

City of Aurora 2012



Comprehensive Annual Financial Report



For the year ended December 31, 2012

Prepared by the Controller's Office
City of Aurora, Colorado

**City of Aurora, Colorado for the Year Ended
December 31, 2012**



Comprehensive Annual Financial Report

Prepared by the Controller's Office



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Finance Department

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Introductory Section Divider



June 20, 2013

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, 2012.

This report consists of management's representations concerning the finances of the city. Consequently, management assumes responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed information 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.

The City Charter requires an annual audit by independent auditors selected by the City Council. The goal of the independent audit is to provide reasonable assurance that the financial statements of the city for the fiscal year ended December 31, 2012, are free of material misstatement. The independent auditors, BKD, LLP, concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the city's financial statements for the fiscal year ended December 31, 2012 are fairly presented in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). The Independent Auditor's Report on the city's financial statements is included in the Financial Section of this CAFR.

The independent auditor 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.

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 the 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 auditors.

GOVERNMENTAL STRUCTURE

Aurora is located on the eastern slope of the Rocky Mountains and lies in the six county Denver/Aurora metropolitan area. The metropolitan area is the economic center of the State of Colorado. Aurora is the third largest city in Colorado with an estimated population in 2012 of 335,668. This is approximately 13 percent of the metropolitan 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, adopted in 1954. In 1961, Aurora became a Home Rule city by adopting its own charter. In 1993, the City Charter was amended to provide for a full-time Mayor, beginning January 1, 1996. The duties of the Mayor and the Council-Manager form of government were not changed. The eleven members of the City Council (including the Mayor, who is elected specifically to that position) are chosen biennially for staggered four-year terms in non-partisan elections. 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 as well as three appointees: the City Attorney, the Presiding Judge, and the Court Administrator. Each of these appointees is responsible for the administration of his or her respective operation, although the City Manager has overall responsibility for general management functions such as financial operations and personnel rules and regulations.

FINANCIAL CONDITION

The city has historically managed through economic cycles and is recognized as financially strong by independent bond rating agencies. Aurora maintains adequate fund balances for emergencies, generally budgets to have revenues equal, if not exceed, expenditures, and generally manages the budget during the year as necessary to achieve bottom-line budgeted results. Aurora's citizens have been supportive of the city's efforts. They have approved a number of bond issues for infrastructure and 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. The city also maintains internal and budgetary controls to ensure adequate oversight of city assets, accounting information and expenditures.

2012 proved to be a year of stronger than expected economic growth. For 2012, General Fund revenue, net of transfers, increased 7.4% on a budgetary basis (7.7% per GAAP basis), above the growth experienced in 2011 as the state began to recover from the recession. The combination of sales and use tax is the most significant source of revenue, generating 64.3% of the total General Fund revenue, net of transfers, but is also the most susceptible to the economic changes. Property tax represents an important secondary general revenue source that is typically less impacted than sales and use tax by changing economic conditions. Property tax collections were 10% of the total General Fund budgetary and 9.7% of GAAP revenues, net of transfers in 2012. The 2011 biennial reassessment of property values may have captured the bottom of the residential real estate market, leading to a decrease in property tax collections for 2012. Continued revenue growth is expected in 2013 with property tax collections returning to positive levels of growth, and positive increases in sales and use tax.

The city expects to maintain most of its General Fund reserves, through the financial discipline of matching expenditures to revenues, continued management of the growth of city expenditures and through evaluation of options for enhancing revenues. The city maintains a reserve for unanticipated major emergencies, but does not anticipate using these funds for the 2013 budget year.

The city expects to face budget challenges in the future as expenses (at current service levels) are projected to grow faster than revenues. In light of these challenges, the city continues to examine options that increase revenues and those that decrease expenditures. In 2012, the city made adjustments to Police staffing requirements that provides significant ongoing savings. The city expects to continue to adjust revenues and/or expenditures to maintain a balanced budget.

GROWTH AND DEVELOPMENT

For years beyond 2013 the city is currently anticipating slower General Fund operating revenue growth (not including building materials use tax, which typically is used for capital purposes). While development activity is not expected to return to the levels of the mid-2000's, it has increased recently. The slower growth of the city in recent years impacts not only the growth of operating revenues, but revenues used for capital purposes including tap fees for new water and sewer connections. While 2012 was a healthy rebound for operating revenues, in the long term the city is planning for the continued lower growth rates that are not expected to return to pre-recession levels. The long-term outlook remains very good because of the medical and military centers that Aurora has, along with many square miles of undeveloped land. The city has a number of practices intended to help ensure that development does not put undue burdens on the city. 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.

As with almost all other Colorado cities, sales tax is the city's main revenue source. Aurora's retail is well positioned to capture retail sales as Aurora has a number of regional retail centers, including some on the city's borders. While Aurora does not expect any major new regional retail centers to be built in the near future, the city continues to maintain a development related retail specialist position to help support and enhance the retail environment.

The city has completed a major capital investment in its water system that helps protect Aurora against drought and meet future water needs. The core Prairie Waters Project is 100% complete and combines natural processes with advanced engineering solutions. The system uses an innovative natural process to perform initial treatment of a sustainable water supply already owned by Aurora from the South Platte River. After the natural process, water is piped thirty-four miles south to the Binney Water Purification Facility, treated using a multi-step purification process, and delivered to Aurora customers. The Prairie Waters system can supply up to 20% of Aurora's current demand. It delivers as much as nine million gallons of water to the city daily and is expandable to 50 million gallons with additional infrastructure. The project is the cornerstone of a water supply plan that will help meet Aurora's needs for decades.

Aurora and the Colorado Department of Transportation (CDOT) are also constructing major improvements to the I-225/Colfax interchange that provide better access to the Fitzsimons Campus by reducing traffic congestion and providing additional vehicular capacity. The interchange includes widened southbound on/off ramps as well as new embankments, grading, concrete pavement, signals, bridges, drainage systems, storm water quality facilities, utility relocations, and other associated components. The interchange is being built with funds from the Federal Highway Administration, the Denver Regional Council of Governments, the city of Aurora, CDOT, the Fitzsimons Redevelopment Authority, the University of Colorado, University Hospital and Children's Hospital with an anticipated project cost from all funding sources of approximately \$40 million. The city and CDOT hosted a grand opening of the I-225/Colfax to 17th Place interchange on February 11, 2013. Construction of all components is expected to be complete by mid-2013.

Aurora has a number of key factors that position it well for future economic growth:

Denver International Airport (DIA) – This airport on Aurora's northern border is the fifth busiest airport in the United States and generates substantial development activity in the immediate area.

The 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.

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 \$5 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, the Veterans Administration Hospital, and 21 Fitzsimons, a high-density residential development, with ground floor retail. The total redevelopment program for Fitzsimons calls for over 18 million square feet of new construction phased over 25-30 years. Approximately six million square feet are built-out to date. Current employment at the site is approximately 16,000 and is anticipated to reach over 45,000 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 major 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.

Light Rail – As part of a Regional Transportation District (RTD) joint contract with CDOT, construction of major components of the light rail segment from Nine Mile Station to Iliff Avenue began in the spring of 2012 and is expected to be complete in 2015. Another project, made possible through a public private partnership between RTD, Kiewit Construction and the city, is the I-225 Light Rail Transit (LRT) Line from the Nine Mile Station to the Peoria-Smith Station (ending at DIA). This project is expected to be complete by November 2015 and scheduled to open in mid-2016. The 10.5 mile rail line project along the I-225 corridor will include eight stations and provide connectivity among Aurora, the southern metro area, Denver and DIA.

In conjunction with the Light Rail Project, CDOT will complete the widening of I-225 from Parker Road to Mississippi Boulevard.

Urban Renewal - The city currently has ten urban renewal areas. The city and Aurora Urban Renewal Authority (AURA) actively work with developers, where appropriate, to encourage development of blighted areas. Urban renewal and associated tax increment financing districts have been major factors in a number of important developments. The AURA Board has the same membership as the City Council.

One Urban Renewal project of note is a new hotel and convention center which will be built in Aurora at a cost of \$800 million. The project will cover 1.9 million square feet. The hotel and convention center will have 1500 hotel rooms and 400,000 square feet of conference space. The project will bring 12,000 construction jobs to Aurora and 2,500 permanent jobs once the hotel and convention center is open. The build out is expected to be complete in 2017.

Aurora Campus for Renewable Energy (ACRE) - ACRE is a 1,762 acre city-owned parcel in the northeast plains portion of Aurora and south of Denver International Airport. The land is set aside for renewable energy research and development. The city hopes that this site will become a premier research site for renewable energy research. The initial development of the ACRE will be by the Solar Technology Acceleration Center (SolarTAC). SolarTAC includes seven public and private sector entities, all invested in advancing and accelerating the commercialization of solar technology.

OTHER INFORMATION

Awards – The Government Finance Officers Association of the United States and Canada (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, 2011. 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-six 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 Mayor and City Council for their continued support.

Respectfully submitted,



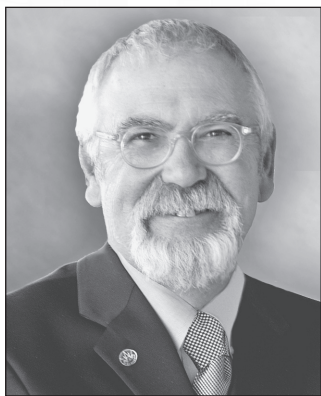
George K. Noe
City Manager



Jason Batchelor
Finance Director

AURORA MUNICIPAL

City Manager & Council Members 2012



George K. Noe
City Manager



Mayor Steve Hogan



Barbara Cleland
Mayor Pro-Tem (At-Large)



Sally Mounier
Ward I



Renie Peterson
Ward II



Marsha Berzins
Ward III



Molly Markert
Ward IV



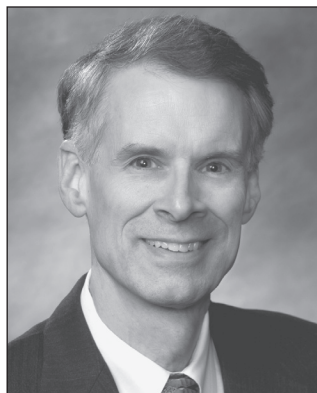
Bob Roth
Ward V



Bob Broom
Ward VI



Debi Hunter Holen
At-Large



Bob LeGare
At-Large



Brad Pierce
At-Large

City Council 2012

City of Aurora, Colorado ■ Terms of Service



Member	Position	Elected	Term Length	Total Service
Steve Hogan,	At-Large	1979 - 1983	4 years	
		1985 - 1989	4 years	
		1989 - 1993	4 years	
		1993 - 1997	4 years	
		2001 - 2005	4 years	
		2005 - 2009	4 years	
	Mayor	2011 - 2015	4 years	28 years
Melissa Miller,	Ward I	2009 - 2013****	4 years	3 years
Sally Mounier,	Ward I	2012 - 2013***	4 years	1 year
Renie Peterson,	Ward II	2005 - 2009	4 years	
		2009 - 2013	4 years	8 years
Marsha Berzins,	Ward III	2009 - 2013	4 years	4 years
Molly Markert,	Ward IV	2003 - 2007	4 years	
		2007 - 2011	4 years	
		2011 - 2015*	4 years	12 years
Bob Roth,	Ward V	2010 - 2011***	1 year	
		2011 - 2015	4 years	5 years
Bob Broom,	Ward VI	2003 - 2007	4 years	
		2007 - 2011	4 years	
		2011-2015*	4 years	12 years
Barbara Cleland,	At-Large	1983 - 1987	4 years	
		1987 - 1991	4 years	
		1991 - 1995	4 years	
		1995 - 1999	4 years	
		1999 - 2003	4 years	
		2009 - 2013	4 years	24 years
Bob FitzGerald,	At-Large	2003 - 2005**	2 years	
		2005 - 2009	4 years	
		2009 - 2012	3 years	9 years
Debi Hunter Holen,	At-Large	2011 - 2015	4 years	4 years
Bob LeGare,	At-Large	1995 - 1995***	1 year	
		1995 - 1999	4 years	
		1999 - 2003	4 years	
		2011 - 2015	4 years	13 years
Brad Pierce,	At-Large	2003-2007	4 years	
		2007-2011	4 years	
		2012-2013***	1 year	9 years

Council elections are held every two years (Wards IV, V and VI, two At-Large and the Mayor were held in 2011, and Wards I, II, III and the other two At-Large will be held in 2013).

Council Members are limited by City Charter to three consecutive four-year terms of office. For purposes of this requirement, terms of office are considered consecutive unless they are at least four years apart.

* 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.

*** Appointed for remainder of vacated term.

**** Resigned 2012

Management Officials

City of Aurora, Colorado as of December 31, 2012



City Manager's Office

George K. Noe, City Manager (appointed by City Council)	Since 2010
Nancy Freed, Deputy City Manager - Operations	Since 1995
Michelle Wolfe, Deputy City Manager - Administrative Services	Since 2008
Janice Napper, Assistant City Manager	Since 1998

Council Appointees

Zelda DeBoyes, Municipal Court Administrator	Since 1992
Charles Richardson, City Attorney	Since 1986
Richard Weinberg, Presiding Judge	Since 2004

Commission Appointees

Laurie Cole, Chief Public Defender	Since 1996
Matt Cain, Civil Service Administrator	Since 2009

Department Directors

Marshall Brown, Aurora Water	Since 2012
Kim Stuart, Communications	Since 2000
Jason Batchelor, Finance	Since 2011
Mike Garcia, Fire	Since 2007
Mark Pray, Information Technology	Since 1998
Dan Quillen, Internal Services	Since 2012
Patti Bateman, Library & Cultural Services	Since 2009
Nancy Sheffield, Neighborhood Services	Since 1996
Tom Barrett, Parks, Recreation & Open Space	Since 2008
Robert Watkins, Planning & Development Services	Since 2004
Daniel Oates, Police	Since 2005
Dave Chambers, Public Works	Since 2006

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, 2011

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.



Christopher P. Morrell

President

Jeffrey R. Emer

Executive Director

About the Certificate of Achievement for Excellence in Financial Reporting

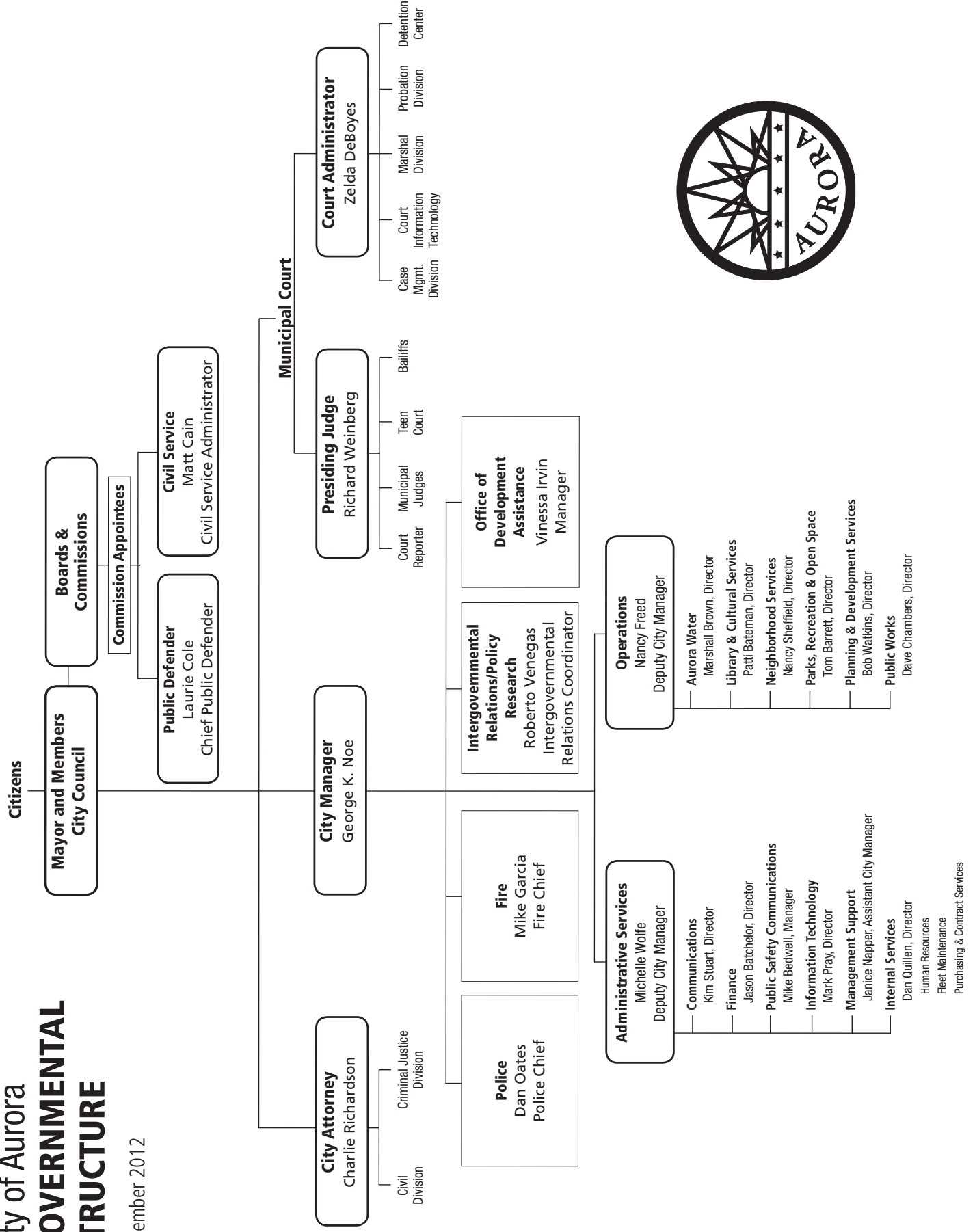
For over a century, the Government Finance Officers Association of the United States and Canada (GFOA) has been dedicated to enhancing the professional management of governments for the public benefit. The GFOA's Certificate of Achievement for Excellence in Financial Reporting Program has been promoting the preparation of high quality financial reports since 1945. More than 3,700 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, 81% 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 the last twenty-six consecutive years, including this most recent year, 2011 and for thirty-six years in total, currently the highest number of certificates for any governmental entity in the State of Colorado. We believe that this, our 2012 comprehensive annual financial report continues to meet the requirements of the Certificate of Achievement Program and are submitting it to the GFOA for its consideration.

City of Aurora GOVERNMENTAL STRUCTURE

December 2012

x



Financial Section Divider

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, 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, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 67% and 34%, respectively, of the assets and revenues of the aggregate remaining fund information. Those statements were audited by other auditors 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 auditors. We also did not audit the financial statements of the Havana Business Improvement District (BID), which represents 100% of the assets and revenues of the discretely presented component unit. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for BID, is based solely on the reports of other auditors. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in

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

the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of December 31, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 17, in 2012 the City reporting entity changed to exclude Aurora Housing Authority as a discretely presented component unit by restating beginning net assets. Our opinion is not modified with respect to this matter.

As discussed in Note 18 to the financial statements, in 2012 the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported As Assets and Liabilities*. Our opinion is not modified with respect to this matter.

As discussed in Note 19 to the financial statements, the 2012 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Required Supplementary Information

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the reports of the other auditors, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements as a whole. The introductory, statistical, and other schedules sections listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

BKD, LLP

Denver, Colorado
June 20, 2013



Management of the city of Aurora, Colorado (the city) offers 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, 2012. 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-iv* of this report, and the city's financial statements, which begin on page 1.

Financial Highlights

- The city's assets exceeded liabilities at the end of 2012 by \$4.1 billion (*net position*). Of this amount, \$272.2 million, or 6.6% was unrestricted and may be used to meet the city's ongoing obligations.
- Citywide net position increased \$47.8 million in 2012.
- At December 31, 2012, the city's governmental funds reported combined ending fund balances of \$153.1 million, an increase of \$7.3 million from the prior year. Approximately 57.2% of the fund balance is not restricted and is available for spending at the government's discretion. The fund balance, exclusive of restricted fund balance, is classified as follows; \$29.5 million committed, \$35.8 million assigned and \$22.2 million unassigned.
- The city's General Fund total revenues were over budget \$12.4 million and total expenditures were under budget (\$2.3) million during 2012.
- Capital improvement and capital outlay activity increased \$13.7 million during 2012.
- The city's total bonded and certificate of participation debt decreased (\$63.4) million during the year.

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 required and other supplementary information in addition to the basic financial statements themselves.

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 city in its entirety, city council and debt underwriters refer to the fund financial statements to make spending and borrowing 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 position and a statement of activities. These statements can be found on pages 1-3 of this report.

The *Statement of Net Position* presents information about the city's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the city is improving or deteriorating.

The *Statement of Activities* provides information showing how the city's net position changed during the year. 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.

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. The city uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the city can be divided into three categories: governmental, proprietary and fiduciary.

Governmental funds account for essentially the same functions reported as governmental activities in the citywide financial statements. 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. The governmental fund financial statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the city's programs. Because the fund financial statements do not encompass the long-term focus of the citywide statements, additional information is provided that reconciles the governmental fund financial statements to the citywide statements and explains the differences between them. The governmental fund financial statements can be found on pages 5-8 of this report.

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 nonmajor 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 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 10-15 of this report.

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 17-18 of this report.

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.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the city's progress in funding its obligation to provide postemployment benefits to its employees and a comparison of the General Fund's original and final budget to actual budgetary revenue and expenditures. Required supplementary information can be found on pages 57-62 of this report.

Citywide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the city, assets exceeded liabilities by \$4.1 billion at the close of the fiscal year as shown in Chart 1.

The largest portion of the city's net position, \$3.8 billion reflects its investment in capital assets less the outstanding portion of the debt that was issued to acquire or construct those assets. The city uses these capital assets to provide services to citizens; consequently, these amounts are not available for future spending. Although the city's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Citywide Net Position December 31, 2012 (in thousands)

	Governmental Activities				Business-type Activities				Citywide Totals			
	2012	2011 (as restated)	Change	%	2012	2011 (as restated)	Change	%	2012	2011 (as restated)	Change	%
Current and other assets	\$ 218,104	\$ 209,038	\$ 9,066	4.3	\$ 292,959	\$ 329,391	\$ (36,432)	(11.1)	\$ 511,063	\$ 538,429	\$ (27,366)	(5.1)
Capital assets, net	2,524,272	2,537,043	(12,771)	(0.5)	1,988,732	1,962,260	26,472	1.3	4,513,004	4,499,303	13,701	0.3
Total Assets	2,742,376	2,746,081	(3,705)	(0.1)	2,281,691	2,291,651	(9,960)	(0)	5,024,067	5,037,732	(13,665)	(0.3)
Deferred outflows of resources	10,376	11,221	(845)	(7.5)	533	570	(37)	(6.5)	10,909	11,791	(882)	(7.5)
Current and other liabilities	9,910	20,534	(10,624)	(51.7)	28,227	30,801	(2,574)	(8.4)	38,137	51,335	(13,198)	(25.7)
Noncurrent liabilities	181,461	177,394	4,067	2.3	663,601	716,502	(52,901)	(7.4)	845,062	893,896	(48,834)	(5.5)
Total Liabilities	191,371	197,928	(6,557)	(3.3)	691,828	747,303	(55,475)	(7.4)	883,199	945,231	(62,032)	(6.6)
Deferred inflows of resources	34,013	33,790	223	0.7	2,277	2,833	(556)	(19.6)	36,290	36,623	(333)	(0.9)
Net Position:												
Net investment in capital assets	2,416,050	2,418,144	(2,094)	(0.1)	1,365,535	1,283,199	82,336	6.4	3,781,585	3,701,343	80,242	2.2
Restricted	54,025	53,462	563	1.1	7,665	7,673	(8)	(0.1)	61,690	61,135	555	0.9
Unrestricted	57,293	53,978	3,315	6.1	214,919	251,213	(36,294)	(14.4)	272,212	305,191	(32,979)	(10.8)
Total net position	\$ 2,527,368	\$ 2,525,584	\$ 1,784	0.1	\$ 1,588,119	\$ 1,542,085	\$ 46,034	3.0	\$ 4,115,487	\$ 4,067,669	\$ 47,818	1.2

Chart 1

As shown in Chart 1, total restricted net position at the end of 2012 was \$61.7 million. This amount represents net resources where use is constrained by external requirements dictating how the funds may be used. Restrictions result from grant requirements, legislation, agreements, or other requirements of the specific revenue source. The remaining net position of \$272.2 million was unrestricted. While there were no outside restrictions on these funds, city policies and budget plans limit the use of these amounts. Policy and budget plan limitations include: payment of long-term liabilities, subsequent year budgets, project-length appropriations and operating designations.

As shown in Chart 2 net position increased \$47.8 million in 2012, of which \$1.8 million (4%) was attributable to governmental activities and \$46.0 million (96%) was attributable to business-type activities.

Governmental activities

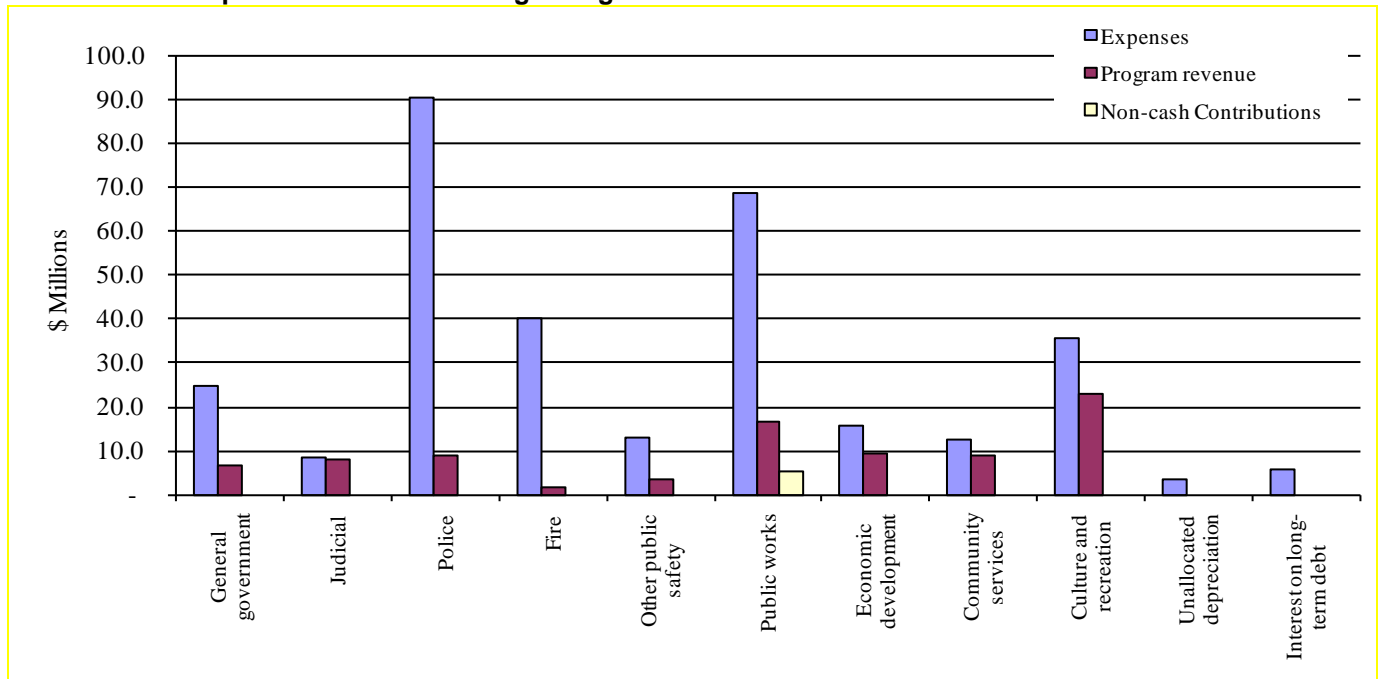
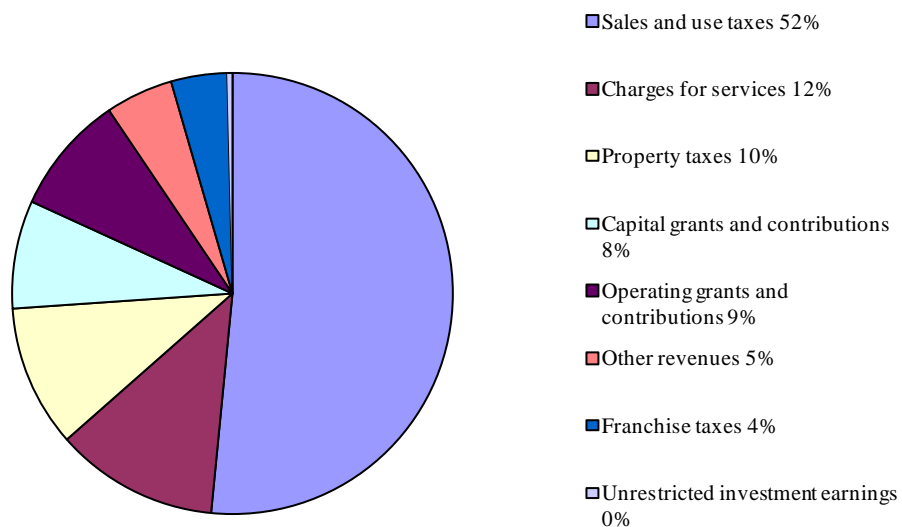
- Total revenues increased \$14.2 million or 4.6%.
- Charges for services increased \$6.4 million from a combination of factors: capital impact fees and engineering services fees increased with development activity, as did licenses and permit revenue. Neighborhood Stabilization Program (NSP) home rehabilitation activity increased with the renovation of NSP properties. Special assessment revenue was recognized for the Dam East Fence. Finally, the Photo Red Light program was expanded.
- The combined operating and capital grants and contributions decreased \$11.4 million primarily resulting from a decrease in street infrastructure assets contributed by developers.
- Sales and use tax revenues increased \$15.3 million as consumer confidence increased along with a recovering economy. Auto use tax increased as a result of pent up demand.
- Other taxes increased as less financial hardship was cited by tax payers.
- Total expenses decreased \$1.2 million.
- General government expense decreased \$5.9 million as a payment made in 2011 to reimburse the Wastewater Fund for the Pier Point sewer line did not reoccur in 2012. Also, 2012 spending decreased as certain ARRA grants came to completion.
- Police and Fire expenses increased primarily resulting from increase in pension and personnel costs.
- Transfers decreased as the 2011 capital transfer of the Pier Point sewer line from the Wastewater Fund to Governmental Activities did not reoccur in 2012.

See Charts 3 and 4 for more information concerning Governmental Activities revenues and expenses.

Citywide Changes in Net Position Year Ended December 31, 2012 (in thousands)

	Governmental Activities				Business-type Activities				Citywide Totals			
	2012	2011 (as restated)	Change	%	2012	2011 (as restated)	Change	%	2012	2011 (as restated)	Change	%
REVENUES:												
Program Revenues:												
Charges for services	\$ 38,264	\$ 31,818	\$ 6,446	20.3	\$ 172,707	\$ 163,238	\$ 9,469	5.8	\$ 210,971	\$ 195,056	\$ 15,915	8.2
Operating grants and contributions	27,925	32,140	(4,215)	(13.1)	4,404	8,361	(3,957)	(47.3)	32,329	40,501	(8,172)	(20.2)
Capital grants and contributions	25,479	32,672	(7,193)	(22.0)	31,395	19,760	11,635	58.9	56,874	52,432	4,442	8.5
General Revenues:												
Taxes												
Sales and use	165,356	150,088	15,268	10.2	-	-	-	-	165,356	150,088	15,268	10.2
Property	33,382	32,664	718	2.2	-	-	-	-	33,382	32,664	718	2.2
Other	28,167	25,262	2,905	11.5	-	-	-	-	28,167	25,262	2,905	11.5
Grants and contributions not restricted to specific programs	885	780	105	13.5	-	-	-	-	885	780	105	13.5
Unrestricted investment earnings	1,234	1,045	189	18.1	1,145	833	312	37.5	2,379	1,878	501	26.7
Total revenues	320,692	306,469	14,223	4.6	209,651	192,192	17,459	9.1	530,343	498,661	31,682	6.4
EXPENSES:												
General government	24,883	30,754	(5,871)	(19.1)	-	-	-	-	24,883	30,754	(5,871)	(19.1)
Judicial	8,276	7,907	369	4.7	-	-	-	-	8,276	7,907	369	4.7
Police	90,276	87,488	2,788	3.2	-	-	-	-	90,276	87,488	2,788	3.2
Fire	40,041	38,808	1,233	3.2	-	-	-	-	40,041	38,808	1,233	3.2
Other public safety	13,179	12,665	514	4.1	-	-	-	-	13,179	12,665	514	4.1
Public works	68,779	70,642	(1,863)	(2.6)	-	-	-	-	68,779	70,642	(1,863)	(2.6)
Economic development	15,653	15,199	454	3.0	-	-	-	-	15,653	15,199	454	3.0
Community services	12,356	11,919	437	3.7	-	-	-	-	12,356	11,919	437	3.7
Culture and recreation	35,839	34,852	987	2.8	-	-	-	-	35,839	34,852	987	2.8
Unallocated depreciation	3,459	3,316	143	4.3	-	-	-	-	3,459	3,316	143	4.3
Interest on debt	5,806	6,168	(362)	(5.9)	-	-	-	-	5,806	6,168	(362)	(5.9)
Water	-	-	-	-	107,244	75,713	31,531	41.6	107,244	75,713	31,531	41.6
Wastewater	-	-	-	-	48,157	47,459	698	1.5	48,157	47,459	698	1.5
Golf	-	-	-	-	8,577	8,228	349	4.2	8,577	8,228	349	4.2
Total expenses	318,547	319,718	(1,171)	(0.4)	163,978	131,400	32,578	24.8	482,525	451,118	31,407	7.0
Increase in net position before transfers	2,145	(13,249)	15,394	(116.2)	45,673	60,792	(15,119)	(24.9)	47,818	47,543	275	0.6
Transfers	(361)	2,149	(2,510)	(116.8)	361	(2,149)	2,510	(116.8)	-	-	-	-
Increase (decrease) in net position	1,784	(11,100)	12,884	(116.1)	46,034	58,643	(12,609)	(21.5)	47,818	47,543	275	0.6
Net position January 1 - as restated	2,525,584	2,536,684	(11,100)	(0.4)	1,542,085	1,483,442	58,643	4.0	4,067,669	4,020,126	47,543	1.2
Net position December 31	\$ 2,527,368	\$ 2,525,584	\$ 1,784	0.1	\$ 1,588,119	\$ 1,542,085	\$ 46,034	3.0	\$ 4,115,487	\$ 4,067,669	\$ 47,818	1.2

Chart 2

Expenses Financed through Program Revenues – Governmental Activities**Chart 3****Revenues by Source – Governmental Activities****Chart 4**

Business-type activities

Total revenues for business-type activities increased \$17.5 million or 9.1%. Charges for services increased \$9.5 million resulting from increased usage due to a warmer and dryer summer of 2012. Operating grants and contributions decreased \$4.0 million mainly as a result of the 2011 reimbursement from governmental activities for the Pier Point sewer line that did not reoccur in 2012. Capital grants and contributions increased \$11.6 million from water tap fees and a new loan receivable between the Wastewater Fund and the East Cherry Creek Valley Water and Sanitation District.

Water related expenses increased \$31.5 million or 41.6% resulting from an increase in interest expense of nearly \$24.0 million as less interest expense was capitalized to capital assets with the completion of the Prairie Waters Project. Depreciation expense increased \$11.9 million resulting from a full year of depreciation on the Prairie Waters Project.

Transfers increased as the 2011 capital asset transfer out relating to the transfer of the Pier Point sewer line did not reoccur in 2012.

Business-type activities net position increased \$46.0 million. Current and other assets decreased \$36.4 million and noncurrent liabilities decreased \$52.9 million primarily as a result of the partial defeasance of the Colorado Water Resources & Power Development Authority (CWR&PDA) 2005D water revenue debt and the early payoff of the CWR&PDA 1999 sewer revenue debt for a total principal reduction of \$45.7 million. Capital assets increased \$26.5 million as wastewater construction in progress increased approximately \$12 million and water capitalized equipment related to the Binney Treatment Plant increased approximately \$14 million. Net investment in capital assets increased \$82.3 million as capital assets were added and debt paid off. Unrestricted net position decreased \$36.3 million as available cash was used to pay down debt.

Expenses and Charges for Services – Business-type Activities

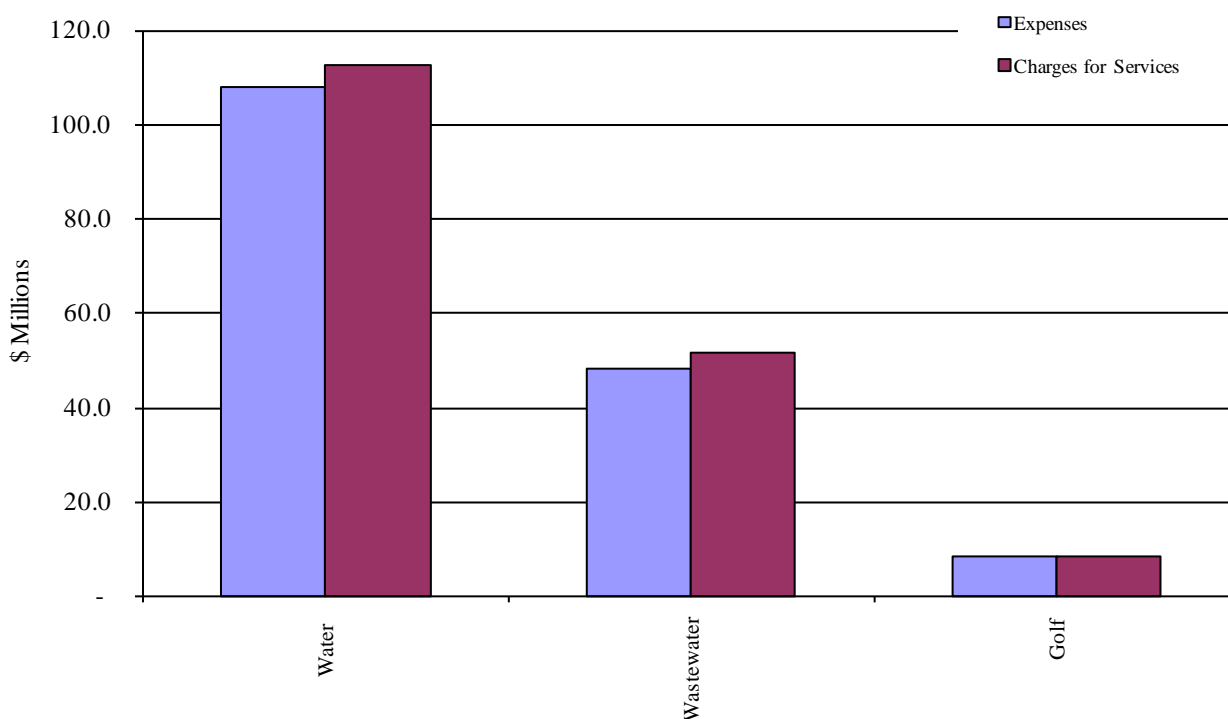
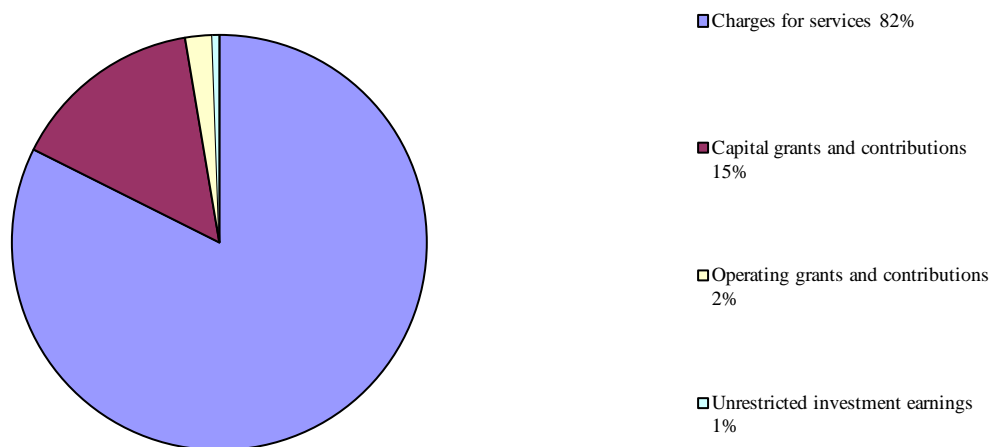


Chart 5

Revenues by Source – Business-type Activities**Chart 6*****Financial Analysis of the Government's Funds*****General Fund**

The General Fund is the main operating fund of the city. At the end of 2012, total fund balance for the General Fund was \$79.2 million. This amount includes: \$10.1 million restricted fund balance comprised primarily of the \$9.4 million TABOR reserve restricted for emergencies; \$25.2 million committed fund balance comprised mainly of the \$20.8 million 10% policy reserve; \$21.7 million assigned fund balance comprised primarily of \$18.3 million assigned to payment of long-term liabilities; and \$22.2 million for the unassigned fund balance operating reserve.

All of the unassigned General Fund fund balance is maintained as the "unassigned fund balance Operating Reserve". The Operating Reserve has a minimum target policy range of 1% to 3% of annual budgetary revenues and is intended to be spendable in limited circumstances as determined appropriate and necessary by City Council. City policy provides for restoring the Operating Reserve to minimum levels as quickly as feasible. The General Fund unassigned fund balance Operating Reserve was \$22.2 million at December 31, 2012 and \$11.1 million at December 31, 2011. The Operating Reserve is 8.9% of 2012 annual budgetary revenues or \$19.7 million above the 1% minimum target range specified by Council. Total General Fund funds available was 20.8% of total General Fund budgetary revenues in 2012, compared to 17.0% in 2011.

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 General Fund committed reserves. General Fund adjusted budgetary operating expenditures, for purposes of calculating this 10% 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 2012, the 10% Policy Reserve balance meets the minimum 10% policy. The total of the General Fund's 10% Policy Reserve balance committed to reserves and the TABOR Reserve balance restricted for emergencies was 12.7% of the General Fund's 2012 actual budgetary operating expenditures.

The TABOR Reserve is restricted for emergencies for fund balance purposes. This balance accounts for the emergency reserve required by TABOR, a State constitutional amendment (footnote 16). 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. The city management believes it is in compliance with the provisions of the TABOR amendment at December 31, 2012.

General Fund Budgetary Highlights

General Fund revenues for 2012 were greater than budget by \$12.4 million mainly resulting from gains in sales and use tax revenue as the economy begins to recover and consumer confidence rises. Much of the gain in automobile use tax is reflective of pent up demand for one-time automobile purchases. General Fund expenditures were \$2.3 million under budget primarily from vacancy savings, lower public lighting and building energy costs, lower snow removal costs, and lower inmate housing costs. December 31 ending funds available was \$14.9 million higher than original budget and \$14.8 million higher than the final budget. The city expects to maintain its financial condition through continued control over the growth of city expenditures and through evaluation of options for enhancing revenues.

Capital Assets and Debt Administration**Capital Assets**

The city's capital assets for its governmental and business-type activities as of December 31, 2012, were valued at \$4.5 billion (net of accumulated depreciation) and 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. Additional information on the city's capital assets can be found in the notes to the basic financial statements, footnote 6 on page 39.

**Comparative Schedule of Capital Assets - net of accumulated depreciation December 31, 2012 and 2011
(in thousands)**

	Governmental Activities			Business-type Activities			Citywide Totals		
	2012	2011 (as restated)	Change	2012	2011 (as restated)	Change	2012	2011 (as restated)	Change
Land and water rights	\$ 254,715	\$ 246,801	\$ 7,914	\$ 369,582	\$ 365,299	\$ 4,283	\$ 624,297	\$ 612,100	\$ 12,197
Buildings and improvements	143,525	141,561	1,964	476,303	463,994	12,309	619,828	605,555	14,273
Infrastructure	2,088,790	2,109,171	(20,381)	985,150	903,829	81,321	3,073,940	3,013,000	60,940
Machinery and equipment	29,626	26,581	3,045	71,217	73,605	(2,388)	100,843	100,186	657
Construction in progress	7,616	12,929	(5,313)	86,480	155,533	(69,053)	94,096	168,462	(74,366)
Totals	<u>\$ 2,524,272</u>	<u>\$ 2,537,043</u>	<u>\$ (12,771)</u>	<u>\$ 1,988,732</u>	<u>\$ 1,962,260</u>	<u>\$ 26,472</u>	<u>\$ 4,513,004</u>	<u>\$ 4,499,303</u>	<u>\$ 13,701</u>

Chart 7

Major capital asset activity for the year ended December 31, 2012 included the following:

Governmental Activities Capital Assets

- Land and water rights increased as a result of the addition of permanent easements valued at \$3.9 million and various land additions including the Stark land buffer valued at \$2.8 million and the Triple Creek land valued at \$1.0 million.
- Infrastructure decreased as a result of current year additions to accumulated depreciation of \$40.0 million. Additions to infrastructure include \$10.5 million for street overlays, \$3.9 million for parks and trails, \$4.0 million for various road construction, and \$1.2 million for developer contributed roads.
- Machinery and equipment increased mainly from the addition of public works and public safety equipment through leases with the Aurora Colorado Leasing Corporation.
- Various projects were capitalized from construction in progress to infrastructure.

Business-type Activities Capital Assets

- The increase in land and water rights resulted from various purchases including Rocky Ford, Prairie Waters Project north campus land, Union Ditch and Meadow Island water rights.
- Buildings and improvements additions include primarily Binney Treatment Plant, Sand Creek lift station and Cherry Creek lift station transfers from construction in progress.
- Infrastructure increased mainly due to transfers from construction in progress for water mains and conduits.

- Construction in progress assets completed and transferred to infrastructure accounted for the majority of the decrease. Other projects, mainly water and sewer mains, were added to construction in progress.

Debt Administration

At the end of 2012, the city had total bonded debt of \$587.1 million and \$97.0 million in certificates of participation (COPs). COPs are issued for particular projects and are repaid from lease payments made by the city for use of the acquired property. Aurora Capital Leasing Corporation (ACLC), a blended component unit, issues the COPs. Outstanding debt by activity at December 31, 2012, and 2011 was as follows:

Comparative Schedule of Outstanding Debt December 31, 2012 and 2011 (in thousands)

	Primary Government								
	Governmental Activities			Business-type Activities			Citywide Totals		
	2012	2011	Change	2012	2011	Change	2012	2011	Change
	(as restated)			(as restated)			(as restated)		
General Obligation Bonds	\$ 14,929	\$ 20,170	\$ (5,241)	\$ -	\$ -	\$ -	\$ 14,929	\$ 20,170	\$ (5,241)
Revenue Bonds	3,225	4,765	(1,540)	568,900	620,376	(51,476)	572,125	625,141	(53,016)
Total Bonded Debt	18,154	24,935	(6,781)	568,900	620,376	(51,476)	587,054	645,311	(58,257)
Certificates of Participation	96,970	102,160	(5,190)	-	-	-	96,970	102,160	(5,190)
Totals	\$ 115,124	\$ 127,095	\$ (11,971)	\$ 568,900	\$ 620,376	\$ (51,476)	\$ 684,024	\$ 747,471	\$ (63,447)

Chart 8

Citywide net bonded and COP debt decreased (\$63.4) million during 2012 due to \$12.6 million in bonded debt payments and \$5.2 million in COP payments. In addition, during 2012, the water CWR&PDA 2005D revenue bonds were defeased for \$41.8 million and the sewer CWR&PDA 1999 revenue bonds were paid off for \$3.9 million. These unscheduled, voluntary water debt pay downs were made from available funds and will result in significant savings along with improved debt coverage ratios.

The city's underlying general obligation debt rating is Aa1 and Aa2 by Moody's Investors Service and AA by Standard & Poor's. During 2012, Fitch Ratings upgraded the city's water and sewer enterprise revenue bonds from AA to AA+.

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. Additional information on the city's legal debt margin can be found on Exhibit A-16 on page 115 and additional information on the city's debt can be found in the notes to the basic financial statements, footnote 7 on page 41.

Economic Factors and Rate Increases

- In December 2012, the local unemployment rate for Aurora-Denver was at 7.4%. This rate is favorable compared to the state's average unemployment rate of 7.6% and the national unemployment rate of 7.8%.
- Housing starts for the city in 2012 increased 48.5% over last year. This compares favorably to the national increase of 30.7% over last year and unfavorable compared to the state's increase of 73.1%.
- Water, wastewater, and storm drain user rates will increase 0.0%, 5.2% and 0.0%, respectively, in 2013 to fund operating expenses and system improvement needs.

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, Suite 5700, Aurora, Colorado 80012-1555 or telephone 303-739-7800.

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Citywide Financial Statements



Basic Financial Statements

CITY OF AURORA, COLORADO
CITYWIDE
STATEMENT OF NET POSITION
DECEMBER 31, 2012

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Unit
ASSETS				
Cash and cash equivalents	\$ 6,853,778	\$ 12,991,053	\$ 19,844,831	\$ 196,139
Investments	76,523,565	191,277,911	267,801,476	—
Receivables (net of allowance)				
Taxes receivable	47,501,438	—	47,501,438	308,221
Accounts receivable	1,632,177	16,519,312	18,151,489	—
Interest receivable	778,469	836,718	1,615,187	—
Due from other governments	1,220,920	18,468	1,239,388	—
Other receivables	1,112,060	1,641,171	2,753,231	3,786
Internal balances	1,205,338	(1,205,338)	—	—
Inventories	616,178	163,777	779,955	—
Restricted assets				
Cash and cash equivalents	4,180,225	1,284,000	5,464,225	—
Investments	57,628,644	54,087,267	111,715,911	—
Taxes receivable	8,833,226	—	8,833,226	—
Accounts receivable	1,317,505	—	1,317,505	—
Interest receivable	25,830	901,426	927,256	—
Due from other governments	4,138,689	—	4,138,689	—
Other receivables	2,364,967	6,641,014	9,005,981	—
Inventories	1,813,688	—	1,813,688	—
Notes receivable	357,354	5,456,403	5,813,757	—
Equity in joint venture	—	2,345,738	2,345,738	—
Capital assets (net of accumulated depreciation)				
Land and water rights	254,715,116	369,581,931	624,297,047	—
Buildings and improvements	143,524,474	476,302,525	619,826,999	—
Infrastructure	2,088,790,109	985,149,972	3,073,940,081	57,278
Machinery and equipment	29,626,000	71,217,031	100,843,031	39,444
Construction in progress	7,616,133	86,480,389	94,096,522	—
Total assets	2,742,375,883	2,281,690,768	5,024,066,651	604,868
DEFERRED OUTFLOWS OF RESOURCES				
Loss on refunding	10,376,393	533,558	10,909,951	—
Total deferred outflows of resources	10,376,393	533,558	10,909,951	—
LIABILITIES				
Accounts payable	6,903,113	11,889,405	18,792,518	7,068
Accrued interest	515,920	13,477,686	13,993,606	—
Other payables	990,965	2,249,023	3,239,988	—
Unearned revenues	1,500,227	611,019	2,111,246	—
Noncurrent liabilities				
Due within one year	19,617,392	3,719,696	23,337,088	—
Due beyond one year	161,843,434	659,881,541	821,724,975	—
Total liabilities	191,371,051	691,828,370	883,199,421	7,068
DEFERRED INFLOWS OF RESOURCES				
Property tax	34,013,454	—	34,013,454	306,790
Regulatory liability	—	2,277,121	2,277,121	—
Total deferred inflows of resources	34,013,454	2,277,121	36,290,575	306,790
NET POSITION				
Net investment in capital assets	2,416,049,678	1,365,534,691	3,781,584,369	96,722
Restricted	54,025,221	7,665,014	61,690,235	11,437
Unrestricted	57,292,872	214,919,130	272,212,002	182,851
Total net position	\$ 2,527,367,771	\$ 1,588,118,835	\$ 4,115,486,606	\$ 291,010

CITY OF AURORA, COLORADO

CITYWIDE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			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	\$ 24,882,606	\$ 4,312,893	\$ 1,947,951	\$ 179,090	\$ (18,442,672)	\$ —	\$ (18,442,672)	
Judicial	8,276,167	8,105,725	3,903	—	(166,539)	—	(166,539)	
Police	90,275,834	4,525,865	4,173,285	—	(81,576,684)	—	(81,576,684)	
Fire	40,041,614	978,890	457,805	337,083	(38,267,836)	—	(38,267,836)	
Other public safety	13,179,055	38,039	3,420,777	95	(9,720,144)	—	(9,720,144)	
Public works	68,778,774	1,278,782	2,065,743	18,644,501	(46,789,748)	—	(46,789,748)	
Economic development	15,653,168	8,559,416	544,595	157,212	(6,391,945)	—	(6,391,945)	
Community services	12,355,693	3,046,322	5,854,597	292	(3,454,482)	—	(3,454,482)	
Culture and recreation	35,839,031	7,418,167	9,456,040	6,160,573	(12,804,251)	—	(12,804,251)	
Unallocated depreciation, excluding direct program depreciation	3,459,130	—	—	—	(3,459,130)	—	(3,459,130)	
Interest on long-term debt	5,806,138	—	—	—	(5,806,138)	—	(5,806,138)	
Total governmental activities	318,547,210	38,264,099	27,924,696	25,478,846	(226,879,569)	—	(226,879,569)	
Business-type activities								
Water	107,244,460	112,405,348	3,466,096	21,629,779	—	30,256,763	30,256,763	
Wastewater	48,157,260	51,688,341	905,485	9,763,203	—	14,199,769	14,199,769	
Golf	8,576,468	8,613,543	32,580	2,331	—	71,986	71,986	
Total business-type activities	163,978,188	172,707,232	4,404,161	31,395,313	—	44,528,518	44,528,518	
Total primary government	\$ 482,525,398	\$ 210,971,331	\$ 32,328,857	\$ 56,874,159	(226,879,569)	44,528,518	(182,351,051)	
Component units	\$ 491,361	\$ 14,000	\$ 117	\$ —				\$ (477,244)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
General Revenues				
<i>Taxes</i>				
Sales and use	165,356,184	—	165,356,184	—
Property taxes	33,381,689	—	33,381,689	335,687
Franchise taxes	13,199,623	—	13,199,623	—
Lodgers taxes	5,051,919	—	5,051,919	—
Occupational privilege taxes	4,370,299	—	4,370,299	—
Other taxes	5,545,015	—	5,545,015	22,781
Grants and contributions not restricted to specific programs	884,789	—	884,789	—
Unrestricted investment earnings	1,234,193	1,144,911	2,379,104	562
Transfers	(360,626)	360,626	—	—
Total general revenues and transfers	<u>228,663,085</u>	<u>1,505,537</u>	<u>230,168,622</u>	<u>359,030</u>
INCREASE (DECREASE) IN NET POSITION	1,783,516	46,034,055	47,817,571	(118,214)
NET POSITION, January 1, before restatement	2,928,344,203	1,547,358,696	4,475,702,899	46,118,461
Adjustment for change in reporting entity	—	—	—	(45,709,237)
Adjustment for correction of error	(401,251,819)	—	(401,251,819)	—
Adjustment for change in accounting principle	<u>(1,508,129)</u>	<u>(5,273,916)</u>	<u>(6,782,045)</u>	<u>—</u>
NET POSITION - January 1, after restatement	<u>2,525,584,255</u>	<u>1,542,084,780</u>	<u>4,067,669,035</u>	<u>409,224</u>
NET POSITION - December 31	<u>\$ 2,527,367,771</u>	<u>\$ 1,588,118,835</u>	<u>\$ 4,115,486,606</u>	<u>\$ 291,010</u>



Basic Financial Statements



GOVERNMENTAL FUNDS

Major governmental funds include the General Fund and any governmental fund that comprises 10% or more of total governmental fund classification (assets, liabilities, revenues or expenditures) and at least 5% of the governmental and enterprise fund totals for the same classification. The General Fund is considered to be the only major fund.

MAJOR GOVERNMENTAL FUND

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.

Nonmajor governmental funds

are comprised of all nonmajor special revenue funds, debt service funds and capital projects funds.

Fund Financial Statements

CITY OF AURORA, COLORADO
GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2012

	General	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 3,584,389	\$ 2,415,477	\$ 5,999,866
Investments	44,980,435	17,723,213	62,703,648
<i>Receivables (net of allowance)</i>			
Taxes receivable	47,501,438	—	47,501,438
Accounts receivable	1,072,697	559,480	1,632,177
Interest receivable	711,515	10,792	722,307
Due from other governments	1,191,999	28,921	1,220,920
Other receivables	814,024	34,289	848,313
Due from other funds	1,131,940	—	1,131,940
<i>Restricted assets</i>			
Cash and cash equivalents	29,092	4,151,133	4,180,225
Investments	10,075,426	47,553,218	57,628,644
Taxes receivable	—	8,833,226	8,833,226
Accounts receivable	201	1,317,304	1,317,505
Interest receivable	—	25,830	25,830
Due from other governments	—	4,138,689	4,138,689
Other receivables	—	2,364,967	2,364,967
Inventory	—	1,813,688	1,813,688
Notes receivable	90,000	267,354	357,354
Total assets	<u>\$ 111,183,156</u>	<u>\$ 91,237,581</u>	<u>\$ 202,420,737</u>
LIABILITIES			
Liabilities			
Accounts payable	\$ 4,276,931	\$ 3,343,956	\$ 7,620,887
Other payables	608,030	382,935	990,965
Due to other funds	—	682,272	682,272
Unearned revenues	30	1,500,197	1,500,227
Total liabilities	<u>4,884,991</u>	<u>5,909,360</u>	<u>10,794,351</u>
DEFERRED INFLOWS OF RESOURCES			
Property tax	25,180,228	8,833,226	34,013,454
Unavailable fund resources	1,930,304	2,590,995	4,521,299
Total deferred inflows of resources	<u>27,110,532</u>	<u>11,424,221</u>	<u>38,534,753</u>
FUND BALANCES			
Restricted	10,102,612	55,471,410	65,574,022
Committed	25,206,689	4,265,716	29,472,405
Assigned	21,681,909	14,166,874	35,848,783
Unassigned	<u>22,196,423</u>	<u>—</u>	<u>22,196,423</u>
Total fund balances	<u>79,187,633</u>	<u>73,904,000</u>	<u>153,091,633</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 111,183,156</u>	<u>\$ 91,237,581</u>	<u>\$ 202,420,737</u>

CITY OF AURORA, COLORADO

GOVERNMENTAL FUNDS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE CITYWIDE STATEMENT OF
NET POSITION
DECEMBER 31, 2012

Amounts reported for governmental activities in the statement of net position (see page 1) are different because:

Total fund balance - governmental funds (see page 5)		\$ 153,091,633
Internal Balances		1,205,338
2012 interfund loans of \$389,668		
Accumulated internal service fund loss attributable to business-type activities of \$815,670		
Due to / due from amounts are eliminated for citywide reporting.		
Due to other funds		682,272
Due from other funds		(1,131,940)
The net pension asset is not available to pay current period expenditures and, therefore, is not recorded in the funds.		263,747
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		2,523,715,312
Deferred loss on refunding is amortized over future periods and is not recorded in the funds.		10,376,393
Accounts payable and other current liabilities are adjusted for interest payable on bonds, which are not paid in the current period and, therefore, not recorded in the funds.		(515,920)
Deferred inflows of resources from tax audit receivables, long term receivables, notes receivable, and special assessments have been recognized as revenue at citywide.		4,521,299
Noncurrent liabilities including, bonds, certificates of participation, accrued compensated absences, and the net pension obligation are not due and payable in the current period and, therefore, are not recorded in the funds.		
Due within year -		(14,315,363)
Due within one year on citywide statement of net position	\$ 19,617,392	
Internal Service Fund current portion long-term liabilities	(4,323,981)	
Funded portion of accrued compensated absences reclassified from accounts payable in the funds to long term debt at citywide	(978,048)	
	<u>\$ 14,315,363</u>	
Due beyond one year -		(155,825,031)
Due beyond one year on citywide statement of net position	\$ 161,843,434	
Internal Service Fund portion due beyond one year	(6,018,403)	
	<u>\$ 155,825,031</u>	
Internal Service Funds are used by the city to accumulate and allocate fleet management and risk management costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the citywide statement of net position as they predominately benefit governmental activities.		5,300,031
Net position of governmental activities (see page 1)		<u><u>\$ 2,527,367,771</u></u>

CITY OF AURORA, COLORADO

GOVERNMENTAL FUNDS

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2012**

	General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
<i>Taxes</i>			
Sales and use	\$ 163,381,984	\$ 1,974,200	\$ 165,356,184
Property	24,790,299	8,591,390	33,381,689
Franchise	13,199,623	—	13,199,623
Lodgers	4,811,537	240,382	5,051,919
Occupational privilege	3,982,371	387,928	4,370,299
Other	4,907,859	22,419	4,930,278
Charges for services	10,295,801	10,732,719	21,028,520
Licenses and permits	2,366,173	6,776,521	9,142,694
Fines and forfeitures	10,335,263	5,048	10,340,311
Special assessments	—	991,478	991,478
Intergovernmental	13,457,968	27,524,491	40,982,459
Surcharges	342,472	3,037,649	3,380,121
Miscellaneous	1,482,823	1,980,951	3,463,774
Investment earnings	916,119	1,170,368	2,086,487
Total revenues	254,270,292	63,435,544	317,705,836
EXPENDITURES			
<i>Current</i>			
General government	22,013,708	1,366,207	23,379,915
Judicial	8,106,247	3,998	8,110,245
Police	85,460,066	3,552,351	89,012,417
Fire	38,410,555	342,111	38,752,666
Other public safety	10,397,756	2,438,037	12,835,793
Public works	23,454,541	6,576,407	30,030,948
Economic development	4,114,525	11,495,485	15,610,010
Community services	3,674,044	8,537,093	12,211,137
Culture and recreation	16,461,477	15,841,662	32,303,139
<i>Debt service</i>			
Principal	436,286	12,176,000	12,612,286
Interest	29,690	5,925,948	5,955,638
Capital outlay	3,149,982	29,458,125	32,608,107
Total expenditures	215,708,877	97,713,424	313,422,301
Excess (deficiency) of revenues over (under) expenditures	38,561,415	(34,277,880)	4,283,535
OTHER FINANCING SOURCES (USES)			
Transfers in	1,471,882	34,319,084	35,790,966
Transfers out	(26,620,738)	(9,495,228)	(36,115,966)
Proceeds from capital lease	—	1,773,430	1,773,430
Proceeds from interfund loan	—	60,000	60,000
Proceeds from notes	—	1,230,000	1,230,000
Sale of capital assets	247,280	862	248,142
Total other financing sources (uses)	(24,901,576)	27,888,148	2,986,572
NET CHANGE IN FUND BALANCES	13,659,839	(6,389,732)	7,270,107
FUND BALANCES - January 1	65,527,794	80,293,732	145,821,526
FUND BALANCES - December 31	\$ 79,187,633	\$ 73,904,000	\$ 153,091,633

CITY OF AURORA, COLORADO

GOVERNMENTAL FUNDS

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES TO THE CITYWIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012**

Amounts reported for governmental activities in the statement of activities (see page 2 and 3) are different because:

Net change in fund balances - total governmental funds (see page 7)	\$ 7,270,107
Sales and use tax audit revenue is recorded at citywide since the receivable amount is known, however it does not provide current financial resources and, therefore, is reported as revenue in the funds when collected. In the prior year, amounts collected exceeded amounts accrued.	614,737
Charges for services generated internally are eliminated at citywide.	
Charges for services - revenue	(4,213,602)
Charges for services - expenditures	4,213,602
The change in special assessment revenue, deferred inflow of resources in the funds, is recognized as revenue at citywide.	966,577
Miscellaneous revenues from street infrastructure donated by developers is recorded as revenue at citywide, however, it is not a current financial source and, therefore, is not recorded in the funds.	5,188,555
Certain expenses in the citywide statement of activities do not require the use of current financial resources and, therefore, are not recorded in the funds.	
Change in arbitrage liability	(92,817)
Change in net pension asset / obligation	(2,898,020)
Change in OPEB obligation	(66,743)
Change in accrued compensated absences	(127,233)
Change in Aid to Agencies	(137,189)
Debt service payments consume current financial resources and are included as expenditures in the funds. At citywide the payments are recorded as a reduction to long-term liabilities. The accrual adjustment for debt service interest and the amortization of debt discounts and premiums are made at citywide only.	
Repayment of principal	12,612,286
Accrued interest	48,075
Amortization of premium and discount	946,251
Amortization of loss on refunding	(844,827)
Capital outlay is reported in the funds as expenditures but are capitalized at citywide. Depreciation does not require the use of current financial resources and, therefore, is not reported in the funds.	
Capital outlay	32,608,107
Capital asset contributions to Enterprise Funds	(35,626)
Depreciation	(50,204,145)
Proceeds of new debt issuances are recorded in the funds but have no affect on net position.	
Proceeds of debt	(3,063,430)
Disposal of capital assets proceeds are recorded in the funds while the loss from the disposal is recorded at citywide and includes the write-off of the carrying value of the related capital asset.	(275,646)
Internal Service Funds are used by the city to accumulate and allocate fleet management and risk management costs to individual funds. The increase in net position of the internal service funds are included in governmental activities in the citywide statement of net position as they predominately benefit governmental activities.	
Governmental - type	(959,530)
Business - type	234,027
Increase in net position of governmental activities (see page 3)	<u>\$ 1,783,516</u>



Basic Financial Statement

PROPRIETARY FUNDS

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

NONMAJOR 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 POSITION
DECEMBER 31, 2012**

	Business-type Activities - Enterprise Funds				Governmental
	Major Funds		Nonmajor Fund	Total Enterprise Funds	Activities Internal Service Funds
	Water	Wastewater	Golf		
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 7,790,861	\$ 4,690,372	\$ 509,820	\$ 12,991,053	\$ 853,912
Investments	115,330,473	74,632,160	1,315,278	191,277,911	13,819,917
Receivables (net of allowance)					
Accounts receivable	10,275,753	6,243,559	—	16,519,312	—
Interest receivable	626,115	210,506	97	836,718	56,162
Due from other governments	18,468	—	—	18,468	—
Other receivable	1,641,171	—	—	1,641,171	—
Restricted assets					
Investments	10,504,339	1,562,089	—	12,066,428	—
Current portion of notes receivable	—	2,694,200	29,155	2,723,355	—
Current portion of interfund loan	—	50,000	—	50,000	—
Inventories	—	—	163,777	163,777	616,178
Total current assets	146,187,180	90,082,886	2,018,127	238,288,193	15,346,169
Noncurrent assets					
Restricted assets					
Cash and cash equivalents	1,284,000	—	—	1,284,000	—
Investments	37,766,025	3,753,386	501,428	42,020,839	—
Interest receivable	816,191	84,124	1,111	901,426	—
Other receivables	—	6,641,014	—	6,641,014	—
Notes receivable	—	2,733,048	—	2,733,048	—
Interfund loan	60,000	4,284,000	—	4,344,000	—
Equity in joint venture	2,345,738	—	—	2,345,738	—
Capital assets (net of accumulated depreciation)					
Land and water rights	344,730,406	9,559,922	15,291,603	369,581,931	—
Buildings and improvements	423,422,970	50,592,431	2,287,124	476,302,525	—
Infrastructure	633,228,615	340,738,181	11,183,176	985,149,972	271,748
Machinery and equipment	68,801,509	1,639,911	775,611	71,217,031	284,772
Construction in progress	62,972,756	23,507,633	—	86,480,389	—
Total capital assets	1,533,156,256	426,038,078	29,537,514	1,988,731,848	556,520
Total noncurrent assets	1,575,428,210	443,533,650	30,040,053	2,049,001,913	556,520
Total assets	1,721,615,390	533,616,536	32,058,180	2,287,290,106	15,902,689
DEFERRED OUTFLOWS OF RESOURCES					
Loss on refunding	496,467	—	37,091	533,558	—
Total deferred outflows of resources	496,467	—	37,091	533,558	—
LIABILITIES					
Current liabilities					
Accounts payable	6,617,362	5,226,439	45,604	11,889,405	260,274
Accrued interest	12,411,060	1,043,149	23,477	13,477,686	—
Other payables	1,586,931	662,092	—	2,249,023	—
Unearned revenues	—	—	611,019	611,019	—
Current portion - interfund loan	—	—	184,237	184,237	—
Current portion - long-term liabilities	1,853,618	1,324,079	541,999	3,719,696	4,323,981
Total current liabilities	22,468,971	8,255,759	1,406,336	32,131,066	4,584,255
Noncurrent liabilities					
Interfund loan	—	—	4,599,431	4,599,431	—
Due beyond one year	605,180,825	53,116,469	1,584,247	659,881,541	6,018,403
Total noncurrent liabilities	605,180,825	53,116,469	6,183,678	664,480,972	6,018,403
Total liabilities	627,649,796	61,372,228	7,590,014	696,612,038	10,602,658
DEFERRED INFLOWS OF RESOURCES					
Regulatory liability	2,277,121	—	—	2,277,121	—
Total deferred inflows of resources	2,277,121	—	—	2,277,121	—
NET POSITION					
Net investment in capital assets	963,446,966	373,481,692	28,606,033	1,365,534,691	556,520
Restricted	1,024,000	6,641,014	—	7,665,014	—
Unrestricted	127,713,974	92,121,602	(4,100,776)	215,734,800	4,743,511
Total net position	\$ 1,092,184,940	\$ 472,244,308	\$ 24,505,257	\$ 1,588,934,505	\$ 5,300,031

CITY OF AURORA, COLORADO

PROPRIETARY FUNDS

**RECONCILIATION OF THE PROPRIETARY FUNDS STATEMENT OF NET POSITION TO THE CITYWIDE
STATEMENT OF NET POSITION
DECEMBER 31, 2012**

Amounts reported for business-type activities in the statement of net position (see page 1) are different because:

Total net position - proprietary funds (see page 10)	\$ 1,588,934,505
The current and long-term portions of the Murphy Creek interfund loan between the Wastewater Fund and the Golf Fund are eliminated.	
Wastewater Fund - asset	(4,334,000)
Golf Fund - liability	4,334,000
The current and long-term portions of the golf cart interfund loans between the General Fund and the Golf Fund are eliminated. As these loans cross between Governmental Activities and Business-type Activities at citywide, these amounts are recorded on the internal balances line.	
General Fund - asset	(449,668)
Golf Fund - liability	449,668
The Fanfare interfund loan between the AURA General Fund and the Water Fund is eliminated. As these loans cross between Governmental Activities and Business-type Activities at citywide, these amounts are recorded on the internal balances line.	
AURA General Fund - liability	60,000
Water Fund - asset	(60,000)
The internal balances due to the governmental activities from the business-type activities result from the allocation of the cumulative Internal Service Fund loss.	(815,670)
Net position of business-type activities (see page 1)	<u>\$ 1,588,118,835</u>

CITY OF AURORA, COLORADO

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2012

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Major Funds		Nonmajor Fund	
	Water	Wastewater	Golf	
OPERATING REVENUES				
<i>Charges for services</i>				
Customers	\$ 112,403,991	\$ 51,687,414	\$ 8,613,543	\$ 172,704,948
				\$ 14,361,648
OPERATING EXPENSES				
Cost of sales and services	41,782,745	35,896,465	6,046,894	83,726,104
Claims losses	—	—	—	—
Administrative expenses	4,074,618	1,401,569	1,486,693	6,962,880
Depreciation	26,608,375	8,756,083	918,161	36,282,619
				91,561
Total operating expenses	72,465,738	46,054,117	8,451,748	126,971,603
				15,742,437
Operating income (loss)	39,938,253	5,633,297	161,795	45,733,345
				(1,380,789)
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	3,744,862	1,462,276	35,498	5,242,636
Intergovernmental revenue	94,055	—	—	94,055
Miscellaneous revenues/expenses	347,362	5,148,986	21,745	5,518,093
Interest expense	(28,561,411)	(2,142,921)	(263,892)	(30,968,224)
Amortization of premiums and (discounts), net	955,621	66,918	(12,364)	1,010,175
Gain (loss) on disposal of capital assets	(1,340,467)	29,799	—	(1,310,668)
Loss on early extinguishment of debt	(5,643,142)	—	—	(5,643,142)
Equity in joint venture	(32,165)	—	—	(32,165)
				—
Net nonoperating revenues (expenses)	(30,435,285)	4,565,058	(219,013)	(26,089,240)
				421,259
Income (loss) before capital contributions and transfers	9,502,968	10,198,355	(57,218)	19,644,105
				(959,530)
Capital contributions	21,571,350	4,725,296	2,331	26,298,977
Transfers in	—	—	325,000	325,000
				—
CHANGE IN NET POSITION	31,074,318	14,923,651	270,113	46,268,082
				(959,530)
NET POSITION - January 1, before restatement	1,065,919,888	457,738,369	24,282,082	1,547,940,339
				6,259,561
Adjustment for change in accounting principle	(4,809,266)	(417,712)	(46,938)	(5,273,916)
				—
NET POSITION - January 1, after restatement	1,061,110,622	457,320,657	24,235,144	1,542,666,423
				6,259,561
NET POSITION - December 31	\$ 1,092,184,940	\$ 472,244,308	\$ 24,505,257	\$ 1,588,934,505
				\$ 5,300,031

CITY OF AURORA, COLORADO

PROPRIETARY FUNDS

**RECONCILIATION OF THE PROPRIETARY FUNDS ON THE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION TO THE CITYWIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012**

Amounts reported for business-type activities in the statement of activities (see page 2 and 3) are different because:

Net change in net position - total enterprise funds (see page 12)	\$ 46,268,082
The current year Internal Service Fund operating profit is eliminated for citywide reporting.	(234,027)
Increase in net position of business-type activities (see page 3)	<u>\$ 46,034,055</u>

CITY OF AURORA, COLORADO

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2012

	Business-type Activities - Enterprise Funds				Governmental
	Major Funds		Nonmajor Fund	Total Enterprise Funds	Activities Internal Service Funds
	Water	Wastewater	Golf		
CASH FLOWS FROM OPERATING ACTIVITIES					
<i>Cash received from:</i>					
Customers and others	\$ 113,995,819	\$ 51,443,802	\$ 8,659,276	\$ 174,098,897	\$ 257,274
Interfund services provided and used	—	—	—	—	14,353,657
<i>Cash payments to:</i>					
Employees	(19,813,295)	(11,142,435)	(4,064,726)	(35,020,456)	(3,225,950)
Suppliers for goods and services	(27,791,185)	(24,499,649)	(3,444,919)	(55,735,753)	(11,786,427)
Net cash provided by (used in) operating activities	66,391,339	15,801,718	1,149,631	83,342,688	(401,446)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Cash transfers in	—	—	325,000	325,000	—
Interfund loan transactions	(60,000)	50,000	—	(10,000)	—
Net cash provided by (used in) noncapital financing activities	(60,000)	50,000	325,000	315,000	—
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
<i>Proceeds from:</i>					
Capital contributions	20,303,999	3,841,710	2,331	24,148,040	—
Sale of capital assets	31,865	39,426	—	71,291	—
Interfund loan	—	—	28,034	—	—
Note receivable principal	—	1,954,433	274,392	2,228,825	—
<i>Payments for:</i>					
Capital assets	(35,248,210)	(17,597,019)	(322,660)	(53,167,889)	(38,803)
Capital assets acquired through construction payables	(8,867,825)	(2,081,997)	—	(10,949,822)	—
Principal on capital debt (golf amount includes interfund loan payment of \$115,612)	(44,707,494)	(6,901,215)	(642,743)	(52,251,452)	—
Interest on capital debt	(29,934,175)	(2,937,804)	(270,024)	(33,142,003)	—
Prepayment on debt	(5,643,142)	—	—	(5,643,142)	—
Deposits for future construction	(1,126,059)	(1,622,388)	—	(2,748,447)	—
Net cash used in capital and related financing activities	(105,191,041)	(25,304,854)	(930,670)	(131,454,599)	(38,803)
CASH FLOWS FROM INVESTING ACTIVITIES					
(Increase) decrease in equity in pooled investments	29,569,082	7,012,533	—	36,581,615	175,090
(Increase) decrease in investments	1,838,966	—	(324,448)	1,514,518	—
Interest received	3,987,353	1,454,562	43,545	5,485,460	164,747
Net cash provided by (used in) investing activities	35,395,401	8,467,095	(280,903)	43,581,593	339,837

	Business-type Activities - Enterprise Funds				Governmental Activities
	Major Funds		Nonmajor Fund	Total Enterprise Funds	Internal Service Funds
	Water	Wastewater	Golf		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,464,301)	(986,041)	263,058	(4,187,284)	(100,412)
TOTAL CASH AND CASH EQUIVALENTS, January 1					
(including \$1,789,343 for the Water Fund reported as restricted cash)	12,539,162	5,676,413	246,762	18,462,337	954,324
TOTAL CASH AND CASH EQUIVALENTS, December 31					
(including \$1,284,000 for the Water Fund reported as restricted cash)	\$ 9,074,861	\$ 4,690,372	\$ 509,820	\$ 14,275,053	\$ 853,912
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
OPERATING INCOME (LOSS)	\$ 39,938,253	\$ 5,633,297	\$ 161,795	\$ 45,733,345	\$ (1,380,789)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Depreciation	26,608,375	8,756,083	918,161	36,282,619	91,561
Miscellaneous nonoperating revenues	441,417	117,340	21,745	580,502	249,283
<i>Changes in operating assets and liabilities</i>					
Receivables	(369,177)	(360,952)	2,380	(727,749)	—
Inventories	—	—	16,659	16,659	(15,002)
Accounts payable and accrued liabilities	(227,529)	1,655,950	7,282	1,435,703	653,501
Unearned revenues	—	—	21,609	21,609	—
Total adjustments	26,453,086	10,168,421	987,836	37,609,343	979,343
Net cash provided by (used in) operating activities	\$ 66,391,339	\$ 15,801,718	\$ 1,149,631	\$ 83,342,688	\$ (401,446)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Contribution of capital assets	\$ 1,231,725	\$ 883,586	\$ —	\$ 2,115,311	\$ —
Capital assets acquired through payables	4,717,573	2,932,782	—	7,650,355	—
Increase (decrease) in fair value of investments	97,010	120,642	(8,048)	209,604	25,788
Amortization of discount and premium	955,620	66,919	(12,364)	1,010,175	—
Amortization of bond issuance costs	(4,809,266)	(417,712)	(46,938)	(5,273,916)	—
Contributed capital transferred in	35,626	—	—	35,626	—
Note receivable for reimbursement	—	4,232,873	—	4,232,873	—

See notes to the basic financial statements.





Basic Financial Statements

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 Funds

Agency Funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds. The agency funds are comprised of the Payroll Clearing Fund and the Aurora 7/20 Relief Fund.

Fund Financial Statements

CITY OF AURORA, COLORADO
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2012

	Pension Trust Funds	Agency Funds
	<hr/>	<hr/>
ASSETS		
<i>Current assets</i>		
Cash and equivalents	\$ 7,165,123	\$ 8,143,596
<i>Investments</i>		
Equity securities and funds	153,210,973	—
U.S. government treasury and		
U.S. government agency obligations	11,774,745	—
Corporate notes, bonds and funds	101,736,783	—
Real estate funds	30,740,888	—
Alternative investments	42,632,389	—
<i>Receivables (net of allowance)</i>		
Interest receivable	2,638,681	—
Due from other governments	424,383	—
Prepaid expenses	5,536	—
	<hr/>	<hr/>
Total assets	350,329,501	\$ 8,143,596
	<hr/>	<hr/>
LIABILITIES		
<i>Current liabilities</i>		
Accounts payable and other current liabilities	3,108,630	\$ 8,143,596
	<hr/>	<hr/>
Total liabilities	3,108,630	\$ 8,143,596
	<hr/>	<hr/>
NET POSITION		
Held in trust for pension benefits	347,220,871	
	<hr/>	
Total net position	\$ 347,220,871	
	<hr/>	

CITY OF AURORA, COLORADO
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2012

	Pension Trust Funds
ADDITIONS	
<i>Contributions</i>	
City	\$ 4,968,797
Plan members	4,800,089
Total contributions	9,768,886
<i>Investment activity</i>	
Investment earnings	37,071,316
Investment expense	(650,113)
Net investment earnings	36,421,203
Other income	28,953
Total additions, net	46,219,042
DEDUCTIONS	
Benefits	16,341,817
Administrative expenses	477,217
Total deductions	16,819,034
CHANGE IN NET POSITION	29,400,008
NET POSITION - January 1	317,820,863
NET POSITION - December 31	\$ 347,220,871



Basic Financial Statements

DISCRETELY PRESENTED COMPONENT UNIT

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.

Havana Business Improvement District (Havana BID)

Havana BID was formed for the purpose of enhancing the economic vitality of the Havana Street corridor. It is a quasi-municipal corporation and a political subdivision of the State of Colorado with all associated powers and responsibilities.

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.

During 2012 AHA refinanced its outstanding debt and as a result a moral obligation provided by the city of Aurora was no longer necessary. AHA is no longer a component unit of the city.

CITY OF AURORA, COLORADO
COMPONENT UNITS
STATEMENT OF NET POSITION
DECEMBER 31, 2012

	Aurora Housing Authority	Havana Business Improvement District	Total
ASSETS			
Cash and cash equivalents	\$ —	\$ 196,139	\$ 196,139
<i>Receivables (net of allowance)</i>			
Taxes receivable	—	308,221	308,221
Other receivables	—	3,786	3,786
<i>Capital assets (net of accumulated depreciation)</i>			
Infrastructure	—	57,278	57,278
Machinery and equipment	—	39,444	39,444
Total assets	—	604,868	604,868
LIABILITIES			
Accounts payable	—	7,068	7,068
Total liabilities	—	7,068	7,068
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax	—	306,790	306,790
Total deferred inflows of resources	—	306,790	306,790
NET POSITION			
Net investment in capital assets	—	96,722	96,722
Restricted	—	11,437	11,437
Unrestricted	—	182,851	182,851
Total net position	\$ —	\$ 291,010	\$ 291,010

CITY OF AURORA, COLORADO

**COMPONENT UNITS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Aurora Housing Authority	Havana Business Improvement District	Total Component Units
Component unit							
Aurora Housing Authority	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Havana Business Improvement District	491,361	14,000	117	—	—	(477,244)	(477,244)
Total Component Units	\$ 491,361	\$ 14,000	\$ 117	\$ —	—	(477,244)	(477,244)
General Revenues							
<i>Taxes</i>							
Property taxes					—	335,687	335,687
Other taxes					—	22,781	22,781
Unrestricted investment earnings					—	562	562
Total general revenues and transfers					—	359,030	359,030
INCREASE (DECREASE) IN NET POSITION					—	(118,214)	(118,214)
NET POSITION - January 1, before restatement					45,709,237	409,224	46,118,461
Adjustment for change in reporting entity					(45,709,237)	—	(45,709,237)
NET POSITION - January 1, after restatement					—	409,224	409,224
NET POSITION - December 31					\$ —	\$ 291,010	\$ 291,010

See notes to the basic financial statements.

Basic Financial Statements



Notes to the Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. 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 Unit

Havana Business Improvement District (Havana BID) – The Havana BID was organized by the City Council on July 21, 2007 for the purpose of enhancing the economic vitality of the Havana Street corridor. It is a quasi-municipal corporation and political subdivision of the State of Colorado with all powers and responsibilities granted to business improvement districts by Title 31, Article 25, Part 12 of the Colorado Revised Statutes. The City Council appointed all the initial members of the Havana BID Board of Directors, which are not substantially 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. Separately issued, audited financial statements are available by contacting the Havana BID at 337 Oswego Street, Aurora, Colorado 80010 or telephone (303) 360-7505.

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 ACLC is fiscally dependent upon the city. 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 position. 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 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. Noncurrent debt of AURA, if any, is included in the citywide statement of net position. There are no separately issued financial statements for AURA.

The General Improvement Districts (GIDs) – Three separate fence GIDs and a sewer line GID have been created by action of registered voters in their respective neighborhoods to construct masonry fences and sewer line improvements financed by the issuance of general obligation bonds (repaid with property taxes assessed on their respective neighborhoods). Each GID is a blended component unit because its governing body is the same as the City Council and it provides financial benefits solely to the city. The financial statements for each GID consist of a separate special revenue fund. The noncurrent debt of each respective GID is included in the citywide statement of net position. There are no separately issued financial statements for any of the GIDs. The four GIDs are as follows:

Cherry Creek Fence General Improvement District (GID) – Cherry Creek Fence GID was formed by action of registered voters of the Cherry Creek Racquet Club neighborhood in 2007.

Meadow Hills Fence General Improvement District (GID) – Meadow Hills Fence GID was formed by action of registered voters of the Meadow Hills neighborhood in 2008.

Peoria Park Fence General Improvement District (GID) – Peoria Park Fence GID was formed by action of registered voters of the Peoria Park neighborhood in 2008.

Pier Point 7 Sewer General Improvement District (GID) – Pier Point 7 Sewer GID was formed by action of registered voters of the Pier Point 7 neighborhood in 2009.

3. Fiduciary Component Units

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. Three of the seven board members are appointed by City Council. 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 12100 East Iliff Avenue, Suite 108, Aurora, Colorado 80014 or telephone (303) 368-9160.

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, Mail Code 929, Colorado Springs, Colorado 80947-0929 or telephone (719) 668-4052.

B. Citywide and Fund Financial Statements

The 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 U.S. governmental accounting and financial reporting principles.

The citywide financial statements (i.e., the statement of net position and the statement of activities) provide financial information about the city as a whole (the primary government and its component units). Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the government is financially accountable.

The *statement of activities* demonstrates the extent to which direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges for services; 2) program-specific operating grants and contributions; and 3) program-specific capital grants and contributions. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from citywide reporting as the assets are not available to finance city operations.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The citywide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund, internal service fund, and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. 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 1) they are collected within one year after year-end and 2) all eligibility requirements, including incurring allowable costs, have been met. Property taxes are recognized as revenue in the year for which they are levied (the year subsequent to the levy year), and are reported as a receivable and deferred inflow of resources in the year levied, as an enforceable legal claim occurs at this time. Revenues susceptible to accrual under the modified accrual basis include fines, surcharges, 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. 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.

When both restricted and unrestricted resources are available for use, spending is determined on a case by case basis but it is generally the city's intent to use restricted resources first, then unrestricted resources as needed.

The city reports the following major governmental fund:

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.

The city reports the following major proprietary funds:

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.

Additionally, the city reports the following nonmajor funds:

Special Revenue Funds account for revenues that are restricted or committed for a specific purpose. The city has fifteen special revenue funds: Gifts and Grants, Development Review, Abatement, Community Development, Enhanced E-911, Conservation Trust, Parks Development, Open Space, Recreation Services, Cultural Services, Cherry Creek Fence General Improvement District, Meadow Hills Fence General Improvement District, Peoria Park Fence General Improvement District, Pier Point 7 Sewer General Improvement District 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 debt service funds: City Debt Service, Special Improvement District (SID) Debt Service (includes the following special improvement districts: 1-03 Smith Road, 1-04 56th Avenue, 1-05 Ptarmigan Fence, 2-03 Dam West Fence, and 1-10 Dam East Fence), Surplus and Deficiency (includes SID 1-02 Highpoint Fence), AURA Debt Service and ACLC Debt Service.

The *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 two capital projects funds: the City Capital Projects Fund and ACLC Capital Projects Fund.

The *Golf Fund* accounts for the operations and maintenance of city owned or operated golf courses. The Golf Fund is a nonmajor proprietary fund.

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 two internal service funds: Fleet Management and Risk Management.

Pension Trust Funds account for the accumulation of resources and the payment of retirement benefits to qualified employees. The city has two pension trust funds: the city of Aurora General Employees' Retirement Plan (GERP) and the city of Aurora Elected Officials' and Executive Personnel Defined Benefit Plan (EOEP).

The city has two *agency funds*. The Payroll Clearing Fund accounts for the consolidation of payroll liabilities (taxes, pensions, insurance etc.) after the related payroll expenditures are recorded into the appropriate funds. The Aurora 7/20 Relief Fund was established after the Century 16 Theater tragedy to accept donations on behalf of the victims.

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 revenues. 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.

The proprietary fund statement of revenues, expenses and changes in net position 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 nonoperating. 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 nonoperating.

D. Deferred Inflows and Outflows of Resources

A deferred inflow of resources is an acquisition of net position by the city that is applicable to a future reporting period and a deferred outflow of resources is a consumption of net position by the city that is applicable to a future reporting period. Both deferred inflows and outflows are reported in the statement of net position but are not recognized in the financial statements as revenues and expenses until the period(s) to which they relate. Deferred outflows of resources of the city consist of the loss on refunding.

Under the modified accrual basis of accounting, revenues and other fund financial resources are recognized in the period in which they become both measurable and available. Assets recorded in the fund financial statements for which the revenues are not available are reported as a deferred inflow of resources. In addition, property tax receivables are reported as a deferred inflow of resources when levied in the fund statements.

Deferred inflows of resources are comprised of property tax, special assessment revenue, tax audit receivables and notes receivables that are unavailable in the fund statements but are recognized as revenue in the citywide statements; and the regulatory liability.

The components of the deferred inflows of resources balances as of December 31, 2012 are shown below:

Funds	Property Tax	Unavailable Fund Resources	Regulatory Liability
General	\$ 25,180,228	\$ 1,930,304	\$ -
Water	-	-	2,277,121
NonMajor Governmental	8,833,226	2,590,995	-
Total	<u>\$ 34,013,454</u>	<u>\$ 4,521,299</u>	<u>\$ 2,277,121</u>
Component Unit	<u>\$ 306,790</u>	<u>\$ -</u>	<u>\$ -</u>

The regulatory liability is recorded pursuant to Governmental Accounting Standards Board's (GASB) Statement 62, Regulated Operations, which requires the effects of the rate-making process to be recorded in the financial statements. Accordingly, certain expenses normally reflected in the statement of revenues, expenses and changes in net position as incurred are recognized as deferred inflows of resources when they are included in the calculations for water rates set by the city. A deferred inflow of resources has been recorded for the city's estimated share of future operation and maintenance costs related to the cleanup of excess sediment in the Strontia Springs Reservoir that resulted from rain events that followed two major forest fires.

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 funds statement of net position 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. Real estate funds, not actively traded on national or international exchanges, are valued based upon appraisals of the real estate underlying the investment. For alternative investments where no readily ascertainable fair value exists, the general partner of the partnerships determines the fair value.

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, are reported as interfund loans in the fund statements.

In the process of aggregating data for the citywide statement of net position, amounts reported in the funds as interfund receivables and payables are eliminated. 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. Inventories

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. Inventories included in the governmental fund statements and citywide statements represent housing purchased, rehabilitated and resold under the Neighborhood Stabilization Program.

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. Street infrastructure recorded from 1973 through 2002 is stated at discounted replacement cost. 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. Land includes intangible water rights and easements. Machinery and equipment includes both internally developed and externally acquired computer software. 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 over the following estimated useful lives.

Estimated Useful Lives Assigned by Individual Items

Description	Estimated Useful Life Years
Buildings and improvements	40
Infrastructure	
Street overlay and improvements	10
Other utility improvements	20-65
Mains and conduits	65-95
Reservoirs/park improvements/roads	99
Machinery and equipment	3-20

Assets recorded under capital lease agreements are amortized over either the term of the lease or the estimated useful life of the asset, whichever period is shorter. Amortization expense for capital leases is included in the depreciation line item on the financial statements.

Capital assets purchased by governmental funds are not included as assets in the governmental fund but as expenditures. These expenditures are reclassified on the reconciliation of governmental funds balance sheet to the citywide statement of net position. 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 position.

Capital assets purchased by proprietary funds are included on the fund's statement of net position 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 is capitalized during construction of business-type activities' assets in accordance with GASB 62.

I. Accounts Payable

Amounts reported as accounts payable on the statement of net position includes:

	Governmental Activities	Business-type Activities
Vendors	\$ 5,923,513	\$ 11,786,473
Salaries and Benefits	979,600	102,932
Total	<u>\$ 6,903,113</u>	<u>\$ 11,889,405</u>

J. Unearned Revenues (Liabilities)

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 statement of net position and revenue is recognized.

K. Noncurrent Liabilities

Noncurrent liabilities include: bonds, notes, certificates of participation, capital leases, claims payable, earned but not used compensated absences and postemployment benefits. For governmental funds, the liability is recorded 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" and payments of principal on debt are shown as expenditures. For the citywide statements, governmental debt issuances are shown as noncurrent liabilities and principal payments are shown as decreases in noncurrent liabilities. Amounts due within the next twelve months are reported as "due within one year" with the remaining amount being reported as "due beyond one year." For the proprietary and pension trust funds, long-term liabilities are accounted for in the applicable fund. Additionally, proprietary fund long-term liabilities are accounted for in the business-type activities column of the citywide financial statements.

L. Bond Premiums and Discounts

In governmental funds, bond premiums and discounts are reported as other financing sources/uses. For the citywide and the proprietary fund statements, bond premiums and discounts are capitalized 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.

M. Compensated Absences

City policy allows employees to accumulate earned but not used annual leave up to maximum hours as indicated in the table below. 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.

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

Generally, Career Service employees may convert sick leave hours accumulated in excess of established minimums annually in January to either annual leave hours or cash payments at a rate of one hour's pay (in annual leave or cash) 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. Police and Fire Civil Service may only convert sick leave hours to cash at a rate of one hour's pay for every two hours of sick leave.

<u>Employees</u>	<u>Minimum Accrual Hours</u>	<u>Maximum Payment Hours</u>
Council Appointees	520	120
Police and Career Service	720	90
Fire Civil Service 8-hour shift	684	90
Fire Civil Service 24-hour shift	960	90

The city records a liability for accrued compensated absences and related payroll taxes. The "vesting method" per GASB 16, *Accounting for Compensated Absences*, is followed to estimate the sick leave liability upon termination. Only the portion of compensated absences that is due is reported as a liability in a governmental fund while the entire liability is reflected in the citywide statement of net position 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. 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 position.

N. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions. These assumptions affect the reported amounts of assets, liabilities, revenues and expenditures and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

O. Fund Balances and Net Position

Fund balances reflect assets plus deferred outflows of resources minus liabilities plus deferred inflows of resources and are shown only in the governmental fund statements. Fund balance is divided into four classifications; restricted, committed, assigned and unassigned. Fund balance is reported as restricted when constraints placed on the use are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. Additionally, assets that are required by outside sources to be used for a specific purpose are shown on the balance sheet as "restricted assets." Fund balance is reported as committed when constraints are imposed by formal action (ordinance or resolution) of the City Council, the city's highest level of decision making authority. Council actions require either an ordinance or a resolution. Both are equally binding for their respective purposes and are mutually exclusive, not interchangeable with one another. Fund balance is reported as assigned when the intent of the city is to use it for a specific purpose.

The Financial Policies and Guidelines, as approved by City Council, authorize the assignment of fund balances by informal action of City Council (no ordinance or resolution) or by the City Manager or the Finance Director as long as City Council has been advised of the assignment through either the budget process or some other process. Unassigned fund balance is the residual and may only be reported in the General Fund.

Net position is assets plus deferred outflows of resources minus liabilities plus deferred inflows of resources and is shown in the citywide, proprietary and fiduciary fund financial statements and is reported in three classifications. Net investment in capital assets 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 position report amounts legally segregated for a specific future use. Remaining net position is reported as unrestricted.

P. Budgets

On or before September 1 of each year, a proposed budget is provided by the City Manager to the City Council for review. The City Council holds public hearings and may add to, subtract from, or change the proposed 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, which is not subject to the budgetary requirements of the Colorado Revised Statutes (C.R.S.). Budgets for the component units: ACLC, AURA, the GIDs, GERP, EOEP, and Havana BID may be subject to the budgetary requirements of the C.R.S. but are not required to be and are not legally adopted by the city, although the city may approve a component unit's budget.

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, Enhanced E-911, Conservation Trust, Parks Development, Open Space and Recreation Services. The Community Development 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. The final budget does not always include budget reductions in expenditures or changes in revenues for amounts approved subsequent to the original budget when legal compliance is already demonstrated.

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 or resolution. Transfers between funds require City Council approval by ordinance.

Basis of Budgeting

The city budgets on a "funds available" basis (budgetary 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 restrictions and commitments. While the restrictions and commitments are available to appropriate, funds available after restrictions and commitments represent funds that may be used for general purposes.

The "funds available" basis differs from the U.S. GAAP Basis of Accounting as follows:

1. Governmental Funds

- 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.
- j) January sick leave buyout is expensed for GAAP but not for budget until subsequent year.

2. Proprietary Funds

- 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) 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.
- k) January sick leave buyout is expensed for GAAP but not for budget until subsequent year.
- 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.

2. CASH AND INVESTMENTS

Cash and investments as of December 31, 2012 are classified in the accompanying financial statements as follows:

	Governmental Activities	Business-type Activities	Fiduciary Funds	Component Unit	Total
Cash and cash equivalents	\$ 6,853,778	\$ 12,991,053	\$ 15,308,719	\$ 196,139	\$ 35,349,689
Investments	76,523,565	191,277,911	-	-	267,801,476
Restricted cash and cash equivalents	4,180,225	1,284,000	-	-	5,464,225
Restricted investments	<u>57,628,644</u>	<u>54,087,267</u>	<u>340,095,778</u>	<u>-</u>	<u>451,811,689</u>
	<u>\$ 145,186,212</u>	<u>\$ 259,640,231</u>	<u>\$ 355,404,497</u>	<u>\$ 196,139</u>	<u>\$ 760,427,079</u>

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 resolution, 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. In addition, the Public Deposit Protection Act requires that all deposits exceeding the amount insured by the FDIC be collateralized to 102% of the deposit. The city maintains all cash deposits in PDPA eligible financial institutions. The city will seek to maintain an investment portfolio which is diversified by maturity, type of security, corporate industry and, except for U.S. government obligations, by issuer. The objectives of the city's investment program, in order of their priority, are:

- *Safety* of principal is the primary objective of city investment activities and is the single most important factor in determining investment decisions.
- *Liquidity* - The investment portfolio will retain sufficient liquidity to meet all reasonably anticipated operating cash needs.
- *Financial Management Goals* - The timing and form of investment purchases and sales will be managed in a manner consistent with the city's financial management goals.
- *Yield* - After the objectives of safety, liquidity and financial management goals are met, the investment portfolio will be managed with the objective of attaining a market rate of return throughout interest rate cycles.

The city held the following investments at December 31, 2012:

	Pooled Investments	Non-pooled Investments	Total Primary Government
Money market funds*	\$ 10,023	\$ 1,187,627	\$ 1,197,650
Repurchase agreements	-	37,507,812	37,507,812
Certificates of deposit	37,500,000	-	37,500,000
U.S. agency notes	68,232,732	12,460,827	80,693,559
U.S. Treasury notes	10,430,080	1,538,802	11,968,882
Corporate notes	100,988,836	-	100,988,836
Commercial paper	26,984,894	-	26,984,894
Municipal bonds	43,870,244	-	43,870,244
Foreign securities-U.S. dollars	<u>40,003,160</u>	<u>-</u>	<u>40,003,160</u>
Total	<u>\$ 328,019,969</u>	<u>\$ 52,695,068</u>	<u>\$ 380,715,037</u>

*Money market funds are considered cash equivalents for financial statement presentation.

Reconciliation to the statement of net position:

Investments in governmental and business type activities	\$	342,017,387
Cash and cash equivalents		
Money market funds		1,197,650
Pooled and other cash not included above		24,111,406
Certificates of deposit (investment for financial reporting purposes but not for risk evaluation)		37,500,000
Total cash and cash equivalents and investments	\$	404,826,443
Total Governmental Type Activities	\$	145,186,212
Total Business Type Activities		259,640,231
	\$	404,826,443

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 fiduciary fund investments, which have foreign currency risk. City policy gives guidance for investment activity to limit risks, as outlined in the following discussion.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. See rating schedule on page 32.

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 3% of its pooled investments. The city does have investments that represent more than 5% to a single issuer within specific funds of the city: the Water Fund repurchase agreements for bond reserve requirements and capital projects. The repurchase agreements represent 21% of the Water Fund's total investments and are invested pursuant to specific requirements of bond indentures.

Primary Government

Repurchase agreements – Counterparties must have an investment grade credit rating and must be collateralized by U.S. Treasury, agency, or instrumentality securities, the market value of which is at least 102% of the funds invested.

Reverse repurchase agreements may be used in amounts up to \$25 million and maturities up to thirty days for cash management purposes. Reverse repurchase agreements for longer terms or greater amounts must be approved by resolution of City Council. Reverse repurchase agreements approved by resolution of City Council to provide interim funding of capital acquisitions may not exceed \$100 million or eighteen months maturity.

Money market funds – Must be registered under the Investment Company Act of 1940 that: 1) are "no-load" (no commission or fee shall be charged on purchases or sales of shares); 2) have a constant net asset value of \$1.00 per share; 3) limit assets of the fund to those authorized by state statute; 4) have a maximum stated maturity and weighted average maturity in accordance with Rule 2a-7 of the Investment Company Act of 1940; and 5) have a rating of AAA or the equivalent by one or more nationally recognized statistical rating organization. The city may invest up to 10% of its portfolio in each such fund to a maximum amount per the investment policy, not to exceed 50% of the portfolio.

U.S. agency notes – Investments may not exceed 75% of the total par value of the city's portfolio. Maturities may be no more than seven years.

U.S. Treasury notes - Maturities may be no more than seven years.

Commercial paper – Commercial paper issued by domestic corporations must be rated at least A-1 or the equivalent at the time of purchase by at least two nationally recognized statistical rating organizations (NRSROs). If the commercial paper issuer has senior debt outstanding, it must be rated at least A or the equivalent at the time of purchase by all rating organizations that rate the issuer. The aggregate investment in corporate debt, commercial paper, and bankers acceptances shall not exceed 50% of the city's investment portfolio. No more than 3% of the city's investment portfolio may be invested in the obligations of any one issuer.

Corporate notes - Investments other than commercial paper, issued by domestic corporations, maximums:

Rating	Maximum Percentage	Maximum Maturity (Years)
AAA or AA	30%	5
A1 or A+	10%	2

Municipal bonds – Investment maximums:

Rating	Maximum Percentage	Maximum Maturity (Years)
AAA or AA	30%	5
A1 or A+	10%	2

Domestic corporate bonds and foreign securities – Domestic corporate bonds must be issued by a corporation or bank organized and operating within the United States. Foreign sovereign, foreign political subdivision and foreign corporate securities issued in foreign markets and under foreign law must be denominated in U.S. dollars. Specific nations whose debt may be purchased shall be approved by council resolution. Diversification requirements may not exceed the following; 10% of obligations issued in any one authorized foreign country, 20% investment in foreign securities, 30% invested in domestic corporate bonds, or 40% combination in both, foreign and domestic. Securities must be rated by at least two Nationally Recognized Statistical Ratings Organizations (NRSROs). Those with a rating of AA- or the equivalent may be purchased with a maximum maturity of 5 years and up to 10% may be purchased in securities rated A+ or the equivalent with a maximum maturity of 2 years. The aggregate investment in corporate obligations shall not exceed 50% of the portfolio.

Credit ratings on the primary government's investments are as follows:

Moody's	S&P	Repurchase Agreements	Money Market	Commercial Paper	U.S. Agency Notes	U.S. Treasury Notes	Corporate Notes	Foreign securities-U.S. Dollars	Municipal Bonds
Aaa	AA+	\$ -	\$ -	\$ -	\$ 80,693,559	\$ 11,968,882	\$ -	\$ -	\$ -
Aaa	AAA	-	-	-	-	-	6,789,998	-	-
Aa1 to Aa3	AA+ to AA-	-	-	-	-	-	51,350,613	11,275,242	38,170,064
Aa1 to Aa3	A+ to A-	-	-	-	-	-	13,605,763	17,303,411	1,692,860
A1 to A3	AA+ to AA-	-	-	-	-	-	12,887,062	-	-
A1 to A3	A+ to A-	-	-	-	-	-	16,355,400	-	-
P-1	A-1+ to A-1	-	-	26,984,894	-	-	-	-	-
Aaa	A-	-	-	-	-	-	-	11,424,507	-
Aaa-mf	AAA-m	-	1,187,627	-	-	-	-	-	-
Not rated	AAA-m	-	10,023	-	-	-	-	-	-
Aa1 to Aa3	Not rated	-	-	-	-	-	-	-	4,007,320
Not rated	Not rated	37,507,812	-	-	-	-	-	-	-
		<u>\$ 37,507,812</u>	<u>\$ 1,197,650</u>	<u>\$ 26,984,894</u>	<u>\$ 80,693,559</u>	<u>\$ 11,968,882</u>	<u>\$ 100,988,836</u>	<u>\$ 40,003,160</u>	<u>\$ 43,870,244</u>

Fiduciary Funds

GERP – GERP contracts with investment managers to manage all of the Plan's investments. Each investment portfolio is managed in accordance with investment guidelines as stated in the Plan's investment policy adopted September 16, 2010. 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 will 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.
- The manager has received authorization to use options, forwards and futures to hedge currency exposure.
- For investment in a commingled fund, the manager is authorized full discretion to use derivative instruments, consistent with fund prospectus.

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, may 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, 2012, the Plan did not have investments in any one organization representing 5% or more of the Plan's assets.

EOEP - Credit risk exposure is dictated by each manager's agreement with the Plan or in the fund's prospectus. The Plan does not have a formal policy regarding the concentration of credit risk. At December 31, 2012, the Plan did not invest in funds that had a greater than 5% exposure to any single fixed income issuer, other than the U.S. Government and its agencies.

GERP and EOEP held fixed income investments with respective qualitative ratings, excluding those which are not considered to have credit risk, as follows:

S&P	Corporate Bonds & Notes	Government & Corporate Bond Funds
Aaa	\$ 5,515,792	\$ 16,392,415
Aa1 to Aa3	3,138,415	48,238,160
A1 to A3	17,786,970	828,801
Baa1 to Baa3	9,836,230	-
	<u>\$ 36,277,407</u>	<u>\$ 65,459,376</u>

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Primary Government

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 3 years, unless the investments are funded by specifically identified sources such as bond proceeds. Non-pooled investments are invested in accordance with state statute; terms of a bond indenture or to meet bond insurer requirements and may have a weighted average maturity exceeding 2 years.

	Pooled Investments	Average Maturity (Years)	Non-pooled Investments	Average Maturity (Years)
Repurchase agreements	—	—	\$ 37,507,812	24.48
Money market funds	10,023	—	1,187,627	—
U.S. agency notes	68,232,732	4.54	12,460,827	3.42
U.S. Treasury notes	10,430,080	3.33	1,538,802	1.22
Corporate notes	100,988,836	1.65	—	—
Commercial paper	26,984,894	—	—	—
Municipal bonds	43,870,244	2.79	—	—
Foreign securities-U.S. dollars	40,003,160	3.19	—	—
Total	<u>\$ 290,519,969</u>		<u>\$ 52,695,068</u>	

Fiduciary Funds

GERP - Interest rate risk exposure is dictated by each investment manager's agreement. Each portfolio is managed in accordance with investment guidelines as stated in the Plan's investment policy adopted on September 16, 2010. 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 Barclays Capital Government Credit Index.
- The *core plus* portfolio may 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, 2012:

Investment	Investment Maturities (in years)				
	Undetermined	Less than 1	1-5	6-10	>10
Money market funds	\$ 6,944,098	\$ -	\$ -	\$ -	\$ -
U.S. Treasury notes and bonds	11,774,745	-	3,203,718	4,269,948	4,301,079
Corporate notes & bond funds	83,824,005	603,846	11,556,069	62,036,110	9,627,980
Equity securities	150,524,769	-	-	-	-
Real estate funds	30,194,754	-	-	-	-
Alternative investments	42,632,389	-	-	-	-
TIPS Fund	16,115,536	-	-	16,115,536	-
Total	<u>\$342,010,296</u>	<u>\$230,296,010</u>	<u>\$ 603,846</u>	<u>\$14,759,787</u>	<u>\$ 82,421,594</u>
				<u>\$</u>	<u>\$13,929,059</u>

EOEP - 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.

Investment	Average Maturity (Years)	
	Investment	
Money market funds	\$ 63,602	0.09
Government and corporate bond funds	1,797,242	7.45
Equity funds	2,686,204	-
Real estate funds	546,134	-
Total	<u>\$ 5,093,182</u>	

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.

Fiduciary Funds

GERP - 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, 2012 is \$51,241,596.

3. RECEIVABLES**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 29 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 inflow of resources 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 year following the levy. Total property tax receivable in the General Fund at December 31, 2012 is \$25,434,574. Based upon experience,

one percent of outstanding receivables is recorded as an allowance and is deducted from the deferred inflow of resources and the receivable for reporting purposes. The allowance at December 31, 2012 is \$254,346.

Restricted property tax receivables recorded in the City Debt Service Fund and the General Improvement Districts (GIDs) represent tax levies collected to specifically repay general obligation bonds and interest. Restricted property tax receivables recorded in the Aurora Urban Renewal Authority (AURA) represent tax levies collected pursuant to C.R.S. 31-25 and must be spent on urban renewal within the tax increment district. Total restricted property tax receivables net of allowance at December 31, 2012, for the City Debt Service Fund, GIDs and AURA are \$4,930,701, \$346,185 and \$3,556,340, respectively.

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. Total sales, use and lodgers tax receivable at December 31, 2012 is \$18,325,116.

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. Total franchise tax receivable at December 31, 2012 is \$2,155,791.

4. Tax Audits

Amounts calculated as owed during sales and use tax compliance audits are recorded as receivables and deferred inflow of resources in the General Fund. Tax audit revenue is recognized in subsequent periods when payment is received. For citywide reporting, revenue is recognized when earned. Total tax audits receivable at December 31, 2012 is \$1,840,303.

B. Accounts

1. City Services

Amounts billed for court fines, library fines, weed cutting, trash removal, demolition, tree trimming and removal, vacant property fees, liens for uncollected city service receivables, overtime inspection fees, recreation registrations and reimbursement for property damages are recorded as receivables and the revenue is recognized when services have been performed. Total accounts receivable for city services at December 31, 2012 is \$1,632,177.

Restricted accounts receivable are recorded in the General Fund, Gifts and Grants Fund and the City Capital Projects Fund and represent amounts collected by the county, state or other governments for specific grant-related expenses incurred by the city. The total restricted accounts receivable at December 31, 2012 for these funds is \$1,317,505.

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. Total billed utility charges at December 31, 2012 are \$11,368,463. Earned but unbilled utility charges at December 31, 2012 is \$5,295,090. 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, 2012 is \$144,241.

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, and cigarette tax which the city has earned but not yet received. These amounts are collected by the other government and remitted to the city within the first two months of the following year. Due from other governments also includes federal and state grants which are collected within one year after year-end.

E. Other

Other receivables include E-911 surcharges, PEG access fees, photo red light fees, special improvement district receivables, insurance premium adjustments, reclaimed wastewater lease fees and a utility credit for LED traffic signal upgrades.

F. Notes

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

1. Economic Development

The city has a participation interest in revolving loans made 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 11 loans; two Brownfields loans with a 2% interest rate due to be repaid when property changes title and an interest only loan for a four year term with principal and interest due on the outstanding principal for six years with the remaining portion due in 2020. Economic development currently has 9 loans with interest rates ranging between 2% - 8.25% and maturity dates between 2012 – 2017 with real and business property as collateral. The balance outstanding as of December 31, 2012 is \$1,146,624, which is not expected to be collected and therefore is not reflected in the city's financial statements.

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 is one loan to a non-profit organization with an interest rate of 4.25% and a maturity date 2038. The balance outstanding as of December 31, 2012 is \$160,530, which is not expected to be collected and therefore is not reflected in the city's financial statements.

2. Community Services

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, 2012 is \$90,000.

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 1,414 loans with various maturity dates and interest rates. The balance outstanding as of December 31, 2012 is \$16,812,202, which is not expected to be collected and therefore is not reflected in the city's financial statements.

In 2009, the city entered into a payment plan with a customer in the amount of \$4,708 for the deferral of waste water connection fees. The balance outstanding as of December 31, 2012 is \$1,455, which is not expected to be collected within one year.

In 2012, the city entered into another payment plan with a customer in the amount of \$6,321 for the deferral of waste water connection fees. The balance outstanding as of December 31, 2012 is \$4,489 which is not expected to be collected within one year.

In 2010, the city entered into an agreement with East Cherry Creek Valley for the transportation of sanitary sewer from the district to the facilities of the Metropolitan Wastewater Reclamation District. The note may be paid in twelve quarterly installments over three years, interest to accrue at an annual rate of 2.5 percent. The balance outstanding as of December 31, 2012 is \$1,188,431 of which all is expected to be collected within one year.

In 2012, the city entered into a second agreement with East Cherry Creek Valley for the transportation of sanitary sewer from the district to the facilities of the Metropolitan Wastewater Reclamation District. The note may be paid in twelve quarterly installments over three years, interest to accrue at an annual rate of 2.5 percent. The balance outstanding as of December 31, 2012 is \$4,232,873 of which \$2,727,104 is not expected to be collected within one year.

3. Fitzsimons Redevelopment Authority (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 Fitzsimons. 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, 2012 are \$267,354 and \$2,199, respectively, of which \$130,165 not expected to be collected within one year.

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 Fitzsimons Golf Course. This note is being paid to the city in ten equal annual installments of principal and interest beginning December 1, 2004. The note has a 4% interest rate and

the final payment is due December 1, 2013. The balance outstanding as of December 31, 2012 is \$29,155, of which all is expected to be collected within one year.

G. Component Unit

Havana BID

Property owners within the boundaries of the Havana Business Improvement District have been assessed \$306,790 in property taxes for 2012 to be collected in 2013. Miscellaneous receivables total \$1,431.

4. RESTRICTED, COMMITTED, ASSIGNED AND UNASSIGNED FUND BALANCES AND RESTRICTED NET POSITION

Order of Spending

Fund balances are classified as restricted, committed, assigned or unassigned. When expenditures are incurred that use funds from more than one classification, the city will generally determine the order which the funds are used on a case-by-case basis, taking into account any application requirements of grant agreements, contracts, business circumstances, or other constraints. If no other constraints exist, the order of spending of resources will be restricted, committed, assigned and, lastly, unassigned.

Restricted for Culture and Recreation

General Fund: \$630,717 per agreement for library and computer equipment funding. *Cultural Services Fund*: \$145,311 for the SCFD grant.

Restricted for Debt Related

Amounts held for debt service payments and required reserves include, *City Debt Service Fund*: \$1,553,157, *SID Debt Service Fund*: \$252,343, and *ACLC Debt Service Fund*: \$9,743,301.

Restricted for Development

Amounts restricted for future development projects in urban renewal areas include *AURA General Fund* and *AURA Debt Service Fund* for \$65,755 and \$4,258,561 respectively.

Restricted for Gifts and Grants

Gifts and Grants Fund: \$1,507,040, for various grants. *Community Development Fund*: \$1,023,408 for the purchase of home inventory to be restored and resold for the neighborhood support program (NSP). *City Capital Projects Fund*: \$1,557,685 for the transportation improvement program (TIP) grants and the city's matching portion required by various grant agreements.

Restricted for Open Space

Conservation Trust Fund: \$4,811,701 lottery proceeds share back to be used for park and open space development. *Parks Development Fund*: \$3,029,598 developer contributions required to be used for the creation of city parks. *Open Space Fund*: \$13,145,714 share back of sales and use tax the citizens in Arapahoe and Adams counties approved for parks and open space construction and maintenance in their respective counties.

Restricted for Public Improvement

General Fund: \$70,371 remitted to the city as settlement of a judgment against another jurisdiction for noise violations at Denver International Airport to be used to make improvements in the airport vicinity in an effort to mitigate noise in the surrounding communities. *City Capital Projects Fund*: \$1,571,800 to the city as settlement of a judgment against another jurisdiction for noise violations at Denver International Airport to be used to acquire land and make improvements in the airport vicinity in an effort to mitigate noise in the surrounding communities. *Water Fund*: \$1,024,000 is an escrow and deposit restricted for the Prairie Waters Project "owner controlled insurance program". *Wastewater Fund*: \$6,641,014 is held in trust by the Urban Drainage and Flood Control District to fund construction of storm drain infrastructure in the city. *Surplus and Deficiency Fund*: \$487,400 special assessment receipts not needed for debt repayment are required by Charter to be used for public improvements within the city. *Peoria Park Fence GID*: \$47,051, *Meadow Hills Fence GID*: \$20,755, and *Cherry Creek Fence GID*: \$38,366 required by agreement for the purpose of constructing neighborhood masonry fences. *Pier Point 7 Sewer GID*: \$76,368 required by agreement for the purpose of constructing sewer line improvements.

Restricted for Emergencies

General Fund: \$9,401,524 for the TABOR State constitutional amendment 3% emergency reserve to be used in rare circumstances resulting from major nonrecurring and not predictable emergencies. Examples of a major emergency may include a tornado requiring extensive additional city operational or capital costs, or a protracted health, civilian or military crisis requiring extensive operational or capital costs. The funds are not to be used to adjust for revenue variances due to the normal variance in the economy. The TABOR reserve amount is adjusted annually in accordance with State constitutional requirements. *Gifts and Grants Fund:* \$1,057,424 of seizure funds from state and federal courts forfeiture actions is used to support activities of the City Police Department. *E-911 Fund:* \$6,961,434 received from a phone surcharge is required by State law to fund E-911 infrastructure development, operations and maintenance.

Restricted for Road and Bridge

City Capital Projects Fund: \$4,117,238 from the Adams County Road and Bridge 0.5% sales tax collected by Adams County and allocated back per agreement to the city for the purpose of constructing roads and bridges located within the respective jurisdictions.

Committed to Culture and Recreation

General Fund: per city code \$320,764 is committed for various programs including the visitor promotion program funded from lodger's tax; the art district loan program; and Public, Education, and Government cable access funded from the PEG franchise fee. *Recreation Services Fund:* Recreation fee revenues are committed by ordinance although at December 31, 2012, no committed fee revenues are outstanding. *Cultural Services Fund:* per city code \$455,622 generated from the capital project budget is committed to fund the Art in Public Places program.

Committed to Development

General Fund: by city resolution, \$338,219 is committed for future city development. *City Capital Projects Fund:* by AURA resolution \$883,423 is committed for the City Center urban renewal area development. *Development Review Fund:* by city resolution \$2,439,930 is committed for the Enhanced Development Review program.

Committed to Open Space

General Fund: per city code \$536,136 from fee revenues committed for the community trees program to fund tree planting in the city.

Committed to Emergencies

General Fund: \$3,220,861, per city code court surcharges are committed to fund the DARE, teen court, and victim witness programs, traffic fines are committed to fund the photo red light program, fines and license fees fund the restricted breeds program, and fire violation restitution funds fire education seminars. *Abatement Fund:* \$486,741, per city code weed, tree and demolition abatement fees are used to fund abatement activities.

Committed to Reserves

General Fund: \$20,790,709, financial policies and guidelines adopted by City Council through resolution commit the 10% Policy Reserve. This reserve is to be used only in extremely rare circumstances resulting from major emergencies that are not recurring by nature and, in general, are not predictable. Examples of a major emergency may include a tornado requiring extensive additional city operational or capital costs, or a protracted health, civilian or military crisis requiring extensive operational or capital costs. The funds are not intended to be used to adjust for revenue variances due to the normal variance in the economy. Included in this reserve are two interfund loans totaling \$449,668 to the Golf Fund. The 10% Policy Reserve is adjusted annually to an amount no less than 10% of adjusted budgetary operating expenditures of the General Fund.

Assigned to Capital Improvement

City Capital Projects Fund: \$11,997,039 of residual equity is assigned to fund city capital improvements and virtually all has been appropriated to specific projects.

Assigned to Culture and Recreation

Recreation Fund: \$442,433 residual fund balance is assigned to Culture and Recreation through the budget process. *Cultural Services Fund:* \$165,065 is assigned to Culture and Recreation through the budget process.

Assigned to Debt Service

ACLIC Debt Service Fund: \$1,562,337 is assigned through the budget process to fund future debt payments.

Assigned to Development

General Fund: \$2,039,133 is assigned to pay existing development incentives through the budget process.

Assigned to Encumbrance

General Fund: \$1,317,660 is assigned to pay commitments on open purchase orders.

Assigned to Long-term Liabilities

General Fund: \$18,325,116 is assigned by management, with Council review, to pay long-term liabilities.

Unassigned Fund Balance Operating Reserve (minimum fund balance policy)

General Fund: As outlined in the city's Financial Policies and Guidelines and adopted by resolution, the General Fund has a minimum target fund balance of 1% to 3% of annual General Fund budgetary revenues. This reserve is intended to be usable in limited circumstances for one-time use where Council determines such use is appropriate and necessary. Uses may include paying for unexpected revenue shortfalls, unexpected expenses, and offsetting potential budget cuts. This reserve also assists in meeting financial bond rating agency total reserve requirements.

5. 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 expenses incurred in the operation and maintenance of the project.

2012 Changes in City's Equity Interest in ACSJWA

Investment at January 1	Transmission Service Fees	City's Share of Change in Net Assets	City Contributions	Investment at December 31
\$ 2,377,903	\$ -	\$ (32,165)	\$ -	\$ 2,345,738

6. CAPITAL ASSETS

Governmental Activities - Capital asset activity for the year ended December 31, 2012, is shown below. Beginning balances have been adjusted for road depreciation and capital equipment costs. See Note 19 for further detail.

	January 1 (as restated)	Additions	Disposals	Transfers	December 31
Capital assets not depreciated:					
Land	\$ 246,800,636	\$ 7,921,362	\$ (6,882)	\$ -	\$ 254,715,116
Construction in progress	12,929,365	21,128,603	(99,263)	(26,342,572)	7,616,133
Total capital assets not depreciated	<u>259,730,001</u>	<u>29,049,965</u>	<u>(106,145)</u>	<u>(26,342,572)</u>	<u>262,331,249</u>
Capital assets being depreciated:					
Building and improvements	203,252,445	129,260	(64,212)	7,580,949	210,898,442
Infrastructure	2,630,504,098	1,205,043	(310,840)	18,613,960	2,650,012,261
Machinery and equipment	79,086,292	7,451,199	(3,357,424)	107,709	83,287,776
Total capital assets being depreciated	<u>2,912,842,835</u>	<u>8,785,502</u>	<u>(3,732,476)</u>	<u>26,302,618</u>	<u>2,944,198,479</u>
Less Accumulated depreciation for:					
Building and improvements	(61,691,070)	(5,747,110)	64,212	-	(67,373,968)
Infrastructure	(521,333,494)	(40,074,673)	182,694	3,321	(561,222,152)
Machinery and equipment	(52,504,929)	(4,473,923)	3,316,069	1,007	(53,661,776)
Total accumulated depreciation	<u>(635,529,493)</u>	<u>(50,295,706)</u>	<u>3,562,975</u>	<u>4,328</u>	<u>(682,257,896)</u>
Total capital assets being depreciated, net	<u>2,277,313,342</u>	<u>(41,510,204)</u>	<u>(169,501)</u>	<u>26,306,946</u>	<u>2,261,940,583</u>
Governmental activities capital assets, net	<u>\$ 2,537,043,343</u>	<u>\$ (12,460,239)</u>	<u>\$ (275,646)</u>	<u>\$ (35,626)</u>	<u>\$ 2,524,271,832</u>

Depreciation expense that was charged to governmental activities' functions is shown below. 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 the facility.

General government	\$ 1,721,590
Judicial	50,454
Police	759,466
Fire	1,074,203
Other public safety	318,695
Public works	39,074,564
Economic development	45,695
Community services	125,928
Culture and recreation	3,649,886
Unallocated	3,459,130
Depreciation expense governmental activities	50,279,611
Depreciation of internal service fund capital assets attributable to business-type activities	16,095
Total depreciation expense governmental activities	<u>\$ 50,295,706</u>

Business-type Activities - Capital asset activity for the year ended December 31, 2012, is shown below and includes capitalized interest of \$518,464 in the Water Fund and \$648,985 in the Wastewater Fund. Certain 2011 amounts have been reclassified to conform to the 2012 presentation.

	January 1	Additions	Disposals	Transfers	December 31
Capital assets not depreciated:					
Land and water rights	\$ 365,299,047	\$ 1,569,977	\$ -	\$ 2,712,907	\$ 369,581,931
Construction in progress	155,532,811	59,769,663	(1,378,700)	(127,443,385)	86,480,389
Total capital assets not depreciated	<u>520,831,858</u>	<u>61,339,640</u>	<u>(1,378,700)</u>	<u>(124,730,478)</u>	<u>456,062,320</u>
Capital assets being depreciated:					
Building and improvements	503,535,338	-	-	24,919,976	528,455,314
Infrastructure	1,105,067,199	2,115,310	-	96,441,882	1,203,624,391
Machinery and equipment	104,727,723	646,508	(780,047)	3,408,574	108,002,758
Total capital assets being depreciated	<u>1,713,330,260</u>	<u>2,761,818</u>	<u>(780,047)</u>	<u>124,770,432</u>	<u>1,840,082,463</u>
Less Accumulated depreciation for:					
Building and improvements	(39,541,215)	(12,612,948)	-	1,374	(52,152,789)
Infrastructure	(201,238,573)	(17,234,472)	-	(1,374)	(218,474,419)
Machinery and equipment	(31,122,606)	(6,435,199)	776,406	(4,328)	(36,785,727)
Total accumulated depreciation	<u>(271,902,394)</u>	<u>(36,282,619)</u>	<u>776,406</u>	<u>(4,328)</u>	<u>(307,412,935)</u>
Total capital assets being depreciated, net	<u>1,441,427,866</u>	<u>(33,520,801)</u>	<u>(3,641)</u>	<u>124,766,104</u>	<u>1,532,669,528</u>
Business-type activities capital assets, net	<u>\$ 1,962,259,724</u>	<u>\$ 27,818,839</u>	<u>\$ (1,382,341)</u>	<u>\$ 35,626</u>	<u>\$ 1,988,731,848</u>

Depreciation expense that was charged to business-type activities' functions is shown below:

Water	\$ 26,617,654
Wastewater	8,762,716
Golf	918,344
Depreciation business-type activities	36,298,714
Depreciation of internal service fund capital assets attributable to business-type activities	(16,095)
Total depreciation business-type activities	<u>\$ 36,282,619</u>

Component Unit - Capital asset activity for the year ended December 31, 2012, is shown below:

	January 1 (as restated)	Additions	Disposals	Transfers	December 31
Capital assets being depreciated:					
Infrastructure	\$ 75,422	\$ -	\$ -	\$ -	\$ 75,422
Machinery and equipment	51,244	1,853	-	-	53,097
Total capital assets being depreciated	<u>126,666</u>	<u>1,853</u>	<u>-</u>	<u>-</u>	<u>128,519</u>
Less Accumulated depreciation for:					
Infrastructure	(7,370)	(10,774)	-	-	(18,144)
Machinery and equipment	(5,718)	(7,935)	-	-	(13,653)
Total accumulated depreciation	<u>(13,088)</u>	<u>(18,709)</u>	<u>-</u>	<u>-</u>	<u>(31,797)</u>
Total capital assets being depreciated, net	<u>\$ 113,578</u>	<u>\$ (16,856)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,722</u>

7. NONCURRENT LIABILITIES

A. General Obligation Bonds

The city has issued governmental 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. The General Improvement Districts pledge the full faith and credit of the properties within the district.

Governmental Activities - The city and General Improvement Districts have five outstanding issuances of general obligation bonds. Amounts originally issued and amounts outstanding at December 31, 2012, respectively, were: 2009 Cherry Creek Fence \$700,000 and \$635,000; city 2010 Refunding (1998 Alameda/I-225 and 2000 Facilities Master Plan) \$21,035,000 and \$10,955,000; 2010 Meadow Hills Fence \$520,000 and \$465,000; 2010 Peoria Park Fence \$375,000 and \$354,000; and 2011 Pier Point Sewer \$2,600,000 and \$2,520,000.

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December 31	<u>Governmental Activities</u> 4.00-5.45%		
	Principal	Interest	Total
2013	\$ 4,461,000	\$ 690,711	\$ 5,151,711
2014	4,657,000	511,327	5,168,327
2015	2,262,000	278,921	2,540,921
2016	163,000	166,294	329,294
2017	169,000	158,632	327,632
2018-2022	965,000	667,386	1,632,386
2023-2027	1,195,000	419,952	1,614,952
2028-2032	1,057,000	120,046	1,177,046
Total	<u>\$ 14,929,000</u>	<u>\$ 3,013,269</u>	<u>\$ 17,942,269</u>

B. Revenue Bonds

Governmental Activities - The city has one outstanding issuance of revenue bonds. Amount originally issued and amount outstanding at December 31, 2012, respectively, were: 2009 Sports Park Refunding \$7,850,000 and \$3,225,000.

Business-type Activities – Water Fund has three outstanding issuances of revenue bonds. Amounts originally issued and amounts outstanding at December 31, 2012, respectively, were: 2005D Colorado Water Resources and Power Development Authority (CWRPDA) Governmental Agency \$100,000,000 and \$53,610,000; 2007A First Lien Water Improvement \$421,495,000 and \$421,495,000; and 2008A First Lien Water Improvement Refunding \$39,995,000 and \$39,995,000. In 2012, the Water Fund defeased \$41,780,000 of the 2005D debt issue through payment to an escrow agent. The loss on the 2005D early extinguishment of debt is \$5,643,142 while the early payoff provided a cash flow savings of \$7,305,496.

Wastewater Fund has one outstanding issuances of revenue bonds. Amounts originally issued and amounts outstanding at December 31, 2012, respectively, were: 2006 First Lien Sewer Improvement \$57,790,000 and \$52,330,000. During 2012, the Wastewater Fund prepaid the 1999 CWR&PDA Governmental Agency bonds. The principal balance and interest paid were \$5,716,215 and \$378,428, respectively.

Golf Fund has one outstanding issuance of revenue bonds. Amount originally issued and amount outstanding at December 31, 2012, respectively, were: 2005 Golf Course Enterprise System Refunding \$4,625,000 and \$1,470,000.

Annual debt service requirements to maturity for revenue bonds are as follows:

Year Ending December 31	<u>Governmental Activities</u>			<u>Business-type Activities</u>		
		3.00%			3.20-5.00%	
	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 1,590,000	\$ 72,900	\$ 1,662,900	\$ 1,710,000	\$ 27,836,875	\$ 29,546,875
2014	1,635,000	24,525	1,659,525	1,775,000	27,767,887	29,542,887
2015	-	-	-	1,850,000	27,695,664	29,545,664
2016	-	-	-	1,390,000	27,619,750	29,009,750
2017	-	-	-	1,450,000	27,564,150	29,014,150
2018-2022	-	-	-	51,170,000	134,783,049	185,953,049
2023-2027	-	-	-	115,940,000	114,491,963	230,431,963
2028-2032	-	-	-	162,120,000	81,517,669	243,637,669
2033-2037	-	-	-	168,725,000	39,728,449	208,453,449
2038-2042	-	-	-	62,770,000	4,746,000	67,516,000
Total	<u>\$ 3,225,000</u>	<u>\$ 97,425</u>	<u>\$ 3,322,425</u>	<u>\$ 568,900,000</u>	<u>\$ 513,751,456</u>	<u>\$ 1,082,651,456</u>

C. Certificates of Participation

Governmental Activities - Certificates of Participation (COPs) are issued by Aurora Capital Leasing Corporation (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 four outstanding COPs issues. Amounts originally issued and amounts outstanding at December 31, 2012, respectively were: 2002 Public Safety \$15,380,000 and \$1,670,000; 2005 Open Space \$8,405,000 and \$2,945,000; 2006A-1 Refunding of the 2000 AMC \$20,290,000 and \$8,195,000; and 2009A refunding series (2005 Public Improvement and 2008 refunding) \$84,160,000 and \$84,160,000.

Annual debt service requirements to maturity for COPs are as follows:

Year Ending December 31	<u>Governmental Activities</u>		
	Principal	3.00-5.00% Interest	Total
2013	\$ 5,400,000	\$ 4,634,600	\$ 10,034,600
2014	4,545,000	4,395,622	8,940,622
2015	2,865,000	4,226,225	7,091,225
2016	3,640,000	4,082,975	7,722,975
2017	3,790,000	3,933,775	7,723,775
2018-2022	21,585,000	17,029,375	38,614,375
2023-2027	27,440,000	11,176,000	38,616,000
2028-2032	27,705,000	3,189,000	30,894,000
Total	<u>\$ 96,970,000</u>	<u>\$52,667,572</u>	<u>\$ 149,637,572</u>

D. Notes Payable

Governmental Activities – The city has three Special Improvement District Revenue Notes for expenditures made by the city to construct certain masonry fences in the district payable from special assessments levied on the neighborhoods. Amounts originally issued and amounts outstanding at December 31, 2012, respectively were: Dam West Neighborhood \$1,140,000 and \$270,000; Ptarmigan Park Neighborhood \$1,075,000 and \$535,000; and Dam East Neighborhood \$1,230,000 and \$1,230,000.

Business-type Activities – Water Fund has two outstanding notes payable. Amounts originally issued and amounts outstanding at December 31, 2012, respectively were: 2004 Water Rights Notes \$8,280,091 and \$1,471,909 and Colorado Water Conservation Board (CWCB) \$75,750,000 and \$75,750,000 for the financing of the Prairie Waters Project. Repayment of the CWCB loan will begin May 1, 2013 and will continue for the next 27 years at a rate of 3.75%.

Annual debt service requirements to maturity for notes payable are as follows:

Year Ending December 31	<u>Governmental Activities</u>			<u>Business-type Activities</u>		
	Principal	2.73-5.00% Interest	Total	Principal	3.75-5.00% Interest	Total
2013	\$ 30,000	\$ 74,522	\$ 104,522	\$ 1,575,252	\$ 2,840,625	\$ 4,415,877
2014	30,000	71,955	101,955	2,221,818	2,855,148	5,076,966
2015	270,000	70,692	340,692	1,872,494	2,764,487	4,636,980
2016	20,000	57,817	77,817	1,936,079	2,692,057	4,628,136
2017	505,000	57,044	562,044	2,002,049	2,617,243	4,619,292
2018-2022	1,180,000	157,999	1,337,999	10,559,052	11,900,631	22,459,684
2023-2027	-	-	-	12,267,772	9,811,613	22,079,385
2028-2032	-	-	-	14,747,086	7,332,298	22,079,384
2033-2037	-	-	-	17,727,469	4,351,915	22,079,384
2038-2042	-	-	-	12,312,838	934,793	13,247,631
Total	<u>\$ 2,035,000</u>	<u>\$ 490,029</u>	<u>\$ 2,525,029</u>	<u>\$ 77,221,909</u>	<u>\$ 48,100,810</u>	<u>\$ 125,322,719</u>

*A principal and interest payment of \$587,494 and \$102,970, respectively, was made on the 2004 water rights note payable on December 31, 2012 due January 1, 2013.

E. Capitalized Leases

Governmental Activities - The city has entered into leases for three fire trucks, twenty five heart rate monitors and three fire apparatus which are funded from the General Fund. The leases have been capitalized for financial statement purposes. Upon final payment, the equipment leased will transfer to the city's ownership. The gross amount of the machinery and equipment acquired under each lease is \$1,666,700, \$426,901 and \$1,723,430, respectively. Accumulated amortization on these leases is \$707,546 as of December 31, 2012.

Annual debt service requirements to maturity for capital leases are as follows:

Year Ending December 31	<u>Governmental Activities</u>		
		1.34-4.15%	
	Principal	Interest	Total
2013	\$ 665,596	\$ 17,997	\$ 683,593
2014	244,159	20,300	264,459
2015	247,430	17,028	264,458
2016	250,746	13,712	264,458
2017	254,106	10,353	264,459
2018-2022	518,473	10,444	528,917
Total	<u>\$2,180,510</u>	<u>\$ 89,834</u>	<u>\$2,270,344</u>

F. Pledged Revenue

Governmental Activities - The city has pledged any legally available funds or revenues from the General Fund to repay the revenue bonds issued in 2009 which refunded the 1999 bonds. Proceeds from the 1999 bonds provided for the creation of a youth sports complex. The bonds are payable solely from legally available General Fund funds and revenues and are payable through 2014. Annual principal and interest payments on the bonds are expected to require approximately 3.9% of legally available funds or revenues from the General Fund. The total principal and interest remaining to be paid on the bonds is \$3,322,425. Principal and interest paid for the current year and total legally available funds or revenues were \$1,659,850 and \$42,424,653, respectively.

The city has pledged any special assessments levied and collected on the respective neighborhoods to repay \$2,035,000 current principal outstanding, in Special Improvement District Revenue Notes issued in 2005, 2007 and 2012. Proceeds from the notes provided for the construction of three masonry fences. The notes are payable solely from special assessments levied and collected on the respective neighborhoods and are payable through 2015, 2017 and 2022.

- *Dam West Neighborhood* - Annual principal and interest payments on the note are expected to require approximately 100.0% of net revenues as the city is expected to pay out all of the special assessments collected. The total principal and interest remaining to be paid on the note is \$307,775. Principal and interest paid for the current year and total special assessments levied and collected on the neighborhood was \$106,871 and \$108,894, respectively.
- *Ptarmigan Park Neighborhood* - Annual principal and interest payments on the note are expected to require approximately 100.0% of net revenues as the city is expected to pay out all of the special assessments collected. The total principal and interest remaining to be paid on the note is \$663,125. Principal and interest paid for the current year and total special assessments levied and collected on the neighborhood was \$146,625 and \$143,751, respectively.
- *Dam East Neighborhood* - Annual principal and interest payments on the note are expected to require approximately 100.0% of net revenues as the city is expected to pay out all of the special assessments collected. The total principal and interest remaining to be paid on the note is \$1,554,128. The first payment of principal and interest as well as the first special assessments levy and collection on the neighborhood are scheduled in 2013.

Business-type Activities - The city has pledged future water system revenues, net of specified operating expenses, to repay \$515,100,000 principal currently outstanding, in water system revenue bonds issued in 2005, 2007 and 2008 and \$77,221,909, principal currently outstanding, in utility enterprise water resources revenue notes issued in 2004 and 2008. Proceeds from the bonds provided financing for the acquisition of water rights, the acquisition and construction of water facilities and additions and improvements to the water system, including funding the Prairie Waters Project. The bonds are payable solely from water system net revenues and are payable through 2035, 2039, and 2033. Proceeds from the notes provided for the acquisition of certain water rights and for construction on the Prairie Waters Project. The notes are payable solely from water system revenues and are payable through 2019 and 2040. Annual principal and interest payments on the bonds and notes are expected to require approximately 36.5% of net revenues. The total principal and interest remaining to be paid on the bonds and notes is \$1,116,460,275. Principal and interest paid for the current year, including the loss on early extinguishment of debt,

and total water system net revenues were \$80,284,811 and \$90,914,878, respectively. Of the total principal and interest paid, \$33,191,153 was scheduled debt service and \$47,093,658 was the prepayment of the 2005D bonds. The city has pledged future wastewater system revenues, net of specified operating expenses, to repay \$52,330,000 in wastewater system revenue bonds issued in 2006. Proceeds from the bonds provided financing for the refurbishment of the Griswold Water Plant and the acquisition and construction of additions and improvements to the wastewater utility system. The bonds are payable solely from wastewater system net revenues and are payable through 2036. Annual principal and interest payments on the bonds are expected to require approximately 24.4% of net revenues. The total principal and interest remaining to be paid on the bonds is \$89,915,925. Principal and interest paid for the current year and total system net revenues were \$9,839,019 and \$23,686,238, respectively. Of the total principal and interest paid, \$5,777,666 was scheduled debt service and \$4,061,353 was the prepayment of the series 1999A bonds.

The city has pledged future golf system revenues, net of specified operating expenses, to repay the golf course enterprise system refunding revenue bonds issued in 2005. The bonds are payable through 2015. Annual principal and interest payments on the bonds are expected to require approximately 53.7% of net revenues. The total principal and interest remaining to be paid on the bonds is \$1,597,975. Principal and interest paid for the current year and total golf system net revenues were \$535,725 and \$998,278, respectively.

G. Accrued Compensated Absences

Accrued compensated absences recorded in governmental activities are generally paid from the General Fund. Amounts outstanding at December 31, 2012 are \$27,983,759 for governmental activities and \$4,382,631 for business-type activities.

H. 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, 2012 is \$88,673,705. 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.

I. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2012, was as follows:

	Beginning Balance (as restated)	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 20,170,000	\$ -	\$ (5,241,000)	\$ 14,929,000	\$ 4,461,000
Revenue bonds	4,765,000	-	(1,540,000)	3,225,000	1,590,000
Certificates of participation	102,160,000	-	(5,190,000)	96,970,000	5,400,000
Less adjustments:					
Unamortized discounts	(25,714)	-	8,817	(16,897)	-
Unamortized premium	8,452,883	-	(955,068)	7,497,815	-
Total bonds and COPs	135,522,169	-	(12,917,251)	122,604,918	11,451,000
SID Notes payable	1,010,000	1,230,000	(205,000)	2,035,000	30,000
Capitalized leases	843,366	1,773,430	(436,286)	2,180,510	665,596
Accrued compensated absences	26,867,759	1,120,041	(4,041)	27,983,759	3,168,750
Accrued claims payable	9,239,764	4,999,618	(4,302,046)	9,937,336	4,302,046
Arbitrage liability	76,075	168,892	(76,075)	168,892	-
Net OPEB obligation	3,834,632	66,743	-	3,901,375	-
Net Pension obligation	9,758,543	2,900,108	(9,615)	12,649,036	-
Total Governmental Activities	<u>\$ 187,152,308</u>	<u>\$ 12,258,832</u>	<u>\$ (17,950,314)</u>	<u>\$ 181,460,826</u>	<u>\$ 19,617,392</u>

	Beginning Balance (as restated)	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities:					
Bonds payable:					
Revenue bonds	\$ 620,376,215	\$ -	\$ (51,476,215)	\$ 568,900,000	\$ 1,710,000
Less adjustments:					
Unamortized premium	13,348,099	-	(1,046,180)	12,301,919	-
Total bonds	633,724,314	-	(52,522,395)	581,201,919	1,710,000
Notes payable	77,809,403	-	(587,494)	77,221,909	1,575,252
Capitalized leases	72,060	-	(72,060)	-	-
Accrued compensated absences	4,124,490	288,624	(30,483)	4,382,631	434,444
Arbitrage liability	39,532	4,136	-	43,668	-
Net OPEB obligation	732,368	18,812	(70)	751,110	-
Total Business-type Activities	<u>\$ 716,502,167</u>	<u>\$ 311,572</u>	<u>\$ (53,212,502)</u>	<u>\$ 663,601,237</u>	<u>\$ 3,719,696</u>

8. INTERFUND TRANSACTIONS

The balances between the General Fund and the Nonmajor Governmental Funds result from: overdraft of cash balances and funding of urban renewal activity. The balances between the General Fund and the Nonmajor Business-type Funds result from an interfund loan between the General Fund and Golf Fund for a golf cart lease. The balance between Water Fund and Nonmajor Governmental Funds is an interfund loan for land development. The balances between the Wastewater Fund and the Nonmajor Business-type Funds result from the interfund loan between Wastewater Fund and Golf Fund for the construction of the Murphy Creek Golf Course.

Interfund Receivables and Payables			
Receivable Fund	Payable Fund		
	Nonmajor Governmental Funds	Nonmajor Business- type Funds	Totals
General Fund	\$ 682,272	\$ 449,668	\$ 1,131,940
Water Fund	60,000	-	60,000
Wastewater Fund	-	4,334,000	4,334,000
Total	<u>\$ 742,272</u>	<u>\$ 4,783,668</u>	<u>\$ 5,525,940</u>

Transfers are used to move revenues from the fund in which the city budget requires collection to the fund required to expend the monies, and to move unrestricted revenues collected in the General Fund to finance various activities accounted for in other funds.

Interfund Transfers Out			
Transfers In	Nonmajor Governmental Funds		
	General Fund	Funds	Total
General Fund	\$ -	\$ 1,471,882	\$ 1,471,882
Nonmajor Governmental Funds	26,620,738	7,698,346	34,319,084
Nonmajor Business-type Activities Fund	-	325,000	325,000
Total	<u>\$ 26,620,738</u>	<u>\$ 9,495,228</u>	<u>\$ 36,115,966</u>

Transfers between Governmental Funds and Proprietary Funds per above	\$ 325,000
Reassignment of capital asset contribution between Governmental and Business-type Activities	35,626
Total transfers between Governmental Activities and Business-type Activities	<u>\$ 360,626</u>

9. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

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, 2012, the city had various appropriations for the acquisition and construction of projects which totaled \$153,583,949.

A. Tax Incentive Agreements

The city enters into tax incentive agreements to encourage retail development, commercial expansion and public infrastructure within its borders. At December 31, 2012, the city had development incentive agreements with the developers of Town Center at Aurora and Buckingham – Havana Gardens. In addition, the city had industrial enterprise expansion incentive agreements with Raytheon Company, Merrick and Company, Whirlpool Corporation, Ecotech, Metropolitan Medical Care, Inc., PrimeStar Solar, Inc., Niagara Bottling, LLC, Cooper Lighting, LLC, United Natural Foods, Inc., and Advanced Circuits, Inc. The commercial expansion incentive agreements rebate city levied taxes to the enterprise.

B. Tax Increment Financing

At December 31, 2012, the Aurora Urban Renewal Authority had retail and commercial and residential agreements with Cornerstar, The Shops at Fitzsimons, Fitzsimons Village, the Colorado Science and Technology Park and Gardens on Havana.

C. Fitzsimons Golf Course Operations

Fitzsimons Redevelopment Authority (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, 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. The maximum remaining commitment to FRA is \$150,000 as of December 31, 2012.

10. 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 in the deferred compensation plans are held in trust for the benefit of the city's employees; the city is not the trustee.

11. PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS

The city of Aurora provides the following plans:

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

A. Defined Benefit Plans**1. General Employees' Retirement Plan**

Plan Description. 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. The plan's administrator is selected by the Plan Board of Trustees and provides retirement, death and disability, and supplemental benefits. Currently 715 retirees and others are receiving benefits with 1,564 active plan members. There are 210 former employees that are deferred vested and entitled to receive benefits in the future. Chapter 102, Article V of the City Code assigns the authority to establish and amend benefit provisions to City Council. Separately issued audited financial statements are available by contacting GERP at 12100 E. Iliff Avenue, Suite 108, Aurora, Colorado 80014 or telephone (303) 368-9160.

Accounting Policy. Employee and employer contributions are recognized as revenues when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Funding Policy. City Code establishes contribution requirements for the employees and the employer. Contribution requirements may only be changed by a majority vote of participating employees. Actuarial studies are considered in establishing funding policies. However, contributions are not actuarially determined. Employee contributions are required as a condition of employment at 5.75% for 2012 and are matched dollar for dollar by the city. Plan administrative costs are financed using contributions and earnings of the plan.

2. Elected Officials' and Executive Personnel Defined Benefit Plan

Plan Description. The city has a non-contributory single employer defined benefit pension plan that became effective January 1, 2001. The plan is administered by a city executive and 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 35 retirees and others receiving benefits with 38 active plan members. There are 9 former employees that are deferred vested and entitled to receive benefits in the future. Chapter 102, Article VIII of the City Code assigns the authority to establish and amend benefit provisions to City Council. No stand-alone financial report is issued for EOEP.

Accounting Policy. Employer contributions are recognized as revenues when due, pursuant to formal commitments and/or statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Funding Policy. The contribution requirements of the city are established and may be amended by City Council. The city is required to contribute at an actuarially determined rate. Administrative costs are financed by the city.

EOEP Statement of Fiduciary Net Position December 31, 2012	
ASSETS	
<i>Current Assets</i>	
Investments	
Cash and cash equivalents	\$ 63,602
Equity securities and funds	2,686,204
Corporate bond funds	1,797,242
Real estate funds	546,134
Interest receivable	3,121
Prepaid expenses	5,536
Total assets	<u>5,101,839</u>
LIABILITIES	
<i>Current Liabilities</i>	
Accounts payable	<u>1,873</u>
Total liabilities	<u>1,873</u>
NET POSITION	
Held in trust for pension benefits	5,099,966
Total net position	<u>\$ 5,099,966</u>

EOEP Statement of Changes in Fiduciary Net Position For the Year Ended December 31, 2012	
ADDITIONS	
<i>Contributions</i>	
City	\$ 182,057
Total contributions	<u>182,057</u>
<i>Investment activity</i>	
Investment earnings	592,453
Investment expense	(9,832)
Net investment earnings	<u>582,621</u>
Other Income	<u>343</u>
Total additions	<u>765,021</u>
DEDUCTIONS	
Benefits	194,455
Administrative expenses	<u>9,654</u>
Total deductions	<u>204,109</u>
NET POSITION - January 1	<u>4,539,054</u>
NET POSITION - December 31	<u>\$ 5,099,966</u>

3. Fire and Police Pension Plans – Old Hire

Plan Description. 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 provide normal, early, vested or deferred retirement benefits to plan participants. The Old Hire Plans are a part of the statewide multiple agent 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.

Funding Policy. The city is required to contribute at an actuarially determined rate. Modification of the Old Hire Plans is regulated by state law and by FPPA Rules and Regulations as authorized by state law. Changes to contribution requirements require an affirmative vote of 65% of active members and City Council ordinance.

4. Statewide Defined Benefit Plan – Fire New Hire Pension Plan

Established in 2011, the Fire Statewide Defined Benefit Plan is a cost-sharing multiple employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado (FPPA). The plan provides retirement and death benefits to firefighters hired on or after April 8, 1978. State statute assigns authority to establish and amend benefit provisions to the FPPA. Currently 207 city firefighters are members of this transfer plan. In 2012, plan members of the transfer plan contributed 10.0%, \$1,589,622, and the city contributed 10.0%, \$1,589,622. In 2011, plan members and the city both contributed 10.0%, \$506,504. As condition of membership in this plan, annual contributions are also made to a 457 plan. For 2012, contributions to the 457 plan were 0.5%, or \$158,973, for both plan members and the city. In 2011, contributions to the 457 plan were 0.5%, or \$25,237, for both plan members and the city. In 2012, an updated plan was instituted for firefighters hired on or after January 1, 2012. Currently, 23 city firefighters are members of this plan. In 2012, plan members contributed 8.0%, \$70,943, and the city contributed 8.0%, \$70,943.

5. Statewide Hybrid Plan – Fire New Hire Pension Plan

Established in 2011, the Statewide Hybrid Fire Pension Plan is a cost-sharing multiple employer pension plan administered by the Fire and Police Pension Association of Colorado (FPPA). This plan contains a defined benefit component and a money purchase component. State statute assigns authority to establish and amend benefit provision to the FPPA. Currently, 47 city firefighters are members of this plan. Plan members and the city both contribute 10.5%, or \$401,163, for 2012. In 2011, plan members and the city both contributed 10.5%, or \$124,372. The percentage split is recalculated each year.

Publicly available financial reports for the plans can be obtained from the FPPA.

B. Other Postemployment Benefits (OPEB)

Plan Description. 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 2,314 active employees covered under the city's health insurance plan. Of these, 659 are fully eligible for the plan. In addition, there are 343 retired employees who are receiving medical coverage under this program. No stand-alone financial report is issued for the OPEB plan and it is not included in the report of GERP.

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 pay-as-you-go expense for the year ended December 31, 2012 is \$1,646,644.

Summary of the Net OPEB obligation at the end of 2012 by Business-type and Governmental activities:

<u>Fund</u>	<u>Amount</u>
Water Fund	\$ 437,288
Wastewater Fund	244,614
Golf Fund	69,208
Total Business-type Activities	751,110
Total Governmental Activities	3,901,375
Total Net OPEB Obligation December 31	<u>\$ 4,652,485</u>

Annual Pension Cost and Net Pension Obligation. The city's annual pension cost and net pension obligations for its defined benefit plans are as follows:

	<u>GERP</u>	<u>EOEP</u>	<u>Old Hire - Fire</u>	<u>Old Hire - Police</u>	<u>OPEB</u>
Annual required contribution (ARC)	\$ 7,489,412	\$ 182,057	\$ 1,755,747	\$ 2,872,439	\$ 1,701,000
Interest on net pension obligation NPO / (NPA)	752,966	-	(20,346)	25,985	205,475
Adjustment to ARC	(555,530)	-	27,873	(35,600)	(174,346)
Annual pension cost	7,686,848	182,057	1,763,274	2,862,824	1,732,129
Contributions made	(4,786,740)	(182,057)	(1,755,747)	(2,872,439)	(1,646,644)
Increase (decrease) in NPO/(NPA)	2,900,108	-	7,527	(9,615)	85,485
NPO/(NPA) - beginning of year	9,412,075	-	(271,274)	346,468	4,567,000
NPO/(NPA) - end of year	<u>\$ 12,312,183</u>	<u>\$ -</u>	<u>\$ (263,747)</u>	<u>\$ 336,853</u>	<u>\$ 4,652,485</u>

Net pension asset is recorded as other receivables and net pension obligation is recorded as long term debt on the citywide statement of net position. Net pension obligation and net OPEB obligation recorded in governmental activities are generally paid from the General Fund.

Funded Status and Funding Progress. The city's funded status for the year ended December 31, 2012 can be seen below. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Plan	Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percent of Covered Payroll (b - a) / (c)
GERP	1/1/12	\$ 320,996,231	\$354,416,941	\$33,420,710	90.57%	\$ 82,107,803	40.70%
EOEP	1/1/11	4,098,706	4,299,638	200,932	95.33%	-	0.00%
Old Hire - Fire	1/1/12	80,886,666	101,430,286	20,543,620	79.75%	68,218	30114.66%
Old Hire - Police	1/1/12	91,220,252	126,318,024	35,097,772	72.21%	99,532	35262.80%
OPEB	1/1/11	-	17,898,000	17,898,000	0.00%	174,640,472	10.25%

Three Year Trend Information

Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
<i>GERP</i>			
12/31/10	\$ 8,457,545	54.71%	\$ 5,857,703
12/31/11	8,125,507	56.26%	9,412,075
12/31/12	7,686,848	61.33%	12,312,183
<i>EOEP</i>			
12/31/10	356,280	100.00%	-
12/31/11	356,280	100.00%	-
12/31/12	182,057	100.00%	-
<i>Old Hire - Fire</i>			
12/31/10	13,894	0.00%	(276,887)
12/31/11	1,761,360	99.68%	(271,274)
12/31/12	1,763,274	99.57%	(263,747)
<i>Old Hire - Police</i>			
12/31/10	1,503,935	101.18%	353,636
12/31/11	2,865,271	100.25%	346,468
12/31/12	2,862,824	100.34%	336,853
<i>OPEB</i>			
12/31/10	1,967,136	56.73%	3,904,220
12/31/11	1,659,000	60.04%	4,567,000
12/31/12	1,732,129	95.06%	4,652,485

Actuarial Methods and Assumptions. The following chart shows the actuarial methods and assumptions used. 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.

	GERP	EOEP	Old Hire - Fire	Old Hire - Police	OPEB
Actuarial valuation date	1/1/2012	1/1/2011	1/1/2012	1/1/2012	1/1/2011
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Projected unit credit cost
Amortization method	Level percent - open	Level dollar - open	Level dollar - open	Level dollar - open	Level percent - open
Remaining amortization period	30 years	15 years	20 years	20 years	30 years
Asset valuation method	3-year smoothing	3-year smoothing	3 -year smoothed fair market value	3 -year smoothed fair market value	Market
Actuarial assumptions:					
Investment rate of return *	8.00%	7.75%	7.50%	7.50%	4.5%
Payroll growth rate	3.5%	n/a	n/a	n/a	4.0%
Projected salary increases *	3.50% to 7.50%	n/a	4.00%	4.00%	3.50%
Cost of living adjustment	3.50% base, 0.00% supplemental	3.5% base, 0.00% supplemental	3.50%	3.50%	n/a
Health care cost trend	n/a	n/a	n/a	n/a	11% to 5%
*Includes inflation at	n/a	n/a	3.00%	3.00%	n/a

C. Defined Contribution Plans**1. Police Money Purchase Pension Plan – New Hire**

The Police New Hire Plan is a defined contribution money purchase plan established by City Ordinance to provide benefits at retirement for full time police hired on or after April 8, 1978. The plan is administered by a committee established by the agreement. Plan provisions and contribution requirements are amended by an affirmative vote of 65% of the members as well as a City Council resolution. At December 31, 2012, there were 678 plan members. Plan members are required to contribute 10.5% and the city is required to contribute 10.5%. In 2012, plan members contributed \$ 5,092,286 and the city contributed \$5,092,286.

2. Fire Money Purchase Pension Plan

The Fire Money Purchase Pension Plan is established by City Ordinance to provide retirement and death benefits for city firefighters and is administered by the Fire and Police Pension Association of Colorado. Plan provisions and contribution requirements are established and may be amended by City Council. At December 31, 2012, there were 21 plan members. In 2012, plan members contributed \$179,237 and the city contributed \$179,252.

3. Executive Retirement Plan (ERP)

ERP is a defined contribution money purchase plan established by City Ordinance to provide retirement and death benefits for city executive personnel that is administered by ICMA-RC. Plan provisions and contribution requirements are established and may be amended by City Council. At December 31, 2012, there were 27 plan members. Plan members contributed 10.0%, \$351,896, for 2012. The city contributed 10.0%, \$351,896, for 2012.

12. OPERATING LEASES

The city has entered into various leases for buildings, office and storage space, and equipment. All leases are cancelable and must be reappropriated annually. Total costs for such leases were \$1,256,651 for the year ended December 31, 2012. The future minimum lease payments for these leases are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2013	\$ 943,936
2014	621,351
2015	479,793
Total	<u>\$2,045,080</u>

13. 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 potential 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 for injuries which lie in tort or could lie in tort. 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 1.05% interest return over the life of the liabilities. The city reports the current and noncurrent portions of the accrued claims liability and related claim settlements and judgments within the Risk Management Fund. Management believes any resulting judgments would not exceed insurance coverage by a material amount.

**Summary of the Accrued Claims Liability
December 31, 2012**

Self-Insured Program	Case Reserves	IBNR	Total	Discounted
Worker's compensation	\$ 2,058,784	\$ 3,913,455	\$ 5,972,239	\$ 5,780,927
Multi-line liability	2,278,217	1,953,612	4,231,829	4,156,409
Totals	\$ 4,337,001	\$ 5,867,067	\$ 10,204,068	\$ 9,937,336

Reconciliation of Claims Payable

Year	Balance January 1	Current Year Accrued Claims	Claim Payments	Recoveries	Balance December 31
2011	\$ 8,277,777	\$ 4,605,484	\$ (3,974,873)	\$ 331,376	\$ 9,239,764
2012	9,239,764	4,800,598	(4,302,046)	199,020	9,937,336

14. 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.

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

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. Escrowed debt outstanding at December 31, 2012 is as follows:

Issue Description	Date of Issue	Series	Balance December 31, 2012
Aurora Capital Leasing Corporation (ACLC) Certificates of Participation	3/16/05	2005	\$ 2,905,000
First-Lien Water Improvement Revenue Bonds Series 2003A	10/15/03	2003	33,550,000
Colorado Water Resources & Power Development Authority (CWR&PDA) Revenue Bonds Series 2005D	9/29/05	2005	41,780,000
Total			\$ 78,235,000

15. 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, 2012, there were eleven series of revenue bonds outstanding, which included six Hospital Revenue Bonds payable from operating revenues, one Educational Development Bond payable from lease payments, two Multifamily Mortgage Bonds payable from rental and mortgage payments, and two Single Family Mortgage Bonds payable from mortgage payments. The total aggregate principal amount payable was \$378,603,000.

16. 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 2012, 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 General 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. The amount of TABOR reserves recorded in the General Fund, which are identified as restricted for emergencies at December 31, 2012, was \$9,401,524 or 3% of fiscal year spending. The city's management believes the city is in compliance with the provisions of TABOR at December 31, 2012.

17. RESTATEMENT OF BEGINNING NET POSITION FOR REPORTING ENTITY CHANGE

During 2012, the Aurora Housing Authority (AHA) received a new loan to refinance its outstanding debt under a line of credit. As a result of this refinance, a moral obligation provided by the city of Aurora was no longer necessary. Since the city no longer has a potential financial burden relationship with AHA, AHA no longer meets the requirement for inclusion as a component unit of the city. Accordingly, the component unit beginning net position has been decreased by \$45,709,237 to reflect the change in reporting entity.

18. ADOPTION OF ACCOUNTING PRINCIPLES

During 2012, the city adopted the following Governmental Accounting Standard Board (GASB) Statements: Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; and Statement No. 65 *Items Previously Reported as Assets and Liabilities*. GASB 63 provides reporting guidance for deferred outflows of resources or deferred inflows of resources. These elements are defined as the consumption of net assets applicable to a future reporting period or the acquisition of net assets applicable to a future reporting period, respectively, and are distinct from assets and liabilities. Additionally, net assets are renamed net position. Adoption of GASB 63 had no effect on the city's beginning net position/fund balance or change in net position/fund balance.

GASB 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB 65 also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term "deferred" in the financial statement presentations. Adoption of GASB 65 resulted in the following changes in net position as of January 1, 2012: a decrease of \$1,508,129 for the Governmental Activities and a decrease of \$5,273,916 for Business-type Activities, which included a decrease of \$4,809,266 for the Water Fund, a decrease of \$417,712 for the Wastewater Fund, and a decrease of \$46,938 for the Golf Fund. These changes resulted from the requirement in GASB 65 that debt issuance costs be recognized as an expense in the period incurred. Other changes resulting from the application of GASB 65 are the reclassification of the following items to deferred inflows of resources: property tax, assets recorded in the fund statements for which revenues are not available, and the regulatory liability. Additionally, the deferred loss on refunding of debt is reclassified as a deferred outflow of resources.

19. PRIOR PERIOD ADJUSTMENT

The beginning net position of governmental activities was reduced by \$401,251,819. This reduction is made up of a reduction of \$401,368,726 to correct prior years' accumulated depreciation on road infrastructure capital assets. It also includes an increase of \$116,907 to correct prior years' capital equipment costs. The effect on the change in net assets for the prior year is shown below.

	Road Accumulated		
	Depreciation	Capital Equipment	Total
Beginning 2011	\$ (377,587,749)	\$ 68,431	\$ (377,519,318)
2011 activity	(23,780,977)	48,476	(23,732,501)
Ending 2011	<u>\$ (401,368,726)</u>	<u>\$ 116,907</u>	<u>\$ (401,251,819)</u>

* * * * *



Required Supplementary Information



CITY OF AURORA, COLORADO

**DEFINED BENEFIT PENSION PLANS
AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)
SCHEDULE OF FUNDING PROGRESS (UNAUDITED)
DECEMBER 31, 2012**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percent of Covered Payroll (b - a) / (c)
GERP						
1/1/08	\$ 316,567,579	\$ 294,142,225	\$ (22,425,354)	107.62%	\$ 87,742,224	(25.56)%
1/1/09	296,021,806	319,750,886	23,729,080	92.58%	86,099,178	27.56%
1/1/10	300,704,227	333,831,950	33,127,723	90.08%	84,403,431	39.25%
1/1/11	297,494,555	335,310,191	37,815,636	88.72%	83,973,043	45.03%
1/1/12	320,996,231	354,416,941	33,420,710	90.57%	82,107,803	40.70%
EOEP						
1/1/03	2,342,205	3,772,442	1,430,237	62.09%	n/a	n/a
1/1/05	2,182,694	3,793,673	1,610,979	57.54%	n/a	n/a
1/1/07	3,241,175	4,462,141	1,220,966	72.64%	n/a	n/a
1/1/09	3,528,634	5,331,263	1,802,629	66.19%	n/a	n/a
1/1/11	4,098,706	4,299,638	200,932	95.33%	n/a	n/a
Old Hire - Fire						
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%
1/1/08	103,965,149	102,757,130	(1,208,019)	101.18%	277,349	(435.56)%
1/1/10	88,066,465	104,279,437	16,212,972	84.45%	66,487	24385.18%
1/1/12	80,886,666	101,430,286	20,543,620	79.75%	68,218	30114.66%
Old Hire - Police						
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%
1/1/08	111,931,255	125,162,192	13,230,937	89.43%	93,795	14106.23%
1/1/10	96,468,415	124,458,499	27,990,084	77.51%	98,936	28291.10%
1/1/12	91,220,252	126,318,024	35,097,772	72.21%	99,532	35262.80%
OPEB						
1/1/07	-	20,441,000	20,441,000	0.00%	168,468,721	12.13%
1/1/09	-	19,884,000	19,884,000	0.00%	176,046,227	11.29%
1/1/11	-	17,898,000	17,898,000	0.00%	174,640,472	10.25%

CITY OF AURORA, COLORADO

DEFINED BENEFIT PLANS
AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)
SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)
DECEMBER 31, 2012

Year		Annual Required Contribution (ARC)	Percentage Contributed
GERP			
2008	\$	5,596,076	86%
2009		8,144,982	59%
2010		8,415,022	55%
2011		8,002,631	57%
2012		7,489,412	63%
EOEP			
2008	\$	351,991	100%
2009		351,991	100%
2010		356,280	100%
2011		356,280	100%
2012		182,057	100%
OPEB			
2008	\$	1,843,000	42%
2009		1,836,000	52%
2010		1,931,000	58%
2011		1,632,000	61%
2012		1,701,000	97%



CITY OF AURORA, COLORADO

GENERAL FUND

SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (UNAUDITED)
 FOR THE YEAR ENDED DECEMBER 31, 2012

	General Fund				Designated Revenues Fund				Total of Funds
	Budgets		Budgetary	Variance	Budgets		Budgetary	Variance	Budgetary
	Original	Final	Actual	with Final	Original	Final	Actual	with Final	Actual
SOURCES									
Taxes									
Property	\$ 23,955,963	\$ 23,955,963	\$ 24,790,299	\$ 834,336	\$ —	\$ —	\$ —	\$ —	\$ 24,790,299
Sales	127,085,060	127,085,060	135,113,671	8,028,611	—	—	—	—	135,113,671
Use	21,898,824	24,582,824	27,328,704	2,745,880	—	—	—	—	27,328,704
Lodgers	4,342,293	4,342,293	4,804,356	462,063	—	—	—	—	4,804,356
Franchise	13,466,027	13,466,027	13,199,623	(266,404)	—	—	—	—	13,199,623
Other	8,949,715	8,949,715	8,890,229	(59,486)	—	—	—	—	8,890,229
Total taxes	199,697,882	202,381,882	214,126,882	11,745,000	—	—	—	—	214,126,882
Intergovernmental	12,762,532	13,071,193	13,457,968	386,775	609,013	609,013	—	(609,013)	13,457,968
Licenses and permits	2,247,623	2,247,623	2,349,161	101,538	15,000	15,000	17,012	2,012	2,366,173
Charges for services	9,252,640	9,252,640	9,645,286	392,646	1,291,101	1,314,101	993,386	(320,715)	10,638,672
Fines and forfeitures	6,190,000	6,190,000	5,862,518	(327,482)	3,874,217	4,120,641	4,472,745	352,104	10,335,263
Investment income	950,000	950,000	706,190	(243,810)	61,640	62,912	59,396	(3,516)	765,586
Other revenues	716,683	815,210	1,447,783	632,573	146,326	123,326	100,253	(23,073)	1,548,036
Proceeds from sales of assets	220,000	220,000	247,281	27,281	—	—	—	—	247,281
Transfers in	1,445,750	1,461,743	1,176,743	(285,000)	—	—	295,139	295,139	1,471,882
TOTAL SOURCES	233,483,110	236,590,291	249,019,812	12,429,521	5,997,297	6,244,993	5,937,931	(307,062)	254,957,743
USES									
Operating Costs									
<i>Municipal Court</i>									
Judicial	2,099,808	2,106,106	2,020,854	85,252	119,088	119,411	73,472	45,939	2,094,326
Court Administration	7,308,610	7,339,937	7,286,544	53,393	—	—	—	—	7,286,544
Public Defender	660,014	662,759	633,094	29,665	—	—	—	—	633,094
Total municipal court	10,068,432	10,108,802	9,940,492	168,310	119,088	119,411	73,472	45,939	10,013,964
<i>City Attorney</i>	5,048,213	5,063,069	4,986,345	76,724	—	—	—	—	4,986,345
<i>General Management Group</i>									
City Council	1,036,251	1,053,378	882,946	170,432	—	—	—	—	882,946
Civil Service	671,123	672,415	632,675	39,740	—	—	—	—	632,675
General Management	2,043,293	2,177,360	2,176,364	996	—	—	—	—	2,176,364
Total general management group	3,750,667	3,903,153	3,691,985	211,168	—	—	—	—	3,691,985
<i>Administrative Services Group</i>									
Communications	1,786,806	1,842,716	1,842,349	367	377,702	383,574	383,368	206	2,225,717
Finance	5,369,002	5,223,418	5,277,899	(54,481)	—	—	—	—	5,277,899
Information Technology	6,499,118	6,628,089	6,613,125	14,964	—	—	—	—	6,613,125
Internal Services	4,622,023	4,728,382	4,669,410	58,972	—	—	—	—	4,669,410
Public Safety Communications	6,051,919	6,074,525	5,671,238	403,287	—	—	—	—	5,671,238
Total administrative services group	24,328,868	24,497,130	24,074,021	423,109	377,702	383,574	383,368	206	24,457,389

(continued)

	General Fund				Designated Revenues Fund				Total of Funds
	Budgets		Budgetary	Variance	Budgets		Budgetary	Variance	
	Original	Final	Actual	with Final	Original	Final	Actual	with Final	Budgetary Actual
<i>Operations Group</i>									
Library and Cultural Services	\$ 3,483,944	\$ 3,719,051	\$ 3,716,587	\$ 2,464	\$ 351,142	\$ 352,757	\$ 292,538	\$ 60,219	\$ 4,009,125
Public Works	24,050,669	23,901,066	22,834,005	1,067,061	18,876	18,876	1,498	17,378	22,835,503
Parks, Recreation and Open Space	11,486,442	11,657,718	11,657,810	(92)	861,689	863,453	526,260	337,193	12,184,070
Neighborhood Services	2,862,105	2,852,128	2,847,895	4,233	133,338	121,214	69,675	51,539	2,917,570
Planning & Development Services	1,962,299	1,983,460	1,981,509	1,951	429,904	430,873	397,474	33,399	2,378,983
Total operations group	43,845,459	44,113,423	43,037,806	1,075,617	1,794,949	1,787,173	1,287,445	499,728	44,325,251
<i>Police/Fire Group</i>									
Non-departmental	—	387,000	435,695	(48,695)	—	—	—	—	435,695
Police	81,769,399	81,971,100	81,949,994	21,106	2,591,418	3,002,698	2,821,216	181,482	84,771,210
Fire	37,341,354	38,446,658	38,445,588	1,070	—	—	—	—	38,445,588
Total police/fire group	119,110,753	120,804,758	120,831,277	(26,519)	2,591,418	3,002,698	2,821,216	181,482	123,652,493
<i>Non-departmental</i>	27,330,341	30,693,464	30,277,780	415,684	1,804,896	1,799,896	1,035,058	764,838	31,312,838
TOTAL USES	233,482,733	239,183,799	236,839,706	2,344,093	6,688,053	7,092,752	5,600,559	1,492,193	242,440,265
CHANGE IN FUNDS AVAILABLE	377	(2,593,508)	12,180,106	14,773,614	(690,756)	(847,759)	337,372	1,185,131	12,517,478
FUNDS AVAILABLE - January 1	36,808,763	39,500,267	39,500,267	—	6,630,547	6,916,854	6,916,854	—	46,417,121
FUNDS AVAILABLE - December 31	\$ 36,809,140	\$ 36,906,759	51,680,373	\$ 14,773,614	\$ 5,939,791	\$ 6,069,095	7,254,226	\$ 1,185,131	58,934,599
Less: Restricted for public safety (TABOR)			(9,401,524)				—		(9,401,524)
Committed to reserves (10% Policy)			(20,790,709)				—		(20,790,709)
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESTRICTIONS, AND COUNCIL COMMITMENTS - December 31			\$ 21,488,140				\$ 7,254,226		\$ 28,742,366
RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE									
FUNDS AVAILABLE (BUDGETARY BASIS) - December 31			\$ 51,680,373				\$ 7,254,226		\$ 58,934,599
Long-term interfund receivables			449,668				—		449,668
Sales, use and lodgers tax accrual			18,325,116				—		18,325,116
Current year encumbrances			1,354,274				55,208		1,409,482
Adjustment of investments to fair value			263,626				36,776		300,402
Sick leave buyout			(232,214)				580		(231,634)
FUND BALANCE (U.S. GAAP BASIS) - DECEMBER 31			\$ 71,840,843				\$ 7,346,790		\$ 79,187,633

1. PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS

The schedules of funding progress and employer contributions is intended to help users assess the funding status on a going-concern basis and to assess progress made in accumulating assets to pay benefits when due. The information presented in these schedules was determined based upon the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

	GERP	EOEP	Old Hire - Fire	Old Hire - Police	OPEB
Actuarial valuation date	01/01/2012	01/01/2011	01/01/2012	01/01/2012	01/01/2011
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Projected unit credit cost
Amortization method	Level percent - open	Level dollar - open	Level dollar - open	Level dollar - open	Level percent - open
Remaining amortization period	30 years	15 years	20 years	20 years	30 years
Asset valuation method	3-year smoothing	3-year smoothing	3 -year smoothed fair market value	3 -year smoothed fair market value	Market
Actuarial assumptions:					
Investment rate of return *	8.00%	7.75%	7.50%	7.50%	4.5%
Payroll growth rate	3.5%	n/a	n/a	n/a	4.0%
Projected salary increases *	3.50% to 7.50%	n/a	4.00%	4.00%	3.50%
Cost of living adjustment	3.50% base, 0.00% supplemental	3.5% base, 0.00% supplemental	3.50%	3.50%	n/a
Health care cost trend	n/a	n/a	n/a	n/a	11% to 5%
*Includes inflation at	n/a	n/a	3.00%	3.00%	n/a

There were no changes to actuarial assumptions or methods in the valuation reports referenced above.

2. GENERAL FUND BUDGETARY INFORMATION

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 (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 or ordinance.

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, which are available for general purposes. Budgets for the General Fund are reported on the same basis as described above, except as follows:

- Encumbrances are treated as expenditures in the year they are encumbered, not when the expenditure occurs.
- Grants are considered revenue when awarded, not when earned.
- Sales, use and lodgers taxes are considered revenue when received rather than when earned.
- Proceeds from capital leases and related capital expenditures are not budgeted.
- The value received on the trade-in of fixed assets and the related capital expenditures are not budgeted.
- Changes in investment income due to recording investments at fair value are not budgeted.
- January sick leave buyout is expensed for GAAP but not for budget until subsequent year.

Combining and Individual Fund Statements and Schedules



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 other than debt service or capital projects.

Gifts & 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, inspections/permits 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 and building demolition and board up 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 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.

Non-Major Governmental Funds



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.

Open Space Fund

The Open Space Fund accounts for dedicated use tax revenues received from both Arapahoe County and Adams 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 each of the respective counties.

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.

Cherry Creek Fence General Improvement District (GID)

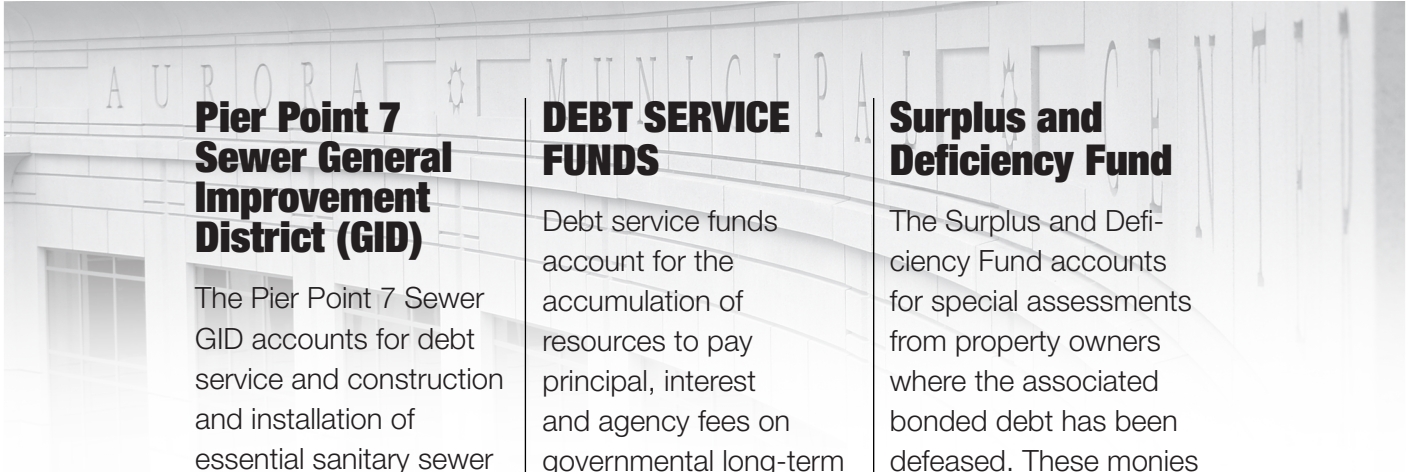
The Cherry Creek Fence GID accounts for debt service and repairs and maintenance related to the masonry fence constructed in this neighborhood. Funding is from property tax assessed on the related properties.

Meadow Hills Fence General Improvement District (GID)

The Meadow Hills Fence GID accounts for debt service and repairs and maintenance related to the masonry fence constructed in this neighborhood. Funding is from property tax assessed on the related properties.

Peoria Park Fence General Improvement District (GID)

The Peoria Park Fence GID accounts for debt service and repairs and maintenance related to the masonry fence constructed in this neighborhood. Funding is from property tax assessed on the related properties.



Pier Point 7 Sewer General Improvement District (GID)

The Pier Point 7 Sewer GID accounts for debt service and construction and installation of essential sanitary sewer system improvements within the District. Funding is from property tax assessed on the related properties.

Aurora Urban Renewal Authority (AURA) General Fund

The AURA General Fund, a blended component unit, accounts for activities related to Fletcher Plaza Urban Renewal Area, which is not associated with tax incremental financing. Funding was from transfers from other city 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.

CAPITAL PROJECTS FUNDS

Capital projects funds account for financial resources used for the construction and acquisition of major capital projects.

City Capital Projects Fund

The City Capital Projects Fund accounts for 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 Revenues and participation revenues from outside sources.

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 for certain public safety vehicles and communication systems. Funding for these projects is provided by proceeds of certificates of participation issued by ACLC.

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2012**

	Special Revenue				
	Gifts and Grants	Development Review	Abatement	Community Development	Enhanced E-911
ASSETS					
Cash and cash equivalents	\$ —	\$ 144,318	\$ 11,363	\$ —	\$ —
Investments	—	2,335,498	184,097	—	—
<i>Receivables (net of allowance)</i>					
Accounts receivable	—	—	290,947	—	—
Interest receivable	—	—	—	—	—
Due from other governments	—	—	—	—	—
Other receivables	—	—	3,068	—	—
<i>Restricted assets</i>					
Cash and cash equivalents	926,483	—	—	100,000	395,525
Investments	—	—	—	—	6,401,265
Taxes receivable	—	—	—	—	—
Accounts receivable	44,317	—	—	—	—
Interest receivable	—	—	—	—	—
Due from other governments	1,982,196	—	—	830,658	—
Other receivables	—	—	—	—	185,873
Inventory	790,280	—	—	1,023,408	—
Notes receivable	—	—	—	—	—
Total assets	<u>\$ 3,743,276</u>	<u>\$ 2,479,816</u>	<u>\$ 489,475</u>	<u>\$ 1,954,066</u>	<u>\$ 6,982,663</u>
LIABILITIES					
Accounts payable	\$ 134,839	\$ 39,886	\$ 2,734	\$ 447,032	\$ 21,229
Other payables	4,230	—	—	—	—
Due to other funds	—	—	—	383,626	—
Unearned revenues	1,039,743	—	—	100,000	—
Total liabilities	<u>1,178,812</u>	<u>39,886</u>	<u>2,734</u>	<u>930,658</u>	<u>21,229</u>
DEFERRED INFLOWS OF RESOURCES					
Property tax	—	—	—	—	—
Unavailable fund resources	—	—	—	—	—
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
FUND BALANCES					
Restricted	2,564,464	—	—	1,023,408	6,961,434
Committed	—	2,439,930	486,741	—	—
Assigned	—	—	—	—	—
Total fund balances	<u>2,564,464</u>	<u>2,439,930</u>	<u>486,741</u>	<u>1,023,408</u>	<u>6,961,434</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,743,276</u>	<u>\$ 2,479,816</u>	<u>\$ 489,475</u>	<u>\$ 1,954,066</u>	<u>\$ 6,982,663</u>

(continued)

CITY OF AURORA, COLORADO

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2012**

	Special Revenue				
	Conservation Trust	Parks Development	Open Space	Recreation Services	Cultural Services
ASSETS					
Cash and cash equivalents	\$ —	\$ —	\$ —	\$ 586,576	\$ 247,169
Investments	—	—	—	191,028	427,380
<i>Receivables (net of allowance)</i>					
Accounts receivable	—	—	—	63,986	—
Interest receivable	—	—	—	—	—
Due from other governments	—	—	—	28,921	—
Other receivables	—	—	—	—	31,221
<i>Restricted assets</i>					
Cash and cash equivalents	226,658	176,315	769,951	—	107,222
Investments	3,668,282	2,853,525	12,461,065	—	—
Taxes receivable	—	—	—	—	—
Accounts receivable	—	—	—	—	—
Interest receivable	—	—	—	—	—
Due from other governments	955,993	—	—	—	49,299
Other receivables	—	—	—	—	—
Inventory	—	—	—	—	—
Notes receivable	—	—	—	—	—
Total assets	<u>\$ 4,850,933</u>	<u>\$ 3,029,840</u>	<u>\$ 13,231,016</u>	<u>\$ 870,511</u>	<u>\$ 862,291</u>
LIABILITIES					
Accounts payable	\$ 39,232	\$ 242	\$ 85,302	\$ 120,009	\$ 42,703
Other payables	—	—	—	1,205	—
Due to other funds	—	—	—	—	—
Unearned revenues	—	—	—	306,864	53,590
Total liabilities	<u>39,232</u>	<u>242</u>	<u>85,302</u>	<u>428,078</u>	<u>96,293</u>
DEFERRED INFLOWS OF RESOURCES					
Property tax	—	—	—	—	—
Unavailable fund resources	—	—	—	—	—
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
FUND BALANCES					
Restricted	4,811,701	3,029,598	13,145,714	—	145,311
Committed	—	—	—	—	455,622
Assigned	—	—	—	442,433	165,065
Total fund balances	<u>4,811,701</u>	<u>3,029,598</u>	<u>13,145,714</u>	<u>442,433</u>	<u>765,998</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,850,933</u>	<u>\$ 3,029,840</u>	<u>\$ 13,231,016</u>	<u>\$ 870,511</u>	<u>\$ 862,291</u>

(continued)

CITY OF AURORA, COLORADO

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2012**

	Special Revenue				
	Cherry Creek Fence GID	Meadow Hills Fence GID	Peoria Park Fence GID	Pier Point 7 Sewer GID	AURA General
ASSETS					
Cash and cash equivalents	\$ —	\$ —	\$ —	\$ —	\$ —
Investments	—	—	—	—	—
<i>Receivables (net of allowance)</i>					
Accounts receivable	—	—	—	—	—
Interest receivable	—	—	—	—	—
Due from other governments	—	—	—	—	—
Other receivables	—	—	—	—	—
<i>Restricted assets</i>					
Cash and cash equivalents	38,108	23,094	47,919	75,536	5,849
Investments	—	—	—	—	94,656
Taxes receivable	63,502	45,426	37,851	199,406	—
Accounts receivable	—	—	—	—	—
Interest receivable	—	—	—	—	—
Due from other governments	258	161	140	832	—
Other receivables	—	—	—	—	—
Inventory	—	—	—	—	—
Notes receivable	—	—	—	—	—
Total assets	<u>\$ 101,868</u>	<u>\$ 68,681</u>	<u>\$ 85,910</u>	<u>\$ 275,774</u>	<u>\$ 100,505</u>
LIABILITIES					
Accounts payable	\$ —	\$ —	\$ —	\$ —	\$ 34,750
Other payables	—	—	—	—	—
Due to other funds	—	2,500	1,008	—	—
Unearned revenues	—	—	—	—	—
Total liabilities	<u>—</u>	<u>2,500</u>	<u>1,008</u>	<u>—</u>	<u>34,750</u>
DEFERRED INFLOWS OF RESOURCES					
Property tax	63,502	45,426	37,851	199,406	—
Unavailable fund resources	—	—	—	—	—
Total deferred inflows of resources	<u>63,502</u>	<u>45,426</u>	<u>37,851</u>	<u>199,406</u>	<u>—</u>
FUND BALANCES					
Restricted	38,366	20,755	47,051	76,368	65,755
Committed	—	—	—	—	—
Assigned	—	—	—	—	—
Total fund balances	<u>38,366</u>	<u>20,755</u>	<u>47,051</u>	<u>76,368</u>	<u>65,755</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 101,868</u>	<u>\$ 68,681</u>	<u>\$ 85,910</u>	<u>\$ 275,774</u>	<u>\$ 100,505</u>

(continued)

CITY OF AURORA, COLORADO

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2012**

	Debt Service				
	City Debt Service	SID Debt Service	Surplus and Deficiency	AURA Debt Service	ACLIC Debt Service
ASSETS					
Cash and cash equivalents	\$ —	\$ —	\$ —	\$ —	\$ 90,917
Investments	—	—	—	—	1,471,420
<i>Receivables (net of allowance)</i>					
Accounts receivable	—	—	—	—	—
Interest receivable	—	—	—	—	—
Due from other governments	—	—	—	—	—
Other receivables	—	—	—	—	—
<i>Restricted assets</i>					
Cash and cash equivalents	90,383	28,344	28,363	316,072	187,628
Investments	1,462,774	223,999	459,037	5,115,395	9,529,843
Taxes receivable	4,930,701	—	—	3,556,340	—
Accounts receivable	—	—	—	—	—
Interest receivable	—	—	—	—	25,830
Due from other governments	—	—	—	—	—
Other receivables	—	2,104,591	14,503	60,000	—
Inventory	—	—	—	—	—
Notes receivable	—	—	—	—	—
Total assets	<u>\$ 6,483,858</u>	<u>\$ 2,356,934</u>	<u>\$ 501,903</u>	<u>\$ 9,047,807</u>	<u>\$ 11,305,638</u>
LIABILITIES					
Accounts payable	\$ —	\$ —	\$ —	\$ 937,768	\$ —
Other payables	—	—	—	—	—
Due to other funds	—	—	—	295,138	—
Unearned revenues	—	—	—	—	—
Total liabilities	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,232,906</u>	<u>—</u>
DEFERRED INFLOWS OF RESOURCES					
Property tax	4,930,701	—	—	3,556,340	—
Unavailable fund resources	—	2,104,591	14,503	—	—
Total deferred inflows of resources	<u>4,930,701</u>	<u>2,104,591</u>	<u>14,503</u>	<u>3,556,340</u>	<u>—</u>
FUND BALANCES					
Restricted	1,553,157	252,343	487,400	4,258,561	9,743,301
Committed	—	—	—	—	—
Assigned	—	—	—	—	1,562,337
Total fund balances	<u>1,553,157</u>	<u>252,343</u>	<u>487,400</u>	<u>4,258,561</u>	<u>11,305,638</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,483,858</u>	<u>\$ 2,356,934</u>	<u>\$ 501,903</u>	<u>\$ 9,047,807</u>	<u>\$ 11,305,638</u>

(continued)

CITY OF AURORA, COLORADO

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2012**

	Capital Projects		Total Nonmajor Governmental Funds
	City Capital Projects	ACLIC Capital Projects	
ASSETS			
Cash and cash equivalents	\$ 1,335,134	\$ —	\$ 2,415,477
Investments	13,113,790	—	17,723,213
<i>Receivables (net of allowance)</i>			
Accounts receivable	204,547	—	559,480
Interest receivable	10,792	—	10,792
Due from other governments	—	—	28,921
Other receivables	—	—	34,289
<i>Restricted assets</i>			
Cash and cash equivalents	607,683	—	4,151,133
Investments	5,283,377	—	47,553,218
Taxes receivable	—	—	8,833,226
Accounts receivable	1,272,987	—	1,317,304
Interest receivable	—	—	25,830
Due from other governments	319,152	—	4,138,689
Other receivables	—	—	2,364,967
Inventory	—	—	1,813,688
Notes receivable	267,354	—	267,354
Total assets	<u>\$ 22,414,816</u>	<u>\$ —</u>	<u>\$ 91,237,581</u>
LIABILITIES			
Accounts payable	\$ 1,438,230	\$ —	\$ 3,343,956
Other payables	377,500	—	382,935
Due to other funds	—	—	682,272
Unearned revenues	—	—	1,500,197
Total liabilities	<u>1,815,730</u>	<u>—</u>	<u>5,909,360</u>
DEFERRED INFLOWS OF RESOURCES			
Property tax	—	—	8,833,226
Unavailable fund resources	471,901	—	2,590,995
Total deferred inflows of resources	<u>471,901</u>	<u>—</u>	<u>11,424,221</u>
FUND BALANCES			
Restricted	7,246,723	—	55,471,410
Committed	883,423	—	4,265,716
Assigned	11,997,039	—	14,166,874
Total fund balances	<u>20,127,185</u>	<u>—</u>	<u>73,904,000</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 22,414,816</u>	<u>\$ —</u>	<u>\$ 91,237,581</u>

(concluded)

CITY OF AURORA, COLORADO

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2012

	Special Revenue				
	Gifts and Grants	Development Review	Abatement	Community Development	Enhanced E-911
REVENUES					
<i>Taxes</i>					
Sales and use	\$ —	\$ —	\$ —	\$ —	\$ —
Property	—	—	—	—	—
Lodgers	—	—	—	—	—
Occupational privilege	—	—	—	—	—
Other	—	—	—	—	—
Charges for services	758,384	1,485,884	434,456	1,390,396	46
Licenses and permits	—	6,492,435	—	—	—
Fines and forfeitures	—	—	—	—	—
Special assessments	—	—	—	—	—
Intergovernmental	10,044,097	20,023	—	5,085,141	—
Surcharges	—	—	—	—	3,037,649
Miscellaneous	499,993	2,512	3,393	—	—
Investment earnings	24,247	35,074	7,289	—	80,052
Total revenues	11,326,721	8,035,928	445,138	6,475,537	3,117,747
EXPENDITURES					
<i>Current</i>					
General government	421,980	—	—	—	—
Judicial	3,998	—	—	—	—
Police	3,552,351	—	—	—	—
Fire	322,386	—	—	—	—
Other public safety	294,828	—	—	—	2,143,209
Public works	—	—	—	—	—
Economic development	335,479	6,356,239	—	1,104,344	—
Community services	1,272,439	—	810,583	6,437,646	—
Culture and recreation	466,078	—	—	—	—
<i>Debt service</i>					
Principal	—	—	—	—	—
Interest	—	—	—	—	—
Capital outlay	5,044,053	71,373	—	400,000	1,275,801
Total expenditures	11,713,592	6,427,612	810,583	7,941,990	3,419,010
Excess (deficiency) of revenues over (under) expenditures	(386,871)	1,608,316	(365,445)	(1,466,453)	(301,263)
OTHER FINANCING SOURCES (USES)					
Transfers in	—	—	—	97,361	1,697,484
Transfers out	(15,993)	(1,100,000)	—	—	(1,699,984)
Proceeds from capital lease	—	—	—	—	—
Proceeds from interfund loan	—	—	—	—	—
Proceeds from notes	—	—	—	—	—
Sale of capital assets	862	—	—	—	—
Total other financing sources (uses)	(15,131)	(1,100,000)	—	97,361	(2,500)
NET CHANGE IN FUND BALANCES	(402,002)	508,316	(365,445)	(1,369,092)	(303,763)
FUND BALANCES - January 1	2,966,466	1,931,614	852,186	2,392,500	7,265,197
FUND BALANCES - December 31	\$ 2,564,464	\$ 2,439,930	\$ 486,741	\$ 1,023,408	\$ 6,961,434

(continued)

CITY OF AURORA, COLORADO

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2012

	Special Revenue				
	Conservation Trust	Parks Development	Open Space	Recreation Services	Cultural Services
REVENUES					
<i>Taxes</i>					
Sales and use	\$ —	\$ —	\$ —	\$ —	\$ —
Property	—	—	—	—	—
Lodgers	—	—	—	—	—
Occupational privilege	—	—	—	—	—
Other	—	—	—	—	—
Charges for services	—	—	—	4,749,202	713,161
Licenses and permits	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—
Special assessments	—	—	—	—	—
Intergovernmental	3,435,913	—	5,687,313	397,369	241,817
Surcharges	—	—	—	—	—
Miscellaneous	—	342,564	—	125,108	82,182
Investment earnings	50,976	40,718	186,740	(929)	8,339
Total revenues	3,486,889	383,282	5,874,053	5,270,750	1,045,499
EXPENDITURES					
<i>Current</i>					
General government	—	—	—	—	—
Judicial	—	—	—	—	—
Police	—	—	—	—	—
Fire	—	—	—	—	—
Other public safety	—	—	—	—	—
Public works	—	—	—	—	—
Economic development	—	—	—	—	—
Community services	—	—	—	—	—
Culture and recreation	1,979,912	100,083	2,363,001	8,868,256	2,027,911
<i>Debt service</i>					
Principal	—	—	—	—	—
Interest	—	—	—	—	—
Capital outlay	630,662	128,779	875,625	—	—
Total expenditures	2,610,574	228,862	3,238,626	8,868,256	2,027,911
Excess (deficiency) of revenues over (under) expenditures	876,315	154,420	2,635,427	(3,597,506)	(982,412)
OTHER FINANCING SOURCES (USES)					
Transfers in	—	—	—	3,264,365	998,711
Transfers out	(325,000)	—	(1,189,024)	(30,000)	(17,328)
Proceeds from capital lease	—	—	—	—	—
Proceeds from interfund loan	—	—	—	—	—
Proceeds from notes	—	—	—	—	—
Sale of capital assets	—	—	—	—	—
Total other financing sources (uses)	(325,000)	—	(1,189,024)	3,234,365	981,383
NET CHANGE IN FUND BALANCES	551,315	154,420	1,446,403	(363,141)	(1,029)
FUND BALANCES - January 1	4,260,386	2,875,178	11,699,311	805,574	767,027
FUND BALANCES - December 31	\$ 4,811,701	\$ 3,029,598	\$ 13,145,714	\$ 442,433	\$ 765,998

(continued)

CITY OF AURORA, COLORADO

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2012

	Special Revenue				
	Cherry Creek Fence GID	Meadow Hills Fence GID	Peoria Park Fence GID	Pier Point 7 Sewer GID	AURA General
REVENUES					
<i>Taxes</i>					
Sales and use	\$ —	\$ —	\$ —	\$ —	\$ —
Property	63,995	39,479	34,583	204,696	—
Lodgers	—	—	—	—	—
Occupational privilege	—	—	—	—	—
Other	4,173	2,555	2,246	13,445	—
Charges for services	—	—	—	—	20,000
Licenses and permits	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—
Special assessments	—	—	—	—	—
Intergovernmental	—	—	—	—	—
Surcharges	—	—	—	—	—
Miscellaneous	—	—	—	—	—
Investment earnings	19	18	29	336	1,367
Total revenues	68,187	42,052	36,858	218,477	21,367
EXPENDITURES					
<i>Current</i>					
General government	1,405	1,155	2,340	3,361	—
Judicial	—	—	—	—	—
Police	—	—	—	—	—
Fire	—	—	—	—	—
Other public safety	—	—	—	—	—
Public works	—	—	—	—	—
Economic development	—	—	—	—	59,750
Community services	—	—	—	—	—
Culture and recreation	—	—	—	—	—
<i>Debt service</i>					
Principal	25,000	15,000	11,000	80,000	—
Interest	34,650	23,952	19,893	118,625	—
Capital outlay	—	—	—	—	—
Total expenditures	61,055	40,107	33,233	201,986	59,750
Excess (deficiency) of revenues over (under) expenditures	7,132	1,945	3,625	16,491	(38,383)
OTHER FINANCING SOURCES (USES)					
Transfers in	—	—	—	—	—
Transfers out	—	—	—	—	—
Proceeds from capital lease	—	—	—	—	—
Proceeds from interfund loan	—	—	—	—	—
Proceeds from notes	—	—	—	—	—
Sale of capital assets	—	—	—	—	—
Total other financing sources (uses)	—	—	—	—	—
NET CHANGE IN FUND BALANCES	7,132	1,945	3,625	16,491	(38,383)
FUND BALANCES - January 1	31,234	18,810	43,426	59,877	104,138
FUND BALANCES - December 31	\$ 38,366	\$ 20,755	\$ 47,051	\$ 76,368	\$ 65,755

(continued)

CITY OF AURORA, COLORADO

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2012

	Debt Service				
	City Debt Service	SID Debt Service	Surplus and Deficiency	AURA Debt Service	ACLCL Debt Service
REVENUES					
<i>Taxes</i>					
Sales and use	\$ —	\$ —	\$ —	\$ 1,974,200	\$ —
Property	5,898,666	—	—	2,349,971	—
Lodgers	—	—	—	240,382	—
Occupational privilege	—	—	—	387,928	—
Other	—	—	—	—	—
Charges for services	—	—	—	—	—
Licenses and permits	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—
Special assessments	—	247,382	14,503	—	—
Intergovernmental	—	—	—	—	—
Surcharges	—	—	—	—	—
Miscellaneous	—	—	—	—	—
Investment earnings	53,899	59,695	8,478	71,003	322,446
Total revenues	5,952,565	307,077	22,981	5,023,484	322,446
EXPENDITURES					
<i>Current</i>					
General government	59,987	69,517	160	—	63,500
Judicial	—	—	—	—	—
Police	—	—	—	—	—
Fire	—	—	—	—	—
Other public safety	—	—	—	—	—
Public works	—	—	—	—	—
Economic development	—	—	—	3,639,673	—
Community services	—	—	—	—	—
Culture and recreation	—	—	—	—	—
<i>Debt service</i>					
Principal	6,650,000	205,000	—	—	5,190,000
Interest	828,750	48,496	—	8,300	4,843,282
Capital outlay	—	—	—	—	—
Total expenditures	7,538,737	323,013	160	3,647,973	10,096,782
Excess (deficiency) of revenues over (under) expenditures	(1,586,172)	(15,936)	22,821	1,375,511	(9,774,336)
OTHER FINANCING SOURCES (USES)					
Transfers in	1,659,850	—	—	—	9,060,545
Transfers out	—	—	(60,750)	(295,139)	(2,961,219)
Proceeds from capital lease	—	—	—	—	1,773,430
Proceeds from interfund loan	—	—	—	60,000	—
Proceeds from notes	—	14,502	—	—	—
Sale of capital assets	—	—	—	—	—
Total other financing sources (uses)	1,659,850	14,502	(60,750)	(235,139)	7,872,756
NET CHANGE IN FUND BALANCES	73,678	(1,434)	(37,929)	1,140,372	(1,901,580)
FUND BALANCES - January 1	1,479,479	253,777	525,329	3,118,189	13,207,218
FUND BALANCES - December 31	\$ 1,553,157	\$ 252,343	\$ 487,400	\$ 4,258,561	\$ 11,305,638

(continued)

CITY OF AURORA, COLORADO

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED DECEMBER 31, 2012

	Capital Projects		Total Nonmajor Governmental Funds
	City Capital Projects	ACLC Capital Projects	
REVENUES			
<i>Taxes</i>			
Sales and use	\$ —	\$ —	\$ 1,974,200
Property	—	—	8,591,390
Lodgers	—	—	240,382
Occupational privilege	—	—	387,928
Other	—	—	22,419
Charges for services	1,181,190	—	10,732,719
Licenses and permits	284,086	—	6,776,521
Fines and forfeitures	5,048	—	5,048
Special assessments	729,593	—	991,478
Intergovernmental	2,612,818	—	27,524,491
Surcharges	—	—	3,037,649
Miscellaneous	925,199	—	1,980,951
Investment earnings	220,572	—	1,170,368
Total revenues	5,958,506	—	63,435,544
EXPENDITURES			
<i>Current</i>			
General government	742,802	—	1,366,207
Judicial	—	—	3,998
Police	—	—	3,552,351
Fire	19,725	—	342,111
Other public safety	—	—	2,438,037
Public works	6,576,407	—	6,576,407
Economic development	—	—	11,495,485
Community services	16,425	—	8,537,093
Culture and recreation	36,421	—	15,841,662
<i>Debt service</i>			
Principal	—	—	12,176,000
Interest	—	—	5,925,948
Capital outlay	17,555,035	3,476,797	29,458,125
Total expenditures	24,946,815	3,476,797	97,713,424
Excess (deficiency) of revenues over (under) expenditures	(18,988,309)	(3,476,797)	(34,277,880)
OTHER FINANCING SOURCES (USES)			
Transfers in	14,579,549	2,961,219	34,319,084
Transfers out	(1,800,791)	—	(9,495,228)
Proceeds from capital lease	—	—	1,773,430
Proceeds from interfund loan	—	—	60,000
Proceeds from notes	1,215,498	—	1,230,000
Sale of capital assets	—	—	862
Total other financing sources (uses)	13,994,256	2,961,219	27,888,148
NET CHANGE IN FUND BALANCES	(4,994,053)	(515,578)	(6,389,732)
FUND BALANCES - January 1	25,121,238	515,578	80,293,732
FUND BALANCES - December 31	\$ 20,127,185	\$ —	\$ 73,904,000

(concluded)

Combining and Individual Fund Statements and Schedules



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.

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.

Internal Service Funds

CITY OF AURORA, COLORADO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2012

	Fleet Management	Risk Management	Total Internal Service
ASSETS			
<i>Current assets</i>			
Cash and cash equivalents	\$ 50,879	\$ 803,033	\$ 853,912
Investments	823,443	12,996,474	13,819,917
<i>Receivables (net of allowance)</i>			
Interest receivable	—	56,162	56,162
Inventories	616,178	—	616,178
Total current assets	1,490,500	13,855,669	15,346,169
<i>Capital assets, net of accumulated depreciation</i>			
Infrastructure	271,748	—	271,748
Machinery and equipment	284,772	—	284,772
Total capital assets	556,520	—	556,520
Total assets	2,047,020	13,855,669	15,902,689
LIABILITIES			
<i>Current liabilities</i>			
Accounts payable	198,212	62,062	260,274
Current portion long-term liabilities	19,030	4,304,951	4,323,981
Total current liabilities	217,242	4,367,013	4,584,255
<i>Noncurrent liabilities</i>			
Due beyond one year	335,931	5,682,472	6,018,403
Total liabilities	553,173	10,049,485	10,602,658
NET POSITION			
Net investment in capital assets	556,520	—	556,520
Unrestricted	937,327	3,806,184	4,743,511
Total net position	\$ 1,493,847	\$ 3,806,184	\$ 5,300,031

CITY OF AURORA, COLORADO

INTERNAL SERVICE FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Fleet Management	Risk Management	Total Internal Service
OPERATING REVENUES			
Charges for services	\$ 8,315,602	\$ 6,046,046	\$ 14,361,648
OPERATING EXPENSES			
Cost of sales and service	8,185,445	2,331,946	10,517,391
Claims losses	—	5,029,565	5,029,565
Administrative expenses	78,277	25,643	103,920
Depreciation	91,561	—	91,561
Total operating expenses	8,355,283	7,387,154	15,742,437
Operating income (loss)	(39,681)	(1,341,108)	(1,380,789)
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	7,228	164,748	171,976
Miscellaneous revenues	42,494	206,789	249,283
Net nonoperating revenues	49,722	371,537	421,259
CHANGE IN NET POSITION	10,041	(969,571)	(959,530)
NET POSITION - January 1	1,483,806	4,775,755	6,259,561
NET POSITION - December 31	\$ 1,493,847	\$ 3,806,184	\$ 5,300,031

CITY OF AURORA, COLORADO

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2011

	Fleet Management	Risk Management	Total Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Cash received from:</i>			
Customers and others	\$ 50,435	\$ 206,839	\$ 257,274
Interfund services provided and used	8,307,661	6,045,996	14,353,657
<i>Cash payments to:</i>			
Employees	(2,574,413)	(651,537)	(3,225,950)
Suppliers of goods and services	(5,708,158)	(6,078,269)	(11,786,427)
Net cash provided by (used in) operating activities	<u>75,525</u>	<u>(476,971)</u>	<u>(401,446)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
<i>Payments for:</i>			
Capital Assets	(38,803)	—	(38,803)
Net cash (used in) capital and related financing activities	<u>(38,803)</u>	<u>—</u>	<u>(38,803)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) Decrease in equity in pooled investments	(44,441)	219,531	175,090
Interest received	5,498	159,249	164,747
Net cash provided by (used in) investing activities	<u>(38,943)</u>	<u>378,780</u>	<u>339,837</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,221)	(98,191)	(100,412)
TOTAL CASH AND CASH EQUIVALENTS, January 1	<u>53,100</u>	<u>901,224</u>	<u>954,324</u>
TOTAL CASH AND CASH EQUIVALENTS, December 31	<u>\$ 50,879</u>	<u>\$ 803,033</u>	<u>\$ 853,912</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating income (loss)	<u>\$ (39,681)</u>	<u>\$ (1,341,108)</u>	<u>\$ (1,380,789)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation	91,561	—	91,561
Miscellaneous nonoperating revenues	42,494	206,789	249,283
<i>Changes in operating assets and liabilities</i>			
Inventories	(15,002)	—	(15,002)
Accounts payable and accrued liabilities	(3,847)	657,348	653,501
Total adjustments	<u>115,206</u>	<u>864,137</u>	<u>979,343</u>
Net cash provided by (used in) operating activities	<u>\$ 75,525</u>	<u>\$ (476,971)</u>	<u>\$ (401,446)</u>
NONCASH INVESTING, CAPITAL AND AND FINANCING ACTIVITIES			
Increase (decrease) in fair value of investments	\$ 1,730	\$ 24,058	\$ 25,788



Combining and Individual Fund Statements and Schedules



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 POSITION
DECEMBER 31, 2012

	GERP	EOEP	Total Pension Trust
ASSETS			
<i>Current assets</i>			
Cash and cash equivalents	\$ 7,101,521	\$ 63,602	\$ 7,165,123
<i>Investments</i>			
Equity securities and funds	150,524,769	2,686,204	153,210,973
U.S. government treasury and U.S. government agency obligations	11,774,745	—	11,774,745
Corporate notes, bonds and funds	99,939,541	1,797,242	101,736,783
Real estate funds	30,194,754	546,134	30,740,888
Alternative investments	42,632,389	—	42,632,389
<i>Receivables (net of allowance)</i>			
Interest receivable	2,635,560	3,121	2,638,681
Due from other governments	424,383	—	424,383
Prepaid expenses	—	5,536	5,536
Total assets	345,227,662	5,101,839	350,329,501
LIABILITIES			
<i>Current Liabilities</i>			
Accounts payable	3,106,757	1,873	3,108,630
Total liabilities	3,106,757	1,873	3,108,630
NET POSITION			
Held in trust for pension benefits	342,120,905	5,099,966	347,220,871
Total net position	\$ 342,120,905	\$ 5,099,966	\$ 347,220,871

CITY OF AURORA, COLORADO

PENSION TRUST FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2012

	GERP	EOEP	Total Pension Trust
ADDITIONS			
<i>Contributions</i>			
City	\$ 4,786,740	\$ 182,057	\$ 4,968,797
Plan members	4,800,089	—	4,800,089
Total contributions	9,586,829	182,057	9,768,886
<i>Investment activity</i>			
Investment earnings	36,478,863	592,453	37,071,316
Investment expense	(640,281)	(9,832)	(650,113)
Net investment earnings	35,838,582	582,621	36,421,203
Other income	28,610	343	28,953
Total additions, net	45,454,021	765,021	46,219,042
DEDUCTIONS			
Benefits	16,147,362	194,455	16,341,817
Administrative expenses	467,563	9,654	477,217
Total deductions	16,614,925	204,109	16,819,034
CHANGE IN NET POSITION	28,839,096	560,912	29,400,008
NET POSITION - January 1	313,281,809	4,539,054	317,820,863
NET POSITION - December 31	\$ 342,120,905	\$ 5,099,966	\$ 347,220,871

Combining and Individual Fund Statements and Schedules



AGENCY FUNDS

Agency Funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

Payroll Clearing Fund

The Payroll Clearing Fund provides for the consolidation of all payroll liabilities after the recording of related payroll expenditures/expenses into the appropriate funds.

Aurora 7/20 Relief Fund

The Aurora 7/20 Relief Fund was established after the Century 16 Theater tragedy to accept donations on behalf of the victims. Financial accountability for the fund belongs to the city of Aurora.

Agency Funds

CITY OF AURORA, COLORADO

AGENCY FUNDS

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

	Balance January 1	Additions	Deductions	Balance December 31
<u>PAYROLL CLEARING FUND</u>				
ASSETS				
Cash and cash equivalents	\$ 8,175,186	\$ 228,634,751	\$ (228,776,263)	\$ 8,033,674
Total assets	8,175,186	228,634,751	(228,776,263)	8,033,674
LIABILITIES				
Funds held on behalf of others	8,175,186	236,775,391	(236,916,903)	8,033,674
Total liabilities	8,175,186	236,775,391	(236,916,903)	8,033,674
<u>AURORA 7/20 RELIEF FUND</u>				
ASSETS				
Cash and cash equivalents	—	156,422	(46,500)	109,922
Total assets	—	156,422	(46,500)	109,922
LIABILITIES				
Funds held on behalf of others	—	156,422	(46,500)	109,922
Total liabilities	—	156,422	(46,500)	109,922
<u>ALL AGENCY FUNDS</u>				
ASSETS				
Cash and cash equivalents	8,175,186	228,791,173	(228,822,763)	8,143,596
Total assets	8,175,186	228,791,173	(228,822,763)	8,143,596
LIABILITIES				
Funds held on behalf of others	8,175,186	236,931,813	(236,963,403)	8,143,596
Total liabilities	\$ 8,175,186	\$ 236,931,813	\$ (236,963,403)	\$ 8,143,596



**Schedules of Sources, Uses and Changes
In Funds Available – Budget and Actual
(Non-GAAP Budgetary Basis)**





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, 2012

	Gifts and Grants			Development Review		
	Final Budget	Budgetary Actual	Variance with Final	Final Budget	Budgetary Actual	Variance with Final
SOURCES						
Property Tax	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Use Tax	—	—	—	—	—	—
Other Tax	—	—	—	—	—	—
Intergovernmental revenues	7,905,143	9,871,081	1,965,938	—	20,023	20,023
Licenses and permits	—	—	—	5,859,750	6,492,435	632,685
Charges for services	63,000	89,122	26,122	1,527,647	1,485,884	(41,763)
Fines and forfeitures	500	—	(500)	—	—	—
Investment income	3,350	14,659	11,309	34,000	29,124	(4,876)
Miscellaneous revenues	602,282	454,407	(147,875)	—	2,512	2,512
Proceeds from sale of assets	—	—	—	—	—	—
Transfers in	—	—	—	—	—	—
Funds from restricted assets	—	—	—	—	—	—
TOTAL SOURCES	8,574,275	10,429,269	1,854,994	7,421,397	8,029,978	608,581
USES						
Operating Costs						
Municipal Court	7,000	3,998	3,002	—	—	—
General Management Group	—	—	—	370,164	366,080	4,084
Administrative Services Group	—	—	—	—	—	—
Operations Group	1,507,907	1,118,161	389,746	6,416,002	6,041,613	374,389
Police/Fire Group	4,341,785	3,869,910	471,875	—	—	—
Non-Departmental	1,215	8,126	(6,911)	1,389,853	1,103,051	286,802
Continuing Appropriations						
Administrative Services Group	4,791,751	4,791,751	—	—	—	—
Operations Group	—	—	—	—	—	—
TOTAL USES	10,649,658	9,791,946	857,712	8,176,019	7,510,744	665,275
CHANGE IN FUNDS AVAILABLE	(2,075,383)	637,323	2,712,706	(754,622)	519,234	1,273,856
FUNDS AVAILABLE - January 1	3,580,132	3,580,132	—	1,915,593	1,915,593	—
FUNDS AVAILABLE - December 31	<u>\$ 1,504,749</u>	<u>\$ 4,217,455</u>	<u>\$ 2,712,706</u>	<u>\$ 1,160,971</u>	<u>\$ 2,434,827</u>	<u>\$ 1,273,856</u>

RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	\$ 4,217,455	\$ 2,434,827
Current year operating encumbrances	79,530	—
Carryforward of continuing appropriations	2,695,255	—
Assets not available for appropriations	1,057,424	—
Inventories	790,280	—
Adjustment of investments to fair value	—	12,558
Sick leave buyout	(10,462)	(7,455)
Unspent grants	(6,265,018)	—
FUND BALANCE (U.S. GAAP BASIS) - December 31	<u>\$ 2,564,464</u>	<u>\$ 2,439,930</u>

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, 2012

	Abatement			Community Development		
	Final Budget	Budgetary Actual	Variance with Final	Final Budget	Budgetary Actual	Variance with Final
SOURCES						
Property Tax	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Use Tax	—	—	—	—	—	—
Other Tax	—	—	—	—	—	—
Intergovernmental revenues	—	—	—	3,383,287	3,436,101	52,814
Licenses and permits	—	—	—	—	—	—
Charges for services	507,550	434,456	(73,094)	—	6,967	6,967
Fines and forfeitures	—	—	—	—	—	—
Investment income	6,000	7,755	1,755	—	—	—
Miscellaneous revenues	—	3,393	3,393	1,600,000	1,409,485	(190,515)
Proceeds from sale of assets	—	—	—	—	—	—
Transfers in	—	—	—	256,339	97,361	(158,978)
Funds from restricted assets	—	—	—	—	—	—
TOTAL SOURCES	513,550	445,604	(67,946)	5,239,626	4,949,914	(289,712)
USES						
Operating Costs						
Municipal Court	—	—	—	—	—	—
General Management Group	—	—	—	—	—	—
Administrative Services Group	—	—	—	—	—	—
Operations Group	1,117,671	693,622	424,049	—	—	—
Police/Fire Group	—	—	—	—	—	—
Non-Departmental	—	—	—	—	—	—
Continuing Appropriations						
Administrative Services Group	—	—	—	—	—	—
Operations Group	—	—	—	4,949,914	4,949,914	—
TOTAL USES	1,117,671	693,622	424,049	4,949,914	4,949,914	—
CHANGE IN FUNDS AVAILABLE	(604,121)	(248,018)	356,103	289,712	—	(289,712)
FUNDS AVAILABLE - January 1	733,570	733,570	—	—	—	—
FUNDS AVAILABLE - December 31	<u>\$ 129,449</u>	<u>\$ 485,552</u>	<u>\$ 356,103</u>	<u>\$ 289,712</u>	<u>\$ —</u>	<u>\$ (289,712)</u>

RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	\$ 485,552	\$ —
Current year operating encumbrances	—	—
Carryforward of continuing appropriations	—	4,241,747
Assets not available for appropriations	—	—
Inventories	—	1,023,408
Adjustment of investments to fair value	1,189	—
Sick leave buyout	—	(4,157)
Unspent grants	—	(4,237,590)
FUND BALANCE (U.S. GAAP BASIS) - December 31	<u>\$ 486,741</u>	<u>\$ 1,023,408</u>

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, 2012

	Enhanced E-911			Conservation Trust		
	Final Budget	Budgetary Actual	Variance with Final	Final Budget	Budgetary Actual	Variance with Final
SOURCES						
Property Tax	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Use Tax	—	—	—	—	—	—
Other Tax	—	—	—	—	—	—
Intergovernmental revenues	—	—	—	3,109,030	3,435,913	326,883
Licenses and permits	—	—	—	—	—	—
Charges for services	2,858,652	3,037,695	179,043	—	—	—
Fines and forfeitures	—	—	—	—	—	—
Investment income	75,000	68,527	(6,473)	167,856	43,574	(124,282)
Miscellaneous revenues	—	—	—	—	—	—
Proceeds from sale of assets	—	—	—	—	—	—
Transfers in	1,710,000	1,697,484	(12,516)	—	—	—
Funds from restricted assets	—	—	—	—	—	—
TOTAL SOURCES	4,643,652	4,803,706	160,054	3,276,886	3,479,487	202,601
USES						
Operating Costs						
Municipal Court	—	—	—	—	—	—
General Management Group	—	—	—	—	—	—
Administrative Services Group	2,219,615	1,751,128	468,487	—	—	—
Operations Group	—	—	—	1,913,945	1,822,305	91,640
Police/Fire Group	—	—	—	—	—	—
Non-Departmental	—	—	—	1,176	—	1,176
Continuing Appropriations						
Administrative Services Group	1,862,000	1,862,000	—	—	—	—
Operations Group	—	—	—	1,467,000	1,467,000	—
TOTAL USES	4,081,615	3,613,128	468,487	3,382,121	3,289,305	92,816
CHANGE IN FUNDS AVAILABLE	562,037	1,190,578	628,541	(105,235)	190,182	295,417
FUNDS AVAILABLE - January 1	3,602,485	3,602,485	—	557,472	557,472	—
FUNDS AVAILABLE - December 31	<u>\$ 4,164,522</u>	<u>\$ 4,793,063</u>	<u>\$ 628,541</u>	<u>\$ 452,237</u>	<u>\$ 747,654</u>	<u>\$ 295,417</u>

RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	\$ 4,793,063	\$ 747,654
Current year operating encumbrances	41,805	—
Carryforward of continuing appropriations	2,091,639	4,044,166
Assets not available for appropriations	—	—
Inventories	—	—
Adjustment of investments to fair value	34,927	20,015
Sick leave buyout	—	(134)
Unspent grants	—	—
FUND BALANCE (U.S. GAAP BASIS) - December 31	<u>\$ 6,961,434</u>	<u>\$4,811,701</u>

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, 2012

	Parks Development			Open Space		
	Final Budget	Budgetary Actual	Variance with Final	Final Budget	Budgetary Actual	Variance with Final
SOURCES						
Property Tax	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Use Tax	—	—	—	—	—	—
Other Tax	—	—	—	—	—	—
Intergovernmental revenues	—	—	—	5,647,976	5,687,313	39,337
Licenses and permits	—	—	—	—	—	—
Charges for services	—	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—	—
Investment income	75,000	34,757	(40,243)	225,250	158,653	(66,597)
Miscellaneous revenues	133,250	342,564	209,314	—	—	—
Proceeds from sale of assets	—	—	—	—	—	—
Transfers in	—	—	—	—	—	—
Funds from restricted assets	—	—	—	—	5,784	5,784
TOTAL SOURCES	208,250	377,321	169,071	5,873,226	5,851,750	(21,476)
USES						
Operating Costs						
Municipal Court	—	—	—	—	—	—
General Management Group	—	—	—	—	—	—
Administrative Services Group	—	—	—	—	—	—
Operations Group	75,032	74,674	358	3,271,844	3,052,740	219,104
Police/Fire Group	—	—	—	—	—	—
Non-Departmental	—	—	—	—	—	—
Continuing Appropriations						
Administrative Services Group	—	—	—	—	—	—
Operations Group	22,593	22,593	—	4,158,000	4,158,000	—
TOTAL USES	97,625	97,267	358	7,429,844	7,210,740	219,104
CHANGE IN FUNDS AVAILABLE	110,625	280,054	169,429	(1,556,618)	(1,358,990)	197,628
FUNDS AVAILABLE - January 1	1,888,345	1,888,345	—	3,758,359	3,758,359	—
FUNDS AVAILABLE - December 31	<u>\$ 1,998,970</u>	<u>\$ 2,168,399</u>	<u>\$ 169,429</u>	<u>\$ 2,201,741</u>	<u>\$ 2,399,369</u>	<u>\$ 197,628</u>

RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	\$ 2,168,399	\$ 2,399,369
Current year operating encumbrances	—	—
Carryforward of continuing appropriations	845,629	10,679,601
Assets not available for appropriations	—	—
Inventories	—	—
Adjustment of investments to fair value	15,570	67,991
Sick leave buyout	—	(1,247)
Unspent grants	—	—
FUND BALANCE (U.S. GAAP BASIS) - December 31	<u>\$ 3,029,598</u>	<u>\$ 13,145,714</u>

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, 2012

	Recreation Services			Cultural Services		
	Final Budget	Budgetary Actual	Variance with Final	Final Budget	Budgetary Actual	Variance with Final
SOURCES						
Property Tax	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Use Tax	—	—	—	—	—	—
Other Tax	—	—	—	—	—	—
Intergovernmental revenues	320,005	463,467	143,462	171,168	239,975	68,807
Licenses and permits	—	—	—	—	—	—
Charges for services	4,850,897	4,749,202	(101,695)	701,143	713,161	12,018
Fines and forfeitures	—	—	—	—	—	—
Investment income	1,085	100	(985)	7,325	7,734	409
Miscellaneous revenues	210,248	125,108	(85,140)	88,350	82,182	(6,168)
Proceeds from sale of assets	—	—	—	—	—	—
Transfers in	3,294,871	3,264,365	(30,506)	998,711	998,711	—
Funds from restricted assets	—	—	—	—	—	—
TOTAL SOURCES	8,677,106	8,602,242	(74,864)	1,966,697	2,041,763	75,066
USES						
Operating Costs						
Municipal Court	—	—	—	—	—	—
General Management Group	—	—	—	—	—	—
Administrative Services Group	—	—	—	66,608	62,385	4,223
Operations Group	8,887,307	8,887,307	—	1,963,462	1,964,123	(661)
Police/Fire Group	—	—	—	—	—	—
Non-Departmental	53,998	—	53,998	—	—	—
Continuing Appropriations						
Administrative Services Group	—	—	—	—	—	—
Operations Group	10,000	10,000	—	—	—	—
TOTAL USES	8,951,305	8,897,307	53,998	2,030,070	2,026,508	3,562
CHANGE IN FUNDS AVAILABLE	(274,199)	(295,065)	(20,866)	(63,373)	15,255	78,628
FUNDS AVAILABLE - January 1	778,435	778,435	—	754,118	754,118	—
FUNDS AVAILABLE - December 31	<u>\$ 504,236</u>	<u>\$ 483,370</u>	<u>\$ (20,866)</u>	<u>\$ 690,745</u>	<u>\$ 769,373</u>	<u>\$ 78,628</u>

RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	\$ 483,370	\$ 769,373
Current year operating encumbrances	64,295	7,600
Carryforward of continuing appropriations	30,424	—
Assets not available for appropriations	—	—
Inventories	—	—
Adjustment of investments to fair value	1,042	2,332
Sick leave buyout	(4,168)	(5,449)
Unspent grants	(132,530)	(7,858)
FUND BALANCE (U.S. GAAP BASIS) - December 31	<u>\$ 442,433</u>	<u>\$ 765,998</u>

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, 2012

	Pier Point 7 - GID			Cherry Creek Fence - GID		
	Final Budget	Budgetary Actual	Variance with Final	Final Budget	Budgetary Actual	Variance with Final
SOURCES						
Property Tax	\$ 220,000	\$ 204,696	\$ (15,304)	\$ 69,000	\$ 63,995	\$ (5,005)
Use Tax	—	—	—	—	—	—
Other Tax	—	13,445	13,445	—	4,173	4,173
Intergovernmental revenues	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—
Charges for services	—	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—	—
Investment income	—	336	336	—	19	19
Miscellaneous revenues	—	—	—	—	—	—
Proceeds from sale of assets	—	—	—	—	—	—
Transfers in	—	—	—	—	—	—
Funds from restricted assets	—	—	—	—	—	—
TOTAL SOURCES	220,000	218,477	(1,523)	69,000	68,187	(813)
USES						
Operating Costs						
Municipal Court	—	—	—	—	—	—
General Management Group	—	—	—	—	—	—
Administrative Services Group	—	—	—	—	—	—
Operations Group	—	—	—	—	—	—
Police/Fire Group	—	—	—	—	—	—
Non-Departmental	220,000	201,986	18,014	69,000	61,055	7,945
Continuing Appropriations						
Administrative Services Group	—	—	—	—	—	—
Operations Group	—	—	—	—	—	—
TOTAL USES	220,000	201,986	18,014	69,000	61,055	7,945
CHANGE IN FUNDS AVAILABLE	—	16,491	16,491	—	7,132	7,132
FUNDS AVAILABLE - January 1	12	12	—	31,234	31,234	—
FUNDS AVAILABLE - December 31	<u>\$ 12</u>	<u>\$ 16,503</u>	<u>\$ 16,491</u>	<u>\$ 31,234</u>	<u>\$ 38,366</u>	<u>\$ 7,132</u>

RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	\$ 16,503	\$ 38,366
Current year operating encumbrances	—	—
Carryforward of continuing appropriations	—	—
Assets not available for appropriations	59,865	—
Inventories	—	—
Adjustment of investments to fair value	—	—
Sick leave buyout	—	—
Unspent grants	—	—
FUND BALANCE (U.S. GAAP BASIS) - December 31	<u>\$ 76,368</u>	<u>\$ 38,366</u>

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, 2012

	Meadow Hills Fence - GID			Peoria Park - GID		
	Final Budget	Budgetary Actual	Variance with Final	Final Budget	Budgetary Actual	Variance with Final
SOURCES						
Property Tax	\$ 51,500	\$ 39,479	\$ (12,021)	\$ 42,000	\$ 34,583	\$ (7,417)
Use Tax	—	—	—	—	—	—
Other Tax	—	2,555	2,555	—	2,246	2,246
Intergovernmental revenues	—	—	—	—	—	—
Licenses and permits	—	—	—	—	—	—
Charges for services	—	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—	—
Investment income	—	18	18	—	29	29
Miscellaneous revenues	—	—	—	—	—	—
Proceeds from sale of assets	—	—	—	—	—	—
Transfers in	—	—	—	—	—	—
Funds from restricted assets	—	—	—	—	—	—
TOTAL SOURCES	51,500	42,052	(9,448)	42,000	36,858	(5,142)
USES						
Operating Costs						
Municipal Court	—	—	—	—	—	—
General Management Group	—	—	—	—	—	—
Administrative Services Group	—	—	—	—	—	—
Operations Group	—	—	—	—	—	—
Police/Fire Group	—	—	—	—	—	—
Non-Departmental	51,500	40,107	11,393	42,000	33,233	8,767
Continuing Appropriations						
Administrative Services Group	—	—	—	—	—	—
Operations Group	—	—	—	—	—	—
TOTAL USES	51,500	40,107	11,393	42,000	33,233	8,767
CHANGE IN FUNDS AVAILABLE	—	1,945	1,945	—	3,625	3,625
FUNDS AVAILABLE - January 1	18,810	18,810	—	43,426	43,426	—
FUNDS AVAILABLE - December 31	<u>\$ 18,810</u>	<u>\$ 20,755</u>	<u>\$ 1,945</u>	<u>\$ 43,426</u>	<u>\$ 47,051</u>	<u>\$ 3,625</u>

RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	\$ 20,755	\$ 47,051
Current year operating encumbrances	—	—
Carryforward of continuing appropriations	—	—
Assets not available for appropriations	—	—
Inventories	—	—
Adjustment of investments to fair value	—	—
Sick leave buyout	—	—
Unspent grants	—	—
FUND BALANCE (U.S. GAAP BASIS) - December 31	<u>\$ 20,755</u>	<u>\$ 47,051</u>

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, 2012

	City Debt Service			SID Debt Service		
	Final Budget	Budgetary Actual	Variance with Final	Final Budget	Budgetary Actual	Variance with Final
SOURCES						
Property taxes	\$ 5,818,900	\$ 5,898,666	\$ 79,766	\$ —	\$ —	\$ —
Special assessment taxes	—	—	—	242,369	247,382	5,013
Investment income	45,000	50,837	5,837	—	59,410	59,410
Note proceeds	—	—	—	—	14,502	14,502
Transfers in	1,659,850	1,659,850	—	—	—	—
TOTAL SOURCES	7,523,750	7,609,353	85,603	242,369	321,294	78,925
USES						
<i>Operating Costs</i>						
Administrative Services Group	—	—	—	—	—	—
Non-Departmental	7,539,750	7,538,737	1,013	338,305	323,013	15,292
TOTAL USES	7,539,750	7,538,737	1,013	338,305	323,013	15,292
CHANGE IN FUNDS AVAILABLE	(16,000)	70,616	86,616	(95,936)	(1,719)	94,217
FUNDS AVAILABLE - January 1	1,474,560	1,474,560	—	216,040	216,040	—
FUNDS AVAILABLE - December 31	<u>\$ 1,458,560</u>	<u>\$ 1,545,176</u>	<u>\$ 86,616</u>	<u>\$ 120,104</u>	<u>\$ 214,321</u>	<u>\$ 94,217</u>
RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE						
FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	\$ 1,545,176			\$ 214,321		
Assets not available for appropriation	—			36,800		
Adjustment of investments to fair value	7,981			1,222		
FUND BALANCE (U.S. GAAP BASIS) - December 31	<u>\$ 1,553,157</u>			<u>\$ 252,343</u>		

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, 2012

	Surplus and Deficiency		
	Final Budget	Budgetary Actual	Variance with Final
SOURCES			
Property taxes	\$ —	\$ —	\$ —
Special assessment taxes	14,733	14,503	(230)
Investment income	16,473	7,720	(8,753)
Funds to restricted assets	—	(33,579)	(33,579)
Transfers in	—	—	—
TOTAL SOURCES	31,206	(11,356)	(42,562)
USES			
<i>Operating Costs</i>			
Administrative Services Group	35,750	35,750	—
Non-Departmental	25,160	25,160	—
TOTAL USES	60,910	60,910	—
CHANGE IN FUNDS AVAILABLE	(29,704)	(72,266)	(42,562)
FUNDS AVAILABLE - January 1	523,582	523,582	—
FUNDS AVAILABLE - December 31	<u>\$ 493,878</u>	<u>\$ 451,316</u>	<u>\$ (42,562)</u>

RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	\$ 451,316
Assets not available for appropriation	33,579
Adjustment of investments to fair value	<u>2,505</u>
FUND BALANCE (U.S. GAAP BASIS) - December 31	<u>\$ 487,400</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, 2012

	City Capital Projects		
	Final Budget	Budgetary Actual	Variance with Final
SOURCES			
Property Taxes	\$ (233,000)	\$ —	\$ 233,000
Special Assessment Taxes	—	729,593	729,593
Intergovernmental revenues	1,454,200	(949,765)	(2,403,965)
Lincense and Permits	350,000	284,086	(65,914)
Charges for services	790,000	1,181,190	391,190
Fines and forfeitures	—	5,048	5,048
Investment income	436,689	194,616	(242,073)
Miscellaneous revenues	245,695	925,199	679,504
Proceeds from note	—	1,215,499	1,215,499
Transfers in	14,580,540	14,579,549	(991)
TOTAL SOURCES	17,624,124	18,165,015	540,891
USES			
Operating Costs			
Administrative Services Group	2,206,871	2,194,354	12,517
Non-Departmental	103,307	103,307	—
Continuing Appropriations			
Administrative Services Group	376,000	376,000	—
Operations Group	15,832,684	15,832,684	—
Police/Fire Group	(678)	(678)	—
TOTAL USES	18,518,184	18,505,667	12,517
CHANGE IN FUNDS AVAILABLE	(894,060)	(340,652)	553,408
FUNDS AVAILABLE - January 1	6,465,863	6,465,863	—
FUNDS AVAILABLE - December 31	\$ 5,571,803	\$ 6,125,211	\$ 553,408

RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	\$ 6,125,211
Carry forward of continuing appropriations	15,139,937
Adjustment of investments to fair value	100,380
Unspent grants	(1,238,343)
FUND BALANCE (U.S. GAAP BASIS) - December 31	\$ 20,127,185

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, 2012

	Water		
	Final Budget	Budgetary Actual	Variance with Final
SOURCES			
Charges for services	\$ 102,463,494	\$ 112,331,690	\$ 9,868,196
Intergovernmental	270,283	91,838	(178,445)
Licenses and permits	72,438	72,301	(137)
Fines and forfeitures	—	1,357	1,357
Investment income	3,513,487	3,651,642	138,155
Miscellaneous revenues	16,421,729	20,536,096	4,114,367
Proceeds from sale of assets	—	31,864	31,864
Transfers in	—	—	—
Funds from restricted assets	—	380,000	380,000
TOTAL SOURCES	122,741,431	137,096,788	14,355,357
USES			
<i>Operating Costs</i>			
Operations Group	134,179,030	125,109,145	9,069,885
Non-Departmental	68,899	—	68,899
<i>Continuing Appropriations</i>			
Operations Group	6,250,052	6,250,052	—
TOTAL USES	140,497,981	131,359,197	9,138,784
CHANGE IN FUNDS AVAILABLE	(17,756,550)	5,737,591	23,494,141
FUNDS AVAILABLE - January 1	39,783,027	39,783,027	—
FUNDS AVAILABLE - December 31	<u>\$ 22,026,477</u>	<u>\$ 45,520,618</u>	<u>\$ 23,494,141</u>

RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP NET POSITION

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	\$ 45,520,618
Current year operating encumbrances	1,180,399
Carryforward of continuing appropriations	76,646,151
Assets not available for appropriation	39,026,486
Long-term interfund receivables	60,000
Equity in joint venture	2,345,738
Capital assets net of depreciation	1,533,156,256
Inventories	—
Deferred outflow-loss on refunding	496,467
Accrued compensated absence payment in lieu	114,388
Sick leave buyout	3,254
Adjustment of investments to fair value	710,345
Current portion of long-term liabilities	(1,853,618)
Long-term debt	(605,180,825)
Unspent grants	(40,719)
NET POSITION (U.S. GAAP BASIS) - December 31	<u>\$ 1,092,184,940</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, 2012

	Wastewater		
	Final Budget	Budgetary Actual	Variance with Final
SOURCES			
Charges for services	\$ 50,115,692	\$ 51,636,913	\$ 1,521,221
Intergovernmental	—	—	—
Licenses and permits	44,650	50,776	6,126
Fines and forfeitures	—	652	652
Investment income	1,004,733	1,325,143	320,410
Miscellaneous revenues	3,788,010	6,586,097	2,798,087
Proceeds from sale of assets	—	39,426	39,426
Transfers in	—	—	—
Funds from restricted assets	—	1,716,209	1,716,209
TOTAL SOURCES	54,953,085	61,355,216	6,402,131
USES			
Operating Costs			
Operations Group	49,686,385	47,053,956	2,632,429
Non-Departmental	14,935	—	14,935
Continuing Appropriations			
Operations Group	6,696,082	6,696,082	—
TOTAL USES	56,397,402	53,750,038	2,647,364
CHANGE IN FUNDS AVAILABLE	(1,444,317)	7,605,178	9,049,495
FUNDS AVAILABLE - January 1	37,723,041	37,723,041	—
FUNDS AVAILABLE - December 31	<u>\$ 36,278,724</u>	<u>\$ 45,328,219</u>	<u>\$ 9,049,495</u>

RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP NET POSITION

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	\$ 45,328,219
Current year operating encumbrances	621,806
Carryforward of continuing appropriations	36,775,278
Assets not available for appropriation	13,121,504
Long-term interfund receivables	4,334,000
Equity in joint venture	—
Capital assets net of depreciation	426,038,078
Inventories	—
Deferred outflow-loss on refunding	—
Accrued compensated absence payment in lieu	—
Sick leave buyout	50,211
Adjustment of investments to fair value	415,760
Current portion of long-term liabilities	(1,324,079)
Long-term debt	(53,116,469)
Unspent grants	—
NET POSITION (U.S. GAAP BASIS) - December 31	<u>\$ 472,244,308</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, 2012

	Golf		
	Final Budget	Budgetary Actual	Variance with Final
SOURCES			
Charges for services	\$ 8,740,269	\$ 8,613,543	\$ (126,726)
Intergovernmental	—	—	—
Licenses and permits	—	—	—
Fines and forfeitures	—	—	—
Investment income	51,574	43,602	(7,972)
Miscellaneous revenues	54,278	24,076	(30,202)
Proceeds from sale of assets	—	—	—
Transfers in	599,392	599,392	—
Funds from restricted assets	—	—	—
TOTAL SOURCES	9,445,513	9,280,613	(164,900)
USES			
Operating Costs			
Operations Group	9,092,861	8,701,619	391,242
Non-Departmental	4,902	—	4,902
Continuing Appropriations			
Operations Group	472,000	472,000	—
TOTAL USES	9,569,763	9,173,619	396,144
CHANGE IN FUNDS AVAILABLE	(124,250)	106,994	231,244
FUNDS AVAILABLE - January 1	583,727	583,727	—
FUNDS AVAILABLE - December 31	<u>\$ 459,477</u>	<u>\$ 690,721</u>	<u>\$ 231,244</u>

RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP NET POSITION

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	\$ 690,721
Current year operating encumbrances	50,612
Carryforward of continuing appropriations	394,123
Assets not available for appropriation	502,538
Long-term interfund receivables	—
Equity in joint venture	—
Capital assets net of depreciation	29,537,514
Inventories	163,777
Deferred outflow-loss on refunding	37,091
Accrued compensated absence payment in lieu	10,486
Sick leave buyout	21,132
Adjustment of investments to fair value	7,177
Current portion of long-term liabilities	(726,236)
Long-term debt	(6,183,678)
Unspent grants	—
NET POSITION (U.S. GAAP BASIS) - December 31	<u>\$ 24,505,257</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, 2012

	Fleet Management Fund		
	Final Budget	Budgetary Actual	Variance with Final
SOURCES			
Charges for services	\$ 8,645,757	\$ 8,315,602	\$ (330,155)
Investment income	15,000	5,496	(9,504)
Miscellaneous revenues	2,800	42,494	39,694
TOTAL SOURCES	8,663,557	8,363,592	(299,965)
USES			
<i>Operating Costs</i>			
Administrative Services Group	8,683,912	8,323,693	360,219
Non-departmental	2,058	—	2,058
TOTAL USES	8,685,970	8,323,693	362,277
CHANGE IN FUNDS AVAILABLE	(22,413)	39,899	62,312
FUNDS AVAILABLE - January 1	577,496	577,496	—
FUNDS AVAILABLE - December 31	<u>\$ 555,083</u>	<u>\$ 617,395</u>	<u>\$ 62,312</u>

RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP NET POSITION

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	\$ 617,395
Capital assets net of depreciation	556,520
Inventories	616,178
Current year operating encumbrances	53,225
Adjustment of investments to fair value	4,493
Sick leave buyout	997
Current portion of long-term debt	(19,030)
Long-term debt	<u>(335,931)</u>
NET POSITION (U.S. GAAP BASIS) - December 31	<u>\$ 1,493,847</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, 2012

	Risk Management Fund		
	Final Budget	Budgetary Actual	Variance with Final
SOURCES			
Charges for services	\$ 6,046,228	\$ 6,046,046	\$ (182)
Investment income	283,767	140,824	(142,943)
Miscellaneous revenues	254,457	206,656	(47,801)
TOTAL SOURCES	6,584,452	6,393,526	(190,926)
USES			
<i>Operating Costs</i>			
Administrative Services Group	7,484,987	7,484,831	156
Non-departmental	1,208	—	1,208
TOTAL USES	7,486,195	7,484,831	1,364
CHANGE IN FUNDS AVAILABLE	(901,743)	(1,091,305)	(189,562)
FUNDS AVAILABLE - January 1	4,732,144	4,732,144	—
FUNDS AVAILABLE - December 31	<u>\$ 3,830,401</u>	<u>\$ 3,640,839</u>	<u>\$ (189,562)</u>

RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP NET POSITION

FUNDS AVAILABLE (BUDGETARY BASIS) - December 31	\$ 3,640,839
Capital assets net of depreciation	—
Inventories	—
Current year operating encumbrances	144,519
Adjustment of investments to fair value	70,912
Sick leave buyout	—
Current portion of long-term debt	(2,904) *
Long-term debt	(47,182) *
NET POSITION (U.S. GAAP BASIS) - December 31	<u>\$ 3,806,184</u>

* Does not include IBNR adjustment.

Statistical Section Divider

Statistical Section (unaudited)



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 Position by Component

Exhibit A-2

Changes in Net Position

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

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

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



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

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.

Exhibit A-20

Budgeted Full-time Equivalent City Government Employees by Function

Exhibit A-21

Operating Indicators by Function

Exhibit A-22

Capital Asset Statistics by Function

Source: Unless otherwise noted, the information in these schedules is derived from Comprehensive Annual Financial Reports for the relevant years.



Exhibit A-1

City of Aurora, Colorado
Net Position by Component
Last Ten Years

		Fiscal Year									
		<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental activities											
Invested in capital assets, net of related debt		\$ 2,333,052,302	\$ 2,479,755,028	\$ 2,564,482,012	\$ 2,711,545,994	\$ 2,750,014,460	\$ 2,773,573,410	\$ 2,782,071,351	\$ 2,793,361,865	\$ 2,820,903,641	\$ 2,416,049,678
Restricted											
Construction	(a)	3,310,450	-	11,624,224	15,432,018	4,687,349	4,621,770	5,654,539	-	-	-
E-911 equipment & services	(b)	3,227,306	4,181,097	4,730,191	5,289,905	6,011,852	6,365,253	5,414,600	-	-	-
Culture and recreation	(c)	6,948,069	9,792,734	13,679,692	13,537,324	16,297,932	19,591,164	21,620,276	878,851	1,080,082	776,028
Emergencies	(b)	7,380,078	7,428,196	7,226,002	6,839,809	8,675,987	9,126,917	10,332,622	16,744,958	17,416,827	17,420,382
Gifts and grants	(e)	8,655,457	7,345,087	6,754,529	4,706,420	5,184,456	5,712,156	14,899,217	8,092,078	7,774,218	4,088,133
Agreements	(d)	5,325,373	5,251,278	4,442,130	9,587,071	11,038,966	9,338,401	8,094,334	-	-	-
Urban renewal	(d)	2,110,891	1,170,124	721,486	127,822	11,382	11,682	71,673	-	-	-
Development	(d)	-	-	-	-	-	-	-	103,070	3,222,327	4,324,316
Open space	(c)	-	-	-	-	-	-	-	23,137,669	18,834,875	20,987,013
Public improvement	(a)	-	-	-	-	-	-	-	5,959,550	2,354,186	2,312,111
Road and bridge	(a)	-	-	-	-	-	-	-	5,269,009	2,779,545	4,117,238
Unrestricted		87,399,854	76,870,105	76,210,900	85,548,045	80,282,944	72,658,454	59,211,198	64,302,977	53,978,502	57,292,872
Total governmental activities net position		\$ 2,457,409,780	\$ 2,591,793,649	\$ 2,689,871,166	\$ 2,852,614,408	\$ 2,882,205,328	\$ 2,900,999,207	\$ 2,907,369,810	\$ 2,917,850,027	\$ 2,928,344,203	\$ 2,527,367,771
Business-type activities											
Invested in capital assets, net of related debt		\$ 647,248,248	\$ 675,344,617	\$ 764,659,039	\$ 876,261,788	\$ 946,462,131	\$ 1,031,664,879	\$ 1,085,207,461	\$ 1,159,213,180	\$ 1,288,472,848	\$ 1,365,534,691
Restricted											
Public improvement	(f)	3,994,407	4,199,838	1,984,417	13,762,820	3,627,410	5,114,062	8,627,252	3,578,243	6,422,626	7,665,014
Debt related	(g)	3,100,000	3,100,000	2,500,000	2,500,000	2,500,000	19,535,272	2,500,000	1,250,000	1,250,000	-
Other		-	-	-	-	-	-	-	-	-	-
Unrestricted		115,611,638	161,607,602	182,168,952	201,213,673	280,587,656	260,154,817	303,180,315	319,401,005	251,213,222	214,919,130
Total business-type activities net position		\$ 769,954,293	\$ 844,252,057	\$ 951,312,408	\$ 1,093,738,281	\$ 1,233,177,197	\$ 1,316,469,030	\$ 1,399,515,028	\$ 1,483,442,428	\$ 1,547,358,696	\$ 1,588,118,835

(continued)

Exhibit A-1 (continuation)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Primary government										
Invested in capital assets, net of related debt	\$ 2,980,300,550	\$ 3,155,099,645	\$ 3,329,141,051	\$ 3,587,807,782	\$ 3,696,476,591	\$ 3,805,238,289	\$ 3,867,278,812	\$ 3,952,575,045	\$ 4,109,376,489	\$ 3,781,584,369
Restricted										
Construction	7,304,857	4,199,838	13,608,641	29,194,838	8,314,759	9,735,832	14,281,791	-	-	-
E-911 equipment & services	3,227,306	4,181,097	4,730,191	5,289,905	6,011,852	6,365,253	5,414,600	-	-	-
Culture and recreation	6,948,069	9,792,734	13,679,692	13,537,324	16,297,932	19,591,164	21,620,276	878,851	1,080,082	776,028
Emergencies	7,380,078	7,428,196	7,226,002	6,839,809	8,675,987	9,126,917	10,332,622	16,744,958	17,416,827	17,420,382
Gifts and grants	8,655,457	7,345,087	6,754,529	4,706,420	5,184,456	5,712,156	14,899,217	8,092,078	7,774,218	4,088,133
Debt related	3,100,000	3,100,000	2,500,000	2,500,000	2,500,000	19,535,272	2,500,000	1,250,000	1,250,000	-
Agreements	5,325,373	5,251,278	4,442,130	9,587,071	11,038,966	9,338,401	8,094,334	-	-	-
Urban renewal	2,110,891	1,170,124	721,486	127,822	11,382	11,682	71,673	-	-	-
Development	-	-	-	-	-	-	-	103,070	3,222,327	4,324,316
Open space	-	-	-	-	-	-	-	23,137,669	18,834,875	20,987,013
Public improvement	-	-	-	-	-	-	-	5,959,550	8,776,812	9,977,125
Road and bridge	-	-	-	-	-	-	-	5,269,009	2,779,545	4,117,238
Unrestricted	203,011,492	238,477,707	258,379,852	286,761,718	360,870,600	332,813,271	362,391,513	383,703,982	305,191,724	272,212,002
Total primary government net position	\$ 3,227,364,073	\$ 3,436,045,706	\$ 3,641,183,574	\$ 3,946,352,689	\$ 4,115,382,525	\$ 4,217,468,237	\$ 4,306,884,838	\$ 4,397,714,212	\$ 4,475,702,899	\$ 4,115,486,606

- (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. Beginning in 2010, accumulations for construction were split between Road and Bridge and Public Improvements.
- (b) Emergencies restricted equity represents seizure funds. Fluctuation in this account is expected. Beginning in 2010 restricted for E-911 Equipment and Services were combined into Emergencies.
- (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 2009 represents accumulation of Park Development revenues for future construction. Beginning in 2010 Park Development funds and County Open space funds were moved from Culture and Recreation to Open Space.
- (d) Urban renewal activity reflects the spend down of funds dedicated to the Fletcher Plaza Enhancement Area. The increase in accumulations for Agreements from 2005 represents amounts anticipated to be paid out on future agreements. In 2010 new reporting requirements caused accumulations for Agreements and Urban Renewal to be combined with other activities, or reported as Unrestricted accumulations.
- (e) In 2009, an increase in grant funded activities and receipt of ARRA stimulus grants.
- (f) Represents accumulation and spend down of amounts set aside for storm drain projects.
- (g) Represents operation and maintenance reserve on Wastewater 99 CWR&PDA revenue bonds. In 2012, the debt outstanding on these revenue bonds was paid off.

Exhibit A-2

City of Aurora, Colorado
Changes in Net Position
Last Ten Years

		Fiscal Year									
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses											
<i>Governmental activities:</i>											
General government	(a)	\$ 32,106,373	\$ 34,865,194	\$ 53,727,660	\$ 32,428,420	\$ 35,443,241	\$ 36,882,880	\$ 35,169,252	\$ 30,601,965	\$ 29,246,441	\$ 24,882,606
Judicial		6,412,905	6,891,787	6,955,078	7,182,054	7,744,454	8,067,017	8,010,923	8,051,966	7,907,221	8,276,167
Police		64,279,691	64,975,624	67,694,840	71,983,533	76,903,178	79,278,710	81,608,250	82,451,880	87,605,189	90,275,834
Fire		30,113,236	29,082,202	29,227,035	30,915,945	33,196,185	34,484,884	34,952,691	35,807,387	38,807,776	40,041,614
Other public safety	(b)	5,847,178	9,465,582	10,351,525	10,813,970	11,977,596	12,956,565	12,739,566	12,964,619	12,665,189	13,179,055
Public works	(c)	25,023,998	28,175,551	39,425,303	42,713,262	36,963,018	37,022,337	34,985,680	47,194,223	46,861,128	68,778,774
Economic development		15,822,183	14,095,722	15,214,633	16,873,516	15,266,467	16,364,134	14,613,005	15,579,908	15,198,743	15,653,168
Community services	(q)	9,049,017	9,407,800	9,632,404	9,964,733	10,389,047	12,626,972	9,596,719	13,099,831	11,918,520	12,355,693
Culture and recreation	(p)	31,612,407	34,217,470	35,608,066	35,750,658	37,470,446	38,720,494	36,615,952	33,602,434	34,851,488	35,839,031
Unallocated depreciation		2,528,558	2,741,752	2,944,641	3,305,620	3,187,118	3,325,541	3,309,006	3,304,110	3,316,281	3,459,130
Interest on long-term debt		9,478,162	8,958,150	8,610,617	6,949,427	7,388,080	8,268,795	6,934,727	6,802,759	6,167,732	5,806,138
Total governmental activities expenses		232,273,708	242,876,834	279,391,802	268,881,138	275,928,830	287,998,329	278,535,771	289,461,082	294,545,708	318,547,210
<i>Business-type activities:</i>											
Water	(d)	40,784,896	46,903,285	58,689,242	60,675,340	72,215,638	78,139,181	50,259,476	63,690,351	70,904,633	107,244,460
Wastewater	(e)	24,807,909	26,173,594	30,141,125	33,453,356	37,101,476	40,627,123	40,853,702	41,985,593	47,040,747	48,157,260
Golf		8,545,279	8,729,124	8,696,129	8,990,266	9,320,032	9,661,133	9,153,001	8,827,535	8,180,888	8,576,468
Total business-type activities expenses		74,138,084	81,806,003	97,526,496	103,118,962	118,637,146	128,427,437	100,266,179	114,503,479	126,126,268	163,978,188
Total primary government expenses		\$ 306,411,792	\$ 324,682,837	\$ 376,918,298	\$ 372,000,100	\$ 394,565,976	\$ 416,425,766	\$ 378,801,950	\$ 403,964,561	\$ 420,671,976	\$ 482,525,398
Program Revenues											
<i>Governmental activities:</i>											
Charges for services											
General government	(f)	\$ 1,766,942	\$ 1,499,724	\$ 5,101,144	\$ 1,794,049	\$ 2,361,233	\$ 3,841,779	\$ 2,410,691	\$ 2,531,269	\$ 3,874,729	\$ 4,312,893
Judicial	(g)	5,473,368	5,419,785	7,290,726	7,254,834	8,255,912	8,112,024	7,818,742	8,536,347	8,383,766	8,105,725
Police		1,640,253	1,728,947	1,756,746	2,310,862	2,809,446	2,298,015	2,301,632	2,231,160	3,664,486	4,525,865
Fire		522,448	548,843	521,594	612,917	443,224	608,065	643,016	681,758	710,055	978,890
Other public safety		900	-	3,060	169,371	180,945	153,938	103,758	83,849	80,749	38,039
Public works		360,109	485,472	971,021	1,626,995	683,325	223,148	310,941	507,331	300,454	1,278,782
Economic development	(h)	10,214,741	13,247,894	16,228,709	12,976,173	10,177,375	8,486,228	7,078,290	7,497,323	7,332,512	8,559,416
Community services	(i)	2,554,164	2,193,055	3,531,460	1,504,620	2,813,009	1,175,549	1,768,560	3,923,228	1,082,000	3,046,322
Culture and recreation		5,321,819	5,331,250	5,625,750	5,734,638	5,545,510	5,986,101	6,069,602	6,913,430	6,389,195	7,418,167
Operating grants & contributions	(j)	31,364,667	31,554,456	49,966,351	47,522,357	24,565,452	25,710,829	30,061,454	30,134,599	32,140,370	27,924,696
Capital grants & contributions	(k)	44,542,305	125,614,269	86,963,191	136,709,120	28,260,368	33,198,276	21,620,957	24,013,441	32,672,171	25,478,846
Total governmental activities program revenues		103,761,716	187,623,695	177,959,752	218,215,936	86,095,799	89,793,952	80,187,643	87,053,735	96,630,487	91,667,641
<i>Business-type activities:</i>											
Charges for services											
Water	(l)	40,231,989	50,924,714	64,603,833	74,797,433	83,489,049	86,804,628	84,494,044	107,032,989	104,941,420	112,405,348
Wastewater	(m)	25,580,371	26,327,715	29,059,182	33,286,941	39,070,578	43,334,647	46,563,398	49,751,109	50,363,242	51,688,341
Golf		8,205,072	8,266,180	8,737,191	9,055,305	9,332,171	9,528,713	9,027,617	8,332,216	7,932,907	8,613,543
Operating grants & contributions	(n)	1,452,549	1,757,856	2,957,447	12,866,255	23,957,607	23,559,047	11,351,548	6,493,005	8,360,688	4,404,161
Capital grants & contributions	(o)	51,868,133	67,566,320	96,735,378	113,381,835	97,844,561	41,224,671	27,630,547	22,709,393	19,760,493	31,395,313
Total business-type activities program revenues		127,338,114	154,842,785	202,093,031	243,387,769	253,693,966	204,451,706	179,067,154	194,318,712	191,358,750	208,506,706
Total primary government program revenues		\$ 231,099,830	\$ 342,466,480	\$ 380,052,783	\$ 461,603,705	\$ 339,789,765	\$ 294,245,658	\$ 259,254,797	\$ 281,372,447	\$ 287,989,237	\$ 300,174,347
Net (Expense)/Revenue											
<i>Governmental activities</i>											
		\$ (128,511,992)	\$ (55,253,139)	\$ (101,432,050)	\$ (50,665,202)	\$ (189,833,031)	\$ (198,204,377)	\$ (198,348,128)	\$ (202,407,347)	\$ (197,915,221)	\$ (226,879,569)
<i>Business-type activities</i>											
		53,200,030	73,036,782	104,566,535	140,268,807	135,056,820	76,024,269	78,800,975	79,815,233	65,232,482	44,528,518
Total primary government net (expense)/revenue		\$ (75,311,962)	\$ 17,783,643	\$ 3,134,485	\$ 89,603,605	\$ (54,776,211)	\$ (122,180,108)	\$ (119,547,153)	\$ (122,592,114)	\$ (132,682,739)	\$ (182,351,051)

(continued)

Exhibit A-2 (continuation)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Revenues & Other Changes in Net Position										
<i>Governmental activities:</i>										
Taxes										
Sales & use taxes	\$ 128,687,061	\$ 135,610,392	\$ 143,592,080	\$ 149,931,394	\$ 152,895,195	\$ 151,023,488	\$ 141,025,543	\$ 147,240,243	\$ 150,088,205	\$ 165,356,184
Property taxes	29,799,273	28,033,332	28,644,691	29,742,954	30,813,184	32,519,051	33,175,518	32,290,711	32,664,480	33,381,689
Franchise taxes	10,183,683	10,606,171	11,224,526	11,566,625	11,439,537	13,037,994	12,187,933	13,192,882	13,395,548	13,199,623
Lodgers taxes	3,044,341	3,130,347	3,344,153	4,008,854	4,572,800	4,688,562	3,886,697	4,138,263	4,520,210	5,051,919
Occupational privilege taxes	3,684,159	3,755,667	3,950,531	4,058,928	4,215,950	4,295,911	4,145,282	4,162,035	4,274,368	4,370,299
Other taxes	4,864,920	5,361,765	5,366,799	7,292,324	7,331,575	5,001,847	5,181,550	5,059,070	3,070,765	5,545,015
Nonspecific grants & contributions	832,315	862,890	793,718	855,949	784,891	848,779	1,007,868	786,119	780,050	884,789
Unrestricted investment earnings	3,264,743	2,276,444	2,793,069	5,951,416	7,370,814	5,500,036	4,108,340	2,048,527	1,045,073	1,234,193
Transfers	9,970	-	(200,000)	-	-	82,588	-	5,327	2,148,941	(360,626)
Total governmental activities general revenues	184,370,465	189,637,008	199,509,567	213,408,444	219,423,946	216,998,256	204,718,731	208,923,177	211,987,640	228,663,085
<i>Business-type activities:</i>										
Unrestricted investment earnings	1,680,139	1,260,982	2,293,816	2,157,066	4,382,097	7,350,152	4,245,023	3,811,813	832,727	1,144,911
Transfers	(9,970)	-	200,000	-	-	(82,588)	-	(5,327)	(2,148,941)	360,626
Total business-type activities	1,670,169	1,260,982	2,493,816	2,157,066	4,382,097	7,267,564	4,245,023	3,806,486	(1,316,214)	1,505,537
Total primary government	\$ 186,040,634	\$ 190,897,990	\$ 202,003,383	\$ 215,565,510	\$ 223,806,043	\$ 224,265,820	\$ 208,963,754	\$ 212,729,663	\$ 210,671,426	\$ 230,168,622
Change in Net Position										
Governmental activities	\$ 55,858,473	\$ 134,383,869	\$ 98,077,517	\$ 162,743,242	\$ 29,590,917	\$ 18,793,879	\$ 6,370,603	\$ 6,515,830	\$ 14,072,419	\$ 1,783,516
Business-type activities	54,870,199	74,297,764	107,060,351	142,425,873	139,438,917	83,291,833	83,045,998	83,621,719	63,916,268	46,034,055
Changes in net position	\$ 110,728,672	\$ 208,681,633	\$ 205,137,868	\$ 305,169,115	\$ 169,029,834	\$ 102,085,712	\$ 89,416,601	\$ 90,137,549	\$ 77,988,687	\$ 47,817,571

Notes:

- (a) Increase in 2005 results from: the early payoff of a tax incentive; payment of exaction fees collected on behalf of another government; and a Net Pension Asset write-down. Decreases in recent years resulted from budget reductions in salaries and supplies.
- (b) 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 non-capitalizable 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. 2010 increases were from work on the Colfax/I-225 project. 2012 increase resulted from one year of depreciation on roads.
- (d) Increases reflect expansion of the water system 2006-2008. Decrease in 2009 is the result of a decrease in water usage and storage due to conservation, wet weather and cooler temperatures, and budget reductions. 2012 increase resulted from early payoff of debt.
- (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. Decrease in 2009 represents impact of reduced development due to the recession.
- (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. 2009 increase is the result of additional ARRA grant funding.
- (k) Fluctuation primarily represents fluctuation in developer contributed streets from year to year.
- (l) Increase in customer charges due to an increase in water tiered rates. 2012 increase is an increase in customer usage due to a warmer and dryer summer.
- (m) Increases are attributable to new rate schedule and volume increases.
- (n) Increase from 2005 to 2007 attributable to interest earnings on development revenues and bond proceeds. The 2009 and 2010 reductions are primarily from a decrease in developer contributions. There is a one-time reimbursement from governmental activities for Pier Point sewer line in 2011.
- (o) Amounts represent developer tap fee revenue and developer contributed water and sewer mains. 2008 and later decrease reflects reduced development activity. 2012 saw an increased development activity plus a new loan receivable from East Cherry Creek Valley Water and Sanitation District.
- (p) 2010 decrease resulted from budget reductions in salaries and supplies.
- (q) 2010 increase in costs from grant funded activities.

Exhibit A-3

City of Aurora, Colorado
Fund Balances, Governmental Funds

Last Ten Years

		Fiscal Year									
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund											
Reserved		\$ 1,711,075	\$ 992,384	\$ 1,318,383	\$ 1,298,394	\$ 1,687,871	\$ 559,347	\$ 974,268	\$ -	\$ -	\$ -
Unreserved	(b)	27,223,539	23,433,917	26,290,788	29,910,165	25,886,915	22,232,971	21,169,487	-	-	-
Restricted	(b)	-	-	-	-	-	-	-	9,722,411	10,036,154	10,102,612
Committed	(b)	-	-	-	-	-	-	-	25,759,275	24,141,151	25,206,689
Assigned	(b)	-	-	-	-	-	-	-	18,993,600	20,214,414	21,681,909
Unassigned	(b)	-	-	-	-	-	-	-	8,224,844	11,136,075	22,196,423
Total General Fund		28,934,614	24,426,301	27,609,171	31,208,559	27,574,786	22,792,318	22,143,755	62,700,130	65,527,794	79,187,633
Unreserved, reported in:											
Special revenue funds											
Policy Reserve	(c)	18,109,610	18,275,311	18,744,164	19,239,541	20,910,375	21,426,228	21,332,318	-	-	-
TABOR Reserve	(c)	6,339,676	6,587,427	6,784,149	6,189,980	7,745,299	8,188,738	8,778,851	-	-	-
Total General, Policy & TABOR Reserve funds		\$ 53,383,900	\$ 49,289,039	\$ 53,137,484	\$ 56,638,080	\$ 56,230,460	\$ 52,407,284	\$ 52,254,924	\$ 62,700,130	\$ 65,527,794	\$ 79,187,633
Other Governmental Funds											
Reserved		\$ 65,025,259	\$ 36,701,725	\$ 42,655,158	\$ 45,371,137	\$ 29,592,991	\$ 34,782,676	\$ 45,469,232	\$ -	\$ -	\$ -
Special revenue funds											
Unreserved	(a)	17,466,800	21,441,259	31,503,230	31,623,727	39,136,449	38,994,282	41,692,972	-	-	-
Restricted	(b)	-	-	-	-	-	-	-	36,417,219	31,884,124	31,929,925
Committed	(b)	-	-	-	-	-	-	-	4,082,737	3,302,017	3,382,293
Assigned	(b)	-	-	-	-	-	-	-	887,822	886,783	607,498
Debt service funds											
Unreserved	(b)	724,289	788,296	907,313	1,158,038	1,275,158	1,934,741	2,212,883	-	-	-
Restricted	(b)	-	-	-	-	-	-	-	21,145,940	14,909,050	16,294,762
Committed	(b)	-	-	-	-	-	-	-	-	3,196,082	-
Assigned	(b)	-	-	-	-	-	-	-	-	478,860	1,562,337
Capital projects funds											
Unreserved	(b)	28,891,430	28,225,242	24,577,647	28,380,427	24,743,923	20,913,118	16,510,042	-	-	-
Restricted	(b)	-	-	-	-	-	-	-	9,901,591	7,898,264	7,246,723
Committed	(b)	-	-	-	-	-	-	-	1,108,279	1,368,792	883,423
Assigned	(b)	-	-	-	-	-	-	-	22,032,405	16,369,760	11,997,039
Total all other governmental funds		112,107,778	87,156,522	99,643,348	106,533,329	94,748,521	96,624,817	105,885,129	95,575,993	80,293,732	73,904,000
Total fund balances		\$ 165,491,678	\$ 136,445,561	\$ 152,780,832	\$ 163,171,409	\$ 150,978,981	\$ 149,032,101	\$ 158,140,053	\$ 158,276,123	\$ 145,821,526	\$ 153,091,633

Notes:

- (a) Excluding TABOR and Policy Reserve funds for years 2002-2009.
(b) In 2010, reporting of fund balances was changed to meet new reporting requirements. For the most part, changes represent removal of purpose of the fund restrictions.
(c) In 2010, TABOR and Policy Reserve fund balances were transferred to the General Fund to meet new reporting requirements.

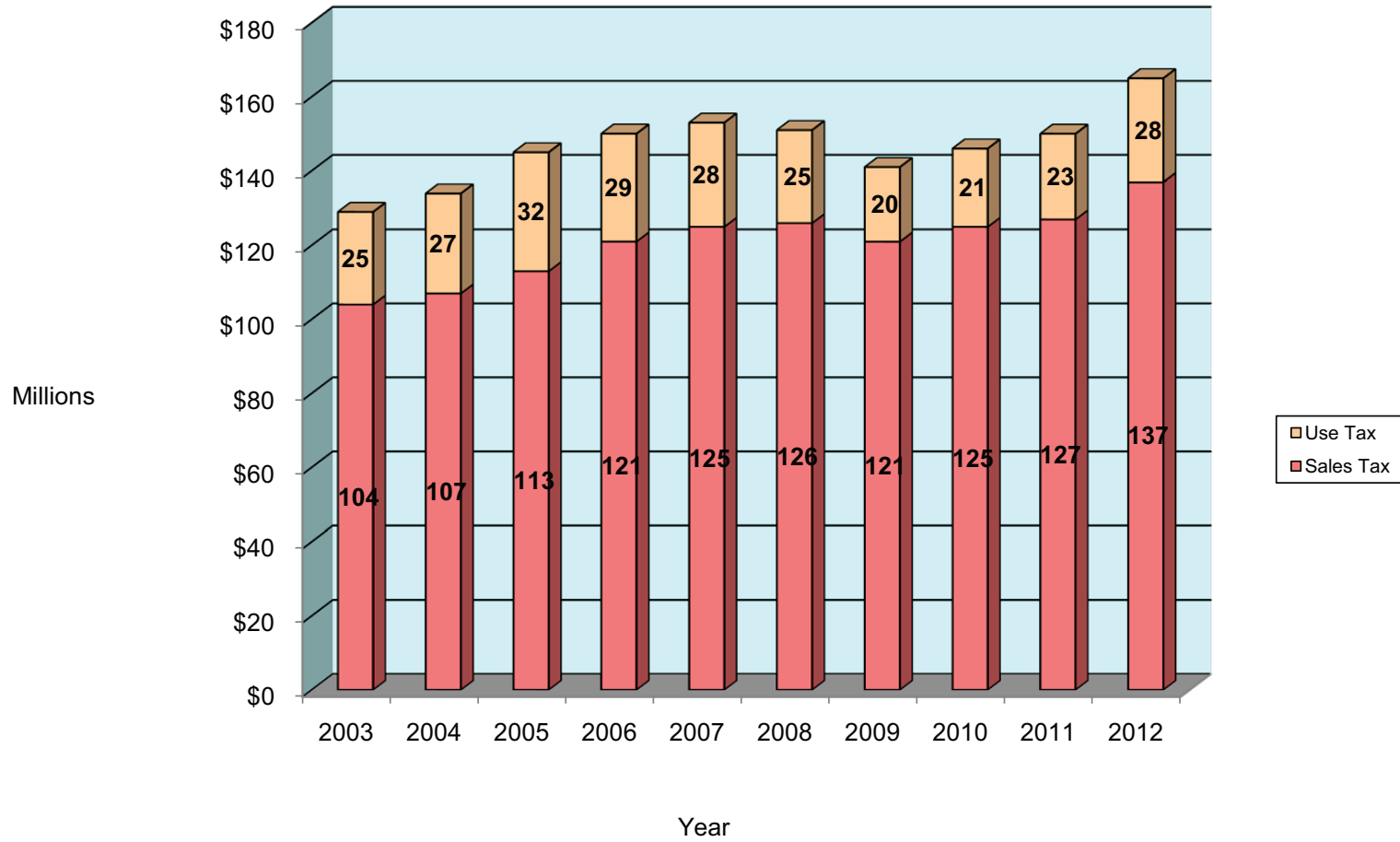
City of Aurora, Colorado
Changes in Fund Balances, Governmental Funds
Last Ten Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
REVENUES										
<i>Taxes</i>										
Sales and use	\$ 128,674,426	\$ 134,245,043	\$ 145,134,048	\$ 149,526,922	\$ 153,243,007	\$ 150,617,059	\$ 140,670,694	\$ 145,984,807	\$ 150,088,204	\$ 165,356,184
Property	29,799,273	28,033,332	28,644,691	29,742,954	30,813,184	32,519,051	33,175,518	32,290,710	32,664,479	33,381,689
Franchise	10,183,683	10,606,171	11,224,526	11,566,625	11,439,537	13,037,994	12,187,933	13,192,882	13,395,548	13,199,623
Lodgers	3,044,341	3,130,347	3,344,153	4,008,854	4,572,800	4,688,562	3,886,697	4,138,263	4,520,210	5,051,919
Occupational privilege	3,684,159	3,755,667	3,950,531	4,058,928	4,215,950	4,295,911	4,145,283	4,162,035	4,274,368	4,370,299
Other	4,864,920	5,361,765	5,366,799	7,292,324	7,331,575	5,001,847	5,181,550	5,059,070	4,139,057	4,930,278
Charges for services	15,298,469	18,951,376	19,902,708	15,408,472	18,620,824	15,996,882	16,160,154	20,122,179	18,764,627	21,028,520
Licenses and permits	8,902,351	10,974,896	13,710,827	13,121,874	9,523,978	8,817,173	7,852,116	8,219,699	7,431,019	9,142,694
Fines and forfeitures	5,312,628	5,195,033	7,081,565	7,547,331	8,862,389	8,209,553	7,882,527	8,620,118	9,466,314	10,340,311
Special assessments	264,002	47,795	1,024,193	292,474	545,373	346,447	394,158	294,672	302,827	991,478
Intergovernmental	22,780,958	28,557,034	36,785,824	35,509,439	32,005,970	33,731,296	38,975,230	45,510,442	45,512,041	40,982,459
Surcharges	2,604,231	2,650,587	2,694,385	2,790,662	2,862,077	3,139,083	3,177,105	3,243,446	3,241,299	3,380,121
Miscellaneous	4,283,746	5,174,348	16,033,741	15,473,953	8,052,699	7,182,586	5,999,760	3,616,361	1,988,246	3,463,774
Investment earnings	5,327,877	4,099,535	3,692,282	7,027,993	8,755,080	6,456,844	4,599,199	2,163,109	1,829,230	2,086,487
Total revenues	245,025,064	260,782,929	298,590,273	303,368,805	300,844,443	294,040,288	284,287,924	296,617,793	297,617,469	317,705,836
EXPENDITURES										
<i>Current</i>										
General government	32,974,743	34,809,025	51,361,370	34,353,933	34,207,588	34,006,200	32,334,060	24,013,123	27,129,870	23,379,915
Judicial	6,296,055	6,867,461	6,818,969	7,175,054	7,706,708	8,069,643	7,889,221	7,986,338	7,772,195	8,110,245
Police	61,411,745	62,661,168	65,764,443	70,298,998	74,496,292	78,646,612	79,708,894	81,520,107	86,158,396	89,012,417
Fire	28,758,598	27,840,562	28,195,821	29,977,336	32,308,850	33,764,814	33,979,814	35,092,746	37,456,976	38,752,666
Other public safety	5,260,630	9,038,844	10,106,404	10,506,510	11,780,534	12,742,372	12,503,334	12,741,196	12,276,468	12,835,793
Public works	19,260,674	20,605,607	30,631,449	32,304,425	24,933,938	24,357,677	21,439,170	33,340,162	32,522,809	30,030,948
Economic development	15,753,059	14,102,957	15,305,193	16,695,677	15,585,637	16,328,694	15,073,183	15,631,491	15,195,774	15,610,010
Community services	8,829,366	9,257,105	9,493,039	9,724,207	10,151,162	12,473,080	9,437,397	12,959,922	11,760,088	12,211,137
Culture and recreation	29,364,362	31,825,342	32,766,693	32,886,396	34,973,302	36,164,665	33,738,230	30,853,656	31,471,486	32,303,139
<i>Debt Service</i>										
Principal	7,652,362	8,921,242	10,577,968	13,036,135	13,583,952	13,187,802	14,986,664	12,194,833	12,666,310	12,612,286
Interest	9,528,666	9,046,758	8,598,608	6,874,792	7,141,260	7,971,018	12,211,597	6,780,668	6,250,720	5,955,638
Capital outlay	61,302,114	50,060,333	38,591,864	33,354,866	47,062,412	28,473,688	22,068,469	24,623,239	33,734,222	32,608,107
Total expenditures	286,392,374	285,036,404	308,211,821	297,188,329	313,931,635	306,186,265	295,370,033	297,737,481	314,395,314	313,422,301
Excess (deficiency) of revenues over (under) expenditures	(41,367,310)	(24,253,475)	(9,621,548)	6,180,476	(13,087,192)	(12,145,977)	(11,082,109)	(1,119,688)	(16,777,845)	4,283,535
OTHER FINANCING SOURCES (USES)										
Transfers in	55,204,349	57,960,594	83,160,614	57,744,381	49,352,397	44,221,197	46,454,536	36,761,387	34,104,141	35,790,966
Transfers out	(55,294,379)	(57,885,594)	(82,745,807)	(58,198,520)	(49,901,726)	(44,281,197)	(42,599,999)	(36,711,593)	(32,574,479)	(36,115,966)
Premium(discount) on debt issues	-	187,611	(179,797)	797,089	-	-	7,263,782	895,000	-	-
Proceeds from debt issues	2,549,559	8,750,000	24,535,000	539,309	-	68,540,000	92,710,000	23,102,727	2,600,000	-
Payment to refunded bond escrow agent	(2,490,000)	(14,975,000)	-	-	-	(60,635,390)	(84,185,263)	(22,850,000)	-	-
Notes Issued	-	-	-	-	1,075,000	-	415,000	-	-	1,230,000
Proceeds from capital leases	-	944,280	915,600	2,912,974	-	2,093,601	-	1,238	-	1,773,430
Proceeds from interfund loan	-	-	-	-	-	-	-	-	-	60,000
Proceeds from disposal of capital assets	2,695,389	225,467	271,209	414,868	369,093	260,886	132,005	56,999	193,586	248,142
Total other financing sources (uses)	2,664,918	(4,792,642)	25,956,819	4,210,101	894,764	10,199,097	20,190,061	1,255,758	4,323,248	2,986,572
Net change in fund balances	\$ (38,702,392)	\$ (29,046,117)	\$ 16,335,271	\$ 10,390,577	\$ (12,192,428)	\$ (1,946,880)	\$ 9,107,952	\$ 136,070	\$ (12,454,597)	\$ 7,270,107
Debt service as a percentage of noncapital expenditures (a)	7.63%	7.65%	7.11%	7.55%	7.77%	7.62%	9.95%	6.95%	6.74%	6.61%

(a) This calculation is performed as follows: Total debt service (principal plus interest) divided by total noncapital expenditures (total expenditures less capital outlay).

Exhibit A-5

**City of Aurora, Colorado
Total Sales and Use Tax Revenues
Last Ten Years**



Note: See Exhibit A-4, Revenues, Taxes

Exhibit A-6

City of Aurora, Colorado
Sales and Use Tax Receipts by Business Sector (Cash Basis)
Last Ten Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Sales and Use Tax Receipts by Business Sector										
Retail trade	\$ 60,660,159	\$ 61,323,123	\$ 64,149,437	\$ 68,785,268	\$ 72,371,462	\$ 70,219,932	\$ 67,808,813	\$ 68,857,464	\$ 70,688,223	\$ 76,807,781
Accommodation & food services	12,060,851	12,688,329	13,521,657	14,209,309	15,722,168	16,646,987	16,385,575	17,053,916	17,959,788	19,032,921
Information/Media	7,410,538	8,410,406	9,404,063	10,084,979	10,735,395	11,206,178	11,200,370	11,613,776	11,466,736	12,095,162
Utilities	7,368,457	8,338,419	9,254,990	10,868,971	10,176,084	11,542,677	10,573,276	12,016,790	11,749,053	11,223,504
Real estate, rental & leasing	4,779,630	4,246,358	4,351,737	4,595,117	4,738,835	4,620,515	3,971,830	3,564,350	3,690,601	3,985,064
Manufacturing	3,387,378	3,505,429	3,220,917	3,560,554	2,796,082	2,635,512	2,291,448	2,331,064	2,408,912	3,173,881
Wholesale trade	4,341,125	4,166,333	4,806,379	5,428,407	5,251,516	5,740,516	5,488,481	5,932,016	6,006,394	7,234,213
Finance and insurance	1,286,834	1,036,981	908,032	985,344	1,032,270	1,033,487	944,147	806,789	843,281	910,640
Health Care and Social Assistance (a)	-	-	-	-	-	1,278,344	1,628,884	1,235,574	1,359,860	1,472,308
Arts, entertainment & recreational	912,800	958,913	916,219	880,367	825,845	843,638	935,766	935,834	973,437	1,027,757
Professional, scientific and technical	801,065	728,034	1,025,581	958,251	1,050,971	939,483	1,206,693	1,263,796	1,748,739	2,090,349
Construction	1,083,967	1,083,516	2,206,861	1,987,942	1,760,245	1,604,885	1,635,413	1,121,618	1,280,502	1,361,843
Other services	4,537,029	4,408,874	4,340,091	4,758,881	5,284,155	4,210,019	4,277,911	4,146,360	3,852,438	4,661,465
Automobile use tax	10,948,897	10,215,871	10,284,541	9,834,375	10,845,015	10,302,520	8,882,587	9,043,526	10,597,687	12,712,981
Building materials use tax	8,629,048	11,955,724	15,459,058	13,645,196	12,328,785	7,514,659	4,891,059	6,494,128	4,889,066	7,071,243
Total Sales and Use Tax Receipts	\$ 128,207,778	\$ 133,066,310	\$ 143,849,563	\$ 150,582,961	\$ 154,918,828	\$ 150,339,352	\$ 142,122,253	\$ 146,417,001	\$ 149,514,717	\$ 164,861,112
City direct sales/use tax rate	3.75%	3.75%	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 Controller's Office.

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.

(a) For 2003 through 2007, Health Care and Social Assistance receipts had been included in the totals for other services. Starting in 2008 these receipts are listed as a separate line item.

Exhibit A-7

City of Aurora, Colorado
Direct and Overlapping Sales Tax Rates
Last Ten Years

Arapahoe County

Fiscal Year	City Direct Rate	State	RTD	Scientific & Cultural	Sports Stadium District	Open Space	Total Rate Arapahoe County
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%
2008	3.75%	2.90%	1.00%	0.10%	0.10%	0.25%	8.10%
2009	3.75%	2.90%	1.00%	0.10%	0.10%	0.25%	8.10%
2010	3.75%	2.90%	1.00%	0.10%	0.10%	0.25%	8.10%
2011	3.75%	2.90%	1.00%	0.10%	0.10%	0.25%	8.10%
2012	3.75%	2.90%	1.00%	0.10%	-	0.25%	8.00%

Adams County

Fiscal Year	City Direct Rate	State	RTD	Scientific & Cultural	Sports Stadium District	Open Space	Roads & Bridges	Total Rate Adams County
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%
2008	3.75%	2.90%	1.00%	0.10%	0.10%	0.25%	0.50%	8.60%
2009	3.75%	2.90%	1.00%	0.10%	0.10%	0.25%	0.50%	8.60%
2010	3.75%	2.90%	1.00%	0.10%	0.10%	0.25%	0.50%	8.60%
2011	3.75%	2.90%	1.00%	0.10%	0.10%	0.25%	0.50%	8.60%
2012	3.75%	2.90%	1.00%	0.10%	-	0.25%	0.50%	8.50%

Douglas County (a)

Fiscal Year	City Direct Rate	State	RTD	Scientific & Cultural	Sports Stadium District	Open Space	Roads & Bridges	Justice Center	Total Rate Douglas County
2010	3.75%	2.90%	1.00%	0.10%	0.10%	0.17%	0.40%	0.43%	8.85%
2011	3.75%	2.90%	1.00%	0.10%	0.10%	0.17%	0.40%	0.43%	8.85%
2012	3.75%	2.90%	1.00%	0.10%	-	0.17%	0.40%	0.43%	8.75%

SOURCE: City of Aurora's Tax & Licensing Division

Notes: The Sports Stadium District sales tax expired on December 31, 2011.

(a) In 2010, Douglas County sales tax rates were presented for the first time.

Exhibit A-8

City of Aurora, Colorado
Top Ten Principal Sales and Use Tax Payers by Industry Group
Current Year and Nine Years Ago

	2012			2003		
	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	\$ 16,554,700	1	10.04%	\$ 12,364,593	1	9.64%
Full-service restaurants	12,508,779	2	7.59%	9,154,148	2	7.14%
Electrical power generation, distribution	11,101,843	3	6.73%	6,646,510	3	5.18%
Building materials & supplies stores	8,538,082	4	5.18%	6,064,266	4	4.73%
Telecommunications	7,434,659	5	4.51%	4,701,751	6	3.67%
Clothing stores	6,762,079	6	4.10%	3,590,345	8	2.80%
Electronics and appliance stores	5,955,807	7	3.61%	2,895,764	10	2.26%
Automobile dealers	5,456,645	8	3.31%	5,367,494	5	4.19%
Limited-service eating places	5,404,664	9	3.28%	-		
Other general merchandise stores	4,786,685	10	2.90%	3,055,686	9	2.38%
Other miscellaneous store retailers				4,039,499	7	3.15%
Total	\$ 84,503,943		51.26%	\$ 57,880,056		45.15%

SOURCE: City of Aurora's Sales Tax Division

Note: Total city sales and use tax receipts were \$164,861,112 for 2012 and \$128,207,778 for the year 2003.

The 2003 and 2012 Sales and Use Tax receipts are not reported on a GAAP basis.

Exhibit A-9

City of Aurora, Colorado
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 Adams County(b)	Assessed Value Arapahoe County (b),(c)	Assessed Value Douglas County	Assessed Value	Percentage Change	Estimated Actual Value	Percentage Change	Assessed Value to Estimated Actual Value	Total Direct Tax Rate
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
2008	2009	569,347,020	2,546,012,900	6,743,960	3,122,103,880	2.2%	24,945,172,361	2.3%	12.5%	10.664
2009	2010	573,880,730	2,427,547,290	6,472,400	3,007,900,420	-3.7%	22,357,730,401	-10.4%	13.5%	10.494
2010	2011	568,521,560	2,430,929,018	6,906,470	3,006,357,048	-0.1%	22,772,370,040	1.9%	13.2%	10.595
2011	2012	571,321,870	2,351,296,661	6,499,400	2,929,117,931	-2.6%	22,127,623,674	-2.8%	13.2%	10.653
2012	2013	584,444,180	2,366,344,788	5,001,200	2,955,790,168	0.9%	22,847,400,813	3.3%	12.9%	10.290

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 2013 are based on the 2012 assessment, which itself is based on property values as of June 30, 2011.

The assessed valuation percentage is established each year and was as follows: Residential: 2003 through 2012 - 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: \$5,813,860 - 2003; \$4,720,910 - 2004; \$5,164,460 - 2005; \$5,453,930 - 2006; \$6,202,670 - 2007; \$1,662,950 - 2008; \$7,341,510 - 2009; \$4,553,030 - 2010; \$8,453,960 - 2011 and \$10,009,240 - 2012 Adams; \$10,156,782 - 2010; \$16,694,359 - 2011 and \$22,063,692 - 2012 Arapahoe. Arapahoe County had no TIF activity reported for the 2008 levy year. For the 2009 levy year, Arapahoe County reported new TIF assessments related to the Havana Gardens project.
- (c) Does not include General Improvement District (GID) assessed value of: 2010 - \$7,059,720; 2011 - \$10,911,020 and 2012 - \$10,997,420.

Exhibit A-10

City of Aurora, Colorado
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		(a) Total Tax Rate - City of Aurora and:		
		Operating	Debt Service	Adams	Arapahoe	Aurora 28J	Cherry Creek	Adams County and Aurora Schools 28J	Arapahoe County and Aurora Schools 28J	Arapahoe County and Cherry Creek
2003	2004	8.605	2.556	26.779	14.140	47.964	49.654	85.904	73.265	74.955
2004	2005	8.605	2.474	26.903	15.450	47.003	51.132	84.985	73.532	77.661
2005	2006	8.605	2.353	26.804	15.421	45.824	51.575	83.586	72.203	77.954
2006	2007	8.605	2.262	26.974	16.083	45.745	51.129	83.586	72.695	78.079
2007	2008	8.605	2.096	26.899	15.217	45.530	47.397	83.130	71.448	73.315
2008	2009	8.605	2.059	26.809	15.609	53.248	49.569	90.721	79.521	75.842
2009	2010	8.605	1.889	26.824	15.672	53.455	48.825	90.773	79.621	74.991
2010	2011	8.605	1.990	26.883	15.949	53.919	50.947	91.397	80.463	77.491
2011	2012	8.605	2.048	26.806	17.316	54.159	54.367	91.618	82.128	82.336
2012	2013	8.605	1.685	26.903	17.150	63.830	58.037	101.023	91.270	85.477

Notes: Data obtained from Certifications of Valuation provided by Adams and Arapahoe 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 2013 are based on the 2012 assessment, which itself is based on property values as of June 30, 2011.

(a) The Adams and Arapahoe County Assessor's Offices report that property owners within these counties' 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, Colorado
Top Ten Principal Property Tax Payers
Current Year and Nine Years Ago

	2012			2003		
	Assessed Valuation of Property	Rank	Percentage of Total Assessed Valuation	Assessed Valuation of Property	Rank	Percentage of Total Assessed Valuation
Xcel Energy	\$ 121,892,080	1	4.12%	\$ 44,559,000	1	1.79%
Qwest Communications	41,952,100	2	1.42%	44,306,900	2	1.78%
Columbia HealthOne	20,300,000	4	0.69%	20,433,150	3	0.82%
Cellco Partnership dba Verizon	19,482,360	3	0.66%			
Arapahoe Crossings	16,593,220	5	0.56%	15,805,000	4	0.64%
CPT Operating Partnership	12,328,400	6	0.42%			
Weingarten/Miller/Aurora II	11,388,310	7	0.39%			
Retail Property Trust	9,570,000	8	0.32%	6,960,000	7	0.28%
CPX Aurora dba Corporex Colorado	9,570,000	9	0.32%			
Quarry Assets LLC dba The Pauls Corporation	7,808,110	10	0.26%			
Comcast of Colorado				15,133,250	5	0.61%
Security Capital Industrial Trust (formerly Pro Logis)				10,126,650	6	0.41%
ADC LLC				6,348,430	8	0.26%
Property Management				6,235,000	9	0.25%
Kaiser Permanente				6,022,600	10	0.24%
Total	\$ 270,884,580		9.16%	\$ 175,929,980		7.08%

Source: Data obtained from Certifications of Valuations provided by Adams, Arapahoe and Douglas Counties. The Total Assessed Value in assessment year 2012 is \$2,955,790,168 and 2003 was \$2,485,169,340. This total does not include the tax increment financing district assessed valuation for 2012 of \$32,072,932 or 2003 of \$5,813,860. It also does not include General Improvement District (GID) assessed value for 2012 of \$10,997,420. Collections for GIDs are reported beginning in 2010.

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	General Improvement District Collections (e)	Total Property Tax Revenues
								Excess Collections	Tax Credit			
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
2007	2008	32,739,222	32,512,589	99.31%	(117,207)	32,395,382	98.95%	-	-	123,668	-	32,519,050
2008	2009	33,294,387	33,079,076	99.35%	(55,688)	33,023,388	99.19%	-	-	152,130	-	33,175,518
2009	2010	31,564,907	31,160,862	98.72%	(204,378)	30,956,484	98.07%	-	-	1,275,143	59,084	32,290,711
2010	2011	31,852,540	31,428,726	98.67%	(347,252)	31,081,474	97.58%	-	-	1,448,501	134,505	32,664,480
2011	2012	31,203,894	30,876,610	98.95%	(187,645)	30,688,965	98.35%	-	-	2,349,971	342,753	33,381,689

Notes: Data obtained from Certifications of Valuation provided by Adams and Arapahoe 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. Component units of the city are included only if they are blended in the city's annual financial report.

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 2012 are based on the 2011 assessment, which itself is based on property values as of June 30, 2010.

- (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 year 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.
- (e) Collections for General Improvement Districts are reported beginning in 2010.

Exhibit A-13

City of Aurora, Colorado
Ratios of Outstanding Debt by Type
Last Ten Years

Year	Governmental Activities						Business-Type Activities						Total Primary Government	Percentage of Personal Income (b)	Per Capita	Population (a)
	General Obligation Bonds	Revenue Bonds	Special Assessments Notes	Certificates of Participation	Capital Leases	Tax Increment Bonds	General Obligation Bonds	Revenue Bonds	Water Rights Notes	Capital Leases	Revenue Notes					
2003	\$ 52,610,000	\$ 14,865,000	\$ -	\$ 107,430,000	\$ 506,599	\$ 1,665,000	\$ 68,410,000	\$ 91,520,896	\$ 301,867	\$ 409,156	\$ -	\$ 337,718,518	10.7%	\$ 1,156	292,158	
2004	48,870,000	13,825,000	-	97,745,000	997,232	1,365,000	59,155,000	128,820,266	7,640,006	347,836	1,023,519	359,788,859	10.2%	1,206	298,303	
2005	44,945,000	12,730,000	1,140,000	116,165,000	1,613,972	1,045,000	51,635,000	223,000,126	6,698,054	367,358	813,594	460,153,104	12.3%	1,514	303,833	
2006	40,840,000	11,580,000	1,055,000	115,780,000	3,963,516	710,000	43,910,000	275,355,094	5,756,102	450,337	594,031	499,994,080	12.9%	1,629	306,908	
2007	36,545,000	10,375,000	1,955,000	109,495,000	3,030,374	-	37,275,000	691,290,919	5,269,168	510,521	364,386	896,110,368	19.0%	2,896	309,416	
2008	32,045,000	9,105,000	1,745,000	110,900,000	4,136,172	-	30,435,000	684,566,848	3,872,197	541,643	18,530,576	895,877,436	19.2%	2,861	313,144	
2009	28,030,000	7,850,000	1,475,000	111,965,000	2,809,509	-	24,530,000	677,643,251	3,234,391	358,624	52,317,751	910,213,526	21.0%	2,896	314,326	
2010	22,585,000	6,350,000	1,230,000	107,155,000	1,694,676	-	18,410,000	659,542,058	2,646,897	190,886	75,750,000	895,554,517	24.0%	2,755	325,078	
2011	20,170,000	4,765,000	1,010,000	102,160,000	843,366	-	-	620,376,215	2,059,403	72,060	75,750,000	827,206,044	22.4%	2,468	335,105	
2012	14,929,000	3,225,000	2,035,000	96,970,000	2,180,509	-	-	568,900,000	1,471,909	-	75,750,000	765,461,418	16.3%	2,280	335,668	

Notes: Amounts above do not include premium and discount as they do not affect cash flows.

- (a) The population for 2003 through 2005 and 2011 through 2012 was provided by Clarion Associates. The population for 2006 was provided by the Aurora's Economic and Development Council. For 2007 through 2009, the population was provided by the city's Planning Department. The 2010 population is from the April 2010 federal census population count.
- (b) See Exhibit A-18 (Demographic and Economic) for personal income (based on labor force) totals.

Exhibit A-14

City of Aurora, Colorado
Ratios of Net General Obligation Bonded Debt Outstanding
Last Ten Years

Year	Population (a)	Assessed Value (b)	Debt		Total Gross General Obligation Bonded Debt (c)	Less: Debt Service Funds Available (d)	Net General Obligation Bonded Debt	Net General Obligation Bonded Debt to Assessed Value	Net General Obligation Bonded Debt Per Capita
			Governmental Activities	Business-Type Activities					
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
2008	313,144	3,122,103,880	32,045,000	30,435,000	62,480,000	1,918,640	60,561,360	1.9%	193
2009	314,326	3,007,900,420	27,330,000	24,530,000	51,860,000	1,609,258	50,250,742	1.7%	160
2010	325,078	3,006,357,048	22,585,000	18,410,000	40,995,000	1,573,343	39,421,657	1.3%	121
2011	335,105	2,929,117,931	20,170,000	-	20,170,000	1,474,560	18,695,440	0.6%	56
2012	335,668	2,955,790,168	14,929,000	-	14,929,000	1,545,176	13,383,824	0.5%	40

Notes:

- (a) The population for 2003 through 2005 and for 2011 through 2012, population count was provided by Clarion Associates. 2006 population was provided by the Aurora's Economic and Development Council. For 2007 through 2009, the population was provided by the city's Planning Department. The 2010 population is from the April 2010 federal census population count.
- (b) Does not include tax increment financing district incremental assessed valuation of: \$5,813,860 - 2003; \$4,720,910 - 2004; \$5,164,460 - 2005; \$5,453,930 - 2006; \$6,202,670 - 2007; \$1,662,950 - 2008; \$7,341,510 - 2009; \$4,553,030 - 2010; \$8,453,960 - 2011, and \$10,009,240 - 2012 Adams; \$10,156,782 - 2010, \$16,694,359 - 2011 and \$22,063,692 - 2012 Arapahoe. Arapahoe County had no TIF activity reported for the 2008 levy year. For 2009 levy year, Arapahoe County reported new TIF assessments related to the Havana Gardens project. Does not also include General Improvement Districts (GIDs) assessed value of: 2010 - \$7,059,720; 2011 - \$10,911,020 and 2012 - \$10,997,420. 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 bonds for GIDs which are paid from property tax levies, and which are excluded from the debt limit calculation per sections 11-19-4 to 11-19-6 of the City Charter.
- (d) Beginning in 2011, the City Debt Service Funds Available is used in lieu of the City Debt Service Fund Balance. This is to tie the amount to what is used in Exhibit A-16, Legal Debt Margin Information.

Exhibit A-15

City of Aurora, Colorado
Direct and Overlapping Governmental Activities Debt
December 31, 2012

Jurisdiction	Debt Outstanding	Estimated Percentage Applicable (d)	Estimated Share of Overlapping Debt
<i>Direct:</i>			
City of Aurora (a)			\$ 119,339,509
<i>Overlapping:</i>			
<i>Debt repaid with property taxes</i>			
Adams-Arapahoe School District 28J			
General obligation bonds (b)	355,745,646	100.00%	355,745,646
Cherry Creek School District			
General obligation bonds (b)	516,076,636	32.85%	169,518,918
Other overlapping entities (c)			
General obligation bonds (b)	1,256,286,466	43.31%	544,142,561
Other debt	74,544,148	100.00%	74,544,148
<i>Debt repaid from other sources (e)</i>			
Adams-Arapahoe School District 28J	1,730,819	100.00%	1,730,819
Other overlapping entities (c)			
Revenue bonds	553,979,542	100.00%	553,979,542
Other debt	333,712,990	86.37%	288,240,814
Total overlapping debt:			1,987,902,448
Total Direct and Overlapping Debt			\$ 2,107,241,957

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 capital leases.
- (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 175 other active taxing entities overlap the city in whole or in part and are located within the Arapahoe, Adams and/or Douglas County boundaries.
- (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, tap fees, etc.).

Exhibit A-16

City of Aurora, Colorado
Legal Debt Margin Information
 In accordance with Aurora Charter Article XI

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed valuation, all Counties:	\$ 2,955,790,168	
Debt limit - 3% of assessed valuation		\$ 88,673,705
Amount of debt outstanding:		
Total bonded debt	\$ 587,054,000	
Other debt	178,407,418	
Total	<u>\$ 765,461,418</u>	
Deductions allowed by law:		
General obligation bonds exempt from limit	14,929,000	(a)
Revenue bonds	572,125,000	(b)
Capitalized lease obligations	2,180,509	(b)
Certificates of participation	96,970,000	(b)
Revenue notes	77,785,000	(b)
Water right notes	<u>1,471,909</u>	(b)
Total deductions	<u>765,461,418</u>	
Total amount of debt applicable to debt limit		-
Funds available in City Debt Service Fund	1,545,176	(c)
Amount of debt applicable to debt limit	<u>-</u>	<u>-</u>
Net amount of debt applicable to debt limit		<u>-</u>
Legal Debt Margin		<u>\$ 88,673,705 (d)</u>

	<u>Last Ten Fiscal Years</u>									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Debt limit	\$ 74,555,080	\$ 77,248,858	\$ 81,333,261	\$ 84,801,853	\$ 91,617,345	\$ 93,663,116	\$ 90,237,013	\$ 90,190,711	\$ 87,873,538	\$ 88,673,705
Total net debt applicable to limit	<u>6,004,776</u>	<u>5,296,379</u>	<u>4,410,672</u>	<u>3,855,603</u>	<u>2,725,438</u>	<u>1,676,360</u>	<u>1,145,743</u>	<u>616,657</u>	<u>-</u>	<u>-</u>
Legal debt margin	\$ 68,550,304	\$ 71,952,479	\$ 76,922,589	\$ 80,946,250	\$ 88,891,907	\$ 91,986,756	\$ 89,091,270	\$ 89,574,054	\$ 87,873,538	\$ 88,673,705
Total net debt applicable to the limit as a percentage of debt limit	8.1%	6.9%	5.4%	4.5%	3.0%	1.8%	1.3%	0.7%	0.0%	0.0%

- (a) The Refunding Series 2010 bonds and the General Improvement District bonds are exempt from the debt limit.
- (b) Revenue bonds and other forms of debt paid from revenues generated are exempt from the debt limit.
- (c) The funds available is assigned to pay down debt and is a reduction of outstanding debt. Utilize City Debt Service Fund funds available to the extent of outstanding debt applicable to debt limit.
- (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.

Exhibit A-17

City of Aurora, Colorado
SCHEDULE OF WATER REVENUE BOND COVERAGE

Last Ten Years

Year	Gross Revenue (a) Expenses (b)		Net Revenue Available For Debt Service	Debt Service Requirements										Coverage Ratios (g)			
				First Lien Revenue Obligations (c)		First & Second Lien Revenue Obligations (d)		Debt Secured by Net Pledged Revenues (e)		Debt Payable from System Revenues (f)							
				Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	(c)	(d)	(e)	(f)		
	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		
2008	136,213,224	45,667,169	90,546,055	3,708,938	30,792,006	3,708,938	30,792,006	4,650,900	31,032,713	11,490,900	32,395,726	2.62	2.62	2.54	2.06		
2009	107,283,305	33,252,590	74,030,715	3,810,404	29,966,338	3,810,404	31,681,332	4,448,210	31,874,942	10,353,210	33,032,754	2.19	2.09	2.04	1.71		
2010	128,180,345	45,305,349	82,874,996	3,962,238	29,146,645	3,962,238	29,146,645	4,549,732	29,308,365	10,669,732	30,274,265	2.50	2.50	2.45	2.02		
2011	125,130,039	46,573,513	78,556,526	5,300,000	29,365,365	5,300,000	32,205,990	5,887,494	32,367,710	12,252,494	33,104,110	2.27	2.09	2.05	1.73		
2012	136,772,241	45,857,363	90,914,878	2,340,000	27,320,125	2,340,000	30,160,750	2,927,494	30,293,095	2,927,494	30,293,095	3.07	2.80	2.74	2.74		

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 (CWRPDA) Drinking Water Bonds Series 1999A and 2005D and the City's First Lien Water Improvement Revenue Bonds Series 2008, 2007 and 2003A. In 2010, the CWRPDA Drinking Water Bonds Series 1999A was paid off and in 2011, the 2003A 1st Lien Water Improvement Revenue Bonds were defeased. The legal covenant for debt service coverage for these obligations is 1.20 except for the CWRPDA Water Bonds which is 1.10.
- (d) Includes (c) above and for 2004 through 2007 Second Lien Water Improvement Revenue Bonds Series 2004A. The legal covenant through 2009 for debt service coverage is 1.05. In 2008, the 2004A issue was refunded with the 2008A 1st lien issue. In 2007, a note with the Colorado Water Conservation board was entered into and takes a second lien parity with existing obligations.
- (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. In 2011, the General Obligation Water Bonds were paid off. 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)

Exhibit A-17

City of Aurora, Colorado
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	
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
2008	52,371,474	32,545,027	19,826,447	2,625,132	3,287,674	5,912,806	3.35
2009	52,327,902	33,826,337	18,501,565	2,708,193	3,204,712	5,912,905	3.13
2010	57,247,180	34,139,137	23,108,043	2,796,635	3,074,357	5,870,992	3.94
2011	56,543,592	36,205,235	20,338,357	2,910,843	2,967,180	5,878,023	3.46
2012	60,984,272	37,298,034	23,686,238	3,004,285	2,869,878	5,874,163	4.03

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 (CWRPDA) Clean Water Revenue Bonds, Series 1999A. In 2012, the CWRPDA Clean Water Revenue Bonds, Series 1999A was paid off.
- (d) Net Revenue Available for Debt Service divided by Total Debt Service Requirements. The legal covenant for debt service coverage is 1.20 for the Series 2006 and 1.10 for the CWRPDA Series 1999A.

(continued)

Exhibit A-17

City of Aurora, Colorado
SCHEDULE OF GOLF REVENUE BOND COVERAGE

Last Ten 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)
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	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
2008	9,769,750	8,674,373	1,095,377	625,189	160,373	785,562	1.39	56,000	200,102	256,102	1.21
2009	9,127,449	7,894,302	1,233,147	529,199	133,944	663,143	1.86	56,000	227,600	283,600	2.01
2010	8,408,174	7,655,245	752,929	420,000	114,925	534,925	1.41	56,000	224,800	280,800	0.78
2011	7,991,942	7,237,047	754,895	435,000	98,125	533,125	1.42	56,000	222,000	278,000	0.80
2012	8,678,890	7,680,612	998,278	455,000	80,725	535,725	1.86	50,000	175,360	225,360	2.05

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, coverage's 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 which was fully paid in 2009. In 2005, the 1995 Golf Revenue Bonds were replaced by the 2005 Golf Revenue Refunding Bonds. The Subordinate Debt Service Requirement is the 1994 Interfund Loan Payable to the Wastewater Fund which was refinanced in 2008 and was restructured in 2012.
- (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 the principal and interest on the golf cart 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. For years prior to 2005, the legal covenant for debt service coverage is 1.50.
- (e) Net Revenue Available for Debt Service less Total Senior Debt Service Requirements, divided by Total Subordinate Debt Service Requirements. The legal covenant for debt service coverage is 1.00. In 2011, 2010 and 2004 the ratio dropped below 1.00, as a result, a consultant was hired in accordance with the bond covenants to provide recommendations to bring the ratio to 1.00.

(concluded)

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)
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%
2008	313,144	4,676,671,164	172,196	27,159	7.4%
2009	314,326	4,331,333,727	179,151	24,177	7.5%
2010	325,078	3,725,166,739	169,967	21,917	10.1%
2011	335,105	3,687,345,727	177,617	20,760	9.0%
2012	335,668	4,689,408,133	179,798	26,082	8.5%

Notes:

- (a) The population for 2003 through 2005 and for 2011 through 2012 was provided by Clarion Associates. 2006 population was provided by the Aurora's Economic and Development Council. For 2007 through 2009, the population was provided by the city's Planning Department. The 2010 population is from the April 2010 federal census population count.
- (b) Data was provided by the city's Planning Department. 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 Aurora residents employed or potentially employable, 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>	<u>2012</u>			<u>2003</u>		
	<u>Employees</u>	<u>Rank</u>	(b) <u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	(b) <u>Percentage of Total City Employment</u>
Buckley Air Force Base (a)	12,100	1	7.35%	10,291	1	6.55%
University of Colorado Anschutz Medical Campus	7,180	2	4.36%			
Aurora Public Schools	5,000	3	3.04%	2,950	3	1.88%
The Children's Hospital	4,400	4	2.67%			
University of Colorado Hospital	4,400	5	2.67%	1,500	7	0.95%
Cherry Creek Public Schools (c)	3,840	6	2.33%	4,350	2	2.77%
City of Aurora (d)	3,770	7	2.29%	2,709	4	1.72%
Raytheon	2,230	8	1.36%	1,900	5	1.21%
Kaiser Permanente	1,730	9	1.05%	1,000	10	0.64%
ADT Security Systems	1,600	10	0.97%	1,600	6	1.02%
Health One Medical Center of Aurora				1,500	8	0.95%
Wal-Mart				1,400	9	0.89%

Note: Data provided by the Aurora Economic Development Council and the city of Aurora unless otherwise noted. Information on 2012 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 data for 2012 was 164,516 and for 2003 was 157,114 provided by the City's Planning Department.
- (c) Cherry Creek Public Schools includes employees in the cities of Aurora, Centennial, Cherry Hills Village, Englewood, Foxfield, Glendale, and Greenwood Village. Data for 2012 includes only those school district employees working within the city.
- (d) The city of Aurora employee count includes temporary and seasonal workers.

City of Aurora, Colorado
Budgeted Full-time Equivalent City Government Employees by Function
Last Ten Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
City Council	14.00	14.00	13.00	13.00	14.00	14.00	14.00	14.00	14.00	14.00
Finance	57.50	60.50	60.50	60.00	63.00	65.00	62.50	63.50	63.50	60.50
General Management (includes Civil Service) (g)	40.50	44.80	131.80	125.30	127.80	130.80	125.30	96.80	99.50	97.50
Human Resources (a)	28.00	27.00	26.00	24.00	24.00	24.00	24.00	24.00	-	-
Information Technology	48.00	45.00	43.00	43.00	47.00	47.00	46.00	42.00	42.00	42.00
Internal Services (b)	95.00	92.00	-	-	-	-	-	-	-	-
Communications (i)	-	-	-	-	-	-	-	-	21.30	20.80
Planning	49.12	46.12	45.12	44.10	45.10	45.10	34.12	31.00	31.00	31.00
Judicial										
City Attorney	50.00	50.00	50.00	50.00	51.00	52.00	50.50	49.00	49.00	49.00
Court Administration (includes Judicial) (c)	124.00	125.00	125.00	125.00	126.00	126.00	122.50	120.50	121.50	122.50
Public Defender	7.00	7.00	7.00	8.00	8.00	8.00	8.00	8.50	8.50	8.50
Police	787.00	732.00	740.00	759.00	773.00	778.00	778.00	772.50	786.00	783.00
Fire	346.00	318.00	309.00	325.00	329.00	329.00	323.00	325.00	325.00	323.00
Other Public Safety (d)	4.00	70.00	70.00	78.00	85.00	85.00	85.00	81.00	81.00	81.00
Public Works (h)	189.00	186.00	185.00	185.00	196.00	196.00	186.00	241.00	241.00	241.00
Community Services										
Neighborhood Services (f)	177.20	163.60	165.60	160.50	158.50	158.50	137.50	72.50	72.50	71.60
Culture and Recreation										
Library and Cultural Services (e)	198.20	187.80	182.00	177.00	183.50	184.50	183.50	65.90	67.40	72.40
Parks, Recreation & Open Space (e)	203.30	196.30	193.50	187.50	202.80	202.80	199.75	245.70	237.20	226.20
Water	183.16	195.37	206.00	241.00	258.15	266.70	270.30	270.72	269.40	268.91
Wastewater	101.84	108.63	123.00	134.00	144.85	148.30	155.70	152.28	152.60	153.09
Total	2,702.82	2,669.12	2,675.52	2,739.40	2,836.70	2,860.70	2,805.67	2,675.90	2,682.40	2,666.00

Data was provided by the city of Aurora Office of Budget and Financial Planning.

- Notes:
- (a) Starting in 2011, Human Resources became Internal Services and is reported under General Management.
 - (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 moved from Police and Fire for the communications center (Other Public Safety function) beginning in 2004.
 - (e) In 2010, approximately 67 Recreation positions were moved from the Library and Cultural Services department to the Parks, Recreation and Open Space department, and another 6 to other city departments. Also, the 2008 recession and resulting budget reductions required four libraries to be closed in 2010 with a corresponding decrease in full time employees (approximately 44 from Library and Cultural Services and 21, mostly Forestry, from Parks, Recreation, and Open Space).
 - (f) In 2010, some Community Services positions were moved to Public Works.
 - (g) In 2010, Facilities Management operations (part of General Management) was moved to Public Works function.
 - (h) In addition to the positions that moved into Public Works from General Management and Community Services, approximately 30 positions were cut from the Public Works function in the 2010 budget.
 - (i) Prior to 2011, Communications was reported as part of General Management.

Exhibit A-21

City of Aurora, Colorado
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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
<i>Building Permits: Data provided by COA Building Code Division</i>										
Permits Issued (a)	9,034	9,920	10,121	10,037	9,538	9,931	15,574	13,729	9,958	12,438
Value of Buildings (millions \$)	530	750	897	777	992	452	349	415	327	435
<i>Tax & Licensing: Data provided by COA Tax & Licensing Division</i>										
New business licenses	2,897	2,661	2,099	2,183	2,333	2,081	2,078	2,014	2,027	2,133
Police Protection: Data provided by COA Police Department										
Number of Law Violations (Part I Crime) (b)	17,050	16,895	16,506	14,872	13,583	12,393	11,758	11,760	11,446	14,085
Total calls dispatched & officer initiated	168,712	276,441	288,682	300,953	317,442	309,712	402,165	409,955	401,913	427,458
Total moving violations	41,834	40,841	44,487	42,801	49,043	48,500	46,818	47,853	47,920	35,366
Total parking violations	8,054	6,713	7,898	7,433	9,164	9,027	8,665	7,429	7,219	6,474
Fire Protection: Data provided by COA Fire Department										
Number of fire inspections	7,665	8,111	7,639	7,845	8,723	9,563	9,002	9,943	9,546	8,559
Total Fire calls (Fire, EMS, other)	24,042	23,857	26,011	26,870	29,839	30,088	30,648	33,268	35,446	37,830
Haz Mat calls	39	42	34	20	35	39	6	7	28	23
Community Services: Data provided by COA Neighborhood Services Department										
Total number of Code Enforcement Inspections	84,127	90,382	86,477	84,599	89,493	65,055	67,458	87,633	72,012	68,030
Culture and Recreation: Data provided by COA Parks and Open Space, and Library and Cultural Services Departments										
Library items circulated	1,001,651	1,136,356	1,152,630	1,173,261	1,163,463	1,248,501	1,181,843	764,866	762,302	946,743
Library patron visits	850,525	891,831	926,497	1,036,513	1,213,191	1,367,509	1,290,115	793,355	745,890	872,821
Recreational classes offered	7,407	8,013	8,363	8,229	7,697	7,523	5,889	6,876	7,659	7,945
Recreational attendance	314,485	306,898	289,539	286,292	278,216	296,228	295,937	302,565	330,621	353,994
Cultural services in house program attendance	221,464	174,673	186,783	186,976	124,916	146,542	129,052	151,008	157,958	159,260

Notes:

- (a) Permits issued includes plumbing, heating, life safety and electrical for existing residential and non-residential structures.
 (b) Part 1 crime includes both violent and property crime.

City of Aurora, Colorado
Capital Asset Statistics by Function
Last Ten Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police Protection: Data provided by COA Police Department										
Patrol Vehicles	138	156	165	167	167	158	151	151	155	155
Detention Facilities (a)	1	1	1	1	1	1	1	1	1	1
Fire Protection: Data provided by COA Fire Department										
Number of Fire Stations	13	13	13	15	15	15	15	15	15	15
Public Works: Data provided by COA Public Works Department										
Miles of Improved Streets (center-line miles)	1,054	1,095	1,118	1,172	1,174	1,174	1,174	1,174	1,175	1,185
Tons of asphalt for patching & overlay (b)	170,422	181,211	171,108	179,125	188,037	189,594	211,193	146,331	127,917	116,898
Square yards of street repair & overlay (b)	1,502,523	1,459,415	976,199	1,383,276	1,342,659	1,330,824	1,591,986	2,114,175	1,925,685	1,386,148
Culture and Recreation: Data provided by COA Parks, Recreation, and Open Space, and Library and Cultural Services Departments										
Number of Playgrounds	65	75	78	79	79	80	82	84	87	88
Number of Golf Courses	7	7	7	7	7	7	7	7	7	7
Number of Swimming Pools	10	10	10	10	10	10	7	7	7	7
Parks - Number of Acres (c)	7,700	7,937	8,045	8,627	8,630	10,069	10,689	10,677	10,660	12,272
Number of Libraries (f)	7	7	7	7	7	7	7	3	4	4
Water: Data provided by COA Aurora Water Department										
Number of Water Taps (d)	67,953	70,709	70,759	76,240	76,422	76,655	76,707	78,423	79,006	79,723
Miles of water mains constructed (e)	35	54	63	52	25	19	7	12	4	5
Wastewater: Data provided by COA Aurora Water Department										
Number of Sanitary Sewer Taps (d)	74,616	76,901	79,974	82,754	84,384	85,177	85,645	86,268	86,850	87,659
Miles of Sanitary Sewer constructed (e)	24	25	47	38	10	8	2	3	3	1

(a) As of 2003, this facility falls under courts.

(b) These totals include the following: reconstructive patching, in-place patching, slurry seal, chip seal and reconstructive planning. All work performed through the Capital Projects Fund by contract. In 2010, Public Works efforts were focused on street repair and overlay vs. patching and overlay. In 2012, the numbers have decreased mainly due to increased labor & material price with decreased budgeted amount including a shift of funding to pavement preservation or surface treatment.

(c) Includes parks, golf courses and open space. Beginning in 2004, the Parks, Recreation, and Open Space Department (PROS) revised the methodology used to calculate totals. In 2008, PROS used more refined and updated information from their GIS data system. The 2011 reduction in park acreage is due to refined mapping techniques. In 2012, new queries were developed and the total includes facility grounds, medians and streetscapes completed during the year including an acquisition of open space and trail corridor related to the Triple Creek Greenway Corridor project.

(d) Total includes inactive and stubbed taps.

(e) Total includes newly constructed mains during the period. Water mains and sewer lines decreased in 2009 due to decreased development activity which is also true in 2011 for water mains and in 2012 for sewer lines.

(f) Due to ongoing declining General Fund budgets, four libraries were closed in 2010. The Mission Viejo Library was reopened in 2011 but on a limited service hours. In 2012, eight operating hours were added at Tallyn's Reach, Martin Luther King and Central Libraries.



Other Schedules Section Divider

Other Schedules – (unaudited)



MISCELLANEOUS SCHEDULES

Exhibit B-1

Schedule of Indebtedness – All Funds

Exhibit B-2

Schedule of Debt Service
Requirements

Exhibit B-3

Local Highway Finance Report

DEBT CONTINUING DISCLOSURES

Exhibit C-1

Summary of Continuing Disclosures by
Issue

Exhibit C-2

Combined General, TABOR Reserve
and Policy Reserve Funds –
Comparative Schedule of Revenues,
Expenditures and Changes in Fund
Balance (GAAP Basis)

Exhibit C-3

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)

Exhibit C-4

Water Fund - Operating History

Exhibit C-5

Water Fund - System Statistics

Exhibit C-6

Water Fund - Maximum Annual Debt
Service Coverage

Exhibit C-7

Wastewater Fund - Operating History

Exhibit C-8

Wastewater Fund - System Statistics

Exhibit C-9

Golf Fund - Operating History

Exhibit C-10

Golf Fund - Golf Course Enterprise
System Statistics

Exhibit C-11

Golf Fund – Maximum Annual Debt
Service Coverage

Exhibit B-1**City of Aurora, Colorado****SCHEDULE OF INDEBTEDNESS - ALL FUNDS****DECEMBER 31, 2012**

	Interest Rates	Dates		Authorized and Issued	Debt	
		Issue	Maturity		Outstanding	Current Maturities
GENERAL OBLIGATION DEBT						
Supported by Dedicated Property Tax						
Refunding Series 2010	4.00 - 5.00%	6/3/2010	2015	\$ 21,035,000	\$ 10,955,000	\$ 4,325,000
Unamortized premium				-	1,033,863	-
Total supported by dedicated property tax				21,035,000	11,988,863	4,325,000
REVENUE BONDS						
Supported by General Fund revenues						
Refunding Series 2009	3.00%	10/14/2009	2014	7,850,000	3,225,000	1,590,000
Unamortized premium				-	102,667	-
Unamortized loss on refunding				-	(73,929)	-
Total supported by General Fund revenues				7,850,000	3,253,738	1,590,000
Supported by Water Fund revenues						
Governmental agency	3.20 - 5.00%	9/29/2005	2035	100,000,000	53,610,000	-
First-Lien Water Revenue	4.75 - 5.00%	7/11/2007	2039	421,495,000	421,495,000	-
First-Lien Water Revenue - Refunding	4.63 - 5.00%	4/15/2008	2033	39,995,000	39,995,000	-
Unamortized premium				-	11,174,941	-
Unamortized loss on refunding				-	(496,467)	-
Total supported by Water Fund revenues				561,490,000	525,778,475	-
Supported by Wastewater Fund revenues						
First-Lien Sewer Revenue	4.00 - 5.00%	4/25/2006	2036	57,790,000	52,330,000	1,240,000
Unamortized premium				-	1,126,978	-
Total supported by Wastewater Fund revenues				57,790,000	53,456,978	1,240,000
Supported by Golf Fund revenues						
Golf Course Enterprise System refunding	3.50 - 4.375%	7/26/2005	2015	4,625,000	1,470,000	470,000
Unamortized loss on refunding				-	(37,091)	-
Total supported by Golf Fund revenues				4,625,000	1,432,909	470,000
NOTES						
Supported by Water Fund revenues						
Water Rights Rocky Ford II	5.00%	various 2004	2019	8,280,091	1,471,909	-
Colorado Water Conservation Board Note	3.75%	various 2008	2040	75,750,000	75,750,000	1,575,252
Total supported by Water Fund revenues				84,030,091	77,221,909	1,575,252
Supported by Special Assessments						
Special Improvement District - Dam West	4.89%	10/20/2005	2015	1,140,000	270,000	10,000
Special Improvement District - Ptarmigan Fence	5.00%	11/28/2007	2017	1,075,000	535,000	10,000
Special Improvement District - Dam East	2.73%	11/1/2012	2022	1,230,000	1,230,000	30,000
Total supported by Special Assessments				3,445,000	2,035,000	50,000
CAPITAL LEASES WITH THIRD PARTY						
Supported by General Fund revenues				3,867,031	2,180,510	665,596
INCLUDABLE ENTITIES						
Supported by Lease Payments						
ACLC certificates of participation	3.00 - 4.375%	5/1/2002	2013	15,380,000	1,670,000	1,670,000
ACLC certificates of participation	3.00 - 3.625%	3/1/2005	2014	8,405,000	2,945,000	1,130,000
ACLC certificates of participation-refunding	4.00 - 5.00%	2/7/2006	2015	20,290,000	8,195,000	2,600,000
ACLC certificates of participation-refunding	4.099 - 5.00%	9/24/2009	2030	84,160,000	84,160,000	-
Unamortized premium				-	6,361,285	-
Unamortized discount				-	(16,897)	-
Unamortized loss on refunding				-	(10,302,464)	-
Total supported by Lease Payments				128,235,000	93,011,923	5,400,000
Supported by Property Tax Levies						
GO Bonds - Cherry Creek Fence GID	5.25%	12/2/2009	2029	700,000	635,000	25,000
GO Bonds - Meadow Hills Fence GID	4.99%	12/22/2010	2031	520,000	465,000	15,000
GO Bonds - Peoria Park Fence GID	5.45%	6/1/2010	2031	375,000	354,000	11,000
GO Bonds - Pier Point Sewer GID	4.38%	10/31/2011	2031	2,600,000	2,520,000	85,000
Total supported by Property Tax Levies				4,195,000	3,974,000	136,000
Total supported by Includable Entities				132,430,000	96,985,923	5,536,000
TOTAL INDEBTEDNESS				\$ 876,562,122	\$ 774,334,305	\$ 15,451,848

Exhibit B-2

City of Aurora, Colorado
SCHEDULE OF DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2012

Year Due	Governmental Activities											
	General Obligation Bonds Supported by General Fund Revenues		General Obligation Bonds Supported by GID Revenues		Certificates of Participation Supported by ACLC Revenues		Notes Payable Supported by SID Revenues		Capital Leases Supported by General Fund Revenues		Revenue Bonds Supported by General Fund Revenues	
	4.00-5.00%		4.38-5.45%		3.00-5.00%		2.73-5.00%		1.34-4.15%		3.00%	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 4,325,000	\$ 504,500	\$ 136,000	\$ 186,211	\$ 5,400,000	\$ 4,634,600	\$ 30,000	\$ 74,522	\$ 665,596	\$ 17,997	\$ 1,590,000	\$ 72,900
2014	4,515,000	331,500	142,000	179,827	4,545,000	4,395,622	30,000	71,955	244,159	20,300	1,635,000	24,525
2015	2,115,000	105,750	147,000	173,171	2,865,000	4,226,225	270,000	70,692	247,430	17,028	-	-
2016	-	-	163,000	166,294	3,640,000	4,082,975	20,000	57,817	250,746	13,712	-	-
2017	-	-	169,000	158,632	3,790,000	3,933,775	505,000	57,044	254,106	10,353	-	-
2018-2022	-	-	965,000	667,386	21,585,000	17,029,375	1,180,000	157,999	518,473	10,444	-	-
2023-2027	-	-	1,195,000	419,952	27,440,000	11,176,000	-	-	-	-	-	-
2028-2032	-	-	1,057,000	120,046	27,705,000	3,189,000	-	-	-	-	-	-
Total	\$ 10,955,000	\$ 941,750	\$ 3,974,000	\$ 2,071,519	\$ 96,970,000	\$ 52,667,572	\$ 2,035,000	\$ 490,029	\$ 2,180,510	\$ 89,834	\$ 3,225,000	\$ 97,425

Year Due	Business-type Activities							
	Revenue Bonds Supported by Water Revenues		Notes Payable Supported by Water Revenues		Revenue Bonds Supported by Wastewater Revenues		Revenue Bonds Supported by Golf Revenues	
	3.20-5.00%		3.75-5.00%		4.00-5.00%		3.50-4.375%	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ -	\$ 25,265,338	\$ 1,575,252 *	\$ 2,840,625	\$ 1,240,000	\$ 2,509,012	\$ 470,000	\$ 62,525
2014	-	25,265,337	2,221,818	2,855,148	1,285,000	2,459,413	490,000	43,137
2015	-	25,265,338	1,872,494	2,764,487	1,340,000	2,408,013	510,000	22,313
2016	-	25,265,337	1,936,079	2,692,057	1,390,000	2,354,413	-	-
2017	-	25,265,338	2,002,049	2,617,243	1,450,000	2,298,812	-	-
2018-2022	42,835,000	124,377,187	10,559,052	11,900,631	8,335,000	10,405,862	-	-
2023-2027	105,395,000	106,310,575	12,267,772	9,811,613	10,545,000	8,181,388	-	-
2028-2032	148,710,000	76,194,294	14,747,086	7,332,298	13,410,000	5,323,375	-	-
2033-2037	155,390,000	38,082,812	17,727,469	4,351,915	13,335,000	1,645,637	-	-
2038-2042	62,770,000	4,746,000	12,312,838	934,793	-	-	-	-
Total	\$ 515,100,000	\$ 476,037,556	\$ 77,221,909	\$ 48,100,810	\$ 52,330,000	\$ 37,585,925	\$ 1,470,000	\$ 127,975

* A principal and interest payment of \$587,494 and \$102,970 respectively, was made on the 2004 note payable on December 31, 2012 due January 1, 2013.



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

LOCAL HIGHWAY FINANCE REPORT		City or County:
		City of Aurora, Colorado
		YEAR ENDING :
This Information From The Records Of (example - City of _ or County of _)		Prepared By:
City of Aurora, Colorado		Phone:
		Carol Toth (303) 739-7795

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

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	0
3. Other local imposts (from page 2)	25,810,189
4. Miscellaneous local receipts (from page 2)	6,780,924
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	0
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	32,591,113
B. Private Contributions	
C. Receipts from State government (from page 2)	9,069,979
D. Receipts from Federal Government (from page 2)	1,314,088
E. Total receipts (A.7 + B + C + D)	42,975,180

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	8,587,035
2. Maintenance:	15,538,620
3. Road and street services:	
a. Traffic control operations	2,738,091
b. Snow and ice removal	2,036,456
c. Other	4,822,025
d. Total (a. through c.)	9,596,572
4. General administration & miscellaneous	1,067,550
5. Highway law enforcement and safety	7,051,803
6. Total (1 through 5)	41,841,580
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	43,600
b. Redemption	1,090,000
c. Total (a. + b.)	1,133,600
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	1,133,600
C. Payments to State for highways	0
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	42,975,180

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	1,090,000	0	1,090,000	0
1. Bonds (Refunding Portion)		0	1,090,000	
B. Notes (Total)	0	0	0	0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	42,975,180	42,975,180	0	(0)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado YEAR ENDING (mm/yy): December 2012	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	1,149,140	a. Interest on investments	12,596
b. Other local imposts:		b. Traffic Fines & Penalties	6,098,328
1. Sales Taxes	19,555,398	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	436,703	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	4,668,948	g. Other Misc. Receipts	
6. Total (1. through 5.)	24,661,049	h. Other	670,000
c. Total (a. + b.)	25,810,189	i. Total (a. through h.)	6,780,924
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	8,121,659	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	948,320	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	1,314,088
f. Total (a. through e.)	948,320	g. Total (a. through f.)	1,314,088
4. Total (1. + 2. + 3.f)	9,069,979	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	0	0
b. Engineering Costs	382,531	1,363,326	1,745,857
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	1,224,885	257,803	1,482,688
(3). System Preservation	0	1,644,416	1,644,416
(4). System Enhancement & Operation	64,468	3,649,607	3,714,075
(5). Total Construction (1) + (2) + (3) + (4)	1,289,353	5,551,825	6,841,178
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	1,671,884	6,915,151	8,587,035
			(Carry forward to page 1)
Notes and Comments:			

EXHIBIT C1
CITY OF AURORA, COLORADO
SUMMARY OF CONTINUING DISCLOSURES BY ISSUE
DECEMBER 31, 2012:

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010 GENERAL FUND REFUNDING BONDS, SERIES 2009 CERTIFICATES OF PARTICIPATION, SERIES 2002	CERTIFICATES OF PARTICIPATION, SERIES 2005 (Part Refunded) REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2006A-1 REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2009A
<u>Required Disclosure</u> General Fund Operating History Primary Sources of Revenue to the General Fund Sales, Use and Lodgers Tax Receipts Assessed and Estimated Actual Value of Taxable Property Property Tax Levies and Collections Ten Principal Real Property Taxpayers Mill Levies of Direct and Primary Overlapping Governments Authorized, Issued and Outstanding Debt Long-term Debt Schedules Direct and Overlapping General Obligation Debt Historical Summary of Debt Ratios Legal Debt Margin	<u>Location</u> Exhibits C-2 and C-3 Governmental Funds, Statement of Revenues, Expenditures and Changes in Fund Balances Statistical Section, Exhibit A-4 Statistical Section, Exhibit A-9 Statistical Section, Exhibit A-12 Statistical Section, Exhibit A-11 Statistical Section, Exhibit A-10 Schedule of Indebtedness, Exhibit B-1 Schedule of Debt Service Requirements, Exhibit B-2 Statistical Section, Exhibit A-15 Statistical Section, Exhibit A-13 and A-14 Statistical Section, Exhibit A-16
WATER RESOURCES REVENUE BONDS, SERIES 2005D FIRST LIEN WATER IMPROVEMENT REVENUE BONDS, SERIES 2007A	FIRST LIEN WATER IMPROVEMENT REVENUE BONDS, SERIES 2008A
<u>Required Disclosure</u> Water Fund Operating History Water System Statistics Maximum Annual Debt Service Coverage Historical Water Revenue Bond Coverage Debt Supported by Water Fund	<u>Location</u> Exhibit C-4 Exhibit C-5 Exhibit C-6 Statistical Section, Exhibit A-17 Schedule of Indebtedness, Exhibit B-1
CLEAN WATER REVENUE BONDS, SERIES 1999	FIRST-LIEN SEWER IMPROVEMENT REVENUE BONDS, SERIES 2006
<u>Required Disclosure</u> Wastewater Fund Operating History Sewer System Statistics Historical Sewer Revenue Bond Coverage	<u>Location</u> Exhibit C-7 Exhibit C-8 Statistical Section, Exhibit A-17
METRO WASTEWATER RECLAMATION DISTRICT, COLORADO: SEWER REFUNDING BONDS, SERIES 2002A SEWER REFUNDING BONDS, SERIES 2003B	SEWER REFUNDING BONDS, SERIES 2008A SEWER IMPROVEMENT BONDS, SERIES 2009A AND 2009B
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:	
<u>Required Disclosure</u> Wastewater Fund Operating History General Fund Operating History Historical Summary of Debt Ratios Property Tax Levies and Collections Assessed and Estimated Actual Value of Taxable Property	<u>Location</u> Exhibit C-7 Exhibits C-2 and C-3 Statistical Section, Exhibit A-17 Statistical Section, Exhibit A-12 Statistical Section, Exhibit A-9
GOLF COURSE ENTERPRISE SYSTEM REFUNDING REVENUE BONDS, SERIES 2005	
<u>Required Disclosure</u> Golf Fund Operating History Golf Course Enterprise System Statistics Maximum Annual Golf Revenue Bond Coverage	<u>Location</u> Exhibit C-9 Exhibit C-10 Exhibit C-11

EXHIBIT C2**CITY OF AURORA, COLORADO****GENERAL FUND****COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN****FUND BALANCE (US GAAP BASIS)****FOR THE YEARS ENDED DECEMBER 31:**

	2008	2009	2010 (a)	2011	2012
REVENUES					
Taxes	\$ 202,061,836	\$ 191,859,369	\$ 195,377,492	\$ 199,321,808	\$ 215,073,673
Charges for services	7,601,310	7,495,590	9,179,928	9,408,597	10,295,801
License and permits	2,508,560	2,197,837	2,234,954	2,204,529	2,366,173
Fines and forfeits	6,406,220	6,049,482	8,616,330	9,461,708	10,335,263
Intergovernmental	10,722,674	11,738,686	13,333,242	13,438,514	13,457,968
Miscellaneous	1,042,271	1,994,879	1,859,321	1,284,418	1,825,295
Investment earnings	2,284,390	1,908,658	878,984	870,779	916,119
Total revenues	232,627,261	223,244,501	231,480,251	235,990,353	254,270,292
EXPENDITURES					
<i>Current</i>					
General government	29,897,477	27,068,901	21,482,169	22,187,057	22,013,708
Judicial	7,988,412	7,786,061	7,981,058	7,768,466	8,106,247
Police	75,319,036	75,156,259	78,677,347	82,450,845	85,460,066
Fire	33,183,680	33,453,116	34,791,196	37,082,009	38,410,555
Other public safety	10,149,377	10,260,286	10,810,214	10,406,780	10,397,756
Public works	21,078,438	18,634,508	24,477,697	24,327,451	23,454,541
Economic development	3,552,855	3,575,405	3,968,567	4,775,615	4,114,525
Community services	3,783,371	3,703,618	3,635,491	3,475,560	3,674,044
Culture and recreation	19,884,480	17,391,932	16,089,424	15,915,515	16,461,477
<i>Debt service</i>					
Principal	987,802	1,326,664	1,114,833	851,310	436,286
Interest	114,434	149,021	100,287	57,517	29,690
Capital outlay	1,756,822	418,932	736,405	2,419,815	3,149,982
Total expenditures	207,696,184	198,924,703	203,864,688	211,717,940	215,708,877
Excess of revenues over expenditures	24,931,077	24,319,798	27,615,563	24,272,413	38,561,415
Net other financing uses (a), (b)	(28,754,253)	(24,472,158)	(25,273,442)	(21,444,749)	(24,901,576)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(3,823,176)	(152,360)	2,342,121	2,827,664	13,659,839
FUND BALANCES - January 1	56,230,460	52,407,284	(a)	62,700,130	65,527,794
General Fund balance - January 1, before restatement	—	—	22,143,755	—	—
Adjustment for accounting changes	—	—	38,214,254	—	—
FUND BALANCES - January 1, after restatement	—	—	60,358,009	—	—
FUND BALANCE - December 31	\$ 52,407,284	\$ 52,254,924	\$ 62,700,130	\$ 65,527,794	\$ 79,187,633
General Fund	\$ 22,792,318	\$ 22,143,755	(a)	(a)	(a)
Policy Reserve (c)	21,426,288	21,332,318	(a)	(a)	(a)
TABOR Reserve (c)	8,188,738	8,778,851	(a)	(a)	(a)

- (a) In 2010, a new accounting pronouncement required a change in reporting of Special Revenue funds. As a result, the fund balances from the TABOR Reserve Fund and the Policy Reserve Fund and a portion of the Designated Revenues Fund were transferred to the General Fund.
- (b) Net other financing uses consist primarily of transfers to other funds. For 2008 and 2009, transfers among the General Fund, the TABOR Reserve Fund and the Policy Reserve Fund have been eliminated in this schedule.
- (c) For the years 2008 and 2009, transactions for the TABOR Reserve Fund and the Policy Reserve Fund were accounted for as a Special Revenue fund.

EXHIBIT C3
CITY OF AURORA, COLORADO
GENERAL FUND
COMPARATIVE SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE, ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)
FOR THE YEARS ENDED DECEMBER 31:

	2008		2009		2010 (a)		2011		2012	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
SOURCES										
Taxes	\$ 201,296,982	\$ 211,484,788	\$ 192,998,794	\$ 210,627,064	\$ 195,431,051	\$ 198,205,531	\$ 197,795,914	\$ 198,910,103	\$ 214,126,882	\$ 202,381,882
Licenses and permits	2,508,560	3,006,765	2,197,837	3,051,103	2,201,001	2,493,903	2,181,654	2,127,854	2,349,161	2,247,623
Intergovernmental	10,722,674	10,606,925	11,738,686	10,754,074	12,738,360	12,404,203	12,829,501	12,693,058	13,457,968	13,071,193
Charges for services	7,601,310	8,003,023	7,495,590	7,792,531	8,286,606	8,623,037	8,837,467	8,931,384	9,645,286	9,252,640
Fines and forfeitures	6,406,220	6,696,024	6,049,482	6,972,101	6,817,969	6,836,200	5,977,427	6,242,119	5,862,518	6,190,000
Investment income	2,146,268	2,917,408	1,602,567	1,932,340	661,468	750,000	871,209	650,000	706,190	950,000
Other revenues	4,249,395	4,451,845	8,440,912	9,084,632	1,308,040	1,435,638	1,139,423	1,027,614	1,695,064	1,035,210
Transfers in	—	—	—	—	31,272,714	31,015,125	2,264,512	2,381,638	1,176,743	1,461,743
Total sources	<u>234,931,409</u>	<u>247,166,778</u>	<u>230,523,868</u>	<u>250,213,845</u>	<u>258,717,209</u>	<u>261,763,637</u>	<u>231,897,107</u>	<u>232,963,770</u>	<u>249,019,812</u>	<u>236,590,291</u>
USES										
Municipal Court	9,713,134	9,929,763	9,613,306	9,999,209	10,204,166	10,318,823	9,531,219	9,822,927	9,940,492	10,108,802
City Attorney	4,873,897	4,935,696	4,861,669	5,011,576	4,866,155	5,010,311	5,000,491	5,023,825	4,986,345	5,063,069
General Management	5,501,075	5,947,110	6,220,487	6,653,297	6,186,184	6,606,384	2,947,752	3,051,872	3,691,985	3,903,153
Administrative Services	22,437,789	24,968,601	20,363,081	22,058,755	13,803,532	14,149,546	24,510,620	25,701,179	24,074,021	24,497,130
Operations Group Management	34,783,049	35,479,114	30,462,248	35,587,314	36,134,671	38,304,755	42,809,390	44,242,728	43,037,806	44,113,423
Community Services	130,204,150	131,522,188	129,861,362	134,603,464	123,966,797	125,233,927	117,162,667	117,236,313	120,831,277	120,804,758
Non-departmental	31,015,944	37,218,767	28,875,661	35,024,098	31,402,300	32,797,155	27,753,505	28,250,297	30,277,780	30,693,464
Total uses	<u>238,529,038</u>	<u>250,001,239</u>	<u>230,257,814</u>	<u>248,937,713</u>	<u>226,563,805</u>	<u>232,420,901</u>	<u>229,715,644</u>	<u>233,329,141</u>	<u>236,839,706</u>	<u>239,183,799</u>
Excess (deficiency) of revenues over (under) expenditures	(3,597,629)	(2,834,461)	266,054	1,276,132	32,153,404	29,342,736	2,181,463	(365,371)	12,180,106	(2,593,508)
FUNDS AVAILABLE - January 1	<u>38,161,666</u>	<u>38,161,666</u>	<u>34,564,035</u>	<u>34,564,035</u>	<u>5,165,400</u>	<u>5,165,400</u>	<u>37,318,804</u>	<u>37,318,803</u>	<u>39,500,267</u>	<u>39,500,267</u>
FUNDS AVAILABLE - December 31	<u>34,564,037</u>	<u>\$ 35,327,205</u>	<u>34,830,089</u>	<u>\$ 35,840,167</u>	<u>37,318,804</u>	<u>\$ 34,508,136</u>	<u>39,500,267</u>	<u>\$ 36,953,432</u>	<u>51,680,373</u>	<u>\$ 36,906,759</u>
Restricted for Reserves (10% policy)	—	—	—	—	(21,467,734)	—	(20,404,987)	—	(20,790,709)	—
Committed for Public Safety (TABOR)	(8,132,329)	—	(8,647,747)	—	(8,871,465)	—	(8,972,548)	—	(9,401,524)	—
Council designations	(5,153,040)	—	(5,165,400)	—	—	—	—	—	—	—
Funds available - after restrictions, and commitments	<u>\$ 21,278,668</u>	<u>\$ 21,016,942</u>	<u>\$ 21,016,942</u>	<u>\$ 21,016,942</u>	<u>\$ 6,979,605</u>	<u>\$ 6,979,605</u>	<u>\$ 10,122,732</u>	<u>\$ 10,122,732</u>	<u>\$ 21,488,140</u>	<u>\$ 21,488,140</u>
	(b)		(b)		(a)		(a)		(a)	
Reconciliation to GAAP fund balance										
Funds available - December 31	\$ 34,564,037		\$ 34,830,089		\$ 37,318,804		\$ 39,500,267		\$ 51,680,373	
Current year encumbrances	559,347		974,269		969,518		803,554		1,354,274	
Inventories	—		—		9,547		—		—	
Sales, use and lodgers tax accrual	17,045,414		15,905,989		15,852,432		17,378,325		18,325,116	
Long-term interfund receivables	—		—		304,050		240,888		449,668	
Deferred revenues-grant awards	—		—		496,095		496,095		(232,214)	
Adjust investments to fair value	238,486		544,577		186,300		125,708		263,626	
Adjust for accounting change	—		—		7,563,390		6,982,957		7,346,790	
FUND BALANCE - December 31	<u>\$ 52,407,284</u>		<u>\$ 52,254,924</u>		<u>\$ 62,700,136</u>		<u>\$ 65,527,794</u>		<u>\$ 79,187,633</u>	

(a) In 2010, a new accounting pronouncement required a change in reporting of Special Revenue funds. As a result, the fund balances from the TABOR Reserve Fund and the Policy Reserve Fund and a portion of the Designated Revenues Fund were transferred to the General Fund.

(b) For the years 2008 and 2009, transactions for the TABOR Reserve Fund and Policy Reserve Fund were accounted for as a Special Revenue fund.

EXHIBIT C4

CITY OF AURORA, COLORADO

WATER FUND

OPERATING HISTORY

COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEARS ENDED DECEMBER 31:

	2008	2009	2010	2011	2012
OPERATING REVENUES					
<i>Charges for services</i>					
Customers	\$ 86,803,419	\$ 84,493,197	\$ 107,030,397	\$ 104,941,420	\$ 112,403,991
Total operating revenues	86,803,419	84,493,197	107,030,397	104,941,420	112,403,991
OPERATING EXPENSES					
Cost of sales and services	40,632,915	28,707,693	40,801,328	42,202,299	41,782,745
Administrative expenses	5,034,253	4,544,897	4,504,021	4,371,213	4,074,618
Depreciation	10,169,576	10,390,860	11,113,289	14,734,196	26,608,375
Total operating expenses	55,836,744	43,643,450	56,418,638	61,307,708	72,465,738
Operating income	30,966,675	40,849,747	50,611,759	43,633,712	39,938,253
NON-OPERATING REVENUES (EXPENSES)					
Investment income	26,606,820	11,254,698	4,989,721	4,407,179	3,744,862
Intergovernmental revenue	34,322	183,494	71,361	556,905	94,055
Miscellaneous revenue	141,183	104,757	283,593	599,663	347,362
Interest expense	(21,809,027)	(6,527,282)	(7,757,051)	(8,334,345)	(28,561,411)
Amortization expense	551,052	559,950	597,435	(848,667)	955,621
Gain (loss)-disposal capital assets	(242,800)	(508,116)	(100,666)	(209,190)	(1,340,467)
Loss on early extinguishment of debt	-	-	-	-	(5,643,142)
Gain (loss)-joint venture	(32,008)	(31,680)	(31,512)	(31,334)	(32,165)
Net non-operating revenues (expenses)	5,249,542	5,035,821	(1,947,119)	(3,859,789)	(30,435,285)
NET INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	36,216,217	45,885,568	48,664,640	39,773,923	9,502,968
Capital contributions	31,628,255	16,669,965	18,344,367	14,855,566	21,571,350
INCREASE IN NET POSITION	67,844,472	62,555,533	67,009,007	54,629,489	31,074,318
NET POSITION - January 1, before restatement	813,682,037	881,526,509	944,082,042	1,011,290,399	1,065,919,888
Adjustment for accounting changes	-	-	199,350	-	(4,809,266)
NET POSITION - January 1, after restatement	813,682,037	881,526,509	944,281,392	1,011,290,399	1,061,110,622
NET POSITION - December 31	<u>\$ 881,526,509</u>	<u>\$ 944,082,042</u>	<u>\$ 1,011,290,399</u>	<u>\$ 1,065,919,888</u>	<u>\$ 1,092,184,940</u>

EXHIBIT C4

CITY OF AURORA, COLORADO

WATER FUND

OPERATING HISTORY

SCHEDULE OF SOURCES, USES, AND CHANGES IN NET POSITION BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEARS ENDED DECEMBER 31:

	2008	2009	2010	2011	2012
SOURCES					
Charges for services	\$ 86,688,316	\$ 84,439,067	\$ 106,961,809	\$ 104,863,804	\$ 112,331,690
Intergovernmental	35,906	183,494	321,361	683,770	91,838
Licenses and permits	115,395	54,326	68,667	77,651	72,301
Fines and forfeitures	—	—	2,513	2,150	1,357
Investment income	25,068,840	10,459,319	6,711,348	5,189,532	3,651,642
Miscellaneous revenues	24,336,194	11,868,590	17,058,348	14,267,721	20,536,096
Proceeds from sale of assets	55,095	70,366	5,857	27,160	31,864
Proceeds from long-term borrowings	58,620,865	34,064,530	23,432,250	—	—
Funds from restricted assets	(3,958,773)	—	(4,280,345)	3,391,681	380,000
Total sources	190,961,838	141,139,692	150,281,808	128,503,469	137,096,788
USES					
Operating Costs					
Operations group	128,906,693	80,114,423	103,616,427	134,048,219	125,109,145
Continuing Appropriations					
Operations group	232,988,828	240,213,265	28,232,525	(11,242,452)	6,250,052
Total uses	361,895,521	320,327,688	131,848,952	122,805,767	131,359,197
Change in net position	(170,933,683)	(179,187,996)	18,432,856	5,697,702	5,737,591
NET POSITION - January 1	365,774,148	194,840,465	15,652,469	34,085,325	39,783,027
NET POSITION - December 31	\$ 194,840,465	\$ 15,652,469	\$ 34,085,325	\$ 39,783,027	\$ 45,520,618

EXHIBIT C5
CITY OF AURORA, COLORADO
WATER FUND
WATER SYSTEM STATISTICS
FOR THE YEARS ENDED DECEMBER 31:

Water Usage and Billed Revenues by Classification

Classification	Consumption	Percent of Consumption	Billed Revenue	Percent of Billed Revenue
Residential	\$ 7,221,493	40%	\$ 48,922,737	46%
Multi-Family	3,891,685	22%	22,840,694	21%
Commercial	3,331,224	19%	19,895,263	19%
Irrigation	1,627,927	9%	10,882,506	10%
Other (a)	1,884,125	10%	4,455,844	4%
Total	\$ 17,956,454	100%	\$ 106,997,044	100%

(a) Includes tertiary, trade, hydrant, raw water and well water customers billed through utility billing system.

Water System Annual Billed Revenues and Cash Collection (b)

Classification	2008	2009	2010	2011	2012
Billed revenues	\$ 84,777,085	\$ 82,911,097	\$ 100,041,083	\$ 99,665,457	\$ 107,066,380
Cash collected during year for current and prior years' sales	\$ 85,534,196	\$ 82,724,654	\$ 99,055,513	\$ 99,874,709	\$ 107,152,680
Percentage of billed revenues collected	100.9%	99.8%	99.0%	100.2%	100.1%

(b) Revenues include metered sales, fire protection, raw water irrigation, raw water resale, well water, tertiary reuse water, related services (trip charges, meter testing, wasting water fees and non-sufficient funds fees) and other. Adjusted to match cash collection cycle.

Customers by Class (c)

Classification	2008	2009	2010	2011	2012
Residential (1-4 units)	69,258	70,035	70,609	71,374	72,116
Multi-Family (5+ units)	2,339	2,374	2,415	2,418	2,416
Commercial	2,854	2,872	2,883	2,908	2,929
Irrigation	1,098	1,108	1,113	1,116	1,116
Total	75,549	76,389	77,020	77,816	78,577

(c) Excludes tertiary, hydrant, raw, and well water customers. Also excludes inactive and stubbed taps.

Aurora Water Rates History and Average Annual Water Bill

Single Family Residential	2008	2009	2010	2011	2012
Base charge	\$ 10.39	\$ 11.22	\$ 12.06	\$ 12.06	\$ 12.06
Rates per 1,000 gallons	Tiered Structure	Tiered Structure	Tiered Structure	Tiered Structure	Tiered Structure
Average annual bill	\$ 561.00	\$ 564.00	\$ 657.91	\$ 646.49	\$ 681.38

EXHIBIT C5
CITY OF AURORA, COLORADO
WATER FUND
WATER SYSTEM STATISTICS
FOR THE YEARS ENDED DECEMBER 31:

The following table sets forth the ten largest consumers of the Water System, which, in aggregate, accounted for 8.5% of the total billed metered treated water sales in 2012.

Ten Largest Treated Water Customers of Water System - 2012

Customer	Consumption (a)	Percent of Top Ten Consumption	Billed Revenues	Percent of Top Ten Billed Revenues
City of Aurora	508,164	35%	\$ 3,265,233	37%
Buckley Air Force Base	210,358	14%	1,202,301	14%
Cherry Creek Schools	196,828	13%	1,135,712	13%
University of Colorado	157,935	11%	913,265	10%
Heather Gardens HOA	149,754	10%	839,498	10%
Westdale Asset Management	55,930	4%	317,446	4%
Starr Bridge Chelsea, LLC	54,896	4%	309,129	3%
Children's Hospital	46,585	3%	281,265	3%
Hickory Ridge CO, LLC	41,254	3%	232,437	3%
Kingsley Management Corp	38,845	3%	217,532	3%
Total	1,460,549	100%	\$ 8,713,818	100%

(a) In thousand gallons. Includes water and irrigation customers only.

Monthly Service Charge (b)

Meter Size	2008	2009	2010	2011	2012
5/8" & 3/4"	\$ 10.39	\$ 11.22	\$ 12.06	\$ 12.06	\$ 12.06
1"	15.31	16.53	17.77	17.77	17.77
1 1/4"	15.31	16.53	17.77	17.77	17.77
1 1/2"	23.52	25.40	27.31	27.31	27.31
2"	33.37	36.04	38.74	38.74	38.74
3"	59.63	64.40	69.23	69.23	69.23
4"	89.17	96.30	103.53	103.53	103.53
6"	171.24	184.94	198.81	198.81	198.81
8"	401.03	433.11	465.60	465.60	465.60

(b) Monthly fee equals the Monthly Service Charge (based on meter size) plus a charge per 1,000 gallons used.

Average Daily and Peak Day Demand

	In Millions of Gallons				
	2008	2009	2010	2011	2012
Average Daily Treatment	45.6	40.4	45.2	44.5	47.3
Average Daily Consumption	43.0	37.9	43.1	42.2	45.5
Peak Hour Treatment	164.0	111.4	122.8	140.6	156.4
Peak Day Treatment	99.3	79.0	85.4	87.4	90.8
Peak Day Consumption	95.2	77.1	81.4	83.7	88.5

EXHIBIT C5
CITY OF AURORA, COLORADO
WATER FUND
WATER SYSTEM STATISTICS
FOR THE YEARS ENDED DECEMBER 31:

Water Service Connection Fee

Type and Size of Connection	2008	2009	2010	2011	2012
Single Family Detached					
5/8" & 3/4"	\$ 20,875	\$ 22,754	\$ 24,460	\$ 24,460	\$ 24,460
1"	41,750	45,508	45,156	45,156	43,700
Single Family Attached (per unit)	14,821	16,155	13,970	13,970	13,515
Multi-Family (per unit)	12,316	13,424	12,954	12,954	12,494
Commercial					
5/8" & 3/4"	20,875	22,754	24,460	24,460	24,460
1"	36,156	39,410	42,365	42,365	42,365
1 1/2"	83,312	90,810	97,620	97,620	97,620
2"	147,962	161,279	173,374	173,374	173,374
3"	332,681	362,622	389,818	389,818	389,818
4"	591,850	645,117	693,500	693,500	693,500
6"	1,332,136	1,452,028	1,560,930	1,560,930	1,560,930
8"	2,368,605	2,581,779	2,775,412	2,775,412	2,775,412

Tap and Development Fee Revenues*

Year	Tap Fee Revenues	Development Fee Revenue	Total Tap and Development Fees
2008	\$ 24,661,273	\$ 116,079	\$ 24,777,352
2009	11,933,737	38,436	11,972,173
2010	16,766,342	58,749	16,825,091
2011	13,689,898	125,460	13,815,358
2012	20,144,078	99,249	20,243,327

* Development fees include main extensions, front footage and drought water replacement surcharge and exclude annexation fees reimbursed to others. Year 2008 is restated due to change in methodology.

EXHIBIT C5
CITY OF AURORA, COLORADO
WATER FUND
WATER SYSTEM STATISTICS
FOR THE YEARS ENDED DECEMBER 31:

Type of Account	Tiered Use Rate	Tiered Use Rate	Tiered Use Rate	Tiered Use Rate	Tiered Use Rate
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Residential/ Multifamily (less than 5 units)					
Tier 1- (0-20,000 gals)	\$ 4.54	\$ 4.90	\$ 5.27	\$ 5.27	\$ 5.27
Tier 2- (20,001-40,000 gals)	5.17	5.58	6.00	6.00	6.00
Tier 3- (40,001 gals and above)	6.46	6.98	7.50	7.50	7.50
Multifamily (five or more units)					
Tier 1- (up to 100% allocation)	4.82	5.21	5.60	5.60	5.60
Tier 2- (greater than 100%)	5.30	5.73	6.16	6.16	6.16
Commercial					
Tier 1- (up to 100% allocation)	4.88	5.27	5.67	5.67	5.67
Tier 2- (greater than 100%)	5.37	5.80	6.24	6.24	6.24
Irrigation					
Tier 1- (up to 100% allocation)	5.58	6.03	6.48	6.48	6.48
Tier 2- (greater than 100%)	6.14	6.63	7.13	7.13	7.13

Beginning 2008, rates for multifamily, commercial and irrigation customers are based on the Annual Block Allocation amounts which are the individualized annual water budgets allocated to each customer for use in each calendar year.

EXHIBIT C6
CITY OF AURORA, COLORADO
WATER FUND
MAXIMUM ANNUAL DEBT SERVICE COVERAGE
FOR THE YEARS ENDED DECEMBER 31:

	2008	2009	2010	2011	2012
Net Pledged Revenue					
Charges for Services	\$86,803,419	\$84,493,197	\$107,030,397	\$104,941,420	\$112,403,991
Development Fee (a)	24,777,352	11,972,174	16,825,091	13,815,358	20,243,327
Other Non-Operating Revenue (b)	24,598,131	10,564,075	6,995,940	5,779,893	4,124,923
(Less) Operating Expense	(55,836,744)	(43,643,450)	(56,418,638)	(61,307,709)	(72,465,738)
Add: Depreciation	10,169,575	10,390,860	11,113,289	14,734,197	26,608,375
Total	<u>\$90,511,733</u>	<u>\$73,776,856</u>	<u>\$85,546,079</u>	<u>\$77,963,159</u>	<u>\$90,914,878</u>
Maximum Annual Debt Service					
First-Lien Revenue Obligations (c)	\$47,451,238	\$47,451,238	\$47,451,238	\$44,982,063	\$44,982,063
Combined First-Lien Revenue Obligations and Second-Lien Revenue Obligations (d)	47,451,238	47,451,238	47,451,238	44,982,063	44,982,063
All Obligations Secured by Net Pledged Revenue (e)	47,451,238	47,451,238	51,867,114	49,397,939	49,397,939
All Obligations Payable From System Revenues (f)	47,451,238	47,451,238	51,867,144	n/a	n/a
Coverage					
First-Lien Revenue Obligations	1.91	1.55	1.80	1.73	2.02
Combined First-Lien Revenue Obligations and Second-Lien Revenue Obligations	1.91	1.55	1.80	1.73	2.02
All Obligations Secured by Net Pledged Revenues	1.91	1.55	1.65	1.58	1.84
All Obligations Payable from Systems Revenues	1.91	1.55	1.65	n/a	n/a

(a) Includes tap, main extension, front footage fees. 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 interest on urban drainage.

(c) First lien maximum annual debt service occurs in 2033. Includes the City's portion of 2005D (CWR&PDA) and the city's First Lien Water Improvement Revenue Bonds Series 2007A and 2008A.

(d) In 2008, the 2004 Revenue bond was refunded and is now the First-Lien Improvement Revenue Bond, Series 2008A. Maximum annual debt service occurs in 2033.

(e) Includes (d) above, 2007 CWCB note, and other and water rights notes payable. Maximum annual debt service occurs in 2033.

(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. In 2011, the general obligation bonds were paid off.

EXHIBIT C7

CITY OF AURORA, COLORADO

OPERATING HISTORY

WASTEWATER FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31:

	2008	2009	2010	2011	2012
OPERATING REVENUES					
Charges for services	\$ 43,334,347	\$ 46,562,963	\$ 49,747,055	\$ 50,363,242	\$ 51,687,414
Total operating revenues	43,334,347	46,562,963	49,747,055	50,363,242	51,687,414
OPERATING EXPENSES					
Cost of sales and services	31,170,143	32,314,994	32,702,625	34,431,787	35,896,465
Administrative expenses	1,420,857	1,511,342	1,436,412	1,773,448	1,401,569
Depreciation	6,745,580	6,877,719	7,264,609	8,328,611	8,756,083
Total operating expenses	39,336,580	40,704,055	41,403,646	44,533,846	46,054,117
Operating income	3,997,767	5,858,908	8,343,409	5,829,396	5,633,297
NON-OPERATING REVENUES (EXPENSES)					
Investment income	4,719,791	4,047,641	1,576,473	1,591,702	1,462,276
Intergovernmental revenue	—	88,000	250,000	2,660,855	—
Miscellaneous revenue	46,325	319,680	3,586,581	90,289	5,148,986
Interest expense	(616,127)	(107,199)	38,429	(2,319,742)	(2,142,921)
Amortization expense	24,312	24,312	24,312	24,312	66,918
Gain (loss)-disposal capital assets	(804,634)	(8,480)	(658,635)	(2,649,007)	29,799
Net non-operating revenues (expenses)	3,369,667	4,363,954	4,817,160	(601,591)	4,565,058
NET INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	7,367,434	10,222,862	13,160,569	5,227,805	10,198,355
Capital contributions	9,400,956	10,671,083	4,036,633	4,344,696	4,725,296
INCREASE IN NET POSITION	16,768,390	20,893,945	17,197,202	9,572,501	14,923,651
NET POSITION - January 1, before restatement	393,200,000	409,968,390	430,862,335	448,165,868	457,738,369
Adjustment for accounting changes	—	—	106,331	—	(417,712)
NET POSITION - January 1, after restatement	393,200,000	409,968,390	430,968,666	448,165,868	457,320,657
NET POSITION - December 31	<u>\$ 409,968,390</u>	<u>\$ 430,862,335</u>	<u>\$ 448,165,868</u>	<u>\$ 457,738,369</u>	<u>\$ 472,244,308</u>

EXHIBIT C7

CITY OF AURORA, COLORADO

OPERATING HISTORY

WASTEWATER FUND

SCHEDULE OF SOURCES, USES, AND CHANGES IN NET POSITION

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEARS ENDED DECEMBER 31:

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
SOURCES					
Intergovernmental revenues	\$ —	\$ 88,000	\$ 250,000	\$ 2,660,855	\$ —
Charges for services	43,334,597	46,563,100	49,730,302	50,312,760	51,636,913
Investment income	4,300,273	3,424,319	2,225,016	1,669,328	1,325,143
Other revenues	3,096,633	2,173,524	3,789,649	3,304,306	6,637,525
Proceeds from sale of assets	16,279	16,194	15,723	8,095	39,426
Transfers in	256,000	256,000	—	—	—
Funds from restricted assets	—	304,838	296,631	—	1,716,209
Total sources	<u>51,003,782</u>	<u>52,825,975</u>	<u>56,307,321</u>	<u>57,955,344</u>	<u>61,355,216</u>
USES					
<i>Operating Costs</i>					
Operations group	38,827,660	40,239,806	37,808,537	40,315,106	47,053,956
<i>Continuing Appropriations</i>					
Operations group	<u>1,504,828</u>	<u>27,589,299</u>	<u>25,270,427</u>	<u>22,591,962</u>	<u>6,696,082</u>
Total uses	<u>40,332,488</u>	<u>67,829,105</u>	<u>63,078,964</u>	<u>62,907,068</u>	<u>53,750,038</u>
Change in net position	10,671,294	(15,003,130)	(6,771,643)	(4,951,724)	7,605,178
Net Position - January 1	<u>53,778,244</u>	<u>64,449,538</u>	<u>49,446,408</u>	<u>42,674,765</u>	<u>37,723,041</u>
Net Position - December 31	<u>\$ 64,449,538</u>	<u>\$ 49,446,408</u>	<u>\$ 42,674,765</u>	<u>\$ 37,723,041</u>	<u>\$ 45,328,219</u>

EXHIBIT C8
CITY OF AURORA, COLORADO
WASTEWATER FUND
SEWER SYSTEM STATISTICS
DECEMBER 31:

Sanitary Sewer Usage and Revenues by Classification

<u>Classification</u>	<u>Percent of Consumption</u>	<u>Percent of Revenue</u>
Business	19%	18%
Residential	81%	82%
Totals	100%	100%

Customers by Class

<u>Classification</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Residential (1-4) units	69,258	69,895	70,469	71,405	72,138
Multi-Family (5+ units)	2,339	2,373	2,414	2,417	2,419
Commercial	2,854	2,964	2,981	2,852	2,873
Total	74,451	75,232	75,864	76,674	77,430

Ten Largest Customers of the Sanitary Sewer System

<u>Customer</u>	<u>Billed Revenues</u>
University of Colorado HSC	\$ 267,511
Buckley Air Force Base	264,040
Heather Gardens HOA	236,862
Starr Bridge Chelsea, LLC	107,616
Hickory Ridge Colorado, LLC	87,812
Kingsley Management Corp	84,483
Cherry Creek Schools	81,077
Children's Hospital Colorado	76,933
City of Aurora	72,248
Westdale Asset Management, LLC	71,436
Total	\$ 1,350,018

These ten customers accounted for 4.5% of the total billed sanitary sewer sales in 2012.

Sanitary Sewer Monthly Service Charge by Tap Size(a)

<u>Tap Size</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
5/8" and 3/4"	\$ 2.62	\$ 2.80	\$ 2.97	\$ 3.09	\$ 3.22
1" & 1 1/4"	6.22	6.66	7.06	7.35	7.65
1 1/2"	13.09	14.01	14.85	15.46	16.09
2"	20.93	22.40	23.74	24.71	25.72
3"	45.84	49.05	51.99	54.12	56.34
4"	130.99	140.16	148.57	154.66	161.00
6"	262.00	280.34	297.16	309.34	322.02

(a) The total monthly fee includes the monthly service charge plus a volume charge of \$2.96 per 1,000 gallons used.

EXHIBIT C8
CITY OF AURORA, COLORADO
WASTEWATER FUND
SEWER SYSTEM STATISTICS
FOR THE YEARS ENDED DECEMBER 31:

Sanitary Sewer Tap Fees by Service Size

Customer	2008	2009	2010	2011	2012
Single Family Detached (per unit)	\$ 2,388	\$ 2,388	\$ 2,388	\$ 2,421	\$ 2,771
Single Family Attached (per unit)	1,934	1,934	1,934	1,961	1,524
Multi-family (per unit)	1,863	1,863	1,863	1,889	1,413
Commercial (per tap size):					
$\frac{3}{4}$ "	4,537	4,537	4,537	4,601	5,264
1" & 1 $\frac{1}{4}$ "	10,746	10,746	10,746	10,896	12,468
1 $\frac{1}{2}$ "	26,268	26,268	26,268	26,636	30,477
2	47,760	47,760	47,760	48,429	55,413
3	100,296	100,296	100,296	101,700	116,368
4	181,488	181,488	181,488	184,029	210,571
6	(b)	(b)	(b)	(b)	(b)

- (b) Rates for the six inch meters are based on a formula utilizing flow, Biological Oxygen Demand (BOD), Total Suspended Solids (TSS), and Total Kjeldahl Nitrogen (TKN) values.

Sewer Tap and Development Fee Revenues*

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Sanitary Sewer Tap Fees	\$ 4,289,728	\$ 1,867,919	\$ 2,445,331	\$ 1,675,452	\$ 2,672,735
Utility- Front footage	27,617	21,828	26,393	74,491	110,569
Total Tap and Development Fees	<u>\$ 4,317,345</u>	<u>\$ 1,889,747</u>	<u>\$ 2,471,724</u>	<u>\$ 1,749,943</u>	<u>\$ 2,783,304</u>

* Development fees include main extensions and front footage and exclude annexation, storm drain development and fees reimbursed to others. Year 2008 is restated due to change in methodology.

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 \$2,818 per acre storm drainage development fee at the time building permits are issued. The storm drainage fee is \$8.16 per month for single family detached and individually metered single family attached dwellings. The storm drainage fee is \$8.16 per month plus \$6.42 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 \$8.16 per month for the first 2,500 square feet of gross floor space plus \$6.42 for each additional 2,500 square feet of gross floor space or portion thereof.

EXHIBIT C9

CITY OF AURORA, COLORADO

GOLF FUND

OPERATING HISTORY

COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEARS ENDED DECEMBER 31:

	2008	2009	2010	2011	2012
OPERATING REVENUES					
Charges for services	\$ 9,511,487	\$ 9,027,618	\$ 8,328,381	\$ 7,932,907	\$ 8,613,543
Total operating revenues	9,511,487	9,027,618	8,328,381	7,932,907	8,613,543
OPERATING EXPENSES					
Cost of sales and services	7,250,362	6,991,138	6,354,240	5,833,016	6,046,894
Administrative expenses	1,207,345	903,164	1,301,004	1,201,625	1,486,693
Depreciation	1,011,962	1,036,321	1,016,788	967,807	918,161
Total operating expenses	9,469,669	8,930,623	8,672,032	8,002,448	8,451,748
Operating income (loss)	41,818	96,995	(343,651)	(69,541)	161,795
NON-OPERATING REVENUES (EXPENSES)					
Investment income	131,688	74,547	54,260	50,523	35,498
Miscellaneous revenue	122,031	20,166	32,561	14,966	21,745
Interest expense	(399,234)	(394,392)	(339,416)	(335,189)	(263,892)
Amortization expense	(13,412)	(13,414)	(27,545)	(27,545)	(12,364)
Gain (loss)-disposal capital assets	(3,936)	(6,300)	3,917	(17,218)	—
Net non-operating expenses	(162,863)	(319,393)	(276,223)	(314,463)	(219,013)
NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(121,045)	(222,398)	(619,874)	(384,004)	(57,218)
Capital contributions	—	3,000	—	358,704	2,331
Transfers in	50,000	—	—	—	325,000
INCREASE (DECREASE) IN NET POSITION	(71,045)	(219,398)	(619,874)	(25,300)	270,113
TOTAL NET POSITION - January 1, before restatement	25,217,699	25,146,654	24,927,256	24,307,382	24,282,082
Adjustment for change in accounting principle	—	—	—	—	(46,938)
TOTAL NET POSITION - January 1, after restatement	25,217,699	25,146,654	24,927,256	24,307,382	24,235,144
TOTAL NET POSITION - December 31	<u>\$ 25,146,654</u>	<u>\$ 24,927,256</u>	<u>\$ 24,307,382</u>	<u>\$ 24,282,082</u>	<u>\$ 24,505,257</u>

EXHIBIT C10
CITY OF AURORA, COLORADO
GOLF FUND
GOLF COURSE ENTERPRISE SYSTEM STATISTICS
FOR THE YEARS ENDED DECEMBER 31:

Golf Course System Usage - Total Rounds Played

Course	2008	2009	2010	2011	2012
Aurora Hills	56,331	54,043	51,671	49,818	52,952
Centre Hills	26,478	24,398	21,834	17,264	18,345
Fitzsimons	43,133	40,007	40,044	38,549	39,264
Meadow Hills	52,411	48,598	47,712	46,389	47,993
Murphy Creek	31,480	31,430	28,624	29,196	30,256
Saddle Rock	37,295	33,888	30,335	32,384	34,680
Springhill	41,472	37,359	34,544	30,260	33,313

2012 Green Fee Rates

Fee Type (c)	Saddle Rock	Murphy Creek	Meadow Hills	Aurora Hills	Fitzsimons (a)	Springhill	Centre Hills (b)
18-Hole Weekday	\$38.00	\$36.00	\$31.00	\$26.00	\$24.00	\$23.00	\$18.00
18-Hole Weekend	49.00	46.00	37.00	30.00	28.00	27.00	22.00
18-Hole Junior Weekday	23.25	21.00	18.00	16.00	16.00	15.00	11.00
18-Hole Junior Weekend	26.50	25.50	21.00	19.00	19.00	18.00	13.00
18-Hole Senior Weekday/Weekend (d)	27.50	25.50	21.00	19.00	18.00	17.00	13.00
18-Hole Military Weekday	33.00	31.00	26.00	21.00	18.00	18.00	13.00
18-Hole Military Weekend	44.00	41.00	32.00	25.00	23.00	23.00	15.00
9-Hole Weekday	19.00	18.00	15.50	13.00	12.00	11.50	9.00
9-Hole Weekend	24.50	23.00	18.50	15.00	14.00	13.50	11.00
9-Hole Junior Weekday	11.50	10.50	9.00	8.00	8.00	7.50	5.50
9-Hole Junior Weekend	13.25	12.75	11.00	9.50	9.50	9.00	6.50
9-Hole Senior Weekday	13.75	12.75	11.00	9.50	9.00	8.50	6.50
9-Hole Military Weekday	16.50	15.50	13.00	10.50	9.00	9.00	6.50
9-Hole Military Weekend	22.00	20.50	16.00	12.50	11.50	11.50	7.50
Twilight	15.00	15.00	11.00	10.00	9.50	9.50	n/a

(a) Fitzsimons Golf Course continuing annual members \$450/year and \$2.50/9 holes trail fee.

(b) The Centre Hills Golf Course is a 9-hole course. The 18-hole fee is the cost to play the 9-hole course twice on the same day.

(c) Effective 1/1/2010 Non-Resident Green Fees were eliminated, residents were given extended tee-time opportunities.

(d) Exception to weekend fee starting at noon: Fitzsimons \$23.00 and Springhill \$21.00.

EXHIBIT C11
CITY OF AURORA, COLORADO
GOLF FUND
MAXIMUM ANNUAL DEBT SERVICE COVERAGE
FOR THE YEARS ENDED DECEMBER 31:

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Net Pledged Revenue					
Charges for services	\$9,511,487	\$9,027,618	\$8,328,381	\$7,932,907	\$8,613,543
Capital contributions (a)	—	3,000	—	—	—
Transfers in	50,000	—	—	—	—
Other non-operating revenue (b)	208,264	99,242	87,711	58,979	65,347
Less: Operating expenses (c)	(9,686,334)	(9,134,439)	(8,852,168)	(8,201,217)	(8,598,773)
Add back: Depreciation	1,011,962	1,036,321	1,016,788	967,807	918,161
Total	<u>\$1,095,379</u>	<u>\$1,031,742</u>	<u>\$580,712</u>	<u>\$758,476</u>	<u>\$998,278</u>
Maximum Annual Debt Service (d)					
Series 2005 bonds	\$793,336	\$539,300	\$539,300	\$539,300	\$539,300
Coverage					
Series 2005 bonds	1.38	1.91	1.08	1.41	1.85

(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 debt service for 2008 includes both the 2005 bonds and the 2004 Golf Revenue Note for Aurora Hills irrigation system replacement that was fully paid in 2009. For years 2009 through 2012, maximum annual debt service is for the 2005 bonds only, and it occurred in 2006.



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