agency	5.00 - 5.125%	07/01/99	2008 - 2014	24,124,366	12,482,018	1,620,132
First-Lien Sewer Revenue	4.00 - 5.00%	04/25/06	2008 - 2036	57,790,000	57,790,000	1,005,000
Unamortized premium				—	1,416,060	—
Unamortized discount				—	(190,954)	—
Total supported by Wastewater Fund revenues				81,914,366	71,497,124	2,625,132
Supported by Golf Fund revenues						
Golf Course Enterprise System refunding	3.375 - 4.375%	07/26/05	2008 - 2015	4,625,000	3,570,000	385,000
Unamortized discount				—	(38,305)	—
Unamortized deferred amount on refunding				—	(105,975)	—
Total supported by Golf Fund revenues				4,625,000	3,425,720	385,000
<b>NOTES</b>						
Supported by Water Fund revenues						
Water Rights No. R/B-I-One	5.00%	11/19/99	2008 - 2009	253,987	50,796	25,399
Water Rights No. R/B-I-Two	5.00%	11/19/99	2008 - 2009	249,125	49,827	24,912
Water Rights Rocky Ford II	5.00%	various 2004	2008 - 2019	8,280,091	5,168,545	455,019
Total supported by Water Fund revenues				8,783,203	5,269,168	505,330
Supported by Golf Fund revenues						
Series 2004 Golf Revenue Note	4.54%	5/18/04	2008 - 2009	1,125,000	364,386	240,189
Supported by Special Assessments						
Special Improvement District - Dam West	4.89%	10/20/05	2008 - 2015	1,140,000	880,000	70,000
Special Improvement District - Ptarmigan Fence	5.00%	11/28/07	2008 - 2017	1,075,000	1,075,000	55,000
Total supported by Special Assessments				2,215,000	1,955,000	125,000
<b>INCLUDABLE ENTITIES</b>						
ACLIC certificates of participation	3.00 - 4.375%	05/01/02	2008 - 2013	15,380,000	9,055,000	1,360,000
ACLIC certificates of participation - refunding	3.00 - 3.25%	10/15/04	2008 - 2009	8,750,000	4,175,000	1,625,000
ACLIC certificates of participation	2.50 - 3.625%	03/01/05	2008 - 2014	23,395,000	17,810,000	2,190,000
ACLIC certificates of participation-refunding	4.00 - 5.00%	02/07/06	2008 - 2015	20,290,000	17,540,000	1,045,000
ACLIC certificates of participation-refunding	3.943%	02/10/06	2016 - 2030	60,915,000	60,915,000	—
Unamortized premium				—	823,526	—
Unamortized discount				—	(440,941)	—
Unamortized deferred amount on refunding				—	(5,467,389)	—
Total supported by includable entities				128,730,000	104,410,196	6,220,000
TOTAL INDEBTEDNESS				\$ 1,002,622,468	\$ 905,420,897	\$ 26,419,589

## EXHIBIT B-2

## CITY OF AURORA, COLORADO

SCHEDULE OF DEBT SERVICE REQUIREMENTS (unaudited)  
 GOVERNMENTAL ACTIVITIES  
 DECEMBER 31, 2007

Year	General Obligation Bonds Supported by General Fund Revenues		Revenue Bonds Supported by General Fund Revenues		Capitalized Leases Supported by General Fund Revenues	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 4,500,000	\$ 1,714,500	\$ 1,270,000	\$ 490,774	\$ 948,320	\$ 107,075
2009	4,715,000	1,516,783	1,335,000	425,649	938,307	71,402
2010	4,480,000	1,307,933	1,400,000	357,274	711,777	37,368
2011	4,705,000	1,101,853	1,475,000	285,399	431,969	10,882
2012	4,940,000	882,610	1,550,000	209,774	—	—
<b>2008-2012</b>	<b>23,340,000</b>	<b>6,523,679</b>	<b>7,030,000</b>	<b>1,768,870</b>	<b>3,030,373</b>	<b>226,727</b>
2013	4,185,000	647,480	1,630,000	129,459	—	—
2014	4,400,000	446,600	1,715,000	43,947	—	—
2015	4,620,000	231,000	—	—	—	—
2016	—	—	—	—	—	—
2017	—	—	—	—	—	—
<b>2013-2017</b>	<b>13,205,000</b>	<b>1,325,080</b>	<b>3,345,000</b>	<b>173,406</b>	—	—
2018	—	—	—	—	—	—
2019	—	—	—	—	—	—
2020	—	—	—	—	—	—
2021	—	—	—	—	—	—
2022	—	—	—	—	—	—
<b>2018-2022</b>	—	—	—	—	—	—
2023	—	—	—	—	—	—
2024	—	—	—	—	—	—
2025	—	—	—	—	—	—
2026	—	—	—	—	—	—
2027	—	—	—	—	—	—
<b>2023-2027</b>	—	—	—	—	—	—
2028	—	—	—	—	—	—
2029	—	—	—	—	—	—
2030	—	—	—	—	—	—
2031	—	—	—	—	—	—
2032	—	—	—	—	—	—
<b>2028-2032</b>	—	—	—	—	—	—
Totals	<u>\$ 36,545,000</u>	<u>\$ 7,848,759</u>	<u>\$ 10,375,000</u>	<u>\$ 1,942,276</u>	<u>\$ 3,030,373</u>	<u>\$ 226,727</u>

Notes Payable Supported by SID Revenues		Certificates of Participation Supported by ACLC Revenues		Total Principal and Interest Requirements to Maturity
Principal	Interest	Principal	Interest	
\$ 125,000	\$ 79,814	\$ 6,220,000	\$ 3,933,699	\$ 19,389,182
120,000	89,487	7,340,000	3,721,949	20,273,577
115,000	83,498	6,170,000	3,469,174	18,132,024
120,000	77,759	6,430,000	3,241,084	17,878,946
120,000	71,770	6,705,000	2,998,299	17,477,453
<b>600,000</b>	<b>402,328</b>	<b>32,865,000</b>	<b>17,364,205</b>	<b>93,151,182</b>
115,000	65,781	8,305,000	2,736,593	17,814,313
120,000	59,917	4,545,000	2,363,043	13,693,507
860,000	53,928	2,865,000	2,226,543	10,856,471
105,000	12,000	3,010,000	2,083,293	5,210,293
110,000	6,625	3,135,000	1,980,351	5,231,976
<b>1,310,000</b>	<b>198,251</b>	<b>21,860,000</b>	<b>11,389,823</b>	<b>52,806,560</b>
45,000	1,125	3,265,000	1,873,134	5,184,259
—	—	3,400,000	1,761,471	5,161,471
—	—	3,540,000	1,645,191	5,185,191
—	—	3,685,000	1,524,123	5,209,123
—	—	3,840,000	1,398,096	5,238,096
<b>45,000</b>	<b>1,125</b>	<b>17,730,000</b>	<b>8,202,015</b>	<b>25,978,140</b>
—	—	3,995,000	1,266,768	5,261,768
—	—	4,170,000	1,130,139	5,300,139
—	—	4,335,000	987,525	5,322,525
—	—	4,520,000	839,268	5,359,268
—	—	4,705,000	684,684	5,389,684
—	—	<b>21,725,000</b>	<b>4,908,384</b>	<b>26,633,384</b>
—	—	4,900,000	523,773	5,423,773
—	—	5,100,000	356,193	5,456,193
—	—	5,315,000	181,773	5,496,773
—	—	—	—	—
—	—	—	—	—
—	—	<b>15,315,000</b>	<b>1,061,739</b>	<b>16,376,739</b>
<b>\$ 1,955,000</b>	<b>\$ 601,704</b>	<b>\$ 109,495,000</b>	<b>\$ 42,926,166</b>	<b>\$ 214,946,005</b>

## EXHIBIT B-3

## CITY OF AURORA, COLORADO

SCHEDULE OF DEBT SERVICE REQUIREMENTS (unaudited)  
 BUSINESS-TYPE ACTIVITIES  
 DECEMBER 31, 2007

Year	General Obligation Bonds Supported by Water Revenues		Revenue Bonds Supported by Water Revenues		Notes Supported by Water Revenues		Revenue Bonds Supported by Wastewater Revenues		Revenue Bonds Supported by Golf Revenues		Notes Supported by Golf revenues		Capitalized Leases Supported by Golf Revenues		Total Principal and Interest Requirements to Maturity
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2008	\$ 6,840,000	\$ 1,363,013	\$ 3,708,938	\$ 30,800,085	\$ 505,330	\$ 192,679	\$ 2,625,133	\$ 3,114,598	\$ 385,000	\$ 146,525	\$ 240,187	\$ 13,847	\$ 168,130	\$ 23,545	\$ 50,127,010
2009	5,905,000	1,157,813	3,810,404	29,528,903	941,952	218,192	2,708,192	3,031,636	405,000	131,125	124,199	2,819	142,679	15,808	48,123,722
2010	6,120,000	965,900	3,962,238	29,377,789	587,494	191,094	2,796,635	2,936,281	420,000	114,925	—	—	125,374	9,211	47,606,941
2011	6,365,000	736,400	6,394,805	29,210,522	587,494	161,720	2,910,843	2,826,917	435,000	98,125	—	—	74,338	3,287	49,804,451
2012	6,640,000	481,800	6,647,372	28,963,692	587,494	132,345	3,004,285	2,727,614	455,000	80,725	—	—	—	—	49,720,327
<b>2008-2012</b>	<b>31,870,000</b>	<b>4,704,926</b>	<b>24,523,757</b>	<b>147,880,991</b>	<b>3,209,764</b>	<b>896,030</b>	<b>14,045,088</b>	<b>14,637,046</b>	<b>2,100,000</b>	<b>571,425</b>	<b>364,386</b>	<b>16,666</b>	<b>510,521</b>	<b>51,851</b>	<b>245,382,451</b>
2013	2,640,000	216,200	6,957,138	28,658,584	587,494	102,970	3,113,110	2,625,008	470,000	62,525	—	—	—	—	45,433,029
2014	2,765,000	110,600	7,293,006	28,323,005	587,494	73,595	3,308,820	2,519,879	490,000	43,138	—	—	—	—	45,514,537
2015	—	—	6,305,000	27,933,238	176,883	44,221	1,340,000	2,408,013	510,000	22,313	—	—	—	—	38,739,668
2016	—	—	6,620,000	27,617,988	176,883	35,377	1,390,000	2,354,413	—	—	—	—	—	—	38,194,661
2017	—	—	6,940,000	27,293,888	176,883	26,532	1,450,000	2,298,813	—	—	—	—	—	—	38,186,116
<b>2013-2017</b>	<b>5,405,000</b>	<b>326,800</b>	<b>34,115,144</b>	<b>139,826,703</b>	<b>1,705,637</b>	<b>282,695</b>	<b>10,601,930</b>	<b>12,206,126</b>	<b>1,470,000</b>	<b>127,976</b>	—	—	—	—	<b>206,068,011</b>
2018	—	—	7,285,000	26,954,113	176,883	17,688	1,510,000	2,239,000	—	—	—	—	—	—	38,182,684
2019	—	—	7,640,000	26,597,425	176,884	8,844	1,585,000	2,163,500	—	—	—	—	—	—	38,171,653
2020	—	—	20,790,000	26,223,350	—	—	1,665,000	2,084,250	—	—	—	—	—	—	50,762,600
2021	—	—	21,880,000	25,192,150	—	—	1,745,000	2,001,000	—	—	—	—	—	—	50,818,150
2022	—	—	22,935,000	24,172,250	—	—	1,830,000	1,918,113	—	—	—	—	—	—	50,855,363
<b>2018-2022</b>	—	—	<b>80,530,000</b>	<b>129,139,288</b>	<b>353,767</b>	<b>26,532</b>	<b>8,335,000</b>	<b>10,405,863</b>	—	—	—	—	—	—	<b>228,790,450</b>
2023	—	—	24,050,000	23,088,200	—	—	1,915,000	1,831,188	—	—	—	—	—	—	50,884,388
2024	—	—	21,680,000	21,951,100	—	—	2,005,000	1,740,225	—	—	—	—	—	—	47,376,325
2025	—	—	22,725,000	18,892,900	—	—	2,105,000	1,639,975	—	—	—	—	—	—	45,362,875
2026	—	—	23,825,000	19,783,350	—	—	2,210,000	1,534,725	—	—	—	—	—	—	47,353,075
2027	—	—	24,995,000	18,652,663	—	—	2,310,000	1,435,275	—	—	—	—	—	—	47,392,938
<b>2023-2027</b>	—	—	<b>117,275,000</b>	<b>102,368,213</b>	—	—	<b>10,545,000</b>	<b>8,181,388</b>	—	—	—	—	—	—	<b>238,369,601</b>
2028	—	—	26,190,000	17,466,400	—	—	2,425,000	1,319,775	—	—	—	—	—	—	47,401,175
2029	—	—	27,470,000	16,217,075	—	—	2,550,000	1,198,525	—	—	—	—	—	—	47,435,600
2030	—	—	28,730,000	14,956,138	—	—	2,675,000	1,071,025	—	—	—	—	—	—	47,432,163
2031	—	—	30,070,000	13,637,106	—	—	2,810,000	937,275	—	—	—	—	—	—	47,454,381
2032	—	—	31,515,000	12,202,075	—	—	2,950,000	796,775	—	—	—	—	—	—	47,463,850
<b>2028-2032</b>	—	—	<b>143,975,000</b>	<b>74,478,794</b>	—	—	<b>13,410,000</b>	<b>5,323,375</b>	—	—	—	—	—	—	<b>237,187,169</b>
2033	—	—	33,060,000	10,697,763	—	—	3,095,000	649,275	—	—	—	—	—	—	47,502,038
2034	—	—	31,370,000	9,119,563	—	—	3,250,000	494,525	—	—	—	—	—	—	44,234,088
2035	—	—	32,900,000	7,589,688	—	—	3,415,000	332,025	—	—	—	—	—	—	44,236,713
2036	—	—	27,770,000	5,985,000	—	—	3,575,000	169,813	—	—	—	—	—	—	37,499,813
2037	—	—	29,160,000	4,596,500	—	—	—	—	—	—	—	—	—	—	33,756,500
<b>2033-2037</b>	—	—	<b>154,260,000</b>	<b>37,988,514</b>	—	—	<b>13,335,000</b>	<b>1,645,638</b>	—	—	—	—	—	—	<b>207,229,152</b>
2038	—	—	30,620,000	3,138,500	—	—	—	—	—	—	—	—	—	—	33,758,500
2039	—	—	32,150,000	1,607,500	—	—	—	—	—	—	—	—	—	—	33,757,500
2040	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2041	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2042	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>2038-2042</b>	—	—	<b>62,770,000</b>	<b>4,746,000</b>	—	—	—	—	—	—	—	—	—	—	<b>67,516,000</b>
Totals	\$ 37,275,000	\$ 5,031,726	\$ 617,448,901	\$ 636,428,503	\$ 5,269,168	\$ 1,205,257	\$ 70,272,018	\$ 52,399,436	\$ 3,570,000	\$ 699,401	\$ 364,386	\$ 16,666	\$ 510,521	\$ 51,851	\$ 1,430,542,834

**EXHIBIT B-4**

**CITY OF AURORA, COLORADO**

**SCHEDULE OF CONDUIT DEBT OUTSTANDING (unaudited)  
DECEMBER 31, 2007**

<b>Issue Type*</b>	<b>Description</b>	<b>Issue Date</b>	<b>Funding Source</b>	<b>Outstanding December 31 2007</b>	<b>Trustee</b>
EDB	Community College of Aurora Refunding Revenue Bonds, 2004	09/01/04	lease payment	\$ 7,360,000	BNY
HRB	The Children's Hospital Assoc. Project Hospital Revenue Bonds, Series 2006	05/24/06	operating revenues	50,000,000	US Bank
HRB	The Children's Hospital Assoc. Project Hospital Revenue Bonds, Series 2004A	01/22/04	operating revenues	68,750,000	US Bank
HRB	The Children's Hospital Assoc. Project Hospital Revenue Bonds, Series 2004B	01/22/04	operating revenues	68,750,000	US Bank
HRB	The Children's Hospital Assoc. Project Hospital Revenue Bonds, Series 2004C	01/22/04	operating revenues	68,750,000	US Bank
HRB	The Children's Hospital Assoc. Project Hospital Revenue Bonds, Series 2004D	01/22/04	operating revenues	68,750,000	US Bank
MF	Dayton 98 Series A	04/21/98	rental payment	7,820,000	US Bank
MF	Dayton 98 Series B	04/21/98	rental payment	725,000	US Bank
MF	Dayton 98 Series C	04/21/98	rental payment	410,000	US Bank
MF	Dayton 98 Series D	04/21/98	mortgage payment	550,000	US Bank
MF	Aurora Meadows Apartment Project Revenue Refunding 1996	08/01/96	mortgage payment	13,400,000	Wells Fargo Minnesota
MF	Multi-Family Housing Revenue Refunding Series 2005, Woodridge Apartments Project	12/20/05	mortgage payment	28,000,000	Wells Fargo Minnesota
MF	Multi-Family Housing Revenue Refunding Series 2001, Laredo Apartments Project	06/26/01	mortgage payment	1,220,000	US Bank
SF	Revenue Bonds, 1981 Series A (private placement)	11/13/81	mortgage payment	2,625,000	US Bank
SF	Revenue Bonds, Series 1984 A (defeased and non-defeased escrow)	09/01/84	mortgage payment	9,705,000	BNY
SF	Revenue Bonds, Series 1993 A	11/01/93	mortgage payment	250,000	Zions Bank
Total conduit debt outstanding				<u><u>\$ 397,065,000</u></u>	

\* EDB Educational Development Bond  
 HRB Hospital Revenue Bond  
 MF Multi-Family  
 SF Single Family



**EXHIBIT B-5****CITY OF AURORA, COLORADO****SCHEDULE OF DEBT RATINGS (unaudited)  
DECEMBER 31, 2007**

<b>Debt Issue</b>	<b>Rating Agency</b>	<b>Enhanced Rating</b>	<b>Unenhanced Rating</b>
City of Aurora, Colorado General Obligation Bonds, Series 1998	Moody's Investors Service Standard and Poor's	Aaa AAA	Aa2 AA
City of Aurora, Colorado General Fund Bonds, Series 1999	Moody's Investors Service Standard and Poor's	Aaa AAA	Aa3 AA-
City of Aurora, Colorado Aurora Capital Leasing Corporation Certificates of Participation, Series 2000	Moody's Investors Service Standard and Poor's	Aaa AAA	Aa3 AA-
City of Aurora, Colorado General Obligation Bonds, Series 2000	Moody's Investors Service Standard and Poor's	N/A N/A	Aa2 AA
City of Aurora, Colorado Aurora Capital Leasing Corporation Certificates of Participation, Series 2002	Moody's Investors Service Standard and Poor's	N/A N/A	A1 AA-
City of Aurora, Colorado General Obligation Refunding Bonds, Series 2003	Moody's Investors Service Standard and Poor's	Aaa N/A	Aa2 AA
City of Aurora, Colorado General Obligation Water Refunding Bonds, Series 2003 <sup>(1)</sup>	Moody's Investors Service Standard and Poor's	Aaa AAA	Aa2 AA
City of Aurora, Colorado First Lien Water Improvement Revenue Bonds, Series 2003A	Moody's Investors Service Fitch Ratings	Aaa AAA	Aa3 AA-
City of Aurora, Colorado First Lien Water Improvement Revenue Bonds, Series 2004A	Moody's Investors Service Fitch Ratings	Aaa AAA	N/A N/A
City of Aurora, Colorado Aurora Capital Leasing Corporation Refunding Certificates of Participation, Series 2004	Moody's Investors Service Standard and Poor's	N/A N/A	Aa3 AA-
City of Aurora, Colorado Aurora Capital Leasing Corporation Certificates of Participation, Series 2005	Moody's Investors Service Standard and Poor's	Aaa AAA	Aa3 AA-
City of Aurora, Colorado Golf Course Enterprise System Revenue Refunding Bonds, Series 2005	Moody's Investors Service	N/A	Baa2

<sup>(1)</sup> Series 2003 Bonds maturing in years 2007-2008, 2012 and 2013 are not insured and carry the unenhanced rating;  
Series 2003 Bonds maturing in years 2009, 2010, 2011 and 2014 are insured and carry the credit-enhanced rating

<b>Debt Issue</b>	<b>Rating Agency</b>	<b>Enhanced Rating</b>	<b>Unenhanced Rating</b>
City of Aurora, Colorado	Moody's Investors Service	Aaa	Aa3
First Lien Sewer Improvement Revenue Bonds, Series 2006	Fitch Ratings	AAA	AA-
City of Aurora, Colorado	Moody's Investors Service	Aaa	Aa3
Aurora Capital Leasing Corporation	Standard and Poor's	AA	AA-
Refunding Certificates of Participation, Series 2006A-1	Fitch Ratings	AAA	N/A
City of Aurora, Colorado	Moody's Investors Service	Aaa/VMIG 1	Aa3
Aurora Capital Leasing Corporation	Standard and Poor's	AAA/A-1	AA-
Refunding Certificates of Participation, Series 2006A-2	Fitch Ratings	AAA	N/A
Colorado Water Resources and Power Development Authority	Moody's Investors Service	Aaa	N/A
City of Aurora, Colorado	Standard and Poor's	AAA	N/A
Clean Water Revenue Bonds, 1999 Series A	Fitch Ratings	AAA	N/A
Colorado Water Resources and Power Development Authority	Moody's Investors Service	Aaa	N/A
City of Aurora, Colorado	Standard and Poor's	AAA	N/A
Drinking Water Revenue Bonds, 1999 Series A	Fitch Ratings	AAA	N/A
Colorado Water Resources and Power Development Authority	Moody's Investors Service	Aaa	Aa3
City of Aurora, Colorado	Standard and Poor's	AAA	N/A
Water Resources Revenue Bond, 2005 Series D	Fitch Ratings	AAA	AA-
Colorado Water Resources and Power Development Authority			
City of Aurora, Colorado	Moody's Investors Service	Aaa	Aa3
First Lien Water Improvement Revenue Bonds, Series 2007A	Fitch Ratings	AAA	AA-

**EXHIBIT B-6**
**CITY OF AURORA, COLORADO**
**SCHEDULE OF POOLED INVESTMENTS (unaudited)  
DECEMBER 31, 2007**

<b>Investment Description</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Original Cost</b>	<b>Carrying/ Fair Value</b>	<b>Par Value</b>	<b>Moody's Rating</b>	<b>S &amp; P Rating</b>
<b>U.S. GOVERNMENT AND AGENCY SECURITIES</b>							
Treasury Note	3.375	02/15/08	\$ 4,982,422	\$ 5,000,400	\$ 5,000,000	Aaa	AAA
	5.625	05/15/08	5,146,875	5,040,250	5,000,000	Aaa	AAA
	4.500	05/15/10	4,967,340	5,166,800	5,000,000	Aaa	AAA
Federal Agriculture Mtg. Co.	4.250	07/29/08	4,970,200	4,998,500	5,000,000	Aaa	AAA
Federal Farm Credit Bank	3.550	01/28/08	4,964,700	4,995,300	5,000,000	Aaa	AAA
	4.500	03/18/08	4,999,050	4,998,450	5,000,000	Aaa	AAA
	5.950	03/16/09	5,124,695	5,121,600	5,000,000	Aaa	AAA
Federal Home Loan Mtg. Corp.	4.250	06/23/08	5,000,000	4,993,300	5,000,000	Aaa	AAA
Federal Home Loan Bank	4.500	01/23/08	3,492,825	3,500,000	3,500,000	Aaa	AAA
	4.075	03/10/08	4,000,000	3,996,240	4,000,000	Aaa	AAA
	5.925	04/09/08	5,188,869	5,017,200	5,000,000	Aaa	AAA
Total U.S. Government and agency securities			52,836,976	52,828,040	52,500,000		
<b>CERTIFICATES OF DEPOSIT</b>							
Bank of the West	5.090	01/11/08	5,000,000	5,000,000	5,000,000		
Bank of the West	5.090	01/11/08	4,000,000	4,000,000	4,000,000		
Firstbank Colo	5.110	01/02/09	2,500,000	2,500,000	2,500,000		
Firstbank Colo	5.200	04/01/09	3,000,000	3,000,000	3,000,000		
Guaranty Bank	5.400	08/03/09	5,000,000	5,000,000	5,000,000		
Bank of the West	5.120	08/03/09	4,000,000	4,000,000	4,000,000		
Guaranty Bank	5.400	09/01/09	5,000,000	5,000,000	5,000,000		
New Frontier Bank	5.000	09/28/09	2,500,000	2,500,000	2,500,000		
Citywide Banks	5.500	11/02/09	4,000,000	4,000,000	4,000,000		
Citywide Banks	5.500	12/01/09	3,000,000	3,000,000	3,000,000		
Firstbank Aurora	5.110	01/02/09	2,000,000	2,000,000	2,000,000		
Total Certificates of Deposit			40,000,000	40,000,000	40,000,000		
<b>COMMERCIAL PAPER</b>							
AGFI	N/A	03/07/08	4,879,122	4,879,122	5,000,000	P1	A-1
GECC	N/A	01/14/08	9,943,750	9,981,411	10,000,000	P1	A1+
HSBC	N/A	02/08/08	4,894,242	4,972,382	5,000,000	P1	A1+
TMCC	N/A	01/07/08	9,956,250	9,989,378	10,000,000	P1	A1+
TMCC	N/A	01/28/08	9,919,400	9,959,583	10,000,000	P1	A1
UBS	N/A	02/01/08	10,910,060	10,955,542	11,000,000	P1	A1+
Total Commercial Paper			50,502,824	50,737,418	51,000,000		
<b>TAXABLE MUNICIPAL DEBT</b>							
Maryland GO	4.000	02/15/08	3,505,841	3,502,476	3,505,000	Aaa	AAA
Palm Beach City GO	5.634	06/01/08	1,000,000	1,004,440	1,000,000	Aaa	AAA
Maryland GO	4.250	08/01/08	1,002,480	999,290	1,000,000	Aaa	AAA
Palm Beach City GO	5.638	06/01/09	1,095,000	1,111,535	1,095,000	Aaa	AAA
Wash GO	5.500	07/01/09	4,865,000	4,936,807	4,865,000	Aa1	AA+
Erie Cty NY GO	4.930	11/01/09	4,999,750	5,035,300	5,000,000	Aaa	AAA
Phoenix AZ GO	5.150	07/01/10	4,249,363	4,320,593	4,250,000	Aa1	AAA
Erie Cty NY GO	5.500	12/01/10	2,771,249	2,696,644	2,630,000	Aaa	AAA
Total Taxable Municipal Debt			23,488,683	23,607,085	23,345,000		

**EXHIBIT B-6**
**CITY OF AURORA, COLORADO**
**SCHEDULE OF POOLED INVESTMENTS (unaudited)  
DECEMBER 31, 2007**

<b>Investment Description</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Original Cost</b>	<b>Carrying/ Fair Value</b>	<b>Par Value</b>	<b>Moody's Rating</b>	<b>S &amp; P Rating</b>
<b>CORPORATE NOTES</b>							
Allstate	4.500	05/29/09	\$ 2,511,175	\$ 2,507,850	\$ 2,500,000	Aa2	AA
Amer Honda Fin	4.500	05/26/09	6,317,270	6,317,175	6,304,000	Aa3	A+
Bank of America	4.625	09/15/08	3,458,105	3,491,495	3,500,000	Aa1	AA
Bank of America	5.875	02/15/09	5,087,950	5,071,900	5,000,000	Aa1	AA
Bank of America	7.800	02/15/10	5,643,698	5,563,950	5,250,000	Aa2	AA-
BP/ARCO	5.900	04/15/09	5,212,411	5,101,150	5,000,000	Aa1	AA+
Citigroup	7.250	10/01/10	5,310,897	5,288,300	5,000,000	A1	A+
GE Heller Fin	7.375	11/01/09	6,465,240	6,337,440	6,000,000	Aaa	AAA
GECC	5.000	12/01/10	5,115,972	5,087,900	5,000,000	Aaa	AAA
HSBC	4.750	05/15/09	3,045,599	2,990,040	3,000,000	Aa3	AA-
HSBC Finance Corp	4.950	12/15/08	6,983,970	6,976,096	7,000,000	Aa3	AA-
John Hancock Gbl	3.500	01/30/09	4,782,739	4,782,488	4,850,000	Aa2	AAA
John Hancock Gbl	3.500	01/30/09	3,854,779	3,914,738	3,970,000	Aa2	AAA
John Hancock Gbl	7.900	07/02/10	6,040,289	6,024,792	5,525,000	Aa1	AAA
Mass Mtl	3.500	03/15/10	4,819,406	4,950,150	5,000,000	Aa1	AAA
Merrill Lynch	6.375	10/15/08	5,121,750	5,044,650	5,000,000	A1	A+
Merrill Lynch	4.125	01/15/09	3,833,388	3,849,183	3,900,000	A1	A+
Merrill Lynch	6.000	02/17/09	1,920,848	1,910,463	1,895,000	A1	A+
Merrill Lynch	4.125	09/10/09	4,906,773	4,919,800	5,000,000	A1	A+
Merrill Lynch	4.250	02/08/10	4,763,943	4,724,066	4,819,000	A1	A+
MetLife	4.250	07/30/09	3,979,529	4,002,440	4,000,000	Aa2	AA
MetLife	4.625	08/19/10	6,975,385	7,101,920	7,000,000	Aa2	AA
MMM	5.125	11/06/09	3,000,840	3,064,500	3,000,000	Aa1	AA
Naitional City Bank	3.300	05/15/08	1,587,672	1,636,693	1,645,000	Aa3	A+
Protective Life	3.700	11/24/08	3,413,795	3,452,505	3,500,000	Aa3	AA
Protective Life	4.000	10/07/09	5,405,065	5,527,797	5,510,000	Aa3	AA
So Cal Gas	4.375	01/15/11	2,434,702	2,389,761	2,390,000	A1	NR
Unilever Cap	7.125	11/01/10	4,490,201	4,457,061	4,156,000	A1	A+
US Bancorp	4.500	07/29/10	5,499,317	5,451,807	5,405,000	Aa2	AA
US Bank	7.125	12/01/09	5,278,300	5,254,300	5,000,000	Aa2	AA-
Wachovia Bank	4.375	08/15/08	2,993,910	2,982,570	3,000,000	Aa1	AA
Wachovia Bank	3.625	02/17/09	4,911,233	4,896,500	5,000,000	Aa3	AA-
Wachovia Bank	4.125	12/15/09	3,465,928	3,470,990	3,485,000	Aa1	AA
Wachovia Bank	7.800	08/18/10	5,501,900	5,388,600	5,000,000	Aa2	AA-
Wal-Mart	4.000	01/15/10	3,931,507	3,993,560	4,000,000	Aa2	AA
Wells Fargo	7.550	06/21/10	6,598,488	6,412,860	6,000,000	Aa1	AA+
Wells Fargo	6.450	02/01/11	5,355,200	5,289,750	5,000,000	Aa1	AA+
AIG/ILF	5.000	04/15/10	5,001,833	4,985,200	5,000,000	A1	AA-
Total Corporate Notes			<u>175,021,007</u>	<u>174,612,440</u>	<u>171,604,000</u>		
<b>COLOTRUST</b>							
Plus+	4.740	01/01/08	43,177,371	43,177,371	43,177,371		
Prime	4.360	01/01/08	<u>55,198,511</u>	<u>55,198,511</u>	<u>55,198,511</u>		
Total Colotrust			<u>98,375,882</u>	<u>98,375,882</u>	<u>98,375,882</u>		
<b>TOTAL POOLED INVESTMENTS</b>			<u><u>\$ 440,225,372</u></u>	<u><u>\$ 440,160,865</u></u>	<u><u>\$ 436,824,882</u></u>		

This schedule represents City pooled investments. The City's financial statements include other investments that are not located in the investment pool. Investments with maturities of three months or less from date of purchase are cash and cash equivalents, which are carried at amortized cost.

## EXHIBIT B-7

## CITY OF AURORA, COLORADO

LOCAL HIGHWAY FINANCE REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2007

Financial Planning 02/01

Form # 350-050-36

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County:
		City of Aurora, Colorado
This Information From The Records Of (example - City of _ or County of _ City of Aurora, Colorado)		Prepared By:
		Tony Tharp
		Phone:
		(303) 739-7792

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

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

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	7,464,159
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	20,031,822
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	2,133,986
2. General fund appropriations		b. Snow and ice removal	4,549,779
3. Other local imposts (from page 2)	30,152,828	c. Other	4,325,675
4. Miscellaneous local receipts (from page 2)	6,978,810	d. Total (a. through c.)	11,009,440
5. Transfers from toll facilities		4. General administration & miscellaneous	2,168,299
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	6,756,990
a. Bonds - Original Issues		6. Total (1 through 5)	47,430,710
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	237,795
7. Total (1 through 6)	37,131,638	b. Redemption	765,000
<b>B. Private Contributions</b>	2,231,736	c. Total (a. + b.)	1,002,795
<b>C. Receipts from State government</b>		2. Notes:	
(from page 2)	9,215,874	a. Interest	
<b>D. Receipts from Federal Government</b>		b. Redemption	
(from page 2)	239,845	c. Total (a. + b.)	0
<b>E. Total receipts (A.7 + B + C + D)</b>	48,819,093	3. Total (1.c + 2.c)	1,002,795
		<b>C. Payments to State for highways</b>	385,588
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	48,819,093

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>	5,160,000		765,000	4,395,000
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>				0

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		48,819,093	48,819,093		0

Notes and Comments:

<b>LOCAL HIGHWAY FINANCE REPORT</b>		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2007	

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	1,042,165	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	6,978,810
1. Sales Taxes	22,938,766	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	563,431	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	5,608,466	g. Other Misc. Receipts	
6. Total (1. through 5.)	29,110,663	h. Other	
c. Total (a. + b.)	30,152,828	i. Total (a. through h.)	6,978,810
(Carry forward to page 1)		(Carry forward to page 1)	
ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	8,343,535	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	872,339	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	239,845
f. Total (a. through e.)	872,339	g. Total (a. through f.)	239,845
4. Total (1. + 2. + 3.f)	9,215,874	3. Total (1. + 2.g)	
		(Carry forward to page 1)	

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs		63,234	63,234
b. Engineering Costs	71,227	1,090,673	1,161,900
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements		1,594,457	1,594,457
(3). System Preservation		1,623,711	1,623,711
(4). System Enhancement & Operation		3,020,857	3,020,857
(5). Total Construction (1) + (2) + (3) + (4)	0	6,239,025	6,239,025
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	71,227	7,392,932	7,464,159
			(Carry forward to page 1)

**Notes and Comments:**

## EXHIBIT B-8

## CITY OF AURORA, COLORADO

SCHEDULE OF INSURANCE COVERAGES (unaudited)  
DECEMBER 31, 2007

Coverage	Carrier	Coverage Term	Limit of Coverage	Deductible or Retention
<b>Property</b>	The Travelers Indemnity Company	January 1, 2007 - January 1, 2008	\$475,000,000 blanket limit	\$100,000 per occurrence
<b>Boiler and Machinery</b>	Travelers Casualty and Surety Company of America	January 1, 2007 - January 1, 2008	\$100,000,000 per occurrence	\$10,000 per occurrence
<b>Crime</b>	Travelers Casualty and Surety Company of America	March 31, 2007 - March 31, 2010 March 31, 2007 - March 31, 2010	Public employee dishonesty: \$5,000,000 Destruction, computer fraud: \$1,000,000	\$50,000 per occurrence
<b>Workers' Compensation Specific Excess</b>	Midwest Employers Casualty Company	January 1, 2007 - January 1, 2008	Statutory	\$350,000 per occurrence plus \$200,000 corridor
<b>Workers' Compensation Bond</b>	Travelers Casualty and Surety Company of America	January 1, 2007 - January 1, 2008	\$5,878,000	N/A
<b>Primary Liability</b>	Princeton Excess & Surplus Lines Insurance Company	January 1, 2007 - January 1, 2008	\$10,000,000	\$500,000 per occurrence
<b>Exhibition Floater</b>	Fireman's Fund	January 1, 2007 - January 1, 2008	\$350,000	\$1,000 per occurrence

## EXHIBIT B-9

## CITY OF AURORA, COLORADO

**FORECAST SCHEDULE - GENERAL FUND**  
**COMPARATIVE SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE, ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS) (unaudited)**  
**FOR THE YEARS ENDED DECEMBER 31:**

	2001		2002		2003		2004		2005		2006		2007	2008
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Projected (a)	Projected (a)
<b>SOURCES</b>														
Taxes	\$ 169,523,730	\$ 170,895,593	\$170,137,773	\$ 184,242,300	\$172,183,351	\$176,221,696	\$ 177,004,557	\$ 180,903,576	\$ 188,648,945	\$ 185,205,938	\$199,269,031	\$ 193,922,793	\$204,970,169	\$211,484,788
Licenses and permits	7,140,457	6,625,896	9,394,758	11,009,000	8,902,351	7,375,642	3,512,683	2,994,878	4,760,292	3,110,961	4,758,928	3,786,572	4,605,374	3,006,765
Intergovernmental	10,574,569	10,867,694	10,577,025	9,061,900	10,468,042	10,358,686	10,424,987	10,650,812	9,919,966	10,806,128	11,601,812	10,563,233	10,200,020	10,606,925
Charges for services	5,363,638	5,330,439	7,828,923	7,902,335	8,128,462	7,925,547	5,734,820	6,146,270	6,055,827	6,136,159	5,741,311	5,472,619	8,440,237	8,003,023
Fines and forfeitures	3,976,992	3,595,965	4,117,734	3,739,800	4,547,241	4,299,360	4,492,855	4,732,230	6,280,369	5,397,854	6,223,958	6,530,773	7,132,819	6,696,024
Investment income	2,394,712	2,677,029	1,696,989	1,600,000	1,582,889	1,811,688	895,527	655,285	1,052,039	674,944	1,260,905	750,000	1,238,634	1,559,856
Other revenues	956,462	1,294,332	2,199,095	2,208,100	4,109,156	2,927,029	6,796,043	6,815,355	5,359,923	5,461,471	5,901,416	5,368,769	4,082,504	4,487,703
Total sources	199,930,560	201,286,948	205,952,297	219,763,435	209,921,492	210,919,648	208,861,472	212,898,406	222,077,361	216,793,455	234,757,361	226,394,759	240,669,757	245,845,084
<b>USES</b>														
Municipal Court	4,190,707	4,510,802	4,383,307	4,601,156	7,758,292	7,888,379	8,210,957	8,409,444	8,332,057	8,464,869	8,707,232	8,780,095	—	—
City Attorney	3,758,518	3,980,100	3,926,905	4,101,712	4,153,348	4,501,297	4,259,378	4,425,616	4,213,779	4,366,001	4,230,779	4,390,134	—	—
General Management	10,496,629	11,192,924	10,320,560	11,820,596	11,387,231	11,843,397	6,071,594	6,534,853	5,296,515	5,347,025	4,997,778	5,145,787	—	—
Administrative Services	14,520,479	14,967,280	20,757,649	21,145,867	20,245,984	20,386,054	20,696,713	21,346,701	20,467,673	21,032,846	21,724,587	22,183,978	—	—
Operations Group Management	33,898,020	34,961,564	31,772,322	32,584,238	33,024,532	33,311,943	30,757,237	31,480,992	30,793,656	31,688,380	31,018,019	31,586,510	—	—
Community Services	94,551,719	94,773,996	95,937,639	97,704,368	101,134,022	101,853,392	107,076,146	108,169,793	109,893,846	110,329,038	115,374,727	116,455,464	—	—
Non-departmental	41,655,973	44,641,175	32,870,775	32,141,561	42,555,050	48,618,027	36,512,247	37,987,981	41,518,531	41,271,630	44,871,710	44,959,409	242,628,604	248,692,921
Total uses	203,072,045	209,027,841	199,969,157	204,099,498	220,258,459	228,402,489	213,584,272	218,355,380	220,516,057	222,499,789	230,924,832	233,501,377	242,628,604	248,692,921
Excess (deficiency) of revenues over (under) expenditures	( 3,141,485)	( 7,740,893)	5,983,140	15,663,937	( 10,336,967)	( 17,482,841)	( 4,722,800)	( 5,456,974)	1,561,304	( 5,706,334)	3,832,529	( 7,106,618)	( 1,958,847)	( 2,847,837)
FUNDS AVAILABLE - January 1	20,219,104	20,559,989	17,077,618	13,393,000	23,060,758	19,945,415	12,723,791	6,863,912	8,000,991	8,000,991	9,562,295	9,562,295	13,394,824	11,435,977
FUNDS AVAILABLE - December 31	17,077,619	<u>\$ 12,819,096</u>	23,060,758	<u>\$ 29,056,937</u>	12,723,791	<u>\$ 2,462,574</u>	8,000,991	<u>\$ 1,406,938</u>	9,562,295	<u>\$ 2,294,657</u>	13,394,824	<u>\$ 2,455,677</u>	11,435,977	8,588,140
Reserved for police	( 9,055,714)		( 5,765,374)		( 117,137)		—		—					
Budgetary designations	( 4,440,000)		( 11,118,668)		( 5,791,519)		( 2,775,332)		( 8,493,780)		( 13,394,824)		( 11,435,977)	( 8,588,140)
Undesignated Funds Available	3,581,905		6,176,716		6,815,135		5,225,659		1,068,515		—		—	—
Budget desig-final incentive pymt	—		—		—		( 135,000)		—		—		—	—
GAAP revenue accrual	—		—		—		55,332		—		—		—	—
Funds available - after reservations and designations	<u>\$ 3,581,905</u>		<u>\$ 6,176,716</u>		<u>\$ 6,815,135</u>		<u>\$ 5,145,991</u>		<u>\$ 1,068,515</u>		<u>\$ —</u>		<u>\$ —</u>	<u>\$ —</u>
<b>Reconciliation to GAAP fund balance</b>														
Funds available - December 31	17,077,619		23,060,758		12,723,791		8,000,991		9,562,295		13,394,824		11,435,977	8,588,140
Current year encumbrances	1,496,980		1,164,157		1,593,938		992,384		1,318,383		1,298,394		1,298,394 (b)	1,298,394 (b)
Sales, use and lodgers tax accrual	13,133,827		13,707,404		14,467,465		15,197,928		16,958,065		16,659,291		16,659,291 (b)	16,659,291 (b)
Police/fire sick leave deferral	—		—		—		346,305		—		—		— (b)	— (b)
Adjust investments to fair value	436,316		628,440		149,420		( 21,307)		( 139,572)		( 98,950)		( 98,950) (b)	( 98,950) (b)
Deferred revenues-grant awards	—		—		—		( 90,000)		( 90,000)		( 45,000)		( 45,000) (b)	( 45,000) (b)
Assets not available for appropriation	—		27,169		—		—		—		—		—	—
FUND BALANCE - December 31	<u>\$ 32,144,742</u>		<u>\$ 38,587,928</u>		<u>\$ 28,934,614</u>		<u>\$ 24,426,301</u>		<u>\$ 27,609,171</u>		<u>\$ 31,208,559</u>		<u>\$ 29,249,712</u>	<u>\$ 26,401,875</u>

(a) Source: 2008 Adopted Budget Book

(b) Amounts used for the 2007 and 2008 reconciliation are assumed to be the same as the audited 2006 amount, which management expects will approximate actual results



**EXHIBIT B-9**
**CITY OF AURORA, COLORADO**
**FORECAST SCHEDULE - GENERAL FUND, POLICY RESERVE FUND AND TABOR RESERVE FUND (a)**  
**COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (GAAP BASIS) (unaudited)**  
**FOR THE YEARS ENDED DECEMBER 31:**

	2001	2002	2003	2004	2005	2006	Projected Actual 2007	Projected Actual 2008
<b>REVENUES</b>								
Taxes	\$ 167,908,642	\$ 170,711,350	\$ 172,943,411	\$ 177,735,020	\$ 190,409,082	\$ 198,970,260	\$ 204,970,169	\$ 211,484,788
Charges for services	5,494,548	7,828,923	8,128,459	5,734,870	6,055,827	5,741,311	8,440,237	8,003,023
License and permits	7,140,457	9,394,758	8,902,351	3,512,683	4,760,292	4,758,928	4,605,374	3,006,765
Fines and forfeits	3,976,993	4,117,733	4,547,241	4,492,855	6,280,369	6,223,958	7,132,819	6,696,024
Intergovernmental	10,574,570	10,577,025	10,468,042	10,334,987	9,919,969	11,601,812	10,200,020	10,606,925
Miscellaneous	307,393	494,292	1,304,765	607,601	933,772	1,112,129	835,906	4,487,703
Investment earnings	4,360,951	2,968,227	1,591,078	1,109,806	1,857,443	2,303,934	2,367,280	2,917,446
Total revenues	199,763,554	206,092,308	207,885,347	203,527,822	220,216,754	230,712,332	238,551,805	247,202,674
<b>EXPENDITURES</b>								
<i>Current</i>								
General government	21,912,079	20,748,773	22,962,760	25,677,571	29,076,385	28,983,843	—	—
Judicial	5,652,744	6,014,746	6,199,550	6,726,991	6,700,195	7,083,113	—	—
Police	54,552,376	55,777,386	58,673,875	59,721,817	62,756,741	66,807,866	—	—
Fire	26,416,519	27,142,172	28,440,321	27,571,139	27,740,259	29,499,789	—	—
Other public safety	56,120	1,001,972	4,266,753	8,099,500	8,271,531	8,289,912	—	—
Public works	16,076,666	16,266,044	16,238,226	16,641,995	16,531,139	18,657,180	—	—
Economic development	9,928,287	12,473,284	12,633,602	4,263,256	3,668,660	3,576,436	—	—
Community services	4,437,470	4,430,434	4,699,139	4,748,819	4,313,883	3,931,381	—	—
Culture and recreation	16,663,752	17,034,518	17,531,890	18,677,475	18,490,189	17,898,708	—	—
Budget operating expenditures	—	—	—	—	—	—	198,700,666	207,438,907
<i>Debt service</i>								
Principal	570,508	519,071	392,362	381,242	262,968	526,135	—	—
Interest	103,566	59,002	29,391	26,989	43,282	85,640	—	—
Total debt service	—	—	—	—	—	—	824,326	1,416,524
Capital outlay	6,357,497	4,558,741	1,626,719	2,676,117	2,628,802	5,595,819	5,220,618	2,651,312
Total expenditures	162,727,584	166,026,143	173,694,588	175,212,911	180,484,034	190,935,822	204,745,610	211,506,743
Excess of revenues over expenditures	37,035,970	40,066,165	34,190,759	28,314,911	39,732,720	39,776,510	33,806,195	35,695,931
Net other financing uses (a)	( 40,997,569)	( 32,513,065)	( 43,277,367)	( 32,409,772)	( 35,884,275)	( 36,275,914)	( 34,013,327)	( 37,479,178)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	( 3,961,599)	7,553,100	( 9,086,608)	( 4,094,861)	3,848,445	3,500,596	( 207,132)	( 1,783,247)
FUND BALANCE - January 1	58,879,007	54,917,408	62,470,508	53,383,900	49,289,039	53,137,484	56,638,080	56,430,948
FUND BALANCE - December 31	\$ 54,917,408	\$ 62,470,508	\$ 53,383,900	\$ 49,289,039	\$ 53,137,484	\$ 56,638,080	\$ 56,430,948	\$ 54,647,701
General Fund	\$ 32,144,742	\$ 38,587,928	\$ 28,934,614	\$ 24,426,301	\$ 27,609,171	\$ 31,208,559	\$ 29,872,781	\$ 26,731,944
Policy Reserve	16,945,903	17,748,259	18,109,610	18,275,311	18,744,164	19,239,541	20,079,799	21,070,507
TABOR Reserve	5,826,763	6,134,321	6,339,676	6,587,427	6,784,149	6,189,980	6,478,368	6,845,250

(a) Transfers among the General Fund, the TABOR Reserve Fund and the Policy Reserve Fund have been eliminated in this schedule.

EXHIBIT B-9

CITY OF AURORA, COLORADO

FORECAST SCHEDULE - GENERAL FUND, POLICY RESERVE FUND AND TABOR RESERVE FUND (b)  
COMPARATIVE SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE, ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS) (unaudited)  
FOR THE YEARS ENDED DECEMBER 31:

	2001		2002		2003		2004		2005		2006		2007	2008
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Projected (a)	Projected (a)
<b>SOURCES</b>														
Taxes	\$ 169,523,730	\$ 170,895,593	\$170,137,773	\$ 184,242,300	\$172,183,351	\$ 176,221,696	\$ 177,004,557	\$ 180,903,576	\$ 188,648,945	\$ 185,205,938	\$ 199,269,031	\$ 193,922,793	\$ 204,970,169	\$ 211,484,788
Licenses and permits	7,140,457	6,625,896	9,394,758	11,009,000	8,902,351	7,375,642	3,512,683	2,994,878	4,760,292	3,110,961	4,758,928	3,786,572	4,605,374	3,006,765
Intergovernmental	10,574,569	10,867,694	10,577,025	9,061,900	10,468,042	10,358,686	10,424,987	10,650,812	9,919,966	10,806,128	11,601,812	10,563,233	10,200,020	10,606,925
Charges for services	5,363,638	5,330,439	7,828,923	7,902,335	8,128,462	7,925,547	5,734,820	6,146,270	6,055,827	6,136,159	5,741,311	5,472,619	8,440,237	8,003,023
Fines and forfeitures	3,976,992	3,595,965	4,117,734	3,739,800	4,547,241	4,299,360	4,492,855	4,732,230	6,280,369	5,397,854	6,223,958	6,530,773	7,132,819	6,696,024
Investment income	3,553,421	3,775,170	2,725,909	2,710,800	2,415,575	2,919,688	1,581,112	1,463,585	1,866,340	1,440,944	2,324,815	750,000	2,367,280	2,917,446
Other revenues (b)	956,462	1,294,332	2,199,095	2,208,100	4,109,157	2,927,029	6,796,043	6,934,843	5,359,923	5,461,471	4,800,215	4,267,568	4,082,504	4,194,703
Total sources	201,089,269	202,385,089	206,981,217	220,874,235	210,754,179	212,027,648	209,547,057	213,826,194	222,891,662	217,559,455	234,720,070	225,293,558	241,798,403	246,909,674
<b>USES</b>														
Municipal Court	4,190,707	4,510,802	4,383,307	4,601,156	7,758,292	7,888,379	8,210,957	8,409,444	8,332,057	8,464,869	8,707,232	8,780,095	—	—
City Attorney	3,758,518	3,980,100	3,926,905	4,101,712	4,153,348	4,501,297	4,259,378	4,425,616	4,213,779	4,366,001	4,230,779	4,390,134	—	—
General Management	10,496,629	11,192,924	10,320,560	11,820,596	11,387,231	11,843,397	6,071,594	6,534,853	5,296,515	5,347,025	4,997,778	5,145,787	—	—
Administrative Services	14,520,479	14,967,280	20,757,649	21,145,867	20,245,984	20,386,054	20,696,713	21,346,701	20,467,673	21,032,846	21,724,587	22,183,978	—	—
Operations Group Management	33,898,020	34,961,564	31,772,322	32,584,238	33,024,532	33,311,943	30,757,237	31,480,992	30,793,656	31,688,380	31,018,019	31,586,510	—	—
Community Services	94,551,719	94,773,996	95,937,639	97,704,368	101,134,022	101,853,392	107,076,146	108,169,793	109,893,846	110,329,038	115,374,727	116,455,464	—	—
Non-departmental (b)	41,368,407	44,353,609	32,839,975	32,110,761	42,475,550	48,538,526	36,483,801	37,959,535	41,615,531	41,271,630	44,959,409	—	242,005,535	248,692,921
Total uses	202,784,479	208,740,275	199,938,357	204,068,698	220,178,959	228,522,988	213,553,826	218,326,934	220,613,057	222,499,789	230,924,832	233,501,377	242,005,535	248,692,921
Excess (deficiency) of revenues over (under) expenditures	( 1,695,210)	( 6,355,186)	7,042,860	16,805,537	( 9,424,780)	( 16,295,340)	( 4,008,769)	( 4,500,740)	2,278,605	( 4,940,334)	3,795,238	( 8,207,819)	( 207,132)	( 1,783,247)
FUNDS AVAILABLE - January 1	41,009,506	41,382,296	39,314,296	35,680,000	46,357,156	43,323,692	36,932,376	43,323,692	32,923,607	32,923,607	35,202,212	32,923,607	38,997,450	38,790,318
FUNDS AVAILABLE - December 31	39,314,296	\$ 35,027,110	46,357,156	\$ 52,485,537	36,932,376	\$ 27,028,352	32,923,607	\$ 38,822,952	35,202,212	\$ 27,983,273	38,997,450	\$ 24,715,788	38,790,318	37,007,071
Reserved for police	( 9,055,714)	—	( 5,756,571)	—	( 117,137)	—	—	—	—	—	—	—	—	—
Reserved for emergencies	( 5,689,636)	—	( 5,983,754)	—	( 6,277,268)	—	( 6,603,291)	—	( 6,885,087)	—	( 6,232,127)	—	( 7,649,501)	( 8,136,199)
Budgetary designations	( 4,440,000)	—	( 11,118,668)	—	( 5,791,519)	—	( 2,775,332)	—	( 5,509,819)	—	( 13,394,824)	—	( 11,435,977)	( 8,588,140)
Funds available - after reservations and designations	\$ 20,128,946	—	\$ 23,498,163	—	\$ 24,746,452	—	\$ 23,544,984	—	\$ 22,807,306	—	\$ 19,370,499	—	\$ 19,704,840	\$ 20,282,732
<b>Reconciliation to GAAP fund balance</b>														
Funds available - December 31	39,314,296	—	46,357,156	—	36,932,376	—	32,923,607	—	35,202,212	—	38,997,450	—	38,790,318	37,007,071
Current year encumbrances	1,496,980	—	1,164,157	—	1,593,938	—	992,384	—	1,318,383	—	1,298,394	—	1,298,394 (c)	1,298,394 (c)
Sales, use and lodgers tax accrual	13,133,827	—	13,707,404	—	14,467,465	—	15,197,928	—	16,958,065	—	16,659,291	—	16,659,291 (c)	16,659,291 (c)
Police/fire sick leave deferral	—	—	—	—	—	—	346,305	—	—	—	—	—	— (c)	— (c)
Adjust investments to fair value	972,304	—	1,214,622	—	390,121	—	( 81,185)	—	( 251,176)	—	( 272,055)	—	( 272,055) (c)	( 272,055) (c)
Deferred revenues-grant awards	—	—	—	—	—	—	( 90,000)	—	( 90,000)	—	( 45,000)	—	( 45,000) (c)	( 45,000) (c)
Assets not available for appropriation	—	—	27,169	—	—	—	—	—	—	—	—	—	—	—
FUND BALANCE - December 31	\$ 54,917,407	—	\$ 62,470,508	—	\$ 53,383,900	—	\$ 49,289,039	—	\$ 53,137,484	—	\$ 56,638,080	—	\$ 56,430,948	\$ 54,647,701

( a ) Source: 2008 Adopted Budget Book

( b ) Transfers among the General Fund, the TABOR Reserve Fund and the Policy Reserve Fund have been eliminated in this schedule.

( c ) Amounts used for the 2007 and 2008 reconciliation are assumed to be the same as the audited 2006 amount, which management expects will approximate actual results.



## **DEBT CONTINUING DISCLOSURES (unaudited)**

<i>Exhibit C-1</i>	<i>Summary of Continuing Disclosures by Issue</i>
<i>Exhibit C-2</i>	<i>Combined General, TABOR Reserve and Policy Reserve Funds – Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance (GAAP Basis)</i>
<i>Exhibit C-3</i>	<i>Combined General, TABOR Reserve and Policy Reserve Funds – Comparative Schedule of Sources, Uses and Changes in Funds Available, Actual and Budget (Non-GAAP Budgetary Basis)</i>
<i>Exhibit C-4</i>	<i>Water Fund - Operating History</i>
<i>Exhibit C-5</i>	<i>Water Fund - System Statistics</i>
<i>Exhibit C-6</i>	<i>Water Fund - Maximum Annual Debt Service Coverage</i>
<i>Exhibit C-7</i>	<i>Wastewater Fund - Operating History</i>
<i>Exhibit C-8</i>	<i>Wastewater Fund - System Statistics</i>
<i>Exhibit C-9</i>	<i>Golf Fund - Operating History</i>
<i>Exhibit C-10</i>	<i>Golf Fund - Golf Course Enterprise System Statistics</i>
<i>Exhibit C-11</i>	<i>Golf Fund – Maximum Annual Debt Service Coverage</i>

**EXHIBIT C-1****CITY OF AURORA, COLORADO****SUMMARY OF CONTINUING DISCLOSURES BY ISSUE (unaudited)  
DECEMBER 31, 2007**

**GENERAL OBLIGATION BONDS, SERIES 1998**  
**GENERAL FUND BONDS, SERIES 1999**  
**GENERAL OBLIGATION BONDS, SERIES 2000**  
**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2003**  
**GENERAL OBLIGATION WATER REFUNDING BONDS, SERIES 2003**  
**CERTIFICATES OF PARTICIPATION, SERIES 2002**  
**REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2004**  
**CERTIFICATES OF PARTICIPATION, SERIES 2005**  
**REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2006A-1**  
**REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2006A-2**

<b>Required Disclosure</b>	<b>Location</b>
General Fund Operating History	Exhibits C-2 and C-3
Primary Sources of Revenue to the General Fund	Governmental Funds, Statement of Revenues, Expenditures and Changes in Fund Balances
Sales, Use and Lodgers Tax Receipts	Statistical Section, Exhibit A-4
Assessed and Estimated Actual Value of Taxable Property	Statistical Section, Exhibit A-9
Property Tax Levies and Collections	Statistical Section, Exhibit A-12
Ten Principal Real Property Taxpayers	Statistical Section, Exhibit A-11
Mill Levies of Direct and Primary Overlapping Governments	Statistical Section, Exhibit A-10
Authorized, Issued and Outstanding Debt	Schedule of Indebtedness, Exhibit B-1
Long-term Debt Schedules	Schedule of Debt Service Requirements Governmental Activities, Exhibit B-2 Business-type Activities, Exhibit B-3
Direct and Overlapping General Obligation Debt	Statistical Section, Exhibit A-15
Historical Summary of Debt Ratios	Statistical Section, Exhibit A-13 and A-14
Legal Debt Margin	Statistical Section, Exhibit A-16

**DRINKING WATER REVENUE BONDS, SERIES 1999**  
**FIRST-LIEN WATER IMPROVEMENT REVENUE BONDS, SERIES 2003A**  
**SECOND-LIEN WATER IMPROVEMENT REVENUE BONDS, SERIES 2004A**  
**WATER RESOURCES REVENUE BONDS, SERIES 2005D**  
**FIRST LIEN WATER IMPROVEMENT REVENUE BONDS, SERIES 2007A**

<b>Required Disclosure</b>	<b>Location</b>
Water Fund Operating History	Exhibit C-4
Water System Statistics	Exhibit C-5
Maximum Annual Debt Service Coverage	Exhibit C-6
Historical Water Revenue Bond Coverage	Statistical Section, Exhibit A-17
Debt Supported by Water Fund	Schedule of Indebtedness, Exhibit B-1

**EXHIBIT C-1****CITY OF AURORA, COLORADO****SUMMARY OF CONTINUING DISCLOSURES BY ISSUE (unaudited)  
DECEMBER 31, 2007**

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**CLEAN WATER REVENUE BONDS, SERIES 1999  
FIRST-LIEN SEWER IMPROVEMENT REVENUE BONDS, SERIES 2006**

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<b>Required Disclosure</b>	<b>Location</b>
Wastewater Fund Operating History	Exhibit C-7
Sewer System Statistics	Exhibit C-8
Historical Sewer Revenue Bond Coverage	Statistical Section, Exhibit A-17

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**METRO WASTEWATER RECLAMATION DISTRICT, COLORADO  
CONVERTIBLE SEWER REFUNDING BONDS, SERIES 1996  
SEWER REFUNDING BONDS, SERIES 2002A**

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The City of Aurora has no obligation related to payment of the Metro Wastewater Reclamation District Bonds. However, as a significant source of Metro Wastewater Reclamation District revenue, the City has agreed to the following continuing disclosures:

<b>Required Disclosure</b>	<b>Location</b>
Wastewater Fund Operating History	Exhibit C-7
General Fund Operating History	Exhibits C-2 and C-3
Historical Summary of Debt Ratios	Statistical Section, Exhibit A-17
Assessed and Estimated Actual Value of Taxable Property	Statistical Section, Exhibit A-9

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**GOLF COURSE ENTERPRISE SYSTEM REFUNDING REVENUE BONDS, SERIES 2005**

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<b>Required Disclosure</b>	<b>Location</b>
Golf Fund Operating History	Exhibit C-9
Golf Course Enterprise System Statistics	Exhibit C-10
Maximum Annual Golf Revenue Bond Coverage	Exhibit C-11

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**EXHIBIT C-2**

**CITY OF AURORA, COLORADO**

**COMBINED GENERAL, TABOR RESERVE AND POLICY RESERVE FUNDS (a)  
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE (GAAP BASIS) (unaudited)  
FOR THE YEARS ENDED DECEMBER 31:**

	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>REVENUES</b>					
Taxes	\$ 172,943,411	\$ 177,735,020	\$ 190,409,082	\$ 198,970,258	\$ 204,314,913
Charges for services	8,128,459	5,734,870	6,055,827	5,741,311	6,979,482
License and permits	8,902,351	3,512,683	4,760,292	4,758,928	2,742,650
Fines and forfeits	4,547,241	4,492,855	6,280,369	6,223,958	6,836,170
Intergovernmental	10,468,042	10,334,987	9,919,966	11,601,812	10,845,109
Miscellaneous	1,304,765	607,601	1,094,871	1,112,129	974,544
Investment earnings	1,591,078	1,109,806	1,696,347	2,303,935	3,285,013
Total revenues	<u>207,885,347</u>	<u>203,527,822</u>	<u>220,216,754</u>	<u>230,712,331</u>	<u>235,977,881</u>
<b>EXPENDITURES</b>					
<i>Current</i>					
General government	22,962,760	25,677,571	29,076,385	28,983,843	29,106,838
Judicial	6,199,550	6,726,991	6,700,195	7,083,113	7,615,855
Police	58,673,875	59,721,817	62,756,741	66,807,866	71,123,642
Fire	28,440,321	27,571,139	27,740,259	29,499,789	31,753,544
Other public safety	4,266,753	8,099,500	8,271,531	8,289,912	9,512,447
Public works	16,238,226	16,641,995	16,531,139	18,657,180	22,044,805
Economic development	12,633,602	4,263,256	3,668,660	3,576,436	3,783,893
Community services	4,699,139	4,748,819	4,313,883	3,931,381	3,935,571
Culture and recreation	17,531,890	18,677,475	18,490,189	17,898,708	19,950,167
<i>Debt service</i>					
Principal	392,362	381,242	262,968	526,135	913,952
Interest	29,391	26,989	43,282	85,640	141,443
Capital outlay	1,626,719	2,676,117	2,628,802	5,595,819	5,000,147
Total expenditures	<u>173,694,588</u>	<u>175,212,911</u>	<u>180,484,034</u>	<u>190,935,822</u>	<u>204,882,304</u>
Excess of revenues over expenditures	34,190,759	28,314,911	39,732,720	39,776,509	31,095,577
Net other financing uses (b)	<u>(43,277,367)</u>	<u>(32,409,772)</u>	<u>(35,884,275)</u>	<u>(36,275,913)</u>	<u>(31,503,197)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(9,086,608)	(4,094,861)	3,848,445	3,500,596	(407,620)
FUND BALANCE - January 1	<u>62,470,508</u>	<u>53,383,900</u>	<u>49,289,039</u>	<u>53,137,484</u>	<u>56,638,080</u>
FUND BALANCE - December 31	<u>\$ 53,383,900</u>	<u>\$ 49,289,039</u>	<u>\$ 53,137,484</u>	<u>\$ 56,638,080</u>	<u>\$ 56,230,460</u>
General Fund	\$ 28,934,614	\$ 24,426,301	\$ 27,609,171	\$ 31,208,559	\$ 27,574,786
Policy Reserve	18,109,610	18,275,311	18,744,164	19,239,541	20,910,375
TABOR Reserve	6,339,676	6,587,427	6,784,149	6,189,980	7,745,299

(a) This schedule contains the activities of the General Fund, the TABOR Reserve Fund and the Policy Reserve Fund.

(b) Net other financing uses consist primarily of transfers to other funds. Transfers among the General Fund, the TABOR Reserve Fund and the Policy Reserve Fund have been eliminated in this schedule.

EXHIBIT C-3

CITY OF AURORA, COLORADO

COMBINED GENERAL, TABOR RESERVE, AND POLICY RESERVE FUNDS (a)  
COMPARATIVE SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE, ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS) (unaudited)  
FOR THE YEARS ENDED DECEMBER 31:

	2003		2004		2005		2006		2007	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
<b>SOURCES</b>										
Taxes	\$ 172,183,351	\$ 176,221,696	\$ 177,004,557	\$ 180,903,576	\$ 188,648,945	\$ 185,205,938	\$ 199,269,031	\$ 193,922,793	\$ 204,693,645	\$ 204,970,169
Licenses and permits	8,902,351	7,375,642	3,512,683	2,994,878	4,760,292	3,110,961	4,758,928	3,786,572	2,742,650	4,605,374
Intergovernmental	10,468,042	10,358,686	10,424,987	10,650,812	9,919,966	10,806,128	11,601,812	10,563,233	10,800,109	10,653,412
Charges for services	8,128,462	7,925,547	5,734,820	6,146,270	6,055,827	6,136,159	5,741,311	5,472,619	6,979,481	8,440,237
Fines and forfeitures	4,547,241	4,299,360	4,492,855	4,732,230	6,280,369	5,397,854	6,223,958	6,530,773	6,836,170	7,132,819
Investment income	2,415,575	2,919,688	1,581,112	1,463,585	1,866,340	1,440,944	2,324,815	1,737,000	2,912,596	2,367,280
Other revenues	4,109,157	2,927,029	6,796,043	6,934,843	5,262,923	5,527,546	6,064,004	5,531,357	4,354,898	4,751,348
Total sources	<u>210,754,179</u>	<u>212,027,648</u>	<u>209,547,057</u>	<u>213,826,194</u>	<u>222,794,662</u>	<u>217,625,530</u>	<u>235,983,859</u>	<u>227,544,347</u>	<u>239,319,549</u>	<u>242,920,639</u>
<b>USES</b>										
Municipal Court	7,758,292	7,888,379	8,210,957	8,409,444	8,332,057	8,464,869	8,707,232	8,780,095	9,466,802	9,647,682
City Attorney	4,153,348	4,501,297	4,259,378	4,425,616	4,213,779	4,366,001	4,230,779	4,390,134	4,553,931	4,654,138
General Management	11,387,231	11,843,397	6,071,594	6,534,853	5,296,515	5,347,025	4,997,778	5,145,787	5,473,084	5,629,535
Administrative Services	20,245,984	20,386,054	20,696,713	21,346,701	20,467,673	21,032,846	21,724,587	22,183,978	26,267,487	26,645,401
Operations Group Management	33,024,532	33,311,943	30,757,237	31,480,992	30,793,656	31,688,380	31,018,019	31,586,510	34,343,555	34,800,854
Community Services	101,134,022	101,853,392	107,076,146	108,169,793	109,893,846	110,329,038	115,374,727	116,455,464	124,381,954	125,335,624
Non-departmental	42,475,550	48,538,526	36,483,801	37,959,535	41,518,531	41,368,630	46,135,499	46,223,198	35,668,519	36,474,517
Total uses	<u>220,178,959</u>	<u>228,322,988</u>	<u>213,555,826</u>	<u>218,326,934</u>	<u>220,516,057</u>	<u>222,596,789</u>	<u>232,188,621</u>	<u>234,765,166</u>	<u>240,155,332</u>	<u>243,187,751</u>
Excess (deficiency) of revenues over (under) expenditures	(9,424,780)	(16,295,340)	(4,008,769)	(4,500,740)	2,278,605	(4,971,259)	3,795,238	(7,220,819)	(835,784)	(267,112)
FUNDS AVAILABLE - January 1	<u>46,357,156</u>	<u>43,323,692</u>	<u>36,932,376</u>	<u>43,323,692</u>	<u>32,923,607</u>	<u>28,793,933</u>	<u>35,202,212</u>	<u>32,189,336</u>	<u>38,997,450</u>	<u>35,838,342</u>
FUNDS AVAILABLE - December 31	36,932,376	<u>\$ 27,028,352</u>	32,923,607	<u>\$ 38,822,952</u>	35,202,212	<u>\$ 23,822,674</u>	38,997,450	<u>\$ 24,968,517</u>	38,161,666	<u>\$ 35,571,230</u>
Reserved for police (117,137)	(117,137)		—		—		—		—	
Reserved for emergencies (6,277,268)	(6,277,268)		(6,603,291)		(6,885,086)		(6,232,127)		(7,723,875)	
Council designations (5,791,519)	(5,791,519)		(2,775,332)		(8,493,780)		(13,394,824)		(9,585,220)	
Funds available - after reservations and designations	<u>\$ 24,746,452</u>		<u>\$ 23,544,984</u>		<u>\$ 19,823,346</u>		<u>\$ 19,370,499</u>		<u>\$ 20,852,571</u>	
<b>Reconciliation to GAAP fund balance</b>										
Funds available - December 31	36,932,376		32,923,607		35,202,212		38,997,450		38,161,666	
Current year encumbrances	1,593,938		992,384		1,318,383		1,298,394		1,687,871	
Sales, use and lodgers tax accrual	14,467,465		15,197,928		16,958,065		16,659,291		16,280,560	
Police/fire sick leave deferral	—		346,305		—		—		—	
Adjust investments to fair value	390,121		(81,185)		(251,176)		(272,055)		100,363	
Deferred revenues-grant awards	—		(90,000)		(90,000)		(45,000)		—	
Assets not available for appropriation	—		—		—		—		—	
FUND BALANCE - December 31	<u>\$ 53,383,900</u>		<u>\$ 49,289,039</u>		<u>\$ 53,137,484</u>		<u>\$ 56,638,080</u>		<u>\$ 56,230,460</u>	

(a) This schedule contains the activities of the General Fund, the TABOR Reserve Fund, and the Policy Reserve Fund.

(b) Some amounts on this schedule have been reclassified and restated from the presentation in the Comprehensive Annual Financial Reports for consistency.



**EXHIBIT C-4****CITY OF AURORA, COLORADO****WATER FUND****OPERATING HISTORY****COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (unaudited)  
FOR THE YEARS ENDED DECEMBER 31:**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>OPERATING REVENUES</b>					
<i>Charges for services</i>					
Customers	\$ 40,503,938	\$ 50,527,062	\$ 64,192,968	\$ 74,797,433	\$ 83,489,049
Fire protection	384,297	397,651	410,865	—	—
Total operating revenues	<u>40,888,235</u>	<u>50,924,713</u>	<u>64,603,833</u>	<u>74,797,433</u>	<u>83,489,049</u>
<b>OPERATING EXPENSES</b>					
Cost of sales and services	27,317,673	33,998,912	42,022,670	39,238,083	44,051,174
Administrative expenses	1,376,473	1,215,720	3,143,921	3,576,677	4,861,955
Depreciation	6,662,885	7,081,010	7,401,865	8,901,048	9,774,410
Total operating expenses	<u>35,357,031</u>	<u>42,295,642</u>	<u>52,568,456</u>	<u>51,715,808</u>	<u>58,687,539</u>
Operating income	<u>5,531,204</u>	<u>8,629,071</u>	<u>12,035,377</u>	<u>23,081,625</u>	<u>24,801,510</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Investment income	1,869,029	2,198,891	4,231,540	10,425,346	22,391,678
Intergovernmental revenue	—	—	142,493	265,024	126,077
Miscellaneous revenue	198,638	77,764	63,488	241,851	187,358
Interest expense	(4,226,163)	(4,573,056)	(6,438,629)	(9,222,064)	(15,544,841)
Amortization expense	(1,022,047)	(28,366)	168,967	205,392	392,284
Gain (loss)-disposal capital assets	(425,383)	51,317	336,550	75,735	12,486
Gain (loss)-joint venture	(39,052)	(34,478)	(34,779)	(35,817)	(33,395)
Net non-operating revenues (expenses)	<u>(3,644,978)</u>	<u>(2,307,928)</u>	<u>(1,530,370)</u>	<u>1,955,467</u>	<u>7,531,647</u>
<b>NET INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<u>1,886,226</u>	<u>6,321,143</u>	<u>10,505,007</u>	<u>25,037,092</u>	<u>32,333,157</u>
Capital contributions	32,656,102	45,349,567	68,005,757	72,727,887	61,707,007
Transfers in	—	—	200,000	—	—
Transfers out	—	—	—	—	—
INCREASE IN NET ASSETS	<u>34,542,328</u>	<u>51,670,710</u>	<u>78,710,764</u>	<u>97,764,979</u>	<u>94,040,164</u>
NET ASSETS - January 1	<u>456,953,092</u>	<u>491,495,420</u>	<u>543,166,130</u>	<u>621,876,894</u>	<u>719,641,873</u>
NET ASSETS - December 31	<u>\$ 491,495,420</u>	<u>\$ 543,166,130</u>	<u>\$ 621,876,894</u>	<u>\$ 719,641,873</u>	<u>\$ 813,682,037</u>

**EXHIBIT C-4****CITY OF AURORA, COLORADO****WATER FUND****OPERATING HISTORY****SCHEDULE OF SOURCES, USES, AND CHANGES IN FUNDS AVAILABLE BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)****FOR THE YEARS ENDED DECEMBER 31:**

	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>Adopted 2008</b>
<b>SOURCES</b>						
Charges for services	\$ 40,888,235	\$ 50,865,583	\$ 64,542,513	\$ 74,655,303	\$ 83,373,085	\$ 94,106,141
Intergovernmental	—	—	142,493	265,023	126,077	—
Licenses and permits	—	59,130	61,320	142,130	116,101	—
Investment income	3,059,311	3,288,854	5,824,951	9,753,888	20,463,682	9,045,901
Development fees and other revenues	23,912,925	34,804,277	50,993,520	46,594,768	42,744,831	33,637,898
Proceeds from sale of assets	24,584	53,331	645,450	75,735	12,486	—
Proceeds from long-term borrowings	122,743,597	40,000,000	101,607,022	—	434,379,428	25,000,000
Transfers in	—	—	200,000	—	—	—
Funds from restricted assets	(5,012,116)	—	—	(48,372)	(35,711,726)	—
Release of prior year designation	—	—	—	—	8,545,569	—
Total sources	<u>185,616,536</u>	<u>129,071,175</u>	<u>224,017,269</u>	<u>131,438,475</u>	<u>554,049,533</u>	<u>161,789,940</u>
<b>USES</b>						
<i>Operating Costs</i>						
Operations group	103,207,725	51,322,644	60,149,346	63,054,274	79,075,158	101,212,524
<i>Continuing Appropriations</i>						
Operations group	<u>84,123,305</u>	<u>30,214,974</u>	<u>114,674,135</u>	<u>106,432,222</u>	<u>197,486,872</u>	<u>305,521,695</u>
Total uses	<u>187,331,030</u>	<u>81,537,618</u>	<u>174,823,481</u>	<u>169,486,496</u>	<u>276,562,030</u>	<u>406,734,219</u>
Change in funds available	(1,714,494)	47,533,557	49,193,788	(38,048,021)	277,487,503	(244,944,279)
Funds Available - January 1	<u>31,321,815</u>	<u>29,607,321</u>	<u>77,140,878</u>	<u>126,334,666</u>	<u>88,286,645</u>	<u>355,062,318</u>
Funds Available - December 31	<u>\$ 29,607,321</u>	<u>\$ 77,140,878</u>	<u>\$ 126,334,666</u>	<u>\$ 88,286,645</u>	<u>\$ 365,774,148</u>	<u>\$ 110,118,039</u>

**EXHIBIT C-5****CITY OF AURORA, COLORADO****WATER FUND****WATER SYSTEM STATISTICS (unaudited)****DECEMBER 31, 2007****2007 Water Usage and Billed Revenues by Classification (a)**

Classification	Consumption	Percent of Consumption	Billed Revenue	Percent of Revenue
Residential	6,954,599	42%	\$ 35,566,613	42%
Multi-Family	3,512,986	21%	17,107,932	20%
Commerical	3,208,231	19%	18,315,767	22%
Irrigation	1,554,747	9%	10,346,270	12%
Other (a)	1,396,602	8%	3,185,695	4%
Total	<u>16,627,165</u>	<u>100%</u>	<u>\$ 84,522,277</u>	<u>100%</u>

(a) Includes tertiary, trade, hydrant, raw water and well water customers.

**System Annual Billed Revenues and Cash Collection (b)**

Classification	2003	2004	2005	2006	2007
Billed revenues	\$40,030,985.00	\$50,102,648.00	\$60,198,681.00	\$72,391,949.00	\$81,808,608.00
Cash collected during year for current and prior years' sales	\$39,560,286.00	\$49,738,716.00	\$60,300,044.00	\$71,588,580.00	\$80,240,575.00
Percentage of billed revenues collected	98.8%	99.3%	100.2%	98.9%	98.1%

(b) Revenues include metered sales, raw water irrigation, raw water resale, tertiary reuse water sales, and related services (trip charges, meter testing, wasting water fees and non-sufficient funds fees).

**Customers by Class (c)**

Classification	2003	2004	2005	2006	2007
Residential (1-4 units)	57,538	63,839	65,110	67,021	67,972
Multi-Family (5+ units)	1,539	1,610	2,256	2,281	2,496
Commercial	2,553	2,714	2,753	2,804	2,963
Irrigation	691	823	828	820	831
Total	<u>62,321</u>	<u>68,986</u>	<u>70,947</u>	<u>72,926</u>	<u>74,262</u>

(c) Excludes tertiary, hydrant, raw, and well water customers. Also excludes inactive and stubbed taps.

(continued)

**EXHIBIT C-5****CITY OF AURORA, COLORADO****WATER FUND****WATER SYSTEM STATISTICS (unaudited)****DECEMBER 31, 2007**

The following table sets forth the ten largest consumers of the Water System, which, in aggregate, accounted for 8.47% of the total billed metered water sales in 2007.

**Ten Largest Treated Water Customers of Water System**

Customer	Consumption (a)	Percent of Consumption	Billed Revenues	Percent of Billed Revenues
City of Aurora	425,582	31%	\$ 2,273,797	31%
Aurora Public Schools	223,125	16%	1,045,166	14%
Buckley Air Force Base	169,269	12%	928,953	13%
Heather Gardens HOA	126,620	9%	673,794	9%
Cherry Creek School District	140,448	10%	650,629	9%
UDR Developers	61,687	5%	604,684	8%
University of Colorado HSC	61,010	4%	437,771	6%
ERP Operating LP	58,667	4%	274,778	4%
Mountain View Associates, LLC	47,745	4%	246,976	3%
Medical Center of Aurora	43,992	3%	239,831	3%
	<u>1,358,145</u>	<u>100%</u>	<u>\$ 7,376,379</u>	<u>100%</u>

(a) In thousand gallons. Includes water and irrigation customers only.

**Aurora Water Rates History and Average Annual Water Bill**

Single Family Residential	2003	2004	2005	2006	2007
Base charge	\$ 3.30	\$ 3.79	\$ 3.79	\$ 4.24	\$ 8.50
Rates per 1,000 gallons	2.34	2.69	3.61	4.04	Tiered Structure
Surcharge	n/a	0.65	-	-	-
Average annual bill	n/a	364.62	415.25	485.92	514.98

(continued)

**EXHIBIT C-5****CITY OF AURORA, COLORADO****WATER FUND****WATER SYSTEM STATISTICS (unaudited)****FOR THE YEARS ENDED DECEMBER 31:**

<b>Monthly Service Charge (a)</b>					
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Meter Size</b>					
5/8" & 3/4"	\$ 3.30	\$ 3.79	\$ 3.79	\$ 4.24	\$ 8.50
1"	4.53	5.20	5.20	5.82	11.67
1 1/4"	4.53	5.20	5.20	5.82	11.67
1 1/2"	7.26	8.34	8.34	9.34	18.70
2"	10.55	12.13	12.13	13.59	27.20
3"	20.91	24.04	24.04	26.92	53.90
4"	56.38	64.83	64.83	72.61	145.38
6"	110.95	127.59	127.59	142.90	286.11
8"	138.25	158.98	158.98	178.06	356.51

<b>Water Service Connection Fee</b>					
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Type and Size of Connection</b>					
Single Family Detached					
5/8" & 3/4"	\$ 10,711	\$ 10,925	\$ 14,858	\$ 16,641	\$ 18,638
1"	21,422	21,850	29,716	33,282	37,276
Single Family Attached	7,605	7,757	10,549	11,815	13,233
Multi-Family	6,319	6,445	8,766	9,818	10,996
Commercial					
5/8" & 3/4"	10,711	10,925	14,858	16,641	18,638
1"	18,551	18,922	25,734	28,822	32,281
1 1/2"	42,748	43,603	59,298	66,414	74,384
2"	45,920	77,438	105,314	117,952	132,106
3"	170,699	174,113	236,789	265,204	297,030
4"	303,679	309,753	421,256	471,807	528,426
6"	683,521	697,191	948,162	1,061,941	1,189,382
8"	1,215,335	1,239,642	1,685,879	1,888,184	2,114,781

(a) Monthly fee equals the Monthly Service Charge (based on meter size) plus a charge per 1,000 gallons used.

(continued)

**EXHIBIT C-5****CITY OF AURORA, COLORADO****WATER FUND****WATER SYSTEM STATISTICS (unaudited)****FOR THE YEARS ENDED DECEMBER 31:**

Type of Account	Usage Rates				Tiered Use
	Monthly use rate per 1,000 gallons				Rate (a)
	2003	2004	2005	2006	2007
Single Family Detached	\$ 2.34	\$ 2.69	\$ 3.61	\$ 4.04	
Tier 1-WQA					\$ 3.60
Tier 2-next 15,000 gals					4.50
Tier 3-next 10,000 gals					8.25
Tier 4-over additional 25,000 gals					10.75
Single Family Attached	2.34	2.69	3.61	4.04	
Tier 1-WQA					3.60
Tier 2-next 4,000 gals					4.50
Tier 3-next 3,000 gals					8.25
Tier 4-over additional 7,000 gals					10.75
Multi-Family	2.34	2.69	3.61	4.04	
Tier 1-WQA					3.60
Tier 2->100% & <150% WQA					4.50
Tier 3->150% & <250% WQA					8.25
Tier 4->250% WQA					10.75
Commercial/Industrial	2.34	2.69	3.61	4.04	
Tier 1-WQA					3.60
Tier 2->100% & <150% WQA					4.50
Tier 3->150% & <250% WQA					8.25
Tier 4->250% WQA					10.75
Irrigation	2.81	3.23	4.33	4.85	
Tier 1-100% daily allocation					5.43
Tier 2->100% & <130% daily alloc					9.95
Tier 3->130% daily allocation					12.96
Irrigation, Intensive, Commercial and Multifamily (b)	-	-	-	-	
Tier 1-WQA					4.50
Tier 2-100% daily allocation					5.43
Tier 3->100% & <130% daily alloc					9.95
Tier 4->130% daily allocation					12.96

(a) Tiered rate structure adopted for 2007 is based on average monthly consumption during December, January and February ("WQA" or "Winter Quarter Average"). A conservation credit of \$3.75/month is available to those using 3,000 gallons per month or less.

(b) New category beginning in 2007.

(continued)

**EXHIBIT C-5****CITY OF AURORA, COLORADO****WATER FUND****WATER SYSTEM STATISTICS (unaudited)****FOR THE YEARS ENDED DECEMBER 31:**

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**Tap and Development Fee Revenues**

<b>Year</b>	<b>Tap Fee Revenues</b>	<b>Development Fee Revenue</b>	<b>Total Tap and Development Fees</b>
2003	\$22,718,429	\$1,106,648	\$ 23,825,077
2004	33,386,310	1,340,203	34,726,513
2005	49,843,267	1,086,766	50,930,033
2006	45,585,338	767,579	46,352,917
2007	42,190,609	367,000	42,557,609

**Average Daily and Peak Day Demand  
In Millions of Gallons**

	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Average Daily Treatment	37.2	38.2	43.7	43.8	45.1
Average Daily Consumption	35.9	36.6	41.4	43.8	42.7
Peak Hour Treatment	134.3	129.3	177.9	142.4	160.9
Peak Day Treatment	76.2	74.3	97.5	94.4	98.9
Peak Day Consumption	71.4	73.0	95.8	90.5	97.0

(concluded)

**EXHIBIT C-6****CITY OF AURORA, COLORADO****WATER FUND****MAXIMUM ANNUAL DEBT SERVICE COVERAGE (unaudited)****FOR THE YEARS ENDED DECEMBER 31:**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Net Pledged Revenue					
Charges for Services	\$40,888,235	\$50,924,714	\$64,603,833	\$74,797,433	\$83,489,049
Development Fee (a)	22,932,847	33,647,868	50,568,636	45,892,609	42,341,206
Other Non-Operating Revenue (b)	3,262,024	3,372,033	5,902,595	9,999,700	20,651,041
(Less) Operations and Maintenance	(35,357,031)	(42,295,642)	(52,568,456)	(51,715,808)	(58,687,539)
Depreciation	6,662,885	7,081,010	7,401,865	8,901,048	9,774,409
Total	<u>\$38,388,960</u>	<u>\$52,729,983</u>	<u>\$75,908,473</u>	<u>\$87,874,982</u>	<u>\$97,568,166</u>
Maximum Annual Debt Service					
First-Lien Revenue Obligations (c)	\$6,393,273	\$6,393,273	\$13,122,773	\$13,122,773	\$45,493,350
Combined First-Lien Revenue Obligations and Second-Lien Revenue Obligations (d)	6,393,273	7,893,273	14,622,773	14,622,773	47,122,450
All Obligations Secured by Net Pledged Revenue (e)	6,455,962	9,119,290	15,331,929	15,331,929	47,122,450
All Obligations Payable From System Revenues (f)	14,647,320	17,299,765	22,433,329	22,433,329	47,122,450
Coverage					
First-Lien Revenue Obligations	6.00	8.25	5.78	6.70	2.14
Combined First-Lien Revenue Obligations and Second-Lien Revenue Obligations	6.00	6.68	5.19	6.01	2.07
All Obligations Secured by Net Pledged Revenues	5.95	5.78	4.95	5.73	2.07
All Obligations Payable from Systems Revenues	2.62	3.05	3.38	3.92	2.07

- (a) Includes tap, main extension, front footage fees and drought water replacement surcharge. Does not include annexation fees. Total is net of any reimbursement of previously paid tap fees.
- (b) Includes investment income, insurance recoveries and other non-operating revenue. Excludes fair value and intergovernmental revenues.
- (c) First lien maximum annual debt service occurs in 2020. Includes the City's portion of the Colorado Water Resources and Power Development Authority's Drinking Water bonds Series 1999A and 2005D (CWR&PDA), the City's First Lien Water Improvement Revenue Bonds Series 2003A, and the City's First Lien Water Improvement Bonds Series 2007A.
- (d) Includes (c) above and Second Lien Water Improvement Revenue Bonds Series 2004A. Maximum annual debt service occurs in 2023.
- (e) Includes (d) above and water rights notes payable. Maximum annual debt service occurs in 2023.
- (f) Includes (e) above and general obligation water bonds which are payable from revenues of the system but are not secured by the Net Pledged revenues. Maximum annual debt service occurs in 2023.



**EXHIBIT C-7****CITY OF AURORA, COLORADO****OPERATING HISTORY****WASTEWATER FUND****COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (unaudited)  
FOR THE YEARS ENDED DECEMBER 31:**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>OPERATING REVENUES</b>					
Charges for services	\$ 25,580,371	\$ 26,327,715	\$ 29,059,182	\$ 33,286,941	\$ 39,070,578
Total operating revenues	<u>25,580,371</u>	<u>26,327,715</u>	<u>29,059,182</u>	<u>33,286,941</u>	<u>39,070,578</u>
<b>OPERATING EXPENSES</b>					
Cost of sales and services	20,538,865	21,186,499	23,834,605	25,063,774	27,467,642
Administrative expenses	437,459	620,376	789,059	1,067,007	1,326,795
Depreciation	<u>3,550,451</u>	<u>4,211,508</u>	<u>4,634,877</u>	<u>5,527,402</u>	<u>6,103,035</u>
Total operating expenses	<u>24,526,775</u>	<u>26,018,383</u>	<u>29,258,541</u>	<u>31,658,183</u>	<u>34,897,472</u>
Operating income	<u>1,053,596</u>	<u>309,332</u>	<u>(199,359)</u>	<u>1,628,758</u>	<u>4,173,106</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Investment income	936,271	735,528	984,779	3,812,115	5,843,765
Miscellaneous revenue	6,956	84,538	34,224	741,219	76,850
Interest expense	(180,069)	(175,542)	(652,990)	(1,879,993)	(2,244,079)
Amortization expense	(8,206)	(8,206)	(8,206)	8,053	24,312
Gain (loss)-disposal capital assets	<u>(168,428)</u>	<u>45,728</u>	<u>(120,634)</u>	<u>69,100</u>	<u>(23,065)</u>
Net non-operating revenues (expenses)	<u>586,524</u>	<u>682,046</u>	<u>237,173</u>	<u>2,750,494</u>	<u>3,677,783</u>
<b>NET INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<u>1,640,120</u>	<u>991,378</u>	<u>37,814</u>	<u>4,379,252</u>	<u>7,850,889</u>
Capital contributions	19,050,164	21,860,597	28,391,467	40,129,367	35,458,051
Transfers in	—	—	—	—	—
Transfers out	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>INCREASE IN NET ASSETS</b>	<u>20,690,284</u>	<u>22,851,975</u>	<u>28,429,281</u>	<u>44,508,619</u>	<u>43,308,940</u>
<b>NET ASSETS - January 1</b>	<u>233,410,900</u>	<u>254,101,184</u>	<u>276,953,159</u>	<u>305,382,440</u>	<u>349,891,059</u>
<b>NET ASSETS - December 31</b>	<u>\$ 254,101,184</u>	<u>\$ 276,953,159</u>	<u>\$ 305,382,440</u>	<u>\$ 349,891,059</u>	<u>\$ 393,199,999</u>

**EXHIBIT C-7****CITY OF AURORA, COLORADO****OPERATING HISTORY****WASTEWATER FUND****SCHEDULE OF SOURCES, USES, AND CHANGES IN FUNDS AVAILABLE****BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)****FOR THE YEARS ENDED DECEMBER 31:**

	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>Adopted 2008</b>
<b>SOURCES</b>						
Charges for services	\$ 25,580,371	\$ 26,327,715	\$ 29,059,182	\$ 33,286,941	\$ 39,070,667	\$ 45,300,982
Investment income	1,486,958	1,030,664	1,262,531	3,458,615	5,124,442	1,253,815
Other revenues	5,562,887	7,178,142	10,643,707	8,191,939	7,751,110	8,249,577
Proceeds from sale of assets	42,575	11,156	8,510	7,577	19,335	—
Proceeds from long-term borrowings	—	—	—	59,943,695	56,921	—
Transfers in	256,000	256,000	256,000	256,000	256,000	256,000
Funds from restricted assets	—	—	—	(3,749,250)	—	—
Total sources	<u>32,928,791</u>	<u>34,803,677</u>	<u>41,229,930</u>	<u>101,395,517</u>	<u>52,278,475</u>	<u>55,060,374</u>
<b>USES</b>						
<i>Operating Costs</i>						
Operations group	22,665,925	24,583,106	27,331,261	30,016,076	34,175,355	40,259,472
<i>Continuing Appropriations</i>						
Operations group	<u>9,197,114</u>	<u>17,826,739</u>	<u>11,984,327</u>	<u>18,522,604</u>	<u>26,077,290</u>	<u>41,334,463</u>
Total uses	<u>31,863,039</u>	<u>42,409,845</u>	<u>39,315,588</u>	<u>48,538,680</u>	<u>60,252,645</u>	<u>81,593,935</u>
Change in funds available	1,065,752	(7,606,168)	1,914,342	52,856,837	(7,974,170)	(26,533,561)
Funds Available - January 1	<u>13,521,651</u>	<u>14,587,403</u>	<u>6,981,235</u>	<u>8,895,577</u>	<u>61,752,414</u>	<u>45,911,058</u>
Funds Available - December 31	<u>\$ 14,587,403</u>	<u>\$ 6,981,235</u>	<u>\$ 8,895,577</u>	<u>\$ 61,752,414</u>	<u>\$ 53,778,244</u>	<u>\$ 19,377,497</u>

**EXHIBIT C-8****CITY OF AURORA, COLORADO****WASTEWATER FUND****SEWER SYSTEM STATISTICS (unaudited)****DECEMBER 31, 2007**

The Sanitary Sewer System classifies its customers as business and residential. A breakdown of the usage and revenues for 2007 is as follows:

**2007 Sanitary Sewer Usage and Revenues by Classification**

<b>Classification</b>	<b>Percent of Consumption</b>	<b>Percent of Billed</b>
Business	19%	19%
Residential	81%	81%
Totals	100%	100%

The following table sets forth the ten largest customers of the Sewer System, which, in aggregate, accounted for 4.7% of total billed Sanitary Sewer revenues in 2007.

**Ten Largest Customers of the Sanitary Sewer System**

<b>Customer</b>	<b>Billed Revenues</b>
Buckley Air Force Base	\$175,375
Heather Gardens HOA	147,404
ERP Operating, LP	93,537
Aurora Public Schools	86,347
Hickory Ridge Colorado LLC	71,593
Mountain View Apartments	70,992
Aurora Meadows Apartments	67,438
Ridge Hill Apartments	67,089
Liberty Creek Apartment Homes	61,809
United Dominion Reality Trust	60,703
	<u>\$902,287</u>

(continued)

**EXHIBIT C-8****CITY OF AURORA, COLORADO****WASTEWATER FUND****SEWER SYSTEM STATISTICS (unaudited)****DECEMBER 31, 2007****Sanitary Sewer Monthly Service Charge by Tap Size(a)**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
5/8" and 3/4"	\$1.74	\$1.79	\$1.93	\$2.16	\$2.38
1" & 1 1/4"	4.35	4.48	4.83	5.41	5.65
1 1/2"	8.70	8.96	9.66	10.82	11.90
2"	13.92	14.33	15.45	17.30	19.03
3"	30.46	31.37	33.82	37.88	41.67
4"	87.05	89.66	96.65	108.25	119.08
6"	174.12	179.34	193.33	216.53	238.18

(a) The total monthly fee includes the monthly service charge plus a volume charge of \$2.19 per 1,000 gallons used.

**Sanitary Sewer Tap Fees by Service Size**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Single Family Detached (per unit)	\$1,677	\$1,711	\$1,762	\$1,974	\$2,171
Single Family Attached (per unit)	1,358	1,385	1,427	1,599	1,759
Multi-family (per unit)	1,308	1,334	1,374	1,540	1,693
Commercial (per tap size):					
3/4	3,186	3,250	3,348	3,751	4,125
1	7,547	7,698	7,929	8,883	9,770
2	18,447	18,816	19,382	21,714	23,881
2	33,540	34,211	35,240	39,480	43,420
3	70,434	71,843	74,004	82,908	91,182
4	127,452	130,001	133,912	150,024	164,996
6	(b)	(b)	(b)	(b)	(b)

(b) Rates for the six inch and larger meters are based on a formula utilizing flow, BOD, TSS and TKN values.

(continued)

**EXHIBIT C-8****CITY OF AURORA, COLORADO****WASTEWATER FUND****SEWER SYSTEM STATISTICS (unaudited)****DECEMBER 31, 2007****Sewer Tap and Development Fee Revenues**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Sanitary Sewer Tap Fees	\$ 4,293,005	\$ 5,095,675	\$ 7,845,409	\$ 6,471,895	\$ 6,281,758
Storm Drain Development Fees	1,244,680	1,997,929	2,760,020	1,693,814	1,442,352
Total Tap and Development Fees	<u>\$ 5,537,685</u>	<u>\$ 7,093,604</u>	<u>\$ 10,605,429</u>	<u>\$ 8,165,709</u>	<u>\$ 7,724,110</u>

**Customers by Class**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Residential (1-4) units	n/a	n/a	65,110	67,021	67,972
Multi-Family (5+ units)	n/a	n/a	2,256	2,281	2,496
Commercial	n/a	n/a	2,753	2,804	2,963
Irrigation	n/a	n/a	828	820	831
Total			<u>70,947</u>	<u>72,926</u>	<u>74,262</u>

**Storm Drain Rates and Charges**

The City imposes storm drainage fees upon the owners of property served by the System's storm sewer facilities. In addition, developers are charged a \$2,516 per acre storm drainage development fee at the time building permits are issued. The storm drainage fee is \$6.48 per month for single family detached and individually metered single family attached dwellings. The storm drainage fee is \$6.48 per month plus \$5.11 per month for each additional unit for multifamily and master metered single family attached dwelling. For commercial and industrial building, the storm drainage fee is \$6.48 per month for the first 2,500 square feet of gross floor space plus \$5.11 for each additional 2,500 square feet of gross floor space or portion thereof.

(concluded)

**EXHIBIT C-9****CITY OF AURORA, COLORADO****GOLF FUND****OPERATING HISTORY****COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (unaudited)  
FOR THE YEARS ENDED DECEMBER 31:**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>OPERATING REVENUES</b>					
Charges for services	\$ 8,205,072	\$ 8,266,180	\$ 8,737,191	\$ 9,055,305	\$ 9,332,171
Total operating revenues	<u>8,205,072</u>	<u>8,266,180</u>	<u>8,737,191</u>	<u>9,055,305</u>	<u>9,332,171</u>
<b>OPERATING EXPENSES</b>					
Cost of sales and services	6,441,702	6,557,854	6,367,066	6,667,457	6,970,572
Administrative expenses	760,487	823,768	928,317	1,121,135	1,124,552
Depreciation	<u>936,666</u>	<u>957,928</u>	<u>938,285</u>	<u>950,171</u>	<u>985,835</u>
Total operating expenses	<u>8,138,855</u>	<u>8,339,550</u>	<u>8,233,668</u>	<u>8,738,763</u>	<u>9,080,959</u>
Operating income (loss)	<u>66,217</u>	<u>(73,370)</u>	<u>503,523</u>	<u>316,542</u>	<u>251,212</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Investment income	69,095	54,160	124,660	120,056	158,925
Miscellaneous revenue	276,457	38,989	29,645	55,752	72,679
Interest expense	(592,380)	(546,951)	(616,670)	(463,909)	(466,425)
Amortization expense	(12,942)	(12,943)	(6,706)	(13,412)	(13,412)
Gain (loss)-disposal capital assets	<u>(62,436)</u>	<u>—</u>	<u>(6,394)</u>	<u>1,753</u>	<u>(18,659)</u>
Net non-operating expenses	<u>(322,206)</u>	<u>(466,745)</u>	<u>(475,465)</u>	<u>(299,760)</u>	<u>(266,892)</u>
<b>NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<u>(255,989)</u>	<u>(540,115)</u>	<u>28,058</u>	<u>16,782</u>	<u>(15,680)</u>
Capital contributions	159,630	356,156	165,600	108,600	404,800
Transfers in	—	—	—	—	—
Transfers out	<u>(9,970)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<u>(106,329)</u>	<u>(183,959)</u>	<u>193,658</u>	<u>125,382</u>	<u>389,120</u>
<b>TOTAL NET ASSETS - January 1</b>	<u>24,799,828</u>	<u>24,693,499</u>	<u>24,509,540</u>	<u>24,703,198</u>	<u>24,828,580</u>
<b>TOTAL NET ASSETS - December 31</b>	<u>\$ 24,693,499</u>	<u>\$ 24,509,540</u>	<u>\$ 24,703,198</u>	<u>\$ 24,828,580</u>	<u>\$ 25,217,700</u>

**EXHIBIT C-10****CITY OF AURORA, COLORADO****GOLF FUND****GOLF COURSE ENTERPRISE SYSTEM STATISTICS (unaudited)****DECEMBER 31, 2007**

<b>Golf Course System Usage - Total Rounds Played</b>					
<b>Course</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Meadow Hills	54,207	53,639	54,911	54,721	51,815
Aurora Hills	56,657	51,149	54,870	55,050	54,550
Springhill	42,072	44,630	44,466	42,887	41,036
Centre Hills	30,111	30,530	31,681	27,656	27,529
Saddle Rock	34,933	38,091	37,746	38,751	36,932
Fitzsimons	45,012	38,863	36,237	41,501	41,767
Murphy Creek	29,449	34,691	36,457	34,916	34,236

<b>2007 Green Fee Rates</b>							
	<b>Saddle Rock</b>	<b>Murphy Creek</b>	<b>Meadow Hills</b>	<b>Aurora Hills</b>	<b>Fitzsimon (a), (b)</b>	<b>Spring- hill</b>	<b>Centre Hills (c)</b>
18-Hole Resident - Weekday	\$33.00	\$31.00	\$26.00	\$22.00	\$20.00	\$19.00	\$12.25
18-Hole Resident - Weekend	42.00	40.00	31.00	24.00	22.00	21.00	13.50
18-Hole Non-Resident - Weekday	35.00	33.00	28.00	24.00	22.00	21.00	14.50
18-Hole Non-Resident - Weekend	42.00	40.00	31.00	26.00	24.00	23.00	17.50
18-Hole Junior - Weekday	19.00	17.00	14.00	12.00	12.00	11.00	8.00
18-Hole Junior - Weekend	21.00	20.00	16.00	13.00	13.00	12.00	8.00
18-Hole Resident Senior - Weekday	23.00	21.00	17.00	15.00	14.00	13.00	9.00
9-Hole Resident - Weekday	16.50	15.50	13.00	11.00	10.50	10.00	6.75
9-Hole Resident - Weekend	21.00	20.00	15.50	12.00	11.50	11.00	7.50
9-Hole Non-Resident - Weekday	17.50	16.50	14.00	13.00	12.50	11.50	8.00
9-Hole Non-Resident - Weekend	21.00	20.00	15.50	14.00	14.00	13.00	9.50
9-Hole Junior - Weekday	9.50	8.50	7.00	6.50	6.00	5.50	4.50
9-Hole Junior - Weekend	10.50	10.00	8.00	7.50	7.00	6.50	4.50
9-Hole Resident Senior - Weekday	11.50	10.50	8.50	8.00	7.00	6.50	5.00

- (a) Fitzsimons Golf Course continuing annual members \$450/year and \$2.50/9 holes.
- (b) Pursuant to an agreement with the Fitzsimons Redevelopment Authority (FRA), which expires on December 31, 2008, the City of Aurora presently operates the Fitzsimons course as part of its Golf Course Enterprise System. The present agreement calls for payments from the golf enterprise to FRA, a management fee payable to the golf enterprise, and a negotiated division of net income from the Fitzsimons course.
- (c) The Centre Hills Golf Course is a 9-hole course. The 18-hole fee is approximately the total cost to play the 9-hole course twice on the same day.

**EXHIBIT C-11****CITY OF AURORA, COLORADO****GOLF FUND****MAXIMUM ANNUAL DEBT SERVICE COVERAGE (unaudited)****FOR THE YEARS ENDED DECEMBER 31:**

	<u>2005</u>	<u>2006</u>	<u>2007</u>
Net Pledged Revenue			
Charges for services	\$8,737,191	\$9,055,305	\$9,332,171
Capital contributions (a)	165,600	108,600	404,800
Other non-operating revenue (b)	180,522	167,393	195,281
Less: Operating expenses (c)	(8,390,445)	(8,916,811)	(9,279,936)
Depreciation	938,285	950,171	985,835
Total	<u>\$1,631,153</u>	<u>\$1,364,658</u>	<u>\$1,638,151</u>
Maximum Annual Debt Service (d)			
Series 2005 bonds and 2004 notes	\$793,336	\$793,336	\$793,336
Coverage			
Series 2005 bonds and 2004 notes	2.06	1.72	2.06

(a) Includes lot premium and annexation fees.

(b) Includes investment income and other non-operating revenue. Excludes fair value adjustment.

(c) Includes operating expenses such as personal services, supplies, and the principal and interest on the golf cart capital leases.

(d) Maximum annual debt service occurs in 2006.



## ***Aurora's Morrison Nature Center***

*Aurora's Morrison Nature Center (AMNC) at Star K Ranch, featured on the cover of this year's report, was the first public environmental education facility in Aurora, and at the time of its opening in 2003, one of only a few in the Denver/Aurora metro area.*

*Located just south of Smith Road in north Aurora, AMNC compliments the 200-acre Star K Ranch natural area by offering environmental education/outdoor learning programs to individuals, schools and community groups throughout the metro area. AMNC serves as a starting point for those wishing to explore Star K Ranch and the surrounding trails in the Sand Creek Corridor.*



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