



---

# **Comprehensive Annual Financial Report**

**City of Aurora, Colorado  
Year Ended December 31, 2001**

**Prepared by  
Controller's Office  
Finance Department**



---

## Prepared by the Controller's Office Finance Department

John Gross, Director

Raisa Nikolayevsky, Senior Accountant

Ronald Craft, Controller

Todd Moses, Accountant

Monette Russ, Accounting Administrator

Carisa Redlick, Accountant

Nancy Wishmeyer, Chief Accountant

David Mullen, Accounting Services Supervisor

Ralph Cannon, Senior Accountant

Donald Jones, Senior Accounting Assistant

Ronnie Frosch, Senior Accountant

Tanya Austin, Accounting Assistant

If you have any questions regarding this report, call or fax us at:

Phone: 303.739.7800 • Fax: 303.739.7779

Our mailing address is:

City of Aurora

Controller's Office

15001 East Alameda Drive

Aurora, Colorado 80012

# CITY OF AURORA, COLORADO

## TABLE OF CONTENTS DECEMBER 31, 2001

---

	<u>Exhibit Number</u>	<u>Page Number</u>
<b>INTRODUCTORY SECTION</b>		
Letter of Transmittal - City Manager and Finance Director	-	i
Council Members	-	xvi
Officials	-	xvii
Governmental Structure	-	xviii
Certificate of Achievement for Excellence in Financial Reporting	-	Cover
<b>FINANCIAL SECTION</b>		
Independent Auditors' Report	-	1
<b>General Purpose Financial Statements</b>		
Combined Financial Statements		
Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Unit	I	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types	II	8
Combined Statement of Revenues, Expenditures and Changes in Funds Available - Budget (Non-GAAP Budgetary Basis) and Actual - Governmental Fund Types - General, Special Revenue, Debt Service and Capital Projects Funds	III	10
Combined Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types and Discretely Presented Component Unit	IV	12
Combined Statement of Changes in Plan Net Assets - All Pension Trust Funds	V	13
Combined Statement of Cash Flows - All Proprietary Fund Types and Discretely Presented Component Unit	VI	14
Notes to Financial Statements	VII	16
Required Supplementary Information	VIII	77
<b>Supplemental Information - Combining, Individual Fund and Account Group Financial Statements and Schedules</b>		
General Fund		
Balance Sheet	A-1	79
Schedule of Revenues, Expenditures and Changes in Funds Available - Budget (Non-GAAP Budgetary Basis) and Actual	A-2	80

# CITY OF AURORA, COLORADO

## TABLE OF CONTENTS DECEMBER 31, 2001

---

	<u>Exhibit Number</u>	<u>Page Number</u>
<b>FINANCIAL SECTION (Continued)</b>		
<b>Supplemental Information - Combining, Individual Fund and Account Group Financial Statements and Schedules (Continued)</b>		
<b>Special Revenue Funds</b>		
Combining Balance Sheet	B-1	84
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	B-2	86
Combining Schedule of Revenues, Expenditures and Changes in Funds Available - Budget (Non-GAAP Budgetary Basis) and Actual Schedules of Expenditures and Appropriations	B-3	88
Gifts and Grants Fund Capital Projects	B-4	95
Community Development Fund Projects	B-5	96
Enhanced E-911 Fund Capital Projects	B-6	98
Conservation Trust Fund Capital Projects	B-7	99
Parks Development Fund Capital Projects	B-8	100
<b>Debt Service Funds</b>		
Combining Balance Sheet	C-1	101
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	C-2	102
Combining Schedule of Revenues, Expenditures and Changes in Funds Available - Budget (Non-GAAP Budgetary Basis) and Actual	C-3	103
<b>Capital Projects Funds</b>		
Combining Balance Sheet	D-1	105
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	D-2	106
Schedule of Revenues, Expenditures and Changes in Funds Available - Budget (Non-GAAP Budgetary Basis) and Actual	D-3	107
Schedule of Expenditures and Appropriations - City Capital Projects	D-4	108
Schedule of Revenues and Expenditures - ACLC Capital Projects	D-5	111
<b>Enterprise Funds</b>		
Combining Balance Sheet	E-1	114
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	E-2	117
Combining Statement of Cash Flows	E-3	118
Schedule of Revenues, Expenditures and Changes in Funds Available - Budget (Non-GAAP Budgetary Basis) and Actual	E-4	120
Schedules of Expenditures and Appropriations		
Water Fund Capital Projects	E-5	122
Sewer Fund Capital Projects	E-6	124
Golf Fund Capital Projects	E-7	126

# CITY OF AURORA, COLORADO

## TABLE OF CONTENTS DECEMBER 31, 2001

---

	<u>Exhibit Number</u>	<u>Page Number</u>
<b>FINANCIAL SECTION (Continued)</b>		
<b>Supplemental Information - Combining, Individual Fund and Account Group Financial Statements and Schedules (Continued)</b>		
Internal Service Funds		
Combining Balance Sheet	F-1	128
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	F-2	131
Combining Statement of Cash Flows	F-3	132
Schedule of Revenues, Expenditures and Changes in Funds Available - Budget (Non-GAAP Budgetary Basis) and Actual	F-4	134
Schedule of Expenditures and Appropriations - Building Repair Fund Capital Projects	F-5	136
Trust and Agency Funds		
Combining Balance Sheet	G-1	137
Combining Statement of Changes in Plan Net Assets - Pension Trust Funds	G-2	138
Combining Statement of Changes in Assets and Liabilities - Agency Funds	G-3	139
General Fixed Assets Account Group		
Combining Schedule of General Fixed Assets by Source	H-1	141
Combining Schedule of General Fixed Assets by Function and Activity	H-2	142
Combining Schedule of Changes in General Fixed Assets by Function and Activity	H-3	143
General Long-Term Debt Account Group		
Combining Schedule of General Long-Term Debt	H-4	144
<b>Other Schedules</b>		
Schedule of Indebtedness - All Funds	I-1	145
Schedules of Debt Service Requirements		
General Long-Term Debt	I-2	146
Proprietary Funds	I-3	147
Schedule of Conduit Debt Outstanding	I-4	148
Schedule of Pooled Investments - Unaudited	I-5	149
Counties, Cities, & Towns Annual Schedule of Receipts & Expenditures for Roads, Bridges and Streets	I-6	152
Schedule of Insurance Coverages - Unaudited	I-7	155
Schedule of Debt Ratings - Unaudited	I-8	156

# CITY OF AURORA, COLORADO

## TABLE OF CONTENTS DECEMBER 31, 2001

---

	<u>Exhibit Number</u>	<u>Page Number</u>
<b>FINANCIAL SECTION (Continued)</b>		
<b>Supplementary Financial Disclosures</b>		
Aurora Urban Renewal Authority Tax Increment Revenue Refunding Bonds, Series 1996 Disclosure Report	J-1	157
General Obligation Water Refunding Bonds, Series 1996 Disclosure Report	J-2	160
Golf Course Enterprise System Revenue Bonds, Series 1995 Disclosure Report	J-3	162
General Obligation Bonds, Series 1998 Disclosure Report	J-4	164
General Fund Bonds, Series 1999 Disclosure Report	J-5	165
Drinking Water Revenue Bonds, Series 1999 Disclosure Report	J-6	166
Clean Water Revenue Bonds, Series 1999 Disclosure Report	J-7	169
Continuing Disclosure Information	J-8	173
General Obligation Bonds, Series 2000 Disclosure Report	J-9	176
Certificates of Participation, Series 2000 Disclosure Report	J-10	177
<b>STATISTICAL SECTION</b>		
About the Statistical Tables		179
Revenues and Expenditures Statistics		
Governmental Expenditures by Function - Bar Chart	i	184
Governmental Expenditures by Function	ii	185
Governmental Revenues by Source - Bar Chart	iii	186
Governmental Revenues by Source	iv	187
Governmental Tax Revenues by Source - Bar Chart	v	188
Governmental Tax Revenues by Source	vi	189
Taxes and Assessments Statistics		
Property Tax Levies and Collections	vii	191
Special Assessment Collections	viii	192
Assessed and Estimated Actual Value of Taxable Property	ix	193
Property Tax Rates - Direct and Primary Overlapping Governments	x	194
Debt Statistics		
Computation of Legal Debt Margin	xi	195
Direct and Overlapping General Obligation Debt	xii	196
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total Governmental Expenditures	xiii	197
Ratio of Net General Obligation Bonded Debt and Certificates of Participation to Assessed Value and Net Bonded Debt Per Capita	xiv	198
Schedule of Revenue Bond Coverage	xv	199
Economic and Demographic Statistics		
Property Values and Construction	xvi	203
Demographic Statistics	xvii	204
Major Employers	xviii	205
Ten Principal Property Taxpayers	xix	206
Miscellaneous Statistical Data	xx	207



**CITY MANAGER'S OFFICE**

1470 South Havana Street  
Aurora, Colorado 80012  
303-739-7010  
FAX: 303-739-7123

May 3, 2002

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, 2001. Management is responsible for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the enclosed information is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups 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 CAFR contains three sections: Introductory, Financial, and Statistical. The Introductory Section includes this transmittal letter, the City's organizational chart, and a list of principal officials. The Financial Section contains the independent auditors' report, combined financial statements, notes to the statements, required supplementary information, combining and individual fund statements and schedules, and supplementary financial disclosures. The Statistical Section includes selected financial and demographic information about the City. The CAFR includes all funds, account groups, and component units of the City. Entities considered to be component units under governmental accounting standards, include: the Aurora Capital Leasing Corporation (ACLC), Aurora Urban Renewal Authority (AURA), General Employees' Retirement Plan (GERP), the Elected Officials' and Executive Personnel Defined Benefit Pension Plan (EOEP) and the Fitzsimons Redevelopment Authority (FRA).

**GOVERNMENTAL STRUCTURE, ECONOMIC CONDITION AND OUTLOOK**

**General**

The City of Aurora is located on the eastern slope of the Rocky Mountains and lies in the six county Denver/Aurora metropolitan area (the metro area). The metro area is the economic and political center of the State of Colorado (the State).

Aurora is the third largest city in the State with an estimated population in 2001 of 284,606. This is 11.5% of the metro area population. The City provides general government services including public works, water and sewer, parks and recreation, golf, and public safety.

The City utilizes the Council-Manager form of government, which was adopted by the City in 1954. In 1961, the City became a Home Rule City by adopting its own Charter pursuant to Article XX of the Constitution of the State. In 1993, the City Charter was amended to provide for

a full-time Mayor, beginning January 1, 1996. The eleven members of the City Council (including the Mayor, who is elected specifically for that position) are chosen biennially for staggered four-year terms in non-partisan elections. Pursuant to Article XVIII, Section 11 of the Colorado Constitution, commencing with terms of office beginning on or after January 1, 1995, Council members are limited to two consecutive terms of office. No current Council members are required to leave office because of term limitations prior to 2003. City voters may lengthen, shorten or eliminate these term limitations. 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 along with the City Attorney, the Presiding Judge and the Court Administrator.

### **Quality Basic Services**

The City emphasizes high quality basic services, including public safety, street maintenance, and a broad array of recreational services. The Aurora Police Department utilizes community policing and has a national and international reputation as a leader in this area. The City budgets for additional police officers as needed to maintain a ratio of police officers at a minimum of two police officers per one thousand citizens. The Aurora Fire Department is one of the top fire departments in the country in terms of its capabilities and services provided to the citizens. It also is a leader in public/private partnerships having developed and implemented an innovative transport agreement between the Department and a private ambulance service that provides both basic and advanced life support services. The Public Works Department has significantly improved the overall condition of streets in the City. The City offers a wide range of recreation and library services.

### **Strong Financial Condition**

The City is strong financially. It consistently provides quality services to citizens while maintaining a balanced budget. Aurora maintains adequate fund balances for emergencies and its citizens have supported a number of bond issues for infrastructure and approved other ballot questions to help strengthen the City financially. The City depends on sales and the associated use tax as its main revenue source for general operations. These revenues have grown substantially over the last decade. In addition, the City enjoys a high rate of growth in residential, industrial and commercial construction because of its excellent location in the metro area and availability of land and water.

During 2001, the economy of Aurora slowed as it did in the metro area and the nation as a whole. The slowdown in the economy affected 2001 revenues and is significantly impacting 2002 revenues. General Fund revenues on a budgetary basis, net of operating transfers, increased by 5.9% in 2001 over 2000, but they were \$1.1 million less than the amount budgeted for 2001. This unexpected slowdown in revenue growth was the result of an economy that went into recession, and was further exacerbated by the September 11, 2001 terrorist attacks. In the five years prior to 2001, General Fund revenues increased an average of 7.4% annually. For 2002, General Fund revenues were projected to total \$219.7 million. Excluding a one-time increase due to the establishment of certain new fees, this represents a 6.5% increase over the 2001 budgeted amount. However, based on actual results through April 2002, revenue growth (not including certain one-time items) is projected to be somewhere between a negative 1.1% (\$2.2 million) and



a positive 2.4% (\$4.8 million) compared to 2001. This would result in a budget shortfall status of between \$10.1 and \$17.2 million. These projections will be periodically revised, as additional information becomes available. Management's present intention, supported by the City Council, is to reduce General Fund expenditures to either balance the budget or come as close as practical to a balanced budget by the end of Fiscal Year 2002. It is anticipated this can be achieved through a reduction of discretionary expenditures, a restriction in hiring and filling of vacancies, and a reduction in the General Fund transfer supporting capital expenditures. The City's intention is to generally reduce expenditures to match available resources, with expenditure reductions continuing as needed. Economic recovery is expected to begin sometime in 2002 but it is likely that revenues for at least 2002 and 2003 will remain below previously projected levels.

In 1999, the City's electorate exempted all City fees from constitutional limits on fiscal year spending by approving a non-declining spending base. In 2000, the City's electorate approved an amendment to the Charter permanently reducing property taxes by two mills in 2001 and one mill in 2004 for a total of three mills. This reduction was projected to be revenue neutral. The reduced property tax revenue is offset by a reduction in the property tax refund otherwise required by the TABOR constitutional amendment. The Charter amendment also exempts the City's main revenue source, its sales and use tax, from constitutional limits on fiscal year spending. As a result of these voter-approved changes over the past few years, the City believes that there has been significant improvement in its long-term financial flexibility and its ability to take advantage of growth to strengthen its revenue base.

### **Growth and Development Continue To Be Important**

There are over 30,000 housing units newly built, planned or under construction along the new E-470 highway corridor. The City is projecting almost 50,000 additional residents by 2010. The City continues to promote smart growth and good planning for purposes of encouraging a continuing high quality of life for its current and future residents.

Although economists predict relatively slow growth for the metro area over the next several years, growth in population, consumer spending, and construction is expected to continue. During 2001, residential and commercial construction continued to be a major economic force in the metro area. In the City, 1,349 new permits for residential construction were issued that provided 2,387 new family housing units. In addition, permits were issued for 353 new commercial and industrial construction projects.

The E-470 highway (see description in next section) is expected to influence the patterns and level of growth in the area for the next 75-100 years. The City has sought to take advantage of this opportunity through strategic annexation, coordinated transportation planning, E-470 corridor land planning and zoning, and economic development policies. The Aurora Reservoir/E-470 highway area in the southeast corner of the City is ultimately expected to support a residential population of 70,000. Furthering a City goal of attracting more high quality residential development, new communities surrounding two City-owned championship golf courses and providing high-end homes are being constructed in this area. Additional golf course

communities are planned in these areas by various developers as well as substantial high-quality development throughout the remainder of the southeast portion of 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 groundwater rights owned by them, donate parcels for fire stations and schools, and preserve land for parks and open space.

Twelve office and industrial parks are located in the City. These parks vary in location from urban to suburban and offer a wide variety of multi-tenant, single-tenant and user-owned buildings, along with vacant land ready for development. The City has a commercial leasing and development market comprising nearly 8 million square feet of office space and 16 million square feet of industrial and flex space.

Recent additions of office space include: a new 60,000 square-foot office building for ADT Security Systems expected to add several hundred employees to the 1,500 already employed by ADT in the City; a new Arapahoe County office building expected to open in Spring 2002 and designed to house an estimated 400 County employees; and a new TRW office building expected to be completed by the end of 2002 with sufficient space to house an additional 400 employees. In 2001, Raytheon completed construction of two new buildings totaling 175,000 square feet, adding approximately 500 workers at the company's campus in the City. In the industrial market, telecommunications provider Sprint has leased a 150,000 square-foot, customized Web-hosting facility in the Majestic Commercenter project. Majestic Realty, owner of Majestic Commercenter, is constructing a 200,000 square-foot speculative, multi-user building.

In the retail sector, a 500,000 square-foot shopping center (Arapahoe Crossings) opened in 1999 and is now operating with full build-out expected by the end of 2002. Construction began on another 500,000 square-foot shopping center (Pioneer Hills) located in southeast Aurora with a majority of the space scheduled to open prior to the 2002 holiday shopping season and the remainder scheduled to open in 2003. A third regional retail center (Aurora City Place) is under construction near the newly opened interchange of Interstate 225 at Alameda Avenue. This new retail space is expected to serve both City and non-City residents, resulting in significant imported sales tax revenue. All three of these shopping centers benefit from sales tax-sharing agreements with the City.

This growth has brought significant private investment to the City, along with demand for more public services. If the development trend continues, it will likely require expenditures by the City on services and infrastructure necessary to support the new development.

## MAJOR INITIATIVES

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

The City has benefited from several major infrastructure and transportation projects in recent years.

*Denver International Airport ("DIA")* - Opened by the City and County of Denver in 1995, DIA is now the sixth busiest airport in the United States and employs over 30,000 people. Lying along the City's northern border, DIA is generating substantial development activity in the immediate area. New development within the City near DIA includes three new office buildings opened and a fourth in the planning process; an average of one million square feet of new flex/industrial space every year since 1997; and seven new hotels containing a total of 1,200 rooms at an average occupancy rate of 73% for 2001.

*E-470 Highway* - The E-470 toll highway traverses the eastern perimeter of the Denver/Aurora metropolitan area, primarily in the eastern portion of the City. E-470 provides high-speed access from the southern metropolitan area, through the City, to DIA. All portions of E-470 in the City are now open. The final portion of E-470, Segment IV, started construction in September 2000 with anticipated completion in the spring of 2003. When this segment is completed, a beltway system, of which E-470 is a part, is expected to extend from C-470 south of the Denver Tech Center, through the City and the western edge of DIA, to Interstate 25 north of the Denver/Aurora metropolitan area. E-470 is having a positive impact on development, resulting in new retail, commercial and residential growth in the City.

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

Historically, three active military bases (Fitzsimons Army Medical Center, Lowry Air Force Base and Buckley Air National Guard Base, renamed Buckley Air Force Base) played an integral role in the life of the City. In the mid-1990's, two of the bases were designated for closure and the City initially anticipated a significant negative impact from the loss of these economic and employment generators. Instead, just the opposite has occurred, as the two closed bases (Lowry and Fitzsimons) quickly became and remain national models for military base reuse. As these two bases are becoming part of the commercial and residential fabric of the area, the third base (Buckley) is increasing in importance as a military base to the Department of Defense.

*Fitzsimons* - The 577-acre former Fitzsimons Army Medical Center is now the site of the largest medical-related redevelopment project in the nation. The workforce at Fitzsimons is expected to exceed 4,000 employees by 2004, replacing the 4,000-civilian/military jobs lost when the U.S. Army closed Fitzsimons in 1999.

Anchoring the redevelopment of Fitzsimons is the new 227-acre campus of the University of Colorado Health Sciences Center and University of Colorado Hospital ("UCHSC/UCH") and an affiliated 160-acre bioscience research park for biotechnology and biomedical companies (Colorado Bioscience Park Aurora). The bioscience park is being developed by the Fitzsimons

Redevelopment Authority (FRA) and is formally affiliated with the University of Colorado. The total redevelopment program for Fitzsimons calls for over 12 million square feet of new construction phased over 20 years, representing a capital outlay of \$4.3 billion. At build-out, as many as 29,000 employees are anticipated to be working at and 350,000 patients visiting the site annually.

The relocation of UCHSC/UCH from its current location in Denver to the Fitzsimons campus is already well underway and is expected to be substantially completed by 2010. Approximately 2,000 UCHSC/UCH employees are currently located at Fitzsimons in facilities which include the renovated former main hospital building and the new 600,000 square-foot, \$165 million Anschutz Centers for Advanced Medicine and Lion's Eye Institute. The Anschutz complex is expected to serve 195,000 patients in 2002 and 300,000 patients per year by 2010. The 600,000 square-foot Basic Science Research Complex I is under construction and is expected to open in early 2004, adding another 1,200 employees to the site. The UCH Board of Directors recently authorized construction of the first 100-bed phase of the inpatient facility. This phase is expected to be completed in 2004.

In late 2001, The Children's Hospital ("TCH") announced it would relocate from its Denver location to Fitzsimons. With construction scheduled to start in 2003, TCH plans to develop a 900,000 square-foot campus on 37 acres for clinical, research and administrative use including a 270-bed inpatient facility. Total estimated development costs are \$400 million, with completion scheduled for 2006.

Colorado Bioscience Park Aurora has been planned for a build-out of over two million square feet and a work force of 4,000. The bioscience park is affiliated with the University of Colorado, which is expected to be a source of services and support for research-oriented companies locating at Fitzsimons. This University-affiliated bioscience park is the first of its kind to open west of the Mississippi. It is modeled after three similar research parks successfully launched on the East Coast. The FRA is both the master developer and manager of the bioscience park component at Fitzsimons.

Lowry - Prior to its closure in 1994, Lowry Air Force Base ("Lowry"), including the Defense Finance and Accounting Center, was located on the western boundary of the City and employed a total of 12,227 persons, both military and civilian. The Lowry Economic Redevelopment Authority ("LERA") was formed by intergovernmental agreement between the City and the City and County of Denver in 1994 to oversee redevelopment of the base. LERA has issued approximately \$83.4 million in revenue bonds to finance infrastructure and open space improvements at Lowry. As a result, more than 350 buildings have been demolished, 14 miles of new road were constructed, and 35 miles of piping were installed to provide working storm, sewer and water systems.

The redevelopment of the former base resulted in a 1,866-acre, mixed-use, master planned community within a densely developed area. At completion, the Lowry community is expected to feature 4,000 homes, a two million square-foot business park with 7,000 employees, a retail town center, a community college campus, numerous schools, and 800 acres of public parks and

recreational areas. The transformation of Lowry into a new urban community is progressing rapidly, and although only 40% complete, Lowry is approximately three years ahead of its redevelopment schedule.

Approximately 89% of Lowry is within the City and County of Denver, with the remaining 11% in the City. Most of the Lowry property within the City is occupied by the Colorado Community College system. The Lowry Campus of the Colorado Community College System, operated by Aurora Community College, now holds over 2,500 students and is comprised of the Community College of Denver Health Sciences Center, the Community College of Aurora Science and Technology Campus and the system headquarters for the Community College of Colorado. Enrollment is expected to reach 7,000 students within 10 years.

*Buckley Air Force Base* - The Buckley Air Force Base (Buckley) is one of the key components of the U.S. Space Command and home to 28 different military missions. Due to the increasing importance of Buckley's mission, the base came under Air Force control in September 2000. This is the first facility to become a new Air Force base in over 30 years.

This increased importance has created the need for major infrastructure improvements on base. At least \$70 million is budgeted for capital improvement projects over the next five years, including a new 250-bed dormitory, a medical facility, a community center and a base exchange/commissary. The long-range plans call for replacing all base infrastructure (utilities, roads, etc). Approximately one-third of the structures currently on base are new, and the remaining structures, most constructed in the 1940's and 1950's, are expected to be replaced.

Buckley's annual economic impact on the region, estimated to exceed \$500 million, continues to grow along with the base's strategic importance. Buckley is one of the City's largest employers, with most of this employment focused in the engineering and telecommunications sectors. The Department of Defense employs 9,375 full-time military, civilian and contractual personnel at Buckley.

The U.S. Space Command has been consolidating substantial parts of its satellite reconnaissance operations at Buckley. Approximately one-third of all employees (military civilian and contractual) on base are assigned to operations affiliated with these programs. Buckley's satellite technology focus has led a number of Fortune 500 companies to increase their presence in the area. Currently Lockheed, Raytheon and TRW each employ more than 500 workers in nearby office parks. Raytheon recently opened new facilities at their Aurora campus, and TRW is currently expanding its campus, with construction expected to be complete by the end of 2002. Each is expected to add several hundred employees by the end of 2003.

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

The City Center urban renewal area was created by resolutions in 1981 and 1982 and consists of approximately 670 acres. As part of the Urban Renewal Plan, approximately 125 acres of underdeveloped land in City Center was declared eligible for property and/or sales tax increment

financing. The City Council, acting as the governing body of the Aurora Urban Renewal Authority (the Authority), is authorized to issue revenue bonds to finance public improvements within City Center. The effect of tax increment financing in the area is that the City is setting aside the tax revenues for capital improvements while still providing municipal services to the City Center area. This urban renewal area is successful and substantial private and public investment has been made to the surrounding area.

On June 11, 2001, the City Council passed resolutions designating a second urban renewal area in the City – the Fitzsimons Renewal Area (the “Renewal Area”), encompassing some 600 acres around and including the former Fitzsimons Army Medical Center in the northern area of the City. As part of that designation, the City Council also created a tax increment financing district including the entire Renewal Area and allocated both incremental property tax revenues from the City and overlapping jurisdictions and City sales tax increment for redevelopment projects in the Renewal Area for up to 25 years. In addition to the property tax and sales tax increments available through the Authority in the Renewal Area, the City Council has determined to use incremental City occupational privilege tax (also known as the “head tax”) and lodgers’ tax revenues generated in the Renewal Area to fund redevelopment projects in the area.

## **THE FUTURE**

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

The City plans to continue to emphasize the provision of quality basic services and to maintain its infrastructure. These efforts have made Aurora a good location for both residents and businesses. Growth issues will be a major focus over the next few years. The City will balance the needs of existing service areas with the requirements to expand services to the newly developing areas.

The City is in an enviable position to benefit from development as a result of the opening of DIA, the relocation of the University of Colorado Health Science Center to the former Fitzsimons Army Hospital, the new E-470 highway and the general economic growth and health of the metro area. The City intends to take advantage of these opportunities to maintain and expand the City’s economic base.

The City expects to remain strong financially. Management will continue to watch for changes in the economy that require action, and the City will remain cautious about the level of revenue increases over the next few years. The City has a strong emphasis on attracting and retaining quality retail development in the City to support future growth in sales tax revenue. Barring a major change in the national economy, revenue growth is likely to be relatively constant over the next several years. It is the City’s intent, as previously stated, to continue to limit operating expenditures to generally match operating revenues.

## **DEPARTMENT FOCUS – THE AURORA POLICE DEPARTMENT**

In 2001, the Aurora Police Department Communication Section answered 565,000 telephone calls with an average of less than four call takers per shift. These telephone calls resulted in over 233,000 individual calls for police service; for a monthly average of 19,500 calls for service and over 5,000 reports. These demands for service were handled by an organization of 540 sworn personnel and 260 non-sworn (civilian) personnel operating within a \$60.5 million dollar budget. These funds came from the City's general fund (\$54.4 million), designated revenues (\$.8million) and gifts and grants (\$5.3 million). In 2002, the sworn strength has currently increased to 548.

Beginning in 2001, the Aurora Police Department undertook the implementation of a new Strategic Plan, which paves the way for the future of the Department. This plan was the culmination of an 18-month process and was created to carry out a new Mission Statement:

*To promote a desirable quality of life in our community we are committed to maintaining and improving peace, order and safety through excellence in law enforcement and community service.*

This new mission statement necessitated a critical look at how the Aurora Police Department was structured and how it conducted business. The resulting three main components within the Strategic Plan were:

- Decentralization of Police Services
- Career Development
- Technology Management

*Decentralization of Police Services* - Generally speaking, the Aurora Police Department had maintained the same, very compartmentalized structure for decades. Patrol, Traffic, Detectives, Police Area Representatives (PAR), etc. each worked in separate areas of the department. This structure was effective when the Department was smaller, but made communication difficult as it increased in size. As a result, Community Policing and problem solving were not promoted well beyond the PAR Section of the Department.

When the new District One Station at Fitzsimons opened in January 2002, enabling different units within the Police Department to be physically located in the same space, the reorganization and decentralization was accomplished. The decentralization of services broke down bureau and section "walls" by re-deploying many functions into the same "compartment."

The most significant aspect of this change was the decentralization of the PAR officers, Direct Action Response Team (DART), Crimes Against Person and Property Detectives and Traffic officers, which was accomplished by assigning them under the command of individual district commanders. This teamwork approach resulted in a combination of resources at the disposal of

each of the two district commanders for problem solving. Now, each district has become a problem solving team unto itself.

Additionally, the Strategic Plan called for the expansion of the Police Department to include a third district station. The completion date for that expansion is scheduled for October 2003.

Accountability was the final pillar to this area of the Strategic Plan. With resources in place, problem-solving efforts have become more focused and consolidated. Each district is divided into two sectors with a lieutenant in command of each. These sector lieutenants are responsible for facilitating problem identification and insuring that the necessary resources are assigned to them. Bi-monthly meetings are held to promote the sharing of information and accountability.

Career Development - Employees were identified as the most valuable resource of the Aurora Police Department. Recruitment, selection, retention and recognition were identified as crucial for the continued success of the organization. In concert with the Civil Service Commission, hiring protocols were reviewed and modified, specific populations targeted and retention strategies discussed. In addition, the Department is continuing to explore recognition opportunities. These efforts have resulted in a dramatic increase in available candidates (43) enrolled in the current academy class.

Technology Management - The focus of this component has been the creation of a system in which the department's business needs were identified and technology then explored, in cooperation with the Information Technology Public Safety Systems Group, to meet those needs. Historically, technology has driven the Department's needs. Today, those needs are identified through a specific process and technology is then employed to meet those needs. Projects recently completed or currently underway include a new 800 MHz radio system, the upgrade to fifth generation Mobile Data Computers, a new Computer Aided Dispatch system and enhancement and upgrades to the records management system.

## **FINANCIAL INFORMATION**

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

Budgeting Controls - The City maintains budgetary control over its expenditures. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Operating activities of the



General, Special Revenue, Debt Service, Capital Projects, Enterprise, and Internal Service Funds are included in the annual appropriated budget. Operating expenditures are legally controlled at the fund and department level for all funds, and may not exceed appropriations at those levels. Project-length budgets are adopted for capital projects and certain grants. The level of budgetary control on capital projects is at project level within each fund. The City also uses encumbrances as a technique of accomplishing budgetary control. Encumbered amounts outstanding at year-end are carried forward to the next year. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound operational and financial management.

*General Government Functions* - The following schedule presents a summary of revenues for the General, Special Revenue, Debt Service, and Capital Projects Funds for the year ended December 31, 2001 and increases or decreases in relation to prior year revenues.

<u>Revenues</u>	<u>2001 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2000</u>	<u>% Increase (Decrease) From 2000</u>
Taxes	\$ 175,353,161	72.10%	\$11,400,915	6.95%
Special Assessments	318,617	0.13%	(114,618)	(26.46%)
Licenses and Permits	7,140,457	2.94%	1,134,747	18.89%
Intergovernmental	22,258,953	9.15%	1,148,621	5.44%
Charges for Services	12,670,536	5.21%	2,007,966	18.83%
Fines and Forfeitures	4,742,280	1.95%	642,426	15.67%
Investment Income	15,023,970	6.18%	4,196,760	38.76%
Miscellaneous	<u>5,694,740</u>	<u>2.34%</u>	<u>639,752</u>	<u>12.66%</u>
<b>Total Revenues</b>	<b><u>\$ 243,202,714</u></b>	<b><u>100.00%</u></b>	<b><u>\$ 21,056,569</u></b>	<b><u>9.48%</u></b>

Revenues increased by \$21.1 million dollars in 2001 as compared to 2000. This increase was primarily due to an increase in property, sales and use tax revenues. Property tax revenues increased primarily as a result of increases in the assessed valuation of properties. Growth in the retail and construction sectors contributed to the increase in sales tax revenues, which increased by \$5.7 million. Use tax revenues increased by \$1.2 million. Licenses and permits revenues contributed to the overall revenue increase, primarily due to increases in building permit fees. Charges for services revenues increased primarily due to increases in E-911 surcharges and traffic impact fees. Investment income increased primarily due to more favorable investment yields on higher investment balances and an increase in the fair value adjustment at year-end.

The following schedule presents a summary of expenditures for the General, Special Revenue, Debt Service, and Capital Projects Funds for the year ended December 31, 2001 and increases or decreases in relation to prior year expenditures.

<u>Expenditures</u>	<u>2001 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2000</u>	<u>% Increase (Decrease) From 2000</u>
Current				
General Government	\$ 43,916,162	17.49%	\$ 1,735,086	4.11%
Public Safety	89,672,608	35.73%	4,791,454	5.64%
Public Works	31,961,661	12.73%	(7,098,623)	(18.17%)
Culture & Recreation	29,800,332	11.87%	2,053,424	7.40%
Debt Service				
Principal	6,675,508	2.66%	1,050,034	18.67%
Interest	9,672,964	3.85%	5,029,856	108.33%
Capital Outlay	<u>39,349,089</u>	<u>15.67%</u>	<u>25,568,596</u>	<u>185.54%</u>
<b>Total Expenditures</b>	<b><u>\$ 251,048,324</u></b>	<b><u>100.00%</u></b>	<b><u>\$ 33,129,827</u></b>	<b>15.20%</b>

Total governmental fund expenditures increased by \$33.1 million dollars in 2001 as compared to 2000. The decrease of \$7.1 million in public works expenditures was due mainly to the construction of the Alameda/Interstate-225 interchange, which was completed in 2000. Public safety expenditures increased by \$4.8 million primarily as a result of increases in personal services (salaries and benefits) for police officers and firefighters. Debt service principal and interest expenditures increased due to the first payments, totaling \$2.3 million principal and \$2.2 million interest, on the Facilities Master Plan (FMP) bonds. During 2001, interest expenditures also increased by \$2.9 million on the 2000 Certificates of Participation. Capital outlay expenditures on capitalizable construction projects increased across the City by \$25.6 million. Chief among these expenditures were construction of the Sportspark recreation complex and the new Aurora Municipal Center office complex plus increased purchases of land for open space.

*General Fund* - The fund balance of the General Fund as of December 31, 2001 was \$32,144,742. Of the \$32.1 million fund balance, \$15.1 million is considered unavailable for appropriation. That amount includes \$13.1 million designated for long-term liabilities (sales, use and lodgers tax accrual), \$1.5 million committed for encumbrances and \$.5 million fair value adjustment. Of the \$17.0 million funds available for appropriation, \$9.0 million was reserved for the voter approved two per thousand police activities, \$1.1 million was designated for one-time expenditures and \$3.3 million was designated for future operations. The remaining \$3.6 million is available for general City activities.

According to City policy, funds available (excluding reserved amounts) should be maintained at an amount currently equal to 10% or greater of the General Fund's adjusted operating expenditures for each year. The 2001 funds available balance of \$16.5 million in the Policy Reserve Special Revenue Fund was in compliance with the City policy. According to the Taxpayer's Bill of Rights (TABOR) amendment to the Colorado State statutes, the City must

maintain a reserve of at least 3% of its fiscal year spending, excluding bonded debt service, to be used for declared emergencies. The TABOR Reserve Special Revenue Fund held funds available of \$5.7 million in 2001 that was in compliance with the State statute.

*Enterprise Funds* - The City operates three enterprise funds to account for water utilities, sewer utilities, and golf courses.

The Water Fund revenues and expenses calculated in accordance with bond covenants were \$66,136,497 and \$21,843,628, respectively. Income available for debt service in 2001 was \$44,292,869 and the annual debt service was \$14,127,192. The debt service coverage ratio was 3.14 in 2001, which exceeded the required ratio of 1.10.

The Sewer Fund revenues and expenses calculated in accordance with bond covenants were \$31,838,320 and \$17,620,275, respectively. Income available for debt service for 2001 was \$14,218,045, and the annual debt service was \$3,709,305. The debt service coverage ratio was 3.83 in 2001, which exceeded the required ratio of 1.30.

The Golf Fund revenues and expenses calculated in accordance with bond covenants were \$9,635,480 and \$7,457,920, respectively. Income available for debt service for 2001 was \$2,177,560, and the annual senior debt service was \$658,257. The debt service coverage ratio for debt service was 3.31 in 2001, which exceeded the required ratio of 1.50. Income available for subordinate debt service for 2001 was \$1,519,303, and the annual subordinate debt service was \$624,000. The debt service coverage ratio for subordinate debt service was 2.43 in 2001, which exceeded the required ratio of 1.00.

*Pensions* - The City provides seven pension plans. The General Employees' Retirement Plan is a contributory defined benefit plan and the Elected Officials' and Executive Personnel Pension Plan is a non-contributory defined benefit plan. The City formerly contributed to the Old Hire Fire and Old Hire Police Pension Funds for full-time Firefighters and Police Officers hired before April 7, 1978. These plans are now fully funded and no additional contributions are needed. The City also has three money purchase defined contribution pension plans, two for firefighters and police officers hired on or after April 8, 1978 and one for City executive personnel. Details concerning the pension plans are included in the Notes to the Financial Statements in the accompanying financial report.

*Debt Administration* - As of December 31, 2001, the City had outstanding certificates of participation and bonded debt of \$302,494,735 (excluding unamortized bond premiums and discounts). These issues included:

- \$98,290,000 in includable entity debt
- \$85,615,000 in general obligation water debt supported by the Water Fund
- \$59,480,000 in general obligation debt supported by the General Fund
- \$22,848,144 in sewer revenue bonds
- \$16,800,000 in General Fund revenue bonds
- \$13,341,591 in water revenue bonds
- \$6,120,000 in golf revenue bonds

Details concerning the City's debt ratings are included in Exhibit I-8.

- In 1992, Colorado voters approved an amendment to the constitution (TABOR) which requires new general obligation debt to be authorized by voters.
- The per capita amount of total general obligation bonded debt, excluding general obligation debt payable from the Water Fund and debt service reserves, was \$207.
- The per capita amount of total general obligation bonded debt, including the certificates of participation of ACLC and excluding general obligation debt payable from the Water Fund and the debt service reserves, was \$545.

Cash Management - The City's investment activities are governed by an investment policy containing the following goals: 1) to minimize credit and market risks, 2) to provide necessary liquidity, 3) to meet financial management goals and 4) to provide a competitive yield. Deposits were either insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized under the Colorado Public Deposit Protection Act (PDPA). The City utilizes an investment pool to maximize investment income. During 2001, investments included U.S. Government and agency securities, commercial paper rated A1 or A1+ or better by Standard & Poor's or P1 by Moody's, corporate notes rated A1 by Moody's or A+ or better by Standard & Poor's, repurchase agreements, money market funds and a local government pool (COLOTRUST).

As of December 31, 2001, the City's financial resources, including bank deposits and investments in the City's cash and investment pool, were allocated as follows:

	<u>% of Resources</u>
Bank deposits	0.16%
Repurchase agreements	16.92%
U.S. Government and agency securities	31.87%
Corporate notes	38.63%
Commercial paper	5.71%
Money market funds	1.43%
Local government pool (COLOTRUST)	<u>5.28%</u>
	<u>100.00%</u>

The average yield on pooled investments was 5.11% for 2001. This performance exceeds the City's benchmark, which was 3.48% as of December 31, 2001. The City's benchmark is currently a 12-month moving average of the one-year U.S. Treasury constant maturity index. The City earned interest revenue, before the adjustment to fair value, of \$12.2 million on the City's pooled investments for the year ended December 31, 2001.

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

## OTHER INFORMATION

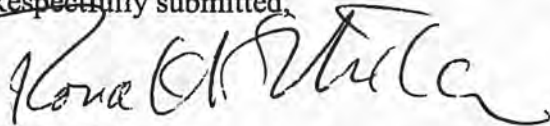
Independent Audit - The City Charter requires an annual audit by independent certified public accountants selected by the City Council. The opinion of KPMG LLP on the City's financial statements is included in the financial section of this CAFR.

Awards - The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended December 31, 2000. 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 fifteen 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 entire staff of the Finance Department and other City departments and staff who contributed information in the report. Finally, we wish to thank the Mayor and City Council for their continued support.

Respectfully submitted,



Ronald S. Miller  
City Manager

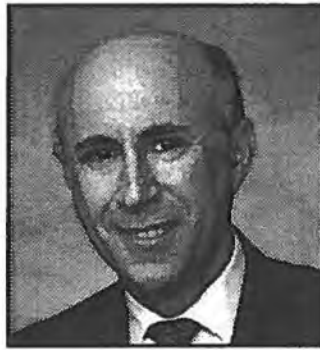


John Gross  
Finance Director



---

**Council Members  
2001**



**Ron Miller**  
City Manager



**Mayor Paul E. Tauer**



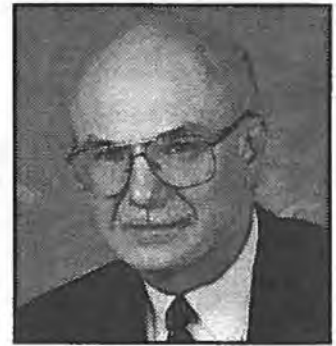
**Nadine Caldwell**  
Ward I



**Kathy Green**  
Ward II



**Ingrid Lindemann**  
Ward III



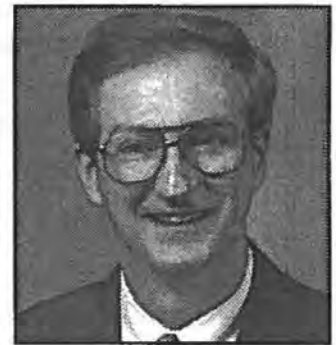
**John Paroske**  
Ward IV



**Barbara Cleland**  
Ward V

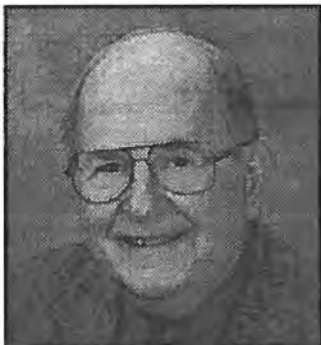


**Dave Williams**  
Ward VI



**Stephen D. Hogan**  
At-Large

**Outgoing Council  
Member**



**John McCracken**  
Mayor Pro-Tem,  
At-Large



**Bob LeGare**  
At-Large



**Edna Mosley**  
At-Large



**Ed Tauer**  
At-Large

The seal of the City of Aurora, Colorado, is a circular emblem featuring a central figure holding a scale and a sword, surrounded by the words "CITY OF AURORA" and "1891".

## Officials

City of Aurora, Colorado

---

### City Council

Paul E. Tauer, Mayor

Nadine Caldwell  
Barbara Cleland  
Kathy M. Green  
Bob LeGare

Ingrid Lindemann  
Edna W. Mosley  
John S. Paroske  
Ed Tauer

Dave Williams  
John R. McCracken (outgoing)  
Stephen D. Hogan (incoming)

### City Manager's Office

Ron Miller, City Manager

Nancy Freed, Deputy City Manager, Community Services

Frank Ragan, Deputy City Manager, Operations

Katherine Svoboda, Deputy City Manager Administration

Janice Napper, Assistant City Manager

### Council Appointees

Zelda DeBoyes, Court Administrator

Steven Fisher, Presiding Judge

Charles H. Richardson, City Attorney

### Department Directors

Denise Balkas, Director of Planning

Ray Barnes, Fire Chief

Laurie Cole, Chief Public Defender

Jack Cooper, Director of Parks and Open Space

John Gross, Director of Finance

John Hilton, Director of Internal Services

Darrell Hogan, Director of Public Works

Doug Kemper, Director of Utilities (Acting)

Thomas P. Nicholas, Director of Library &  
Recreation Services

Mark C. Pray, Director of Information Technology

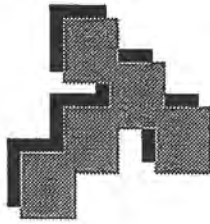
V.R. Saint Vincent, Chief of Police

Nancy Sheffield, Director of Neighborhood Services

Kin Shuman, Director of Human Resources

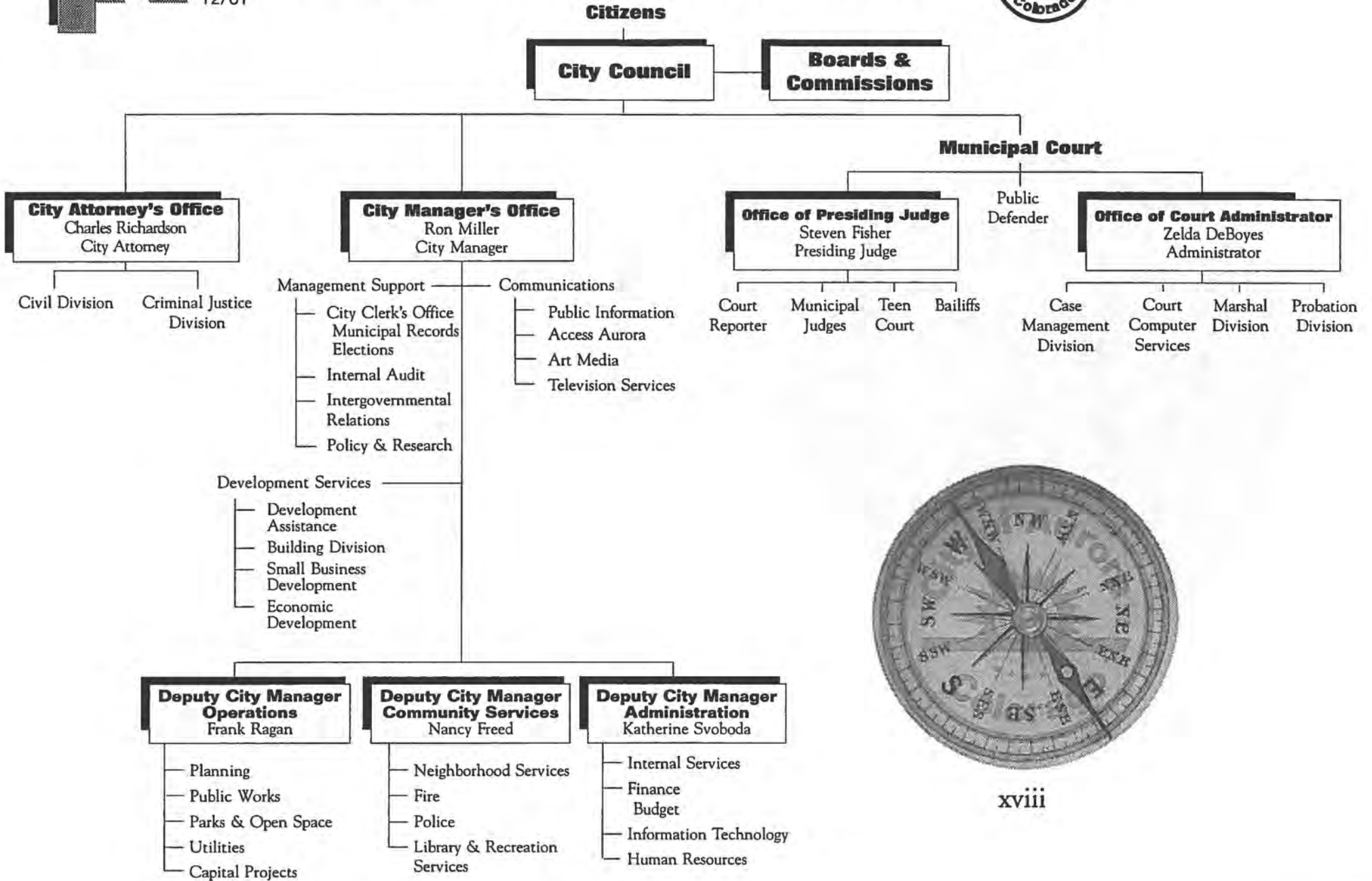
Kim Stuart Abell, Director of Communications

Dianne Truwe, Director of Development Services



# City of Aurora GOVERNMENTAL STRUCTURE

12/01



**Office of Presiding Judge**  
Steven Fisher  
Presiding Judge

- Court Reporter
- Municipal Judges
- Teen Court
- Bailiffs

Public Defender

**Office of Court Administrator**  
Zelda DeBoyes  
Administrator
 


xviii





Suite 2700  
707 Seventeenth Street  
Denver, CO 80202

## Independent Auditors' Report

### The Honorable Mayor and Members of the City Council of the City of Aurora, Colorado:

We have audited the accompanying general purpose financial statements of the City of Aurora, Colorado (the City) as of and for the year ended December 31, 2001, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the General Employees' Retirement Plan (GERP), which represent 97 percent of the trust and agency funds' assets and 84 percent of the additions of the pension trust funds. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion on the general purpose financial statements, insofar as it relates to the amounts included for GERP, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the report of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City as of December 31, 2001, and the results of its operations and the cash flows of its proprietary fund types and discretely presented component unit for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in note 1(c), the City adopted the provisions of Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, for the year ended December 31, 2001.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 3, 2002 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



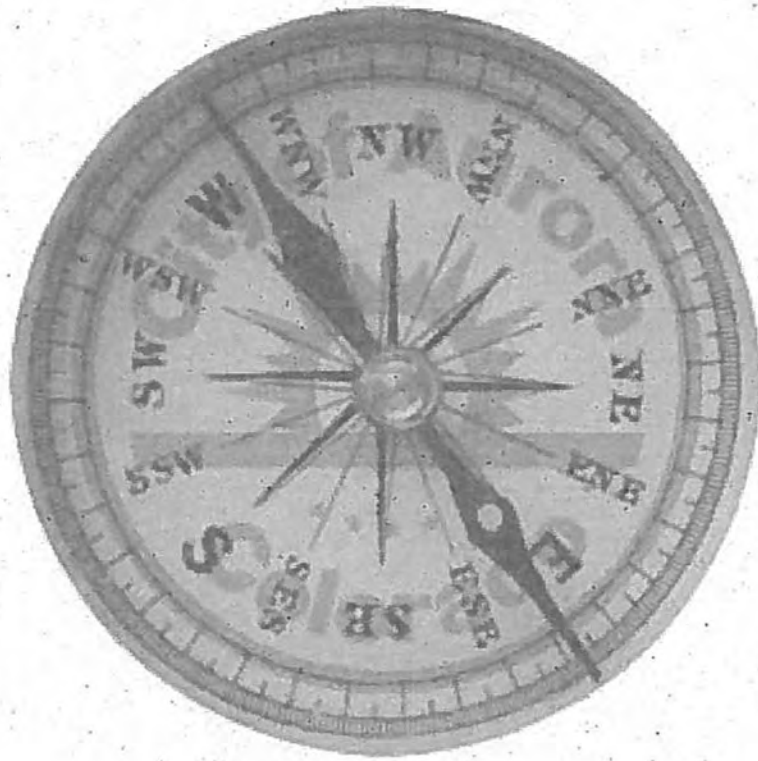
The schedule of funding progress on page 77 is not a required part of the general purpose financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the schedule. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund and account group financial statements and schedules and other schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, based on our audit and the report of the other auditors, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

The information included in the supplementary financial disclosures and statistical sections listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the City. Such additional information has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, accordingly, we express no opinion on it.

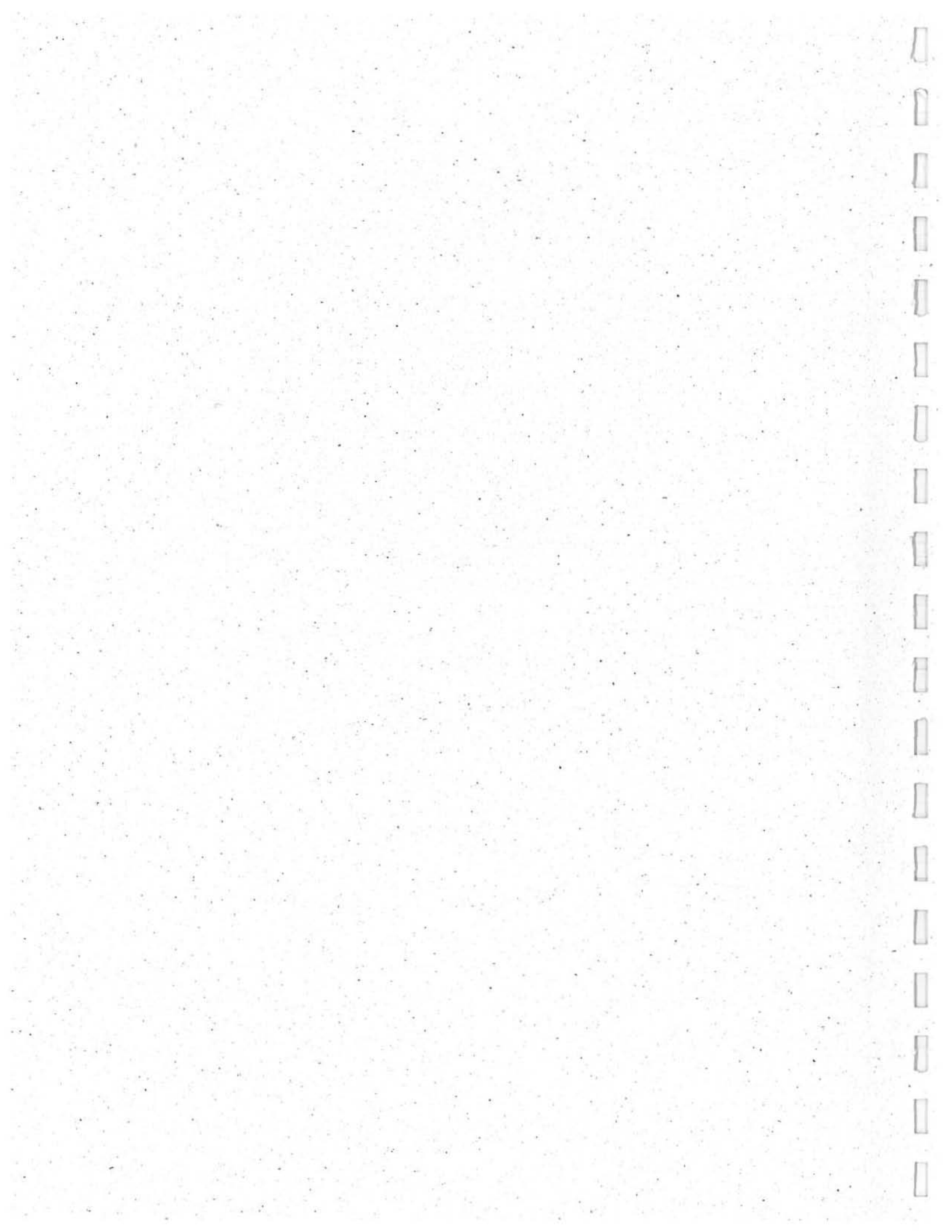
KPMG LLP

May 3, 2002



---

**General Purpose Financial  
Statements**



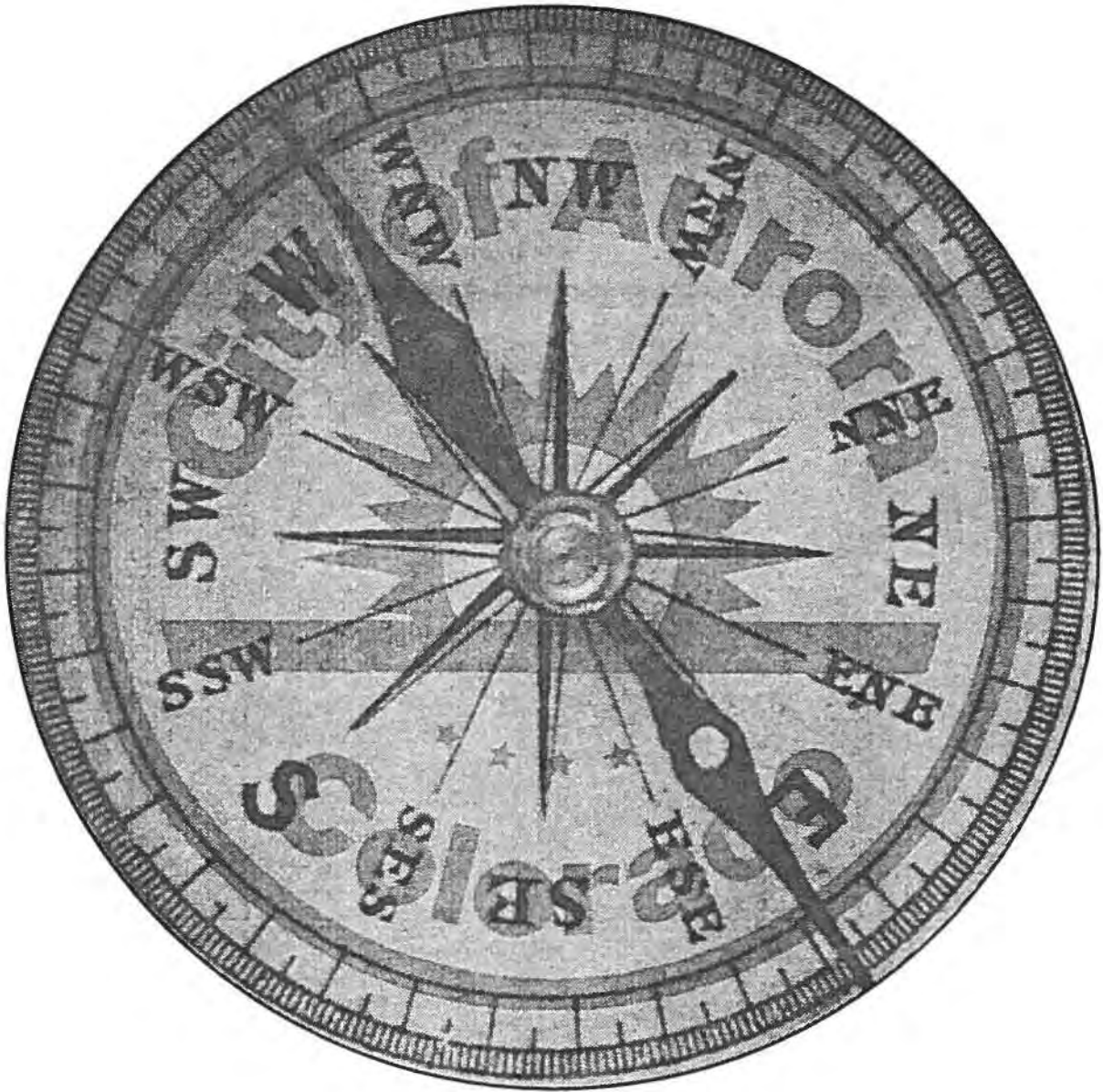


EXHIBIT I

CITY OF AURORA, COLORADO

COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNIT  
DECEMBER 31, 2001

	Governmental Fund Types				Proprietary Fund Types	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
<b>ASSETS AND OTHER DEBITS</b>						
<b>ASSETS</b>						
Cash and cash equivalents	\$ 218,540	\$ 6,038	\$ 1,382,801	\$ —	\$ 12,100	\$ —
Equity in cash and cash equivalents	1,581,065	9,951,250	389,003	5,154,746	2,767,060	1,229,310
Investments	—	—	—	—	14,664	—
Equity in investments	18,301,484	30,764,563	2,386,145	40,820,252	47,773,998	13,758,917
Designated equity in investments	—	43,765	—	—	50,249,840	—
Receivables - net of allowance for uncollectibles						
Taxes	34,819,690	—	6,225,307	—	—	—
Accounts	2,534,822	640,904	—	41,679	5,710,899	4,822
Special assessments	—	—	306,795	—	—	—
Accrued interest	623,682	372,958	63,195	296,850	758,684	125,339
Designated accrued interest	—	—	—	—	524,793	—
Loans	385	10,625,895	—	1,236,848	205,080	—
Other	191,065	200,167	24,381	—	63,458	1,800
Due from other funds	149,751	635,466	325,012	—	—	—
Due from other governments	1,065,183	3,126,127	—	—	—	—
Inventory	—	—	—	—	467,098	187,687
Restricted assets						
Cash and cash equivalents	—	—	358,893	2,285,744	684,888	—
Equity in cash and cash equivalents	—	1,642,392	—	—	—	—
Investments	—	—	8,611,653	116,355,028	17,599,063	—
Equity in investments	—	—	25,609	225,182	6,822,546	—
Accrued interest	—	—	26,157	686,908	10,476	—
Deferred charges	—	—	—	—	452,410	—
Long-term interfund receivable	—	—	—	—	6,144,000	—
Equity in joint venture	—	—	—	—	2,378,507	—
Land and water rights	—	—	—	—	155,342,890	—
Buildings and improvements	—	—	—	—	57,090,746	—
Improvements other than buildings	—	—	—	—	498,098,338	697,718
Machinery and equipment	—	—	—	—	33,231,114	732,980
Accumulated depreciation	—	—	—	—	(125,903,201)	(795,576)
Construction in progress	—	—	—	—	29,162,399	—
Water rights in progress	—	—	—	—	2,318,884	—
<b>OTHER DEBITS</b>						
Amounts available in debt service funds	—	—	—	—	—	—
Amount to be provided for retirement of general long-term debt	—	—	—	—	—	—
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 59,485,667</b>	<b>\$ 58,009,525</b>	<b>\$ 20,124,951</b>	<b>\$ 167,103,237</b>	<b>\$ 791,980,734</b>	<b>\$ 15,942,997</b>

See notes to financial statements.

Fiduciary Fund Types Trust and Agency	Account Groups		Totals Primary Government (Memorandum Only)	Component Unit Fitzsimons Redevelopment Authority	Totals Reporting Entity (Memorandum Only)
	General Fixed Assets	General Long- Term Debt			
\$ 7,300,766	\$ —	\$ —	\$ 8,920,245	\$ 1,997,120	\$ 10,917,365
6,073,424	—	—	27,145,858	—	27,145,858
189,871,673	—	—	189,886,337	—	189,886,337
473,636	—	—	154,278,995	—	154,278,995
—	—	—	50,293,605	—	50,293,605
—	—	—	41,044,997	—	41,044,997
—	—	—	8,933,126	—	8,933,126
—	—	—	306,795	—	306,795
1,434,513	—	—	3,675,221	—	3,675,221
—	—	—	524,793	—	524,793
—	—	—	12,068,208	—	12,068,208
197,441	—	—	678,312	322,939	1,001,251
—	—	—	1,110,229	—	1,110,229
302,359	—	—	4,493,669	28,575	4,522,244
—	—	—	654,785	—	654,785
—	—	—	3,329,525	705,397	4,034,922
—	—	—	1,642,392	—	1,642,392
—	—	—	142,565,744	—	142,565,744
—	—	—	7,073,337	—	7,073,337
—	—	—	723,541	—	723,541
—	—	—	452,410	319,357	771,767
—	—	—	6,144,000	—	6,144,000
—	—	—	2,378,507	—	2,378,507
—	24,087,830	—	179,430,720	2,204,907	181,635,627
—	65,766,247	—	122,856,993	9,329,001	132,185,994
—	19,272,071	—	518,068,127	—	518,068,127
43,695	54,744,620	—	88,752,409	295,950	89,048,359
(40,489)	—	—	(126,739,266)	(777,899)	(127,517,165)
—	23,870,679	—	53,033,078	6,101	53,039,179
—	—	—	2,318,884	—	2,318,884
—	—	9,903,622	9,903,622	—	9,903,622
—	—	182,923,482	182,923,482	—	182,923,482
<u>\$ 205,657,018</u>	<u>\$ 187,741,447</u>	<u>\$ 192,827,104</u>	<u>\$ 1,698,872,680</u>	<u>\$ 14,431,448</u>	<u>\$ 1,713,304,128</u>

(Continued)

**EXHIBIT I**

**CITY OF AURORA, COLORADO**

**COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNIT**

**DECEMBER 31, 2001**

	Governmental Fund Types				Proprietary Fund Types	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 4,092,778	\$ 1,421,585	\$ 4,300	\$ 5,860,350	\$ 6,987,765	\$ 266,954
Accrued liabilities	1,509,521	25,561	1,063,063	1,260,633	1,475,519	12,912
Accrued claims payable	—	—	—	—	—	8,629,866
Accrued compensated absences	—	—	—	—	1,839,251	317,483
Funds held for others	549,662	531,953	—	—	319,326	—
Due to other funds	95,478	54,031	695,720	265,000	—	—
Due to other governments	24,482	40,991	—	—	—	—
Deferred revenues	21,069,004	13,474,663	6,454,166	1,236,848	20,933	—
General obligation bonds payable	—	—	—	—	85,615,000	—
Net unamortized bond discounts	—	—	—	—	(1,499,897)	—
Revenue bonds payable	—	—	—	—	42,309,735	—
Certificates of participation	—	—	—	—	—	—
Capitalized leases	—	—	—	—	570,610	—
Notes payable	—	—	—	—	402,489	—
Long-term interfund payable	—	—	—	—	6,144,000	—
Net pension obligation	—	—	—	—	—	—
Total liabilities	27,340,925	15,548,784	8,217,249	8,622,831	144,184,731	9,227,215
<b>EQUITY AND OTHER CREDITS</b>						
Investment in general fixed assets	—	—	—	—	—	—
Contributed capital	—	—	—	—	384,855,359	1,113,611
Retained earnings	—	—	—	—	—	—
Reserved for debt service	—	—	—	—	4,480,589	—
Reserved for repair and replacement	—	—	—	—	600,000	—
Reserved for operations and maintenance	—	—	—	—	6,222,547	—
Unreserved	—	—	—	—	251,637,508	5,602,171
Fund balances	—	—	—	—	—	—
Reserved	—	—	—	—	—	—
Reserved for employee pension benefits	—	—	—	—	—	—
Reserved for encumbrances	—	—	—	—	—	—
Operating	1,496,980	483,282	—	—	—	—
Capital projects	—	1,432,379	—	83,193,218	—	—
Reserved for police	9,055,714	1,642,392	—	—	—	—
Reserved for debt service	—	—	8,802,127	—	—	—
Reserved for construction	—	—	—	35,323,899	—	—
Reserved by agreements	—	442,621	—	—	—	—
Unreserved	—	—	—	—	—	—
Designated for subsequent year expenditures	—	—	—	—	—	—
Budget	—	1,072,200	821,300	—	—	—
Capital projects	—	1,887,882	—	24,364,751	—	—
Designated for long-term liabilities	13,133,827	—	—	—	—	—
Designated for future operations	3,300,000	—	—	—	—	—
Designated for one-time expenditures	1,140,000	—	—	—	—	—
Undesignated	4,018,221	35,499,985	2,284,275	15,598,538	—	—
Total equity and other credits	32,144,742	42,460,741	11,907,702	158,480,406	647,796,003	6,715,782
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	<b>\$ 59,485,667</b>	<b>\$ 58,009,525</b>	<b>\$ 20,124,951</b>	<b>\$ 167,103,237</b>	<b>\$ 791,980,734</b>	<b>\$ 15,942,997</b>

See notes to financial statements.



Fiduciary Fund Types Trust and Agency	Account Groups		Totals Primary Government (Memorandum Only)	Component Unit Fitzsimons Redevelopment Authority	Totals Reporting Entity (Memorandum Only)
	General Fixed Assets	General Long- Term Debt			
\$ 1,103,743	\$ —	\$ —	\$ 19,737,475	\$ 1,230,745	\$ 20,968,220
—	—	—	5,347,209	456,343	5,803,552
—	—	—	8,629,866	—	8,629,866
—	—	16,801,701	18,958,435	—	18,958,435
6,030,086	—	—	7,431,027	180,053	7,611,080
—	—	—	1,110,229	—	1,110,229
—	—	—	65,473	—	65,473
—	—	—	42,255,614	47,403	42,303,017
—	—	59,480,000	145,095,000	—	145,095,000
—	—	—	(1,499,897)	—	(1,499,897)
—	—	19,020,000	61,329,735	—	61,329,735
—	—	96,070,000	96,070,000	—	96,070,000
—	—	1,291,114	1,861,724	50,830	1,912,554
—	—	—	402,489	3,205,080	3,607,569
—	—	—	6,144,000	—	6,144,000
—	—	164,289	164,289	—	164,289
<u>7,133,829</u>	<u>—</u>	<u>192,827,104</u>	<u>413,102,668</u>	<u>5,170,454</u>	<u>418,273,122</u>
—	187,741,447	—	187,741,447	—	187,741,447
—	—	—	385,968,970	6,178,814	392,147,784
—	—	—	4,480,589	—	4,480,589
—	—	—	600,000	—	600,000
—	—	—	6,222,547	—	6,222,547
—	—	—	257,239,679	3,082,180	260,321,859
<u>198,523,189</u>	<u>—</u>	<u>—</u>	<u>198,523,189</u>	<u>—</u>	<u>198,523,189</u>
—	—	—	1,980,262	—	1,980,262
—	—	—	84,625,597	—	84,625,597
—	—	—	10,698,106	—	10,698,106
—	—	—	8,802,127	—	8,802,127
—	—	—	35,323,899	—	35,323,899
—	—	—	442,621	—	442,621
—	—	—	1,893,500	—	1,893,500
—	—	—	26,252,633	—	26,252,633
—	—	—	13,133,827	—	13,133,827
—	—	—	3,300,000	—	3,300,000
—	—	—	1,140,000	—	1,140,000
—	—	—	57,401,019	—	57,401,019
<u>198,523,189</u>	<u>187,741,447</u>	<u>—</u>	<u>1,285,770,012</u>	<u>9,260,994</u>	<u>1,295,031,006</u>
<u>\$ 205,657,018</u>	<u>\$ 187,741,447</u>	<u>\$ 192,827,104</u>	<u>\$ 1,698,872,680</u>	<u>\$ 14,431,448</u>	<u>\$ 1,713,304,128</u>

(Concluded)

**EXHIBIT II**

**CITY OF AURORA, COLORADO**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>General</u>	<u>Special Revenue</u>
<b>REVENUES</b>		
Taxes	\$ 167,908,642	\$ —
Special assessments	—	—
Licenses and permits	7,140,457	—
Intergovernmental revenues	10,574,569	11,471,535
Charges for services	5,363,638	7,306,898
Fines and forfeitures	3,976,992	765,288
Investment income	2,739,727	2,763,801
Miscellaneous revenues	438,304	3,970,086
Total revenues	<u>198,142,329</u>	<u>26,277,608</u>
<b>EXPENDITURES</b>		
Current		
General government	36,329,951	6,911,761
Public safety	84,960,689	4,560,596
Public works	17,576,391	30,876
Culture and recreation	16,653,462	11,305,955
Debt service		
Principal	570,508	—
Interest and fiscal charges	279,086	—
Capital outlay	6,357,497	5,096,625
Total expenditures	<u>162,727,584</u>	<u>27,905,813</u>
Excess (deficiency) of revenues over (under) expenditures	<u>35,414,745</u>	<u>(1,628,205)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Proceeds from sale of assets	406,864	12,614
Proceeds of capital leases	343,677	—
Operating transfers in	111,294	11,218,989
Operating transfers out	(42,146,970)	(1,233,460)
Total other financing sources (uses)	<u>(41,285,135)</u>	<u>9,998,143</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(5,870,390)</u>	<u>8,369,938</u>
<b>FUND BALANCES - JANUARY 1</b>	<u>38,015,132</u>	<u>34,090,803</u>
<b>FUND BALANCES - DECEMBER 31</b>	<u>\$ 32,144,742</u>	<u>\$ 42,460,741</u>

See notes to financial statements.



EXHIBIT IV

CITY OF AURORA, COLORADO

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
 RETAINED EARNINGS - ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT  
 FOR THE YEAR ENDED DECEMBER 31, 2001

	Proprietary Fund Types		Totals Primary Government (Memorandum Only)	Component Unit	Totals Reporting Entity (Memorandum Only)
	Enterprise	Internal Service		Fitzsimons Redevelopment Authority	
OPERATING REVENUES					
Charges for services	\$ 69,002,957	\$ 11,292,387	\$ 80,295,344	\$ 3,597,044	\$ 83,892,388
Miscellaneous	91,610	—	91,610	130,367	221,977
Total operating revenues	69,094,567	11,292,387	80,386,954	3,727,411	84,114,365
OPERATING EXPENSES					
Personal services	17,103,397	2,901,813	20,005,210	834,893	20,840,103
Supplies	4,257,576	3,180,082	7,437,658	—	7,437,658
Other services and charges	25,299,608	3,166,600	28,466,208	2,182,445	30,648,653
Claims losses	—	3,831,205	3,831,205	—	3,831,205
Depreciation	9,034,569	75,889	9,110,458	493,957	9,604,415
Total operating expenses	55,695,150	13,155,589	68,850,739	3,511,295	72,362,034
Operating income (loss)	13,399,417	(1,863,202)	11,536,215	216,116	11,752,331
NONOPERATING REVENUES (EXPENSES)					
Investment income	8,015,493	934,932	8,950,425	77,812	9,028,237
Intergovernmental	807,405	—	807,405	—	807,405
Miscellaneous revenues	84,897	285,140	370,037	215,742	585,779
Capital contributions	52,901,973	—	52,901,973	1,293,809	54,195,782
Interest expense	(4,700,892)	—	(4,700,892)	(191,938)	(4,892,830)
Loss on disposal of assets	(5,168,762)	(1,194)	(5,169,956)	—	(5,169,956)
Amortization expense	(760,425)	—	(760,425)	—	(760,425)
Loss on equity in joint venture	(64,430)	—	(64,430)	—	(64,430)
Net nonoperating revenues	51,115,259	1,218,878	52,334,137	1,395,425	53,729,562
Income (loss) before operating transfers	64,514,676	(644,324)	63,870,352	1,611,541	65,481,893
Operating transfers in	22,555	2,447,000	2,469,555	—	2,469,555
Operating transfers out	(40,000)	—	(40,000)	—	(40,000)
NET INCOME	64,497,231	1,802,676	66,299,907	1,611,541	67,911,448
DEPRECIATION OF ASSETS ACQUIRED THROUGH CAPITAL CONTRIBUTIONS	—	—	—	206,046	206,046
NET INCOME EXCLUDING DEPRECIATION OF ASSETS ACQUIRED THROUGH CAPITAL CONTRIBUTIONS	64,497,231	1,802,676	66,299,907	1,817,587	68,117,494
RETAINED EARNINGS - JANUARY 1	198,443,413	3,799,495	202,242,908	1,264,593	203,507,501
RETAINED EARNINGS - DECEMBER 31	\$ 262,940,644	\$ 5,602,171	\$ 268,542,815	\$ 3,082,180	\$ 271,624,995

See notes to financial statements.

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
\$ 7,444,519	\$ —	\$ 175,353,161
318,617	—	318,617
—	—	7,140,457
—	212,849	22,258,953
—	—	12,670,536
—	—	4,742,280
1,285,974	8,234,468	15,023,970
—	1,286,350	5,694,740
<u>9,049,110</u>	<u>9,733,667</u>	<u>243,202,714</u>
148,904	525,546	43,916,162
—	151,323	89,672,608
—	14,354,394	31,961,661
—	1,840,915	29,800,332
6,105,000	—	6,675,508
9,393,878	—	9,672,964
—	27,894,967	39,349,089
<u>15,647,782</u>	<u>44,767,145</u>	<u>251,048,324</u>
<u>(6,598,672)</u>	<u>(35,033,478)</u>	<u>(7,845,610)</u>
—	—	419,478
—	—	343,677
4,607,773	32,037,040	47,975,096
<u>(2,169,561)</u>	<u>(4,854,660)</u>	<u>(50,404,651)</u>
<u>2,438,212</u>	<u>27,182,380</u>	<u>(1,666,400)</u>
(4,160,460)	(7,851,098)	(9,512,010)
<u>16,068,162</u>	<u>166,331,504</u>	<u>254,505,601</u>
<u>\$ 11,907,702</u>	<u>\$ 158,480,406</u>	<u>\$ 244,993,591</u>

EXHIBIT III

CITY OF AURORA, COLORADO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE -  
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL-GOVERNMENTAL FUND TYPES -  
 GENERAL, SPECIAL REVENUE, DEBT SERVICE AND CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2001

	General			Special Revenue		
	Budget	Actual	Variance	Budget	Actual	Variance
FUNDS AVAILABLE - JANUARY 1	\$ 20,559,989	\$ 20,219,104	\$ (340,885)	\$ 28,053,083	\$ 27,591,190	\$ (461,893)
REVENUES						
Taxes	170,895,593	169,523,730	(1,371,863)	—	—	—
Special assessments	—	—	—	—	—	—
Licenses and permits	6,625,896	7,140,457	514,561	—	—	—
Intergovernmental revenues	10,867,694	10,574,569	(293,125)	13,358,112	24,676,570	11,318,458
Charges for services	5,330,439	5,363,638	33,199	6,610,953	7,306,898	695,945
Fines and forfeitures	3,595,965	3,976,992	381,027	661,580	765,288	103,708
Investment income	2,677,029	2,394,712	(282,317)	1,996,621	2,028,231	31,610
Miscellaneous revenues	774,831	438,304	(336,527)	3,330,784	2,654,726	(676,058)
Proceeds from sale of assets	205,000	406,864	201,864	—	6,307	6,307
Proceeds of bonds	—	—	—	—	—	—
Operating transfers in	314,501	111,294	(203,207)	11,719,664	11,218,989	(500,675)
Total revenues	201,286,948	199,930,560	(1,356,388)	37,677,714	48,657,009	10,979,295
EXPENDITURES						
Judicial	1,787,468	1,502,615	284,853	132,117	82,910	49,207
Court Administration	2,267,427	2,253,725	13,702	—	—	—
Public Defender	455,907	434,367	21,540	—	—	—
City Attorney	3,980,100	3,758,518	221,582	18,607	17,326	1,281
City Council	898,031	732,729	165,302	—	—	—
Boards & Commissions	654,485	618,698	35,787	1,000	877	123
General Management	3,709,274	3,645,602	63,672	647,854	289,021	358,833
Development Services	5,931,134	5,499,600	431,534	3,631,422	1,905,165	1,726,257
Finance	4,089,309	3,814,781	274,528	826,989	566,196	260,793
Information Technology	5,428,948	5,291,467	137,481	628,100	585,573	42,527
Internal Services	5,449,023	5,414,231	34,792	—	—	—
Public Works	16,821,237	16,549,459	271,778	—	22,678	(22,678)
Parks & Open Space	15,104,270	14,886,184	218,086	2,436,459	914,523	1,521,936
Planning	3,036,057	2,462,377	573,680	—	—	—
Library & Recreation Services	10,243,526	10,164,827	78,699	10,932,323	9,832,050	1,100,273
Police	54,230,349	54,091,011	139,338	5,870,984	3,413,930	2,457,054
Fire	26,423,645	26,422,116	1,529	1,000,688	483,190	517,498
Neighborhood Services	3,876,476	3,873,765	2,711	883,126	548,940	334,186
Nondepartmental	44,641,175	41,655,973	2,985,202	6,048,653	1,036,310	5,012,343
Total expenditures	209,027,841	203,072,045	5,955,796	33,058,322	19,698,689	13,359,633
Excess (deficiency) of revenues over (under) expenditures - budgetary basis	(7,740,893)	(3,141,485)	4,599,408	4,619,392	28,958,320	24,338,928
OTHER CHANGES TO FUNDS AVAILABLE						
Adjustment for overspent projects	—	—	—	12,201	12,201	—
Transfers from capital projects	—	—	—	—	—	—
Capital projects appropriation	—	—	—	(20,010,417)	(20,010,417)	—
Total other changes to funds available	—	—	—	(19,998,216)	(19,998,216)	—
FUNDS AVAILABLE - DECEMBER 31	\$ 12,819,096	17,077,619	\$ 4,258,523	\$ 12,674,259	36,551,294	\$ 23,877,035
Less: Reservations	—	(9,055,714)	—	—	(442,621)	—
Designations	—	(4,440,000)	—	—	(1,072,200)	—
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESERVATIONS AND COUNCIL DESIGNATIONS - DECEMBER 31	—	\$ 3,581,905	—	—	\$ 35,036,473	—
RECONCILIATION TO GAAP FUND BALANCES						
FUNDS AVAILABLE - DECEMBER 31	—	\$ 17,077,619	—	—	\$ 36,551,294	—
Add: Current year operating encumbrances	—	1,496,980	—	—	483,282	—
Capital projects carryforward	—	—	—	—	20,446,560	—
Seizure funds	—	—	—	—	1,642,392	—
Adjust investments to fair value	—	436,316	—	—	733,102	—
Sales, use and lodgers tax accrual	—	13,133,827	—	—	—	—
Less: Deferred revenue - Federal grants	—	—	—	—	(17,395,889)	—
FUND BALANCES - DECEMBER 31	—	\$ 32,144,742	—	—	\$ 42,460,741	—

See notes to financial statements

**EXHIBIT V**

**CITY OF AURORA, COLORADO**

**COMBINED STATEMENT OF CHANGES IN PLAN NET ASSETS  
ALL PENSION TRUST FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2001**

---

**ADDITIONS**

Contributions		
City	\$	3,848,428
Plan member		<u>3,317,985</u>
Total contributions		<u>7,166,413</u>
Investment income (loss)		
Net depreciation in fair value of investments		(10,045,540)
Interest		6,136,998
Dividends		1,276,363
Other income		<u>3,924</u>
Total investment loss		<u>(2,628,255)</u>
Less investment expense		<u>909,735</u>
Net investment loss		<u>(3,537,990)</u>
Total additions		<u>3,628,423</u>
<b>DEDUCTIONS</b>		
Benefits		4,354,970
Refunds of contributions		2,260,583
Administrative expense		
Salaries		192,867
Other administrative costs		138,143
Professional fees		22,588
Actuary fees		<u>26,698</u>
Total administrative expenses		<u>380,296</u>
Total deductions		<u>6,995,849</u>
NET DECREASE IN PLAN ASSETS		(3,367,426)
NET ASSETS HELD FOR EMPLOYEE PENSION BENEFITS - JANUARY 1		<u>201,890,615</u>
NET ASSETS HELD FOR EMPLOYEE PENSION BENEFITS - DECEMBER 31	\$	<u><u>198,523,189</u></u>

See notes to financial statements.

EXHIBIT VI

CITY OF AURORA, COLORADO

COMBINED STATEMENT OF CASH FLOWS -  
ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT  
FOR THE YEAR ENDED DECEMBER 31, 2001

	Enterprise	Internal Service	Totals Primary Government (Memorandum Only)	Component Unit Fitzsimons Redevelopment Authority	Totals Reporting Entity (Memorandum Only)
<b>OPERATING ACTIVITIES</b>					
Cash received from customers and others	\$ 69,866,953	\$ —	\$ 69,866,953	\$ 3,773,198	\$ 73,640,151
Cash received from quasi-external operating transactions with other funds	—	11,575,442	11,575,442	—	11,575,442
Cash payments to employees	(16,916,169)	(2,870,835)	(19,787,004)	(807,469)	(20,594,473)
Cash payments to suppliers for goods and services	(29,176,659)	(6,537,593)	(35,714,252)	(2,763,065)	(38,477,317)
Cash payments for insurance claims	—	(3,220,945)	(3,220,945)	—	(3,220,945)
Net cash provided by (used in) operating activities	23,774,125	(1,053,931)	22,720,194	202,664	22,922,858
<b>NONCAPITAL FINANCING ACTIVITIES</b>					
Operating transfers in	22,555	2,447,000	2,469,555	—	2,469,555
Operating transfers out	(40,000)	—	(40,000)	—	(40,000)
Cash received from Federal grants	—	—	—	219,155	219,155
Net cash provided by noncapital financing activities	(17,445)	2,447,000	2,429,555	219,155	2,648,710
<b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Construction and acquisition of capital assets	(16,820,702)	(6,650)	(16,827,352)	(1,896,927)	(18,724,279)
Proceeds from sale of capital assets	69,710	—	69,710	—	69,710
Cash received from capital contributions	30,500,214	—	30,500,214	1,868,672	32,368,886
Cash paid for bond principal	(14,018,977)	—	(14,018,977)	—	(14,018,977)
Cash paid for bond interest/agency fees	(5,761,543)	—	(5,761,543)	—	(5,761,543)
Cash paid for loan interest	(374,708)	—	(374,708)	—	(374,708)
Cash received for interfund loan principal	256,000	—	256,000	—	256,000
Cash paid for interfund loan principal	(256,000)	—	(256,000)	—	(256,000)
Proceeds from issuance of debt	—	—	—	242,137	242,137
Payments to joint venture	(348,571)	—	(348,571)	—	(348,571)
Capital participation revenues	807,405	—	807,405	—	807,405
Cash paid for note payable principal	(50,311)	—	(50,311)	(420,410)	(470,721)
Cash paid for note payable interest	(22,640)	—	(22,640)	—	(22,640)
Cash paid for capitalized lease principal	(225,034)	—	(225,034)	—	(225,034)
Cash paid for capitalized lease interest	(36,861)	—	(36,861)	—	(36,861)
Net cash used in capital and related financing activities	(6,282,018)	(6,650)	(6,288,668)	(206,528)	(6,495,196)
<b>INVESTING ACTIVITIES</b>					
Increase in equity in pool investments	(35,523,188)	(2,163,244)	(37,686,432)	—	(37,686,432)
Decrease in investments	65,826	—	65,826	—	65,826
Decrease in restricted cash	78,850	—	78,850	—	78,850
Decrease in restricted investments	8,426,348	—	8,426,348	—	8,426,348
Decrease in equity in restricted investments	3,528,486	—	3,528,486	—	3,528,486
Net appreciation in fair value of investments	2,258,978	—	2,258,978	—	2,258,978
Interest received	5,008,127	585,727	5,593,854	77,812	5,671,666
Net cash provided by (used in) investing activities	(16,156,573)	(1,577,517)	(17,734,090)	77,812	(17,656,278)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>					
	1,318,089	(191,098)	1,126,991	293,103	1,420,094
<b>TOTAL CASH AND CASH EQUIVALENTS, JANUARY 1</b>					
	1,461,071	1,420,408	2,881,479	1,704,017	4,585,496
<b>TOTAL CASH AND CASH EQUIVALENTS, DECEMBER 31</b>					
	\$ 2,779,160	\$ 1,229,310	\$ 4,008,470	\$ 1,997,120	\$ 6,005,590
<b>Amount reported on combined balance sheet</b>					
Cash and cash equivalents	\$ 12,100	\$ —	\$ 12,100	\$ 1,997,120	\$ 2,009,220
Equity in cash and cash equivalents	2,767,060	1,229,310	3,996,370	—	3,996,370
Total cash and cash equivalents, December 31	\$ 2,779,160	\$ 1,229,310	\$ 4,008,470	\$ 1,997,120	\$ 6,005,590

See notes to financial statements



	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals Primary Government (Memorandum Only)</u>	<u>Component Unit Fitzsimons Redevelopment Authority</u>	<u>Totals Reporting Entity (Memorandum Only)</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 13,399,417	\$ (1,863,202)	\$ 11,536,215	\$ 216,116	\$ 11,752,331
Adjustments to reconcile operating income to net cash provided by (used in) operating activities					
Miscellaneous nonoperating revenues	84,897	285,140	370,037	—	370,037
Depreciation	9,034,569	75,889	9,110,458	493,957	9,604,415
Changes in operating assets and liabilities					
Accounts receivable	606,266	(2,085)	604,181	(279,598)	324,583
Due from other funds	(60,877)	—	(60,877)	—	(60,877)
Other receivables	(1,724)	—	(1,724)	—	(1,724)
Inventory	(18,565)	(4,522)	(23,087)	—	(23,087)
Accounts payable	429,653	(186,390)	243,263	(512,753)	(269,490)
Accrued liabilities	61,551	621,103	682,654	296,095	978,749
Accrued compensated absences	125,674	20,136	145,810	—	145,810
Prepaid	(30,059)	—	(30,059)	(11,153)	(41,212)
Funds held for others	204,576	—	204,576	—	204,576
Deferred revenue	(61,253)	—	(61,253)	—	(61,253)
Total adjustments	10,374,708	809,271	11,183,979	(13,452)	11,170,527
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>\$ 23,774,125</u>	<u>\$ (1,053,931)</u>	<u>\$ 22,720,194</u>	<u>\$ 202,664</u>	<u>\$ 22,922,858</u>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>					
Borrowing under capital lease	\$ 121,208	\$ —	\$ 121,208	\$ —	\$ 121,208
Contributions of capital assets from developers	22,271,759	—	22,271,759	—	22,271,759
Contributions of capital assets from governments	130,000	—	130,000	—	130,000
Increase in fair value of investments	2,258,978	287,321	2,546,299	—	2,546,299

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

---

SUMMARY OF NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
  - A. Financial Reporting Entity
  - B. Fund Accounting
  - C. Basis of Accounting
  - D. Cash and Investments
  - E. Interfund Receivables/Payables
  - F. Inventories
  - G. Fixed Assets
  - H. Deferred Revenues
  - I. Long-Term Obligations
  - J. Bond Discounts and Issuance Costs
  - K. Compensated Absences
  - L. Fund Equity
  - M. Budgets
  - N. Encumbrances
  - O. Employee and Post-Retirement Benefits Other than Pensions
  - P. Interfund Transactions
  - Q. Memorandum Only - Total Columns
2. DEPOSITS AND INVESTMENTS
3. RECEIVABLES
4. DESIGNATED AND RESTRICTED ASSETS
5. JOINT VENTURE
6. FIXED ASSETS
7. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS
8. DEFERRED COMPENSATION PLANS
9. LONG-TERM DEBT
10. FUND EQUITY
11. PENSION PLANS
12. SEGMENT INFORMATION FOR ENTERPRISE FUNDS
13. INTERFUND TRANSACTIONS
14. OPERATING LEASES
15. BUDGETS
16. RISK MANAGEMENT
17. CONTINGENT LIABILITIES
18. CONDUIT DEBT OBLIGATIONS
19. TAXPAYER BILL OF RIGHTS (TABOR)

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Aurora, Colorado (the City) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) applicable to governments. A summary of the City's significant accounting policies is as follows:

**A. *Financial Reporting Entity***

The City is a home-rule local government governed by an elected eleven-member council. These financial statements present the City (the primary government) and its component units – separate, legal entities for which the City is considered to be financially accountable or whose exclusion would make the City's financial statements misleading or incomplete. Blended component units, although legally separate entities, are, in substance, part of the City's operations. Therefore, data from these units are combined with data of the primary government. The blended method is used when either of the following circumstances are present: 1) the governing body of the component unit is substantially the same as the governing body of the City; or 2) the component unit provides services entirely or almost entirely to the City.

If none of the preceding circumstances are present, the component units are presented discretely. Discrete presentation refers to the use of columns separate from the financial data of the primary government to report component unit financial data.

*The following blended component units have been included in the accompanying financial statements:*

***Aurora Capital Leasing Corporation (ACLC)*** - ACLC was organized as a not-for-profit corporation in 1993, for the purpose of financing public buildings for the City. ACLC is a component unit because the City Council appoints the governing board and because its exclusion would make the City's financial statements misleading. ACLC is a blended component unit because it provides services solely to the City. ACLC consists of a debt service fund, a capital projects fund and general fixed assets and general long-term debt account groups. 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 express powers including the power to: undertake urban renewal projects, mortgage, sell or dispose of property, borrow money and accept grants, issue tax-increment and other forms of securities, develop plans with respect to urban renewal projects, condemn property needed for such projects and direct redevelopment projects. In 1982, the City Council determined the existence of blighted conditions in the City and designated the Aurora City Center Urban Renewal Area, consisting of 516 acres. Property in the Aurora City Center area has been developed as retail and other business facilities. In 2001, the City Council declared the Fitzsimons Boundary Area and Campus to be blighted and designated the area for urban renewal.

AURA is a component unit because it provides specific financial benefits solely to the City and because its exclusion would make the City's financial statements misleading. AURA is a blended component unit because AURA's governing body is substantially the same as the City Council and because it provides services solely to the City. AURA consists of a debt service fund and general long-term debt account group. There are no separately issued financial statements for AURA.

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

---

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

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

*City of Aurora General Employees' Retirement Plan (GERP)* – GERP has a separate, independent board which administers the plan. GERP is a component unit because it is funded solely by contributions from the City and its employees 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 and its employees. GERP is included as a pension trust fund in the accompanying financial statements. Separately issued audited financial statements for GERP are available at 12200 E. Iliff Avenue, Suite 108, Aurora, Colorado 80014.

*City of Aurora Elected Officials' and Executive Personnel Defined Benefit Plan (EOEP)* – EOEP was created in 2001. It has a Trustee and Plan Administrator who administer the plan. These positions are appointed by the City Council. 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 and its employees. EOEP is included as a pension trust fund in the accompanying financial statements. There are no separately issued financial statements for EOEP.

*The following discretely presented component unit has been included in the accompanying financial statements:*

*Fitzsimons Redevelopment Authority (FRA)* – FRA was formed on January 1, 1998 under an intergovernmental agreement between the University of Colorado and the City. FRA was organized for the purpose of providing economic redevelopment and other services at the United States Army Garrison, Fitzsimons (Fitzsimons), and elsewhere within the Fitzsimons Redevelopment Area, and is responsible for the coordination of the redevelopment of the entire Fitzsimons site. FRA acts as the developer and manager of certain components of the Fitzsimons Redevelopment Plan, including the development of a bioscience research park affiliated with the University of Colorado. FRA is governed by a ten member Board of Directors, of which seven members are appointed by the City. FRA is a component unit because the City appoints a majority of its governing board and its exclusion would make the City's financial statements misleading. It is discretely presented because FRA's board is not substantially the same as the City Council and FRA does not provide its services entirely or almost entirely to the City. Separately issued audited financial statements for FRA are available at 12635 East Montview Boulevard, Suite 100, Aurora, Colorado 80010.

*The following joint venture has been included in the accompanying financial statements:*

*Aurora-Colorado Springs Joint Water Authority (ACSJWA)*

The ACSJWA was formed in 1983, by contract, between the City of Aurora 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 City has a 1/3 participation share and Colorado Springs has a 2/3 participation share in the project. The City Council of each city appoints three directors to the board. The City's share of the ACSJWA is accounted for using the equity method in the Water Fund in the accompanying financial statements. Separately issued audited financial statements are available at Colorado Springs Utilities, Water Resources Department MC740, 30 South Nevada Avenue, Colorado Springs, Colorado 80903.

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

---

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

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

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 acquisition and construction of a pipeline to transport raw water. The ACSJWA issued revenue bonds to finance the project. Future revenues consist of a water transmission service contract whereby the ACSJWA agrees to furnish water transmission services to the two cities.

**B. *Fund Accounting***

The City's accounting system uses funds and account groups to report its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Each fund is a separate accounting entity with a complete set of self-balancing accounts comprising its assets, liabilities, fund equity, revenue, and expenditures (or expenses – as appropriate to the fund type). Resources of the City are accounted for in individual funds based on the purposes for which they are to be spent. The various funds are classified into three categories: governmental, proprietary and fiduciary. Each category is further divided into separate fund types.

**1) *Governmental Funds***

*General Fund* is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. Resources are used to finance general City expenditures and to transfer to other funds as required by law or approved by the City Council.

*Special Revenue Funds* are used to account for revenues which are restricted or designated to be spent for specified purposes. The Special Revenue Funds are: Gifts and Grants, Abatement, Community Maintenance, Community Development, Enhanced E-911, Conservation Trust, Emergency Contingency, Parks Development, Recreation Services, Designated Revenues, Policy Reserve and TABOR Reserve.

*Debt Service Funds* account for principal, interest and fees incurred due to general obligation, special assessment and tax increment revenue bonds and certificates of participation debt of the City except those accounted for in proprietary funds. The Debt Service Funds are: City Debt Service, Surplus and Deficiency, Aurora Urban Renewal Authority (AURA) and Aurora Capital Leasing Corporation (ACLC).

*Capital Projects Funds* account for resources allocated for the acquisition or construction of major capital projects except those financed by special revenue and proprietary funds. The capital projects funds are: City Capital Projects and ACLC Capital Projects.

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

---

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

**B. Fund Accounting (Continued)**

**2) Proprietary Funds**

*Enterprise Funds* account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the City is either to recover all or most of the costs through user fees, or to provide an accountability of revenues earned, expenses incurred, and/or net income for management or public information purposes. The Enterprise Funds are: Water, Sewer and Golf. Fitzsimons Redevelopment Authority (FRA) is also accounted for as an enterprise activity.

*Internal Service Funds* account for resources provided by other City funds for centralized services to departments on a cost-recovery basis. The Internal Service Funds are: Fleet Management, Print Shop, Risk Management and Building Repair.

**3) Fiduciary Funds**

*Trust Funds* are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations and other governments. The pension trust funds are accounted for in essentially the same manner as proprietary funds. The Pension Trust Funds are: General Employees' Retirement Plan (GERP), Elected Officials' and Executive Personnel Defined Benefit Plan (EOEP) and Elected Officials' Pension Plan (EOPP). The EOPP ceased its operations in 2001 and was fully closed in 2001.

*Agency Funds* are custodial in nature and do not involve measurement of results of operations. The Agency Funds are: General Agency and Payroll Clearing. General Agency functions were transferred to the General Fund in 2001 and the fund was fully closed in 2001.

**4) Account Groups**

Account groups are used to establish accounting control and accountability for the general fixed assets and general long-term debt. The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations. The following are the City's account groups.

*General Fixed Assets Account Group (GFAAG)* - This account group accounts for all fixed assets of the City except those accounted for in proprietary and pension trust funds. The GFAAG includes general fixed assets for the City and ACLC.

*General Long-Term Debt Account Group (GLTDAG)* - This account group accounts for all long-term debt of the City except that recorded in proprietary funds. The GLTDAG includes general long-term debt for the City, AURA and ACLC.

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

---

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

**C. Basis of Accounting**

Basis of accounting refers to the point at which revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

1) *Governmental and Similar Fiduciary Funds*

The measurement focus for all governmental and similar fiduciary funds is on current financial resources. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental and similar fiduciary funds. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures of the period. Major revenues determined to be susceptible to accrual include property taxes, sales taxes, use and lodgers taxes, special assessments, franchise taxes, intergovernmental revenues, occupational privilege taxes, interest, and charges for services. The City considers revenue available if collected within sixty days after year-end. Expenditures are recorded when incurred with the exception of principal and interest on long-term debt which are accounted for when due.

Measurement focus is an operating statement concept. Agency funds, therefore, cannot have a measurement focus because they do not have operations. They do, however, use the modified accrual basis of accounting for purposes of asset and liability recognition. Governmental funds include the General, Special Revenue, Debt Service, and Capital Projects Funds. Similar fiduciary funds are Agency Funds.

2) *Proprietary and Similar Trust Funds*

All proprietary, similar trust funds and the FRA component unit are accounted for on a flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Unbilled but earned utility service revenues are recorded at year-end. All assets and liabilities associated with the operation of the fund are included on the balance sheet. Fund equity (i.e., net assets) is segregated into contributed capital and retained earnings components. The City and FRA have elected not to follow Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989 in accounting and reporting for its proprietary operations. Proprietary funds include enterprise and internal service funds. Similar trust funds are pension trust funds.

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

---

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

**C. *Basis of Accounting* (Continued)**

**3) *New Accounting Pronouncement***

Effective January 1, 2001, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. This statement establishes standards for the timing and recognition of nonexchange transactions and requires governmental entities to recognize prospectively capital contributions as revenue, not contributed capital. Accordingly, the City recognized water and sewer contributed mains and tap and annexation fees as nonoperating revenue for 2001. As a result of adopting GASB Statement No. 33, net income increased by approximately \$34,214,000 in the Water Fund and approximately \$18,688,000 in the Sewer Fund for the year ended December 31, 2001. In accordance with GASB Statement No. 33, contributed capital received in prior years has not been restated.

Effective January 1, 2001, FRA adopted the provisions of GASB Statement No. 33. Accordingly, capital contributions are recognized as revenue prospectively and not as contributed capital. Depreciation will continue to be taken on those assets acquired with federal and municipal contributions prior to January 1, 2001 against existing contributed capital balances. The effect of this change resulted in the FRA recording \$1,293,809 of contributions as revenue in 2001 rather than as contributed capital.

**D. *Cash and Investments***

The City pools its cash and investments. All temporary cash surpluses are invested. The amounts reported on the combined balance sheet as equity in cash and cash equivalents and equity in investments represent each fund's share of the City pool. Earnings from these investments are allocated among the funds based on an average daily balance of the individual fund's equity in pooled monies. Cash and cash equivalents include 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. For the purposes of the statement of cash flows, restricted and designated assets are not considered cash and cash equivalents.

**E. *Interfund Receivables/Payables***

During the course of operations, transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Interfund loans or advances are classified as "long-term interfund receivable/payable."

**F. *Inventories***

The "first in, first out" inventory cost flow assumption is used in the Golf Fund and Print Shop Fund; "average method" cost procedures are used in the Fleet Management Fund. The cost of inventories in each of these proprietary funds is recorded as an expense when consumed rather than when purchased.



**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

---

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

**G. Fixed Assets**

1) *Governmental Funds*

The accounting and reporting treatment applied to a fund's fixed assets is determined by its measurement focus. All governmental funds are accounted for on a current financial resources measurement focus, whereby only current assets and current liabilities are recorded on the balance sheet. Therefore, fixed assets purchased by these funds are recorded as expenditures in the governmental funds and reported in the GFAAG. The asset accounts in the GFAAG are balanced by "source of funds" accounts which record the resources used to acquire the assets.

General Fixed Assets (land, buildings and improvements, improvements other than buildings, and machinery and equipment) are stated at actual cost for purchased assets, estimated historical cost for older assets for which actual cost was not determinable, and fair value at the time of receipt for donated items. Depreciation is not recorded on these assets.

The criteria used for capitalizing assets include assets with an estimated useful life of more than one year and an acquisition cost of \$2,500 or more per unit.

The City does not record "infrastructure" assets including streets, bridges, sidewalks, gutters, lighting, rights of way, and traffic control in the GFAAG. Buildings and improvements, and improvements other than buildings are normally recorded as such in the GFAAG upon final completion of the individual projects. Expenditures incurred during the construction phase are recorded as construction in progress. Land and machinery and equipment are normally recorded in the GFAAG upon receipt.

2) *Proprietary and Similar Pension Trust Funds*

Proprietary funds and similar Pension Trust funds measure net income and capital maintenance and, therefore, their fixed assets are included on the fund's balance sheet. Fixed assets are stated at actual cost for purchased assets, fair value for contributed assets, and estimated historical cost for assets for which actual cost was not determinable. Developers who construct water and sewer lines for subdivisions are required to furnish cost figures to the City for contributed lines. Such costs are recorded as fixed assets and contributed capital one year after being accepted by the City. Interest incurred during construction is capitalized. Salvage value is not computed and, accordingly, assets are completely depreciated if retained for their total estimated useful life. Straight-line depreciation is used in all cases. Depreciation on contributed capital is charged to retained earnings. Depreciation on assets of the Fitzsimons Redevelopment Authority acquired through Federal and municipal contributions is charged against contributed capital through an add back adjustment on the statement of revenues, expenses and changes in retained earnings.

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

---

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

**G. Fixed Assets (Continued)**

2) *Proprietary and Similar Pension Trust Funds (Continued)*

Depreciable lives are assigned to individual items as follows:

<u>Description</u>	<u>City of Aurora Estimated Useful Life</u>	<u>FRA Estimated Useful Life</u>
Buildings and improvements	10 to 50 years	7 to 35 years
Improvements other than buildings	15 to 99 years	—
Machinery and equipment	3 to 20 years	3 to 5 years

**H. Deferred Revenues**

Deferred revenues arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them, such as when grant funds are received prior to incurring qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the deferred revenue is removed from the balance sheet and revenue is recognized.

**I. Long-Term Obligations**

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a liability in a governmental fund. The remaining portion of such obligations is reported in the GLTDAG. Long-term liabilities expected to be financed by proprietary and similar trust funds are accounted for in those funds.

**J. Bond Discounts and Issuance Costs**

In governmental funds, bond discounts and issuance costs are recognized as expenditures in the period incurred. Bond discounts and issuance costs for proprietary funds are deferred and amortized over the term of the bonds using the effective interest method. Bond discounts are presented as a reduction of the face amount of bonds payable whereas issuance costs are recorded as deferred charges.

**K. Compensated Absences**

1) *Annual Leave*

City policy allows employees to accumulate unused annual leave up to maximum hours as indicated in the table below. With the exception of certain circumstances, all annual leave hours in excess of the maximum accrual permitted are forfeited on January 1 of each year.

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

---

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

**K. *Compensated Absences* (Continued)**

1) *Annual Leave* (Continued)

Accrued annual leave is payable upon separation after successful completion of the introductory period.

<u>Employees</u>	<u>Maximum Hours</u>
Police	260
Fire 8-hour shift	240
Fire 24-hour shift	360
All Other	240

2) *Sick Leave*

Sick leave hours accumulated in excess of established minimums may be converted by employees annually in January of each year. Career Service employees hired after June 30, 1996, may convert sick leave hours at a rate of one hour's pay for every four hours of sick leave up to the established maximum payment hours. All other employees may convert sick leave hours at a rate of one hour's pay for every two hours of sick leave up to the established maximum payment hours. Conversion minimum accrual and maximum payment hours are as follows:

<u>Employees</u>	<u>Minimum Accrual Hours</u>	<u>Maximum Payment Hours</u>
Police	720	120
Fire 8-hour shift	684	120
Fire 24-hour shift	960	180
All Other	720	120

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.

Upon separation after five years of continuous service, provided such separation has not been the result of dismissal for cause, Career Service employees hired after June 30, 1996, may receive one hour's pay for every four hours of sick leave at the time of separation up to the established maximum payment. Upon separation after five years of continuous service, provided such separation has not been the result of dismissal for cause, all other employees may receive one hour's pay for every two hours of accumulated sick leave up to the established maximum payment. Maximum payment hours upon separation are as follows:

<u>Employees</u>	<u>Maximum Payment Hours</u>
Police	480
Fire 8-hour shift	684
Fire 24-hour shift	960
All other	480

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

---

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

**K. *Compensated Absences* (Continued)**

**3) *Accrued Liabilities for Compensated Absences***

The City has recorded an accrued liability for compensated absences and related payroll taxes in the accompanying financial statements. The City budgets current year revenues to fund each year's anticipated expenditures for compensated absences. Amounts expected to be paid from future resources are recorded in the GLTDAG for all governmental funds. The compensated absences liabilities for proprietary funds are recorded in the respective funds.

**L. *Fund Equity***

Contributed capital recorded in proprietary funds is the result of capital grants or contributions received in prior years from developers, customers or other funds. In accordance with GASB Statement No. 33, the City has recognized capital contributions received in 2001 as revenue, not contributed capital. Reserves represent those portions of fund equity legally segregated for a specific future use. Designated fund balances represent tentative or budgetary plans for future use of financial resources.

**M. *Budgets***

Budgets are legally adopted for all funds except the trust and agency funds and the component units GERP, EOEP, ACLC, AURA and FRA. Budgets for these funds and component units are not adopted because they are not subject to the budgetary requirements of the Colorado Revised Statutes.

The following funds adopt both project length (continuing appropriation) and annual operational budgets: Gifts and Grants, Conservation Trust, Parks Development, Capital Projects, Water, Sewer, Golf and Building Repair. The Community Development Fund adopts only project length budgets. Only the annually adopted operating portion of a fund's budget is included in the combined budget to actual statement.

Appropriations lapse at year-end except for encumbrances, capital projects and other project length budgets. Capital projects and project length (continuing appropriation) budgets do not lapse until the projects for which the appropriations were made have been completed or abandoned. A project is considered abandoned if three fiscal years elapse without any expenditure from or encumbrance of the appropriation.

Operating expenditures are legally controlled at the fund and department level for all funds and may not exceed appropriations at those levels. Capital project expenditures are controlled at the fund, department and project levels and may not exceed appropriations at any of those levels.

Budget transfers within a department may be made with administrative approval provided that the transfer is within the same fund. Transfers between departments within the same fund require City Council approval by resolution. Transfers between funds require City Council approval by resolution or ordinance. Increases in total appropriations require City Council approval by ordinance.

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

---

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

**M. Budgets (Continued)**

1) *Basis of Budgeting*

The City budgets on a "funds available" basis. Budgetary basis revenues and other financing sources are considered to be increases in funds available and budgetary basis expenditures and other financing uses are considered to be uses of funds available. In general, funds available is defined as current assets minus current liabilities. However, certain items which are considered current for GAAP accounting are considered to be long-term for the City budget.

The City's Schedules of Revenues, Expenditures and Changes in Funds Available – Budget (Non-GAAP Budgetary Basis) and Actual also show funds available net of reservations and designations. While the reservations and designations are available to appropriate, funds available after reservations and designations represent funds that may be used for previously unanticipated purposes.

*Governmental Funds*

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

- a) Encumbrances are treated as expenditures in the year they are encumbered, not when the expenditure occurs.
- b) Grants are considered to be revenue when awarded, not when earned.
- c) Sales and use taxes are considered to be 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 fixed assets and the related capital expenditures is not budgeted.
- i) Changes in investment income due to recording investments at fair value are not budgeted.

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

---

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

**M. Budgets (Continued)**

1) *Basis of Budgeting (Continued)*

*Proprietary Funds*

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

- a) Capital outlay is budgeted as an expenditure in the year purchased.
- b) Depreciation is not budgeted.
- c) Interest capitalized on construction projects is budgeted as interest expense.
- d) Proceeds from the issuance of debt are considered to be 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 and the related gain or loss is not.
- i) Purchases of inventory are considered to be expenditures when purchased, not when sold or used.
- j) Debt issue and discount costs are considered to be expended when paid, not capitalized and amortized over the life of the bonds.
- k) Gains or losses on the early extinguishment of debt are considered to increase or decrease the funds available in the year in which they occur and are not capitalized and amortized over the life of the bonds.
- l) Accrued compensated absences are not considered to be expenditures until paid.
- m) Interest earned on escrowed cash and investments is not considered to be a revenue.
- n) The gain or loss on the equity in the joint venture is not budgeted, however payments to the joint venture are budgeted as expenditures.
- o) Project length (continuing appropriation) budgets are considered to be 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) Interfund loans set up as drawdowns are considered to be 100% outstanding at the commencement of the loan.
- s) Proceeds from capital leases and related capital expenditures are not budgeted.
- t) The value received on the trade-in of fixed assets and the related capital expenditures is not budgeted.
- u) Changes in investment income due to recording investments at fair value are not budgeted.

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

---

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

**M. *Budgets* (Continued)**

**2) *Legal Compliance***

On or before September 1 each year, a proposed budget is presented to the City Council for review. The budget is compiled from requests submitted to the City Manager by all departments. The City Council holds public hearings and may add to, subtract from, or change appropriations and associated revenues and reserves. The City Council adopts the budget for the upcoming year not later than November 30 each year.

Since expenditures may not legally exceed budgeted appropriations, appropriation amendments may be requested. Appropriation amendments are subject to City Council approval by ordinance.

**N. *Encumbrances***

Encumbrances represent commitments related to unperformed contracts for the purchase of goods or services. The City uses encumbrance accounting, under which purchase order commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation. Encumbrances outstanding at year-end are reported as reservations of fund balances in the governmental funds and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. Encumbered appropriations do not lapse at year-end, but carry over to the following year.

**O. *Employee and Post-Retirement Benefits Other than Pensions***

The City offers a variety of benefits to its regular employees, including comprehensive health care. The health coverage is offered through Kaiser Permanente Health Plan, PacifiCare and Aetna US Healthcare. Dental coverage is offered through Delta Dental of Colorado and United Dental.

The City does not provide post-retirement benefits other than pension payments for retired employees or City officials.

**P. *Interfund Transactions***

Quasi-external transactions that would be treated as revenues, expenditures or expenses if they involved organizations external to the City, are accounted for as revenues in the receiving fund, and expenditures or expenses in the disbursing fund. Such quasi-external transactions include internal service fund billings and routine contributions to pension plans.

Nonrecurring and nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

---

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

**Q. Memorandum Only - Total Columns**

Total columns are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with accounting principles generally accepted in the United States of America. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**2. DEPOSITS AND INVESTMENTS**

Classifications of cash and investments per the balance sheet are as follows:

Cash and cash equivalents	\$ 10,917,365
Equity in cash and cash equivalents	27,145,858
Investments	189,886,337
Equity in investments	154,278,995
Designated equity in investments	50,293,605
Restricted cash and cash equivalents	4,034,922
Restricted equity in cash and cash equivalents	1,642,392
Restricted investments	142,565,744
Restricted equity in investments	7,073,337
Total cash and investments	<u>\$ 587,838,555</u>

A summary of the carrying values of deposits and investments is as follows:

Petty cash funds	\$ 39,788
City deposits	504,113
FRA deposits	2,702,517
City investments	313,894,755
ACLC investments	71,791,118
AURA investments	1,740,801
GERP investments	197,165,463
Total deposits and investments	<u>\$ 587,838,555</u>

**A. Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single institution collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

Deposits are categorized to give an indication of risk assumed by the City at the end of the year.



**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**2. DEPOSITS AND INVESTMENTS (Continued)**

**A. Deposits (Continued)**

*Category 1* - Insured or collateralized with securities held by the City or by the City's agent in the City's name.

*Category 2* - Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name or in the name of all public deposits of which the City's deposits are a part.

*Category 3* - Uncollateralized (this includes any bank balance that is collateralized with securities held by the pledging financial institution, or its trust department or agent but not in the City's name).

A summary of the City's deposits as of December 31, 2001, is as follows:

<u>Risk Category</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>	<u>Fund</u>
Category 1	\$ 100,000	\$ 100,000	Pool
Category 1	100,000	100,000	General
Category 1	2,998	2,998	Designated Revenues
Category 1	<u>6,976</u>	<u>6,976</u>	GERP
Subtotal Category 1	<u>209,974</u>	<u>209,974</u>	
Category 2	200,247	3,600,279	Pool
Category 2	<u>93,892</u>	<u>93,892</u>	General
Subtotal Category 2	<u>294,139</u>	<u>3,694,171</u>	
Total deposits	<u>\$ 504,113</u>	<u>\$ 3,904,145</u>	

As of December 31, 2001, the FRA held Category 1 deposits of \$1,249,985 and uncategorized mutual funds of \$1,452,532. Mutual funds are not subject to categorization because they are not evidenced by securities that exist in physical or book form.

The City has a compensating balance arrangement with its primary depository bank. The compensating balance was \$3,290,000 at December 31, 2001.

**B. Investments**

The change in the fair value of investments, net of the prior year's fair value adjustment, has been reported on the operating statement in each applicable fund as a component of investment income. The net increase in the fair value of investments during 2001 was \$3,358,677. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized gain on investments held at year-end was \$6,618,150. It is generally City practice to hold investments to maturity.

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

---

**2. DEPOSITS AND INVESTMENTS (Continued)**

**B. Investments (Continued)**

The City Charter authorizes the Finance Director to keep and supervise all accounts and have custody of all public monies of the City. Investments eligible for purchase by the City are restricted by the Colorado Revised Statutes and by the City's Investment Policy. The Investment Policy specifies the following types of acceptable investments:

- Securities of the U.S. Government or its agencies
- Fully insured or collateralized certificates of deposit of commercial banks or savings and loans
- Negotiable certificates of deposit
- Commercial paper rated A1/P1 or higher
- Bankers acceptances of certain banks
- Corporate notes
- Certain money market funds
- Written repurchase agreements collateralized by certain authorized securities
- Local government investment pools

The criteria for selection of investments in order of priority are: 1) safety, 2) liquidity, 3) financial management goals and 4) yield. U.S. Government and agency securities as well as repurchase agreements backed by government and agency securities are the highest quality investments available. Certificates of deposit and bankers acceptances are either insured or collateralized. Commercial paper is rated A1 or A1+ by Standard & Poor's or P1 by Moody's, and may be collateralized by a letter of credit. Corporate notes must be rated A1 by Moody's and A+ by Standard & Poor's or higher, when purchased.

For the year ended December 31, 2001, the City invested in repurchase agreements, U.S. Government and agency securities, commercial paper rated A1/P1 or better, corporate notes rated A1 or A+ or better, money market funds and a local government investment pool, COLOTRUST.

COLOTRUST is established under Colorado Revised Statutes and is exempt from registration with the Securities and Exchange Commission. COLOTRUST operates two money market funds where each share has a value of \$1.00. Investments of COLOTRUST consist of U.S. Treasury Bills, Notes, Note Strips and repurchase agreements collateralized by U.S. Treasury securities, U.S. Government agency securities, and commercial paper rated A1+/P1. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal functions of COLOTRUST. Both COLOTRUST funds have been rated AAAM by Standard & Poor's and are guaranteed by MBIA, Inc.

With respect to investments within the City's portfolio, the City is subject to market risk which represents the exposure to changes in the market such as a change in interest rates or a change in price or principal value of a security. Additionally, the City is exposed to credit risk associated with its investment portfolio. Credit risk is the exposure to the default of counterparties to investment transactions.

The City's investments are categorized below to give an indication of the level of risk at year-end.

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**2. DEPOSITS AND INVESTMENTS (Continued)**

**B. Investments (Continued)**

*Category 1* - Investments that are insured or registered or for which the securities are held by the City or its agent in the City's name.

*Category 2* - Uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name.

*Category 3* - Uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name.

Investments in local government investment pools or in money market funds are not categorized because they are not evidenced by securities that exist in physical or book entry form.

1) *Investments - City*

The City's investments are carried at fair value, except cash equivalents, defined as investments with a maturity of three months or less when purchased, which are carried at amortized cost. A summary of the City's investments as of December 31, 2001, is as follows:

	<u>Category 1</u>	<u>Category 3</u>	<u>Carrying/ Fair Value</u>	<u>Fund</u>
Repurchase agreements	\$ 53,188,099	\$ —	\$ 53,188,099	Capital Projects/ Debt Service
U.S. Government and agency securities	97,239,085	—	97,239,085	Pool
	2,269,337	684,888	2,954,225	Enterprise
Commercial paper	17,950,951	—	17,950,951	Pool
Corporate notes	<u>121,440,716</u>	<u>—</u>	<u>121,440,716</u>	Pool
Subtotal	<u>\$ 292,088,188</u>	<u>\$ 684,888</u>	292,773,076	
Not subject to categorization:				
COLOTRUST			3,503,188	Pool
COLOTRUST			13,118,474	Enterprise
Money market funds			2,274,101	Capital Projects
Money market funds			<u>2,225,916</u>	Enterprise
Total City investments			<u>\$313,894,755</u>	

Investments in Category 3 are held by the Urban Drainage and Flood Control District (UD&FCD) in the name of UD&FCD. Per intergovernmental agreements between the City and UD&FCD, funds contributed by both parties for the construction of various projects are held by the UD&FCD.

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

---

**2. DEPOSITS AND INVESTMENTS (Continued)**

**B. Investments (Continued)**

2) *Investments - ACLC*

All investments of ACLC are held by a bank within its trust department as agent for ACLC in the City's name. The investments are categorized below to give an indication of the level of risk assumed at year-end.

	<u>Category 1</u>	<u>Carrying/Fair Value</u>
Repurchase agreements	\$ 67,775,374	\$ 67,775,374
U.S. Government securities	<u>3,759,412</u>	<u>3,759,412</u>
Subtotal	<u>\$ 71,534,786</u>	71,534,786
Not subject to categorization		
Money market funds		<u>256,332</u>
Total ACLC investments		<u>\$ 71,791,118</u>

3) *Investments - AURA*

The amount invested in the AURA Debt Service Fund is in money market funds which are not subject to categorization because they are not evidenced by securities that exist in physical or book entry form.

Investments at carrying/fair value	<u>\$ 1,740,801</u>
------------------------------------	---------------------

4) *Investments - GERP*

All of the investments of GERP are held by a bank, within its trust department as agent for GERP in the name of GERP. Investments are carried at fair value. The investments are categorized below to give an indication of the level of risk assumed at year-end:

	<u>Category 1</u>	<u>Carrying/Fair Value</u>
Equity securities	\$ 43,099,182	\$ 43,099,182
U.S. Government securities	38,394,865	38,394,865
Corporate bonds	<u>45,873,328</u>	<u>45,873,328</u>
Subtotal	<u>\$ 127,367,375</u>	127,367,375
Not subject to categorization		
Mutual funds		46,158,445
Money market funds		7,293,790
Real estate funds		<u>16,345,853</u>
Total GERP investments		<u>\$ 197,165,463</u>

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**3. RECEIVABLES**

**A. Taxes**

	<u>General Fund</u>	<u>City Debt Service</u>	<u>AURA Debt Service</u>	<u>Total Taxes Receivable</u>
Property tax	\$ 22,128,430	\$ 6,272,826	\$ —	\$ 28,401,256
Allowance for uncollectibles	(442,567)	(125,455)	—	(568,022)
Sales, use and lodgers	<u>13,133,827</u>	<u>—</u>	<u>77,936</u>	<u>13,211,763</u>
Totals	<u>\$ 34,819,690</u>	<u>\$ 6,147,371</u>	<u>\$ 77,936</u>	<u>\$ 41,044,997</u>

1) *Property Taxes*

Property taxes are levied on December 15 and attach as a lien on property the following January 1. These taxes are payable in full by April 30 or in two equal installments due February 28 and June 15. Each county bills and collects property taxes for all taxing entities within the county. Property taxes collected by Arapahoe, Adams and Douglas counties for the City are remitted in the subsequent month. Property taxes are reported as a receivable and as deferred revenue when levied. Revenue is recognized when collected in the following year. Collection begins on January 1 of the following year. An estimate of uncollectible taxes is recorded in an allowance account which is deducted from the deferred revenue and the receivable for reporting purposes.

Property taxes are subject to revenue limits under the Taxpayer Bill of Rights (TABOR), a State constitutional amendment passed by the voters in November 1992. See footnote 19 for discussion of the TABOR amendment.

2) *Sales, Use and Lodgers Taxes*

Sales, use and lodgers taxes are recognized as revenue when earned. Sales taxes collected and use taxes incurred by businesses are due to the City by the 20th day of the following month.

**B. Accounts Receivable**

Accounts receivable balances as of December 31, 2001 were as follows:

	<u>Accounts Receivable</u>
Utility billings	\$ 5,635,760
Sales and use tax audits	837,195
City services	1,040,498
Other accounts receivable	<u>1,419,673</u>
Total accounts receivable	<u>\$ 8,933,126</u>

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

---

**3. RECEIVABLES (Continued)**

**B. *Accounts Receivable* (Continued)**

1) *Utility Billings*

Utility charges are billed monthly and are due and payable within 25 days from the billing date. These charges include water usage, sewer usage and storm drainage fees. Utility charges are recorded as revenue when earned. Collections are recorded as reductions in the receivable. Estimates of uncollectible utility charges are immaterial and have not been separately disclosed.

2) *Sales and Use Tax Audits*

The City invoices for amounts determined as owed as a result of sales and use tax compliance audits. Amounts billed are recorded as receivables and deferred revenues in the General Fund. The revenue is recognized when received.

3) *City Services*

The City invoices for services such as weed cutting, trash removal, tree trimming/removal, overtime inspection charges, and reimbursement for property damages. It also invoices for reimbursable expenditures under certain grants. Revenue is recognized when invoiced on these items.

4) *Other Accounts Receivables*

Various revenues, including E-911 surcharges, Public, Educational and Governmental (P.E.G.) access fees, and franchise taxes, such as cable television, gas and electric, which are due but not yet received, are recorded as receivables at year-end.

**C. *Special Assessments***

Special assessments are recorded as receivables and deferred revenues when assessed. Revenue is recognized in subsequent periods as the assessments are collected.

**D. *Accrued Interest***

Interest earned but not yet received is recorded as a receivable. The receivable is reduced as interest is received. Accrued interest as of December 31, 2001 is as follows:

Accrued interest	\$ 3,675,221
Designated accrued interest	524,793
Restricted accrued interest	<u>723,541</u>
Total accrued interest	<u>\$ 4,923,555</u>

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**3. RECEIVABLES (Continued)**

**E. Loans**

Loans receivable as of December 31, 2001 were as follows:

<u>Fund</u>	<u>Economic Development</u>	<u>Community Services</u>	<u>E-470</u>	<u>FRA</u>	<u>Total Loans Receivable</u>
General Fund	\$ 385	\$ —	\$ —	\$ —	\$ 385
Special Revenue Funds					
Gifts and Grants	339,621	—	—	—	339,621
Community Maintenance	—	—	3,063,192	—	3,063,192
Community Development	—	7,223,082	—	—	7,223,082
City Capital Projects Fund	—	—	—	1,236,848	1,236,848
Golf Enterprise Fund	—	—	—	205,080	205,080
Totals	<u>\$ 340,006</u>	<u>\$ 7,223,082</u>	<u>\$ 3,063,192</u>	<u>\$ 1,441,928</u>	<u>\$ 12,068,208</u>

1) *Economic Development*

The City has a 100% participation interest in loans made by Aurora EDC, Inc. to various commercial and industrial enterprises. These loans are an incentive for the relocation or expansion of these enterprises within the boundaries of the City.

2) *Community Services*

To assist in the redevelopment of low income areas, the City makes loans from Federal funds to assist in the renovation of housing and businesses. These loans are supported by contracts which outline the repayment of borrowed funds.

3) *E-470 Public Highway Authority (E-470)*

In 1994 the City entered into an intergovernmental agreement between E-470 and various member governments to assist in financing the remainder of the east corridor of the Colorado 470 Loop highway. In accordance with this agreement, the City loaned the E-470 \$584,845 annually over a four-year period. As security for the loan, the City and other participating governments have been granted a non-exclusive, subordinate lien on the vehicle registration fees and toll revenues of E-470. Payment of principal and interest will commence, at the discretion of E-470, when E-470 revenues exceed authorized expenditures and other indebtedness.

4) *FRA (Fitzsimons Redevelopment Authority)*

The City entered into an agreement to assist FRA with the initial purchase of equipment and startup costs of the Fitzsimons Golf Course. The loan of \$205,080 plus interest is repayable in three equal yearly installments beginning December 1, 2000. The note payable is payable solely from the revenues of the Fitzsimons Golf Course after payment of all expenses incurred with respect to the operations and maintenance of the golf course. There were insufficient net revenues from the Fitzsimons Golf Course to make the December 1, 2001 and 2000 payments. The City has recorded a \$205,080 loan valuation reserve in the Golf Fund at December 31, 2001.

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

---

**3. RECEIVABLES (Continued)**

**E. Loans (Continued)**

4) *FRA (Fitzsimons Redevelopment Authority) (Continued)*

In addition, 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 incubator facility at Fitzsimons. The loan of \$1,150,000 plus interest is repayable in ten equal yearly installments beginning June 1, 2005.

**F. Other Receivables**

Other receivables include liens for uncollected weed cutting, billings from wastewater service agreements and miscellaneous receivables.

**G. Due From Other Governments**

Due from other governments consists of county road and bridge taxes, state highway users taxes and cigarette taxes which the City is owed but has not yet received. These amounts are collected by the county or State and remitted to the City within the first sixty days of the following year. Also included are expenditure reimbursements due from Federal and State grants.

**4. DESIGNATED AND RESTRICTED ASSETS**

**A. Designated Assets**

Designations represent the City's intent to use assets for specific future purposes. The City designates all monies collected from water and sewer tap fees and storm drain permits to be used for future water, sewer and storm drain construction. Certain amounts in the Conservation Trust Fund are designated for the acquisition or construction of art in public places.

**B. Restricted Assets**

Balance sheet classifications for restricted assets are as follows:

	<b>Special Revenue Funds</b>	<b>Debt Service Funds</b>	<b>Capital Projects Funds</b>	<b>Enterprise Funds</b>	<b>FRA</b>	<b>Totals</b>
Cash and cash equivalents	\$ —	\$ 358,893	\$ 2,285,744	\$ 684,888	\$ 705,397	\$ 4,034,922
Equity in cash and cash equivalents	1,642,392	—	—	—	—	1,642,392
Investments	—	8,611,653	116,355,028	17,599,063	—	142,565,744
Equity in investments	—	25,609	225,182	6,822,546	—	7,073,337
Accrued interest	—	26,157	686,908	10,476	—	723,541
<b>Totals</b>	<b><u>\$ 1,642,392</u></b>	<b><u>\$ 9,022,312</u></b>	<b><u>\$ 119,552,862</u></b>	<b><u>\$ 25,116,973</u></b>	<b><u>\$ 705,397</u></b>	<b><u>\$ 156,039,936</u></b>



**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

---

**4. DESIGNATED AND RESTRICTED ASSETS (Continued)**

**B. Restricted Assets (Continued)**

Restricted assets are those legally segregated for specific future use. These restrictions fall into six general categories - arbitrage, construction, debt service, repair and replacement, operations and maintenance, and police.

A summary of restricted assets as of December 31, 2001 is as follows:

Restricted for arbitrage	
1994 ACLC certificates of participation	\$ 25,609
2000 general obligation bonds	410,000
Restricted for construction	
1998 general obligation bonds	3,693
1999 General Fund bonds	3,327,074
1999 sewer revenue bonds	13,118,474
2000 ACLC certificates of participation	63,965,165
2000 general obligation bonds	49,982,960
CDOT escrow account	2,273,970
Intergovernmental agreements	684,888
Fitzsimons Federal grants	705,397
Restricted for debt service	
1993 sewer revenue refunding bonds	3,815,916
1995 golf course revenue bonds	675,149
1996 AURA tax increment revenue refunding bonds	358,000
1994 & 2000 series ACLC certificates of participation	8,228,703
Restricted for repair and replacement	
1995 golf course revenue bonds	600,000
Restricted for operations and maintenance	
1999 water revenue bonds	4,972,546
1999 sewer revenue bonds	1,250,000
Restricted for police	
Seizure funds	1,642,392
Total restricted assets	<u>\$ 156,039,936</u>

1) *Restricted for Arbitrage*

Federal tax law provides that, with the exception of certain "temporary periods," governments may not reinvest the proceeds of tax-exempt debt at a higher yield. Arbitrage occurs if a government earns more than the yield allowed by that law. With certain exceptions, arbitrage must be rebated to the Federal government.

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

---

**4. DESIGNATED AND RESTRICTED ASSETS (Continued)**

**B. *Restricted Assets* (Continued)**

**2) *Restricted for Construction***

The 1998 general obligation bonds were issued to finance a portion of the cost of a highway interchange at Interstate Highway 225 and Alameda Avenue in the City. The City Capital Projects Fund had unexpended bond proceeds and accumulated earnings on those proceeds which are restricted for the completion of the project.

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

The 1999 governmental agency sewer revenue bonds were issued pursuant to a loan agreement with the Colorado Water Resources & Power Development Authority (CWR & PDA) to upgrade the wastewater facility and to add reuse storage and piping. The Sewer Fund has unexpended revenue bond proceeds that are restricted for the completion of the project.

In 2000, Aurora Capital Leasing Corporation (ACLIC) issued certificates of participation (COP's) to finance a new municipal office building designed to house all City departments except police, courts and certain decentralized operations. The ACLIC Capital Projects Fund has unexpended COP's proceeds and accumulated earnings on those proceeds which are restricted for the completion of the project.

In 2000, the City issued general obligation bonds to finance a program of improvements, including libraries, parks and open space and public safety facilities. The City Capital Projects Fund has unexpended bond proceeds and accumulated earnings on those proceeds which are restricted for the completion of the project.

The City established an escrow account for the purpose of financing street improvement projects that would be performed or managed by the Colorado Department of Transportation (CDOT). The City Capital Projects Fund has unexpended funds that are restricted for the completion of these projects.

The City has several intergovernmental agreements with Urban Drainage and Flood Control District (Urban Drainage) for the design, right-of-way acquisition, and construction of drainage and flood control structures. Funds held by Urban Drainage for the completion of these projects are shown as cash and cash equivalents restricted for construction in the Sewer Fund.

Fitzsimons Redevelopment Authority's restricted cash consists of amounts received as grant reimbursement from the Federal government that are being held as retainage under construction contracts until final approval to release the funds.

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

---

**4. DESIGNATED AND RESTRICTED ASSETS (Continued)**

**B. *Restricted Assets* (Continued)**

3) *Restricted for Debt Service*

The 1993 Sewer Revenue Refunding Bonds require that certain amounts of the original proceeds and earnings on those proceeds be restricted for debt service. These amounts are held in escrow for the bond contingency.

The 1995 Golf Course Revenue Bonds require the City to maintain a debt service reserve account in an amount equal to the maximum annual debt service requirements of the bonds. This reserve is held in the Golf Fund as restricted investments.

The 1996 AURA Tax Increment Revenue Refunding Bonds require the City to maintain a reserve in the amount of \$358,000. This reserve is held in the AURA Debt Service Fund as restricted cash and cash equivalents.

Cash and investments in the ACLC Debt Service Fund are restricted for the payment of principal and interest on the ACLC 1994 and 2000 Certificates of Participation. A portion of the proceeds of the 2000 certificates was set aside for the payment of interest during the construction of the project.

4) *Restricted for Repair and Replacement*

The 1995 Golf Course Revenue Bonds require the City to establish and maintain a repair and replacement reserve for the repair and replacement of golf course capital items. This reserve is held in the Golf Fund as restricted equity in investments.

5) *Restricted for Operations and Maintenance*

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

The 1999 Sewer Revenue Bonds require the City to establish and maintain an operations and maintenance reserve. This reserve is held in the Sewer Fund as restricted equity in investments.

6) *Restricted for Police*

The City receives funds from forfeiture actions in State and Federal courts which are referred to as seizure funds. State law restricts use of seizure funds to specific activities of the City Police Department. The restricted equity in cash and cash equivalents is held in the Gifts and Grants Special Revenue Fund.

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

---

**5. JOINT VENTURE**

The Aurora – Colorado Springs Joint Water Authority (ACSJWA) formed between the City of Aurora and the City of Colorado Springs is a joint venture reported in the Water Fund using the equity interest method. ACSJWA charges both participants transmission service fees to cover annual debt service requirements and to pay current expenses incurred in the operation and maintenance of the project. During 2001, the City paid ACSJWA \$348,571 in such fees. The City’s one third interest for 2001 was as follows:

Equity in joint venture - January 1	\$ 2,094,366
Transmission service charges	348,571
Allocation of ASCJWA net income	
City’s share of net income	284,141
Less: City’s expense	<u>(348,571)</u>
Net decrease in investment	<u>(64,430)</u>
Equity in joint venture - December 31	<u>\$ 2,378,507</u>

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**6. FIXED ASSETS**

The changes in Fixed Assets by major class for the year ended December 31, 2001 were as follows:

	<u>Balance January 1</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Balance December 31</u>
<b>Enterprise Funds</b>					
Land and water rights	\$ 155,279,421	\$ 66,548	\$ (3,079)	\$ —	\$ 155,342,890
Buildings and improvements	31,457,252	109,715	—	25,523,779	57,090,746
Improvements other than buildings	463,995,873	22,308,394	—	11,794,071	498,098,338
Machinery and equipment	31,907,007	1,574,546	(250,439)	—	33,231,114
Accumulated depreciation	(117,107,986)	(9,034,569)	239,354	—	(125,903,201)
Construction in progress	49,131,251	17,348,998	—	(37,317,850)	29,162,399
Water rights in progress	7,468,193	75,000	(5,224,309)	—	2,318,884
Total Enterprise	<u>622,131,011</u>	<u>32,448,632</u>	<u>(5,238,473)</u>	<u>—</u>	<u>649,341,170</u>
<b>Internal Service Funds</b>					
Improvements other than buildings	697,718	—	—	—	697,718
Machinery and equipment	799,398	6,651	(73,069)	—	732,980
Accumulated depreciation	(791,562)	(75,889)	71,875	—	(795,576)
Total Internal Service	<u>705,554</u>	<u>(69,238)</u>	<u>(1,194)</u>	<u>—</u>	<u>635,122</u>
<b>Trust and Agency Funds</b>					
Machinery and equipment	41,507	4,294	(2,106)	—	43,695
Accumulated depreciation	(39,389)	(3,206)	2,106	—	(40,489)
Total Trust and Agency	<u>2,118</u>	<u>1,088</u>	<u>—</u>	<u>—</u>	<u>3,206</u>
<b>General Fixed Assets Account Group</b>					
Land and water rights	21,210,079	2,877,751	—	—	24,087,830
Buildings and improvements	62,397,709	—	—	3,368,538	65,766,247
Improvements other than buildings	15,664,238	19,500	(2,233)	3,590,566	19,272,071
Machinery and equipment	48,139,414	8,998,608	(2,403,992)	10,590	54,744,620
Construction in progress	3,258,201	27,610,729	(28,557)	(6,969,694)	23,870,679
Total General Fixed Assets Account Group	<u>150,669,641</u>	<u>39,506,588</u>	<u>(2,434,782)</u>	<u>—</u>	<u>187,741,447</u>
<b>Discretely Presented Component Unit</b>					
Land and water rights	1,672,865	532,042	—	—	2,204,907
Buildings and improvements	8,113,376	582,835	—	632,790	9,329,001
Machinery and equipment	280,058	15,892	—	—	295,950
Accumulated depreciation	(401,091)	(376,808)	—	—	(777,899)
Construction in progress	638,891	—	—	(632,790)	6,101
Total Discretely Presented Component Unit	<u>10,304,099</u>	<u>753,961</u>	<u>—</u>	<u>—</u>	<u>11,058,060</u>
Total Fixed Assets	<u>\$ 783,812,423</u>	<u>\$ 72,641,031</u>	<u>\$ (7,674,449)</u>	<u>\$ —</u>	<u>\$ 848,779,005</u>

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**6. FIXED ASSETS (Continued)**

The City capitalizes interest costs on major construction projects in the Enterprise Funds. The amount of interest capitalized and expensed (including agency fees) during 2001 is as follows:

	<u>Capitalized</u>	<u>Expensed</u>	<u>Totals</u>
Water Fund	\$ 669,705	\$ 3,803,318	\$ 4,473,023
Sewer Fund	806,098	115,678	921,776
Golf Fund	—	781,896	781,896
Total Enterprise Funds	<u>\$ 1,475,803</u>	<u>\$ 4,700,892</u>	<u>\$ 6,176,695</u>

**7. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

**A. Special Revenue Funds**

*Gifts and Grants Fund*

Projects in the Gifts and Grants Fund are expected to be financed through gifts or grants.

Number of Projects	Type	Project Appropriations	Expended to December 31	Committed
1	Fitzsimons Landfill Cleanup	\$ 11,956,113	\$ 30,876	\$ 11,925,237
22	Parks and Open Space	4,089,551	1,725,119	2,364,432
		<u>\$ 16,045,664</u>	<u>\$ 1,755,995</u>	<u>\$ 14,289,669</u>

*Community Development Fund*

Projects in the Community Development Fund are financed through monies received from Federal programs.

Number of Projects	Type	Project Appropriations	Expended to December 31	Committed
4	Public Service	\$ 480,025	\$ 479,537	\$ 488
10	Public Facility	2,145,032	1,508,128	636,904
1	HOAP Loans	608,919	608,919	—
3	Single Family Rehab	814,273	739,135	75,138
1	Multi-Family Rehab	985,166	708,913	276,253
3	Commercial Rehab	106,730	83,261	23,469
1	ARA	2,313,375	1,572,023	741,352
5	HOME Program	4,817,507	3,526,145	1,291,362
2	Other	132,936	118,958	13,978
7	Admin	2,290,875	2,224,702	66,173
	Total Community Development Fund	<u>\$ 14,694,838</u>	<u>\$ 11,569,721</u>	<u>\$ 3,125,117</u>

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

---

**7. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS (Continued)**

**A. Special Revenue Funds (Continued)**

***E-911 Fund***

Project expenditures in the E-911 Fund are financed from revenues derived from E-911 surcharges. Monies are used to purchase and maintain enhanced E-911 equipment and related activities.

<u>Number of Projects</u>	<u>Type</u>	<u>Project Appropriations</u>	<u>Expended to December 31</u>	<u>Committed</u>
1	Information Technology	\$ 432,889	\$ 107,378	\$ 325,511

***Conservation Trust Fund***

Projects for the Conservation Trust Fund are financed through State lottery proceeds.

<u>Number of Projects</u>	<u>Type</u>	<u>Project Appropriations</u>	<u>Expended to December 31</u>	<u>Committed</u>
32	Parks and Open Space	\$ 16,729,627	\$ 14,135,739	\$ 2,593,888

***Parks Development Fund***

Projects in the Parks Development Fund are financed through annexation and developer fees and county open space taxes.

<u>Number of Projects</u>	<u>Type</u>	<u>Project Appropriations</u>	<u>Expended to December 31</u>	<u>Committed</u>
3	Parks and Open Space	\$ 472,504	\$ 360,129	\$ 112,375

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**7. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS (Continued)**

**B. Capital Projects Funds**

*City Capital Projects Fund*

As of December 31, 2001 the City had various commitments for the acquisition and construction of major capital projects in the City Capital Projects Fund. Funding of these future expenditures will be provided for through General Fund transfers, bond proceeds, investment earnings, grants, and participation revenues.

<u>Number of Projects</u>	<u>Type</u>	<u>Project Appropriations</u>	<u>Expended to December 31</u>	<u>Committed</u>
3	Non-Departmental	\$ 2,730,829	\$ 2,380,771	\$ 350,058
2	Finance	421,608	249,536	172,072
16	Information Technology	12,680,712	9,398,910	3,281,802
7	Library and Recreation Services	19,889,000	1,308,170	18,580,830
6	Operations Group Management	4,003,700	102,395	3,901,305
37	Public Works	98,477,344	84,410,601	14,066,743
6	Police Department	10,513,000	3,935,095	6,577,905
8	Fire Department	10,886,000	1,559,582	9,326,418
39	Parks and Open Space	41,828,297	29,381,835	12,446,462
3	Development Services	5,150,000	2,003,450	3,146,550
Total City Capital Projects Fund		<u>\$ 206,580,490</u>	<u>\$ 134,730,345</u>	<u>\$ 71,850,145</u>

*ACLCL - Capital Projects Fund*

In August 2000, ACLCL issued certificates of participation for construction of a new administrative office building. As of December 31, 2001, total cumulative construction expenditures were \$9,070,858 and \$58,240,399 was committed in encumbrances. The remaining fund balance of \$2,401,027 was reserved for construction.



**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**7. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS (Continued)**

**C. Enterprise Funds**

Funding of expenditures in the Water and Sewer Funds is financed from bond proceeds, operating revenue and tap and development fees. Funding for the Golf Fund projects is from revenue bond proceeds and revenues from existing golf courses.

<u>Number of Projects</u>	<u>Type</u>	<u>Project Appropriations</u>	<u>Expended to December 31</u>	<u>Committed</u>
<i>Water Fund</i>				
1	Water System Security	\$ 250,000	\$ 2,251	\$ 247,749
1	SI Others/Benefits Entire City	15,277,495	15,277,495	—
2	Front Range Airport Area	575,000	162,244	412,756
3	Fitzsimons	939,271	474,002	465,269
27	Others/Benefits Entire City	39,641,594	28,894,661	10,746,933
7	Mountain/Raw Water	21,528,563	18,075,215	3,453,348
8	E-470	5,346,481	985,342	4,361,139
4	Eastern Hills	2,572,000	277,543	2,294,457
3	Southeast Aurora Reservoir	3,696,000	33	3,695,967
12	Cherry Creek Area Inc Kings Pointe	9,850,162	3,857,951	5,992,211
Total Water Fund		<u>\$ 99,676,566</u>	<u>\$ 68,006,737</u>	<u>\$ 31,669,829</u>
<i>Sewer Fund</i>				
2	Fitzsimons	\$ 1,200,000	\$ 355,930	\$ 844,070
3	Reuse Water/Sewer City	19,350,000	14,178,587	5,171,413
34	Others/Benefits Entire City	27,004,804	20,291,402	6,713,402
5	E-470	1,072,553	843,902	228,651
2	Eastern Hills	200,000	56,269	143,731
10	Southeast Aurora Reservoir	16,555,075	2,423,477	14,131,598
4	Cherry Creek Area Inc Kings Pointe	2,064,783	619,423	1,445,360
1	STM Central Facility WW Building	108,000	—	108,000
Total Sewer Fund		<u>\$ 67,555,215</u>	<u>\$ 38,768,990</u>	<u>\$ 28,786,225</u>
<i>Golf Fund</i>				
11	Course Improvements	\$ 1,531,795	\$ 1,275,769	\$ 256,026
2	Murphy Creek	9,821,593	9,725,617	95,976
Total Golf Fund		<u>\$ 11,353,388</u>	<u>\$ 11,001,386</u>	<u>\$ 352,002</u>

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**7. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS (Continued)**

**D. Internal Service Funds**

Projects in the Building Repair Fund are financed through the interdepartmental charges for services, General Fund transfers, and investment earnings.

**Building Repair Fund**

<u>Number of Projects</u>	<u>Type</u>	<u>Project Appropriations</u>	<u>Expended to December 31</u>	<u>Committed</u>
5	Internal Service	\$ 1,215,000	\$ —	\$ 1,215,000
3	Parks and Open Space	9,477,912	8,270,054	1,207,858
	Total Building Repair Fund	<u>\$ 10,692,912</u>	<u>\$ 8,270,054</u>	<u>\$ 2,422,858</u>

**E. Fitzsimons Redevelopment Authority (FRA)**

The 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 October 30, 1998 through December 31, 2003. The FRA compensates the City for such services with a management fee ranging from \$52,400 the first year to \$61,000 the final year of the contract. The management fee is payable solely from revenues of the golf course. In return, beginning in 1999 the City pays the FRA a minimum of \$150,000 per year as the FRA's share of the proceeds from the operations of the golf course. In addition, the City pays the FRA 70% of net income from the golf course, as defined in the management agreement, in excess of \$150,000 on an annual basis.

**F. Tax Incentive Agreements**

The City enters into tax incentive agreements to encourage retail development within its borders. At December 31, 2001, the City has entered into such agreements with the developers of the Arapahoe Crossings, Heritage at Eagle Bend, Pioneer Hills and Aurora City Place retail centers. The Pioneer Hills and Aurora City Place agreements provide for tax sharing payments consisting of approximately \$17 million in principal plus an interest component. No payments have become due under these agreements. The Arapahoe Crossings and Heritage at Eagle Bend agreements provide for tax sharing payments of approximately \$13 million in total. The City has made tax sharing payments under the latter agreements of approximately \$3 million from inception through December 31, 2001.

**8. 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 (ICMA), Lincoln National Life Insurance Company, and the Fire and Police Pension Association (FPPA). The amounts under the deferred compensation plan are held in trust for the benefit of the City's employees. The City's fiduciary responsibility is one of "due care" in selecting the third-party administrator.

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**9. LONG-TERM DEBT**

**A. General Long-Term Debt Account Group**

General long-term debt obligations outstanding as of December 31, 2001 are as follows:

	<u>Maturities</u>	<u>Rates</u>	<u>Balance December 31</u>
Accrued compensated absences	—	—	\$ 16,801,701
General obligation bonds	2002 – 2015	4.50% – 5.55%	59,480,000
Revenue bonds	2002 – 2014	4.75% – 5.80%	19,020,000
Certificates of participation	2002 – 2030	5.00% – 6.25%	96,070,000
Capitalized leases	2002 – 2004	4.23% – 5.99%	1,291,114
Old Hire Police net pension obligation	—	—	164,289
<b>Total</b>			<b>\$ 192,827,104</b>

A summary of changes in the GLTDAG during 2001 is as follows:

	<u>Balance January 1</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31</u>
Accrued compensated absences	\$ 15,842,178	\$ 959,523	\$ —	\$ 16,801,701
General obligation bonds	63,095,000	—	3,615,000	59,480,000
Revenue bonds	19,780,000	—	760,000	19,020,000
Certificates of participation	97,565,000	—	1,495,000	96,070,000
Special assessment bonds	235,000	—	235,000	—
Capitalized leases	1,517,944	343,677	570,507	1,291,114
Old Hire Police net pension obligation	176,802	—	12,513	164,289
<b>Total</b>	<b>\$ 198,211,924</b>	<b>\$ 1,303,200</b>	<b>\$ 6,688,020</b>	<b>\$ 192,827,104</b>

Long-term maturities of principal and interest are due annually and semi-annually, respectively, with the exception of the milling machine lease where principal and interest are due monthly. Long-term maturities are as follows:

	<u>General Obligation Bonds</u>	<u>Revenue Bonds</u>	<u>Certificates of Participation</u>	<u>Capitalized Leases</u>	<u>Totals</u>
2002	\$ 6,171,575	\$ 2,151,638	\$ 7,060,484	\$ 578,074	\$ 15,961,771
2003	6,186,015	2,151,372	7,578,346	332,692	16,248,425
2004	6,192,440	2,152,263	7,584,066	352,349	16,281,118
2005	6,210,625	2,158,722	7,580,566	76,341	16,026,254
2006	6,219,808	2,156,080	7,584,516	76,343	16,036,747
2007-2011	30,343,767	9,547,925	38,727,955	—	78,619,647
2012-2016	20,352,690	5,278,180	29,867,349	—	55,498,219
2017-2021	—	—	29,866,714	—	29,866,714
2022-2026	—	—	29,861,900	—	29,861,900
2027-2031	—	—	23,884,875	—	23,884,875
	81,676,920	25,596,180	189,596,771	1,415,799	298,285,670
Less interest	22,196,920	6,576,180	93,526,771	124,685	122,424,556
<b>Total</b>	<b>\$ 59,480,000</b>	<b>\$ 19,020,000</b>	<b>\$ 96,070,000</b>	<b>\$ 1,291,114</b>	<b>\$ 175,861,114</b>

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

---

**9. LONG-TERM DEBT (Continued)**

**A. General Long-Term Debt Account Group (Continued)**

1) *General Obligation Bonds*

The general obligation bonds are payable from property taxes and other revenues of the General Fund. There are three outstanding general obligation bonds. As of December 31, 2001 the outstanding balances for each issue were: 1995 Public Safety \$3,165,000, 1998 Alameda and I-225 Interchange \$8,525,000 and 2001 Facility Master Plan \$47,790,000.

2) *Revenue Bonds*

The City issued Sports Park General Fund bonds, payable from General Fund revenue, to finance a recreation and youth sports complex. As of December 31, 2001 the amount of Sports Park bonds outstanding was \$16,800,000.

Revenue bonds were issued by AURA to finance improvements in the Aurora City Center Urban Renewal Area. The bonds are payable from the incremental sales and property taxes collected within the urban renewal area. As of December 31, 2001 the amount of AURA revenue bonds outstanding was \$2,220,000.

3) *Certificates of Participation*

There are two outstanding certificates of participation (COP's) issues. The 1994 series COP's were issued to acquire land and buildings previously owned by the Aurora Colorado Municipal Building Corporation. The 2000 series COP's were issued to finance the construction of a City administrative office building. Both series are payable from the City's lease payments, which are assigned to the trustee for the COP's debt service. As of December 31, 2001, the outstanding balances for each issue were: 1994 series \$19,695,000 and 2000 series \$76,375,000.

4) *Special Assessment Bonds*

The special assessment bonds were payable from special assessments received from property owners collected in the Debt Service Fund. The balance of the 1996 Refunding Bonds was fully paid as of December 31, 2001.

5) *Capitalized Leases*

The City has entered into three fire truck leases, one asphalt paver lease, and one milling machine lease that have been capitalized for financial statement purposes. The leases are renewable annually. The City has the option to purchase the equipment at the end of the lease period. Minimum lease payments include the following interest: \$6,705 on the 1997 fire truck lease, \$6,387 on the 1998 fire truck lease, \$85,999 on the 2001 fire truck lease, \$3,689 on the asphalt paver lease and \$21,904 on the milling machine lease.

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**9. LONG-TERM DEBT (Continued)**

**A. General Long-Term Debt Account Group (Continued)**

**6) Reconciliation of Fund Balances to Amounts Available**

The following is a reconciliation of the fund balances of the debt service funds to the funds available for the retirement of general long-term debt.

Fund	Fund Balance				Unavailable For Debt Service	Available for Debt Service
	Reserved	Designated	Unreserved	Total		
Debt Service	\$ 464,815	\$ —	\$ —	\$ 464,815	\$ —	\$ 464,815
Surplus & Deficiency	—	821,300	1,182,780	2,004,080	2,004,080	—
AURA	358,000	—	1,101,495	1,459,495	—	1,459,495
ACLC	7,979,312	—	—	7,979,312	—	7,979,312
Total	<u>\$ 8,802,127</u>	<u>\$ 821,300</u>	<u>\$ 2,284,275</u>	<u>\$ 11,907,702</u>	<u>\$ 2,004,080</u>	<u>\$ 9,903,622</u>

**a) Debt Service Fund**

This fund receives property taxes directly related to the servicing of general obligation bonds that are financed by dedicated revenues. Additionally, the fund receives transfers from the General Fund for the retirement of other general obligation bonds. These funds are not considered available for any other purpose.

**b) Surplus and Deficiency Fund**

This fund receives special assessments from property owners for which the corresponding debt has been fully paid.

The remaining funds of \$2,004,080 in the Surplus and Deficiency Fund are available for construction of infrastructure projects that have traditionally been funded by special assessments. These funds are not considered available for the retirement of any type of debt.

**c) AURA Debt Service Fund**

Amounts in the AURA Debt Service Fund may be used to service AURA's \$2,220,000 outstanding revenue bonds. Amounts in excess of the outstanding bonds may be used to pay future obligations of AURA but are not available to the AURA revenue bond holders or for the retirement of any other type of outstanding debt.

**d) ACLC Debt Service Fund**

This fund receives lease payments which are recorded as operating transfers from the General Fund. The amounts available in this fund are only available for the retirement of ACLC's outstanding certificates of participation.

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**9. LONG-TERM DEBT (Continued)**

**A. General Long-Term Debt Account Group (Continued)**

7) *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, 2001 is \$61,547,447. In 1992, Colorado voters approved an amendment to the state constitution (TABOR), which requires new general obligation debt to be authorized by voters. Consequently, the computation of the City's legal debt margin has reduced significance.

8) *Subsequent Event*

In May 2002, ACLC plans to issue certificates of participation in the approximate amount of \$15,400,000 to finance the acquisition and construction of public safety communications equipment and vehicles.

**B. Proprietary Funds Long-Term Debt**

Proprietary funds long-term debt obligations outstanding as of December 31, 2001 are as follows:

	<u>Maturities</u>	<u>Rates</u>	<u>Balance</u> <u>December 31</u>
General obligation water bonds	2002 – 2014	4.55 – 6.90%	\$ 85,615,000
Water revenue bonds	2002 – 2014	4.485%	13,341,591
Water revenue notes	2002 – 2009	5.00%	402,489
Sewer revenue bonds	2002 – 2014	4.50 – 5.00%	22,848,144
Golf course revenue bonds	2002 – 2015	5.25 – 6.20%	6,120,000
Capitalized leases	2002 – 2004	5.243 – 6.95%	570,610
Long-term interfund payable	2002 – 2013	Variable	6,144,000
Less: Unamortized bond discounts			(1,899,115)
Deferred amount on refunding			(50,133)
Unamortized loan premiums			449,351
Net proprietary funds long-term debt			<u>\$ 133,541,937</u>

A summary of changes in the proprietary funds long-term debt is as follows:

	<u>Balance</u> <u>January 1</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>December 31</u>
General obligation water bonds	\$ 95,750,000	\$ —	\$ (10,135,000)	\$ 85,615,000
Water revenue bonds	14,178,795	—	(837,204)	13,341,591
Water revenue notes	452,801	—	(50,312)	402,489
Sewer revenue bonds	25,614,915	—	(2,766,771)	22,848,144
Golf course revenue bonds	6,400,000	—	(280,000)	6,120,000
Capitalized leases	674,436	121,208	(225,034)	570,610
Long-term interfund payable	6,400,000	—	(256,000)	6,144,000
Unamortized bond discounts	(2,637,020)	—	737,905	(1,899,115)
Deferred amount on refunding	(60,160)	—	10,027	(50,133)
Unamortized bond premiums	485,682	—	(36,331)	449,351
Total	<u>\$ 147,259,449</u>	<u>\$ 121,208</u>	<u>\$ (13,838,720)</u>	<u>\$ 133,541,937</u>

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**9. LONG-TERM DEBT (Continued)**

**B. Proprietary Funds Long-Term Debt (Continued)**

Long-term maturities of principal and interest are due annually and semi-annually, respectively, with the exception of the water and sewer governmental agency revenue bonds where principal and interest are due semi-annually. Long-term maturities are as follows:

	General Obligation Water Bonds	Water Revenue Bonds	Water Notes	Sewer Revenue Bonds	Golf Course Revenue Bonds	Capitalized Leases	Totals
2002	\$ 14,088,514	\$ 1,378,083	\$ 70,435	\$ 3,733,325	\$ 658,558	\$ 228,422	\$ 20,157,337
2003	11,504,784	1,381,239	67,920	2,182,610	662,628	220,545	16,019,726
2004	11,813,009	1,378,288	65,404	2,183,883	664,672	136,062	16,241,318
2005	9,720,916	1,377,998	62,889	2,179,673	660,577	41,727	14,043,780
2006	9,739,962	1,376,907	60,373	2,179,764	660,628	—	14,017,634
2007-2011	38,941,368	6,886,575	166,028	10,909,745	3,286,597	—	60,190,313
2012-2015	13,324,438	4,133,305	—	6,535,354	2,638,010	—	26,631,107
	109,132,991	17,912,395	493,049	29,904,354	9,231,670	626,756	167,301,215
Less interest	23,517,991	4,570,804	90,560	7,056,210	3,111,670	56,146	38,403,381
Total	\$ 85,615,000	\$ 13,341,591	\$ 402,489	\$ 22,848,144	\$ 6,120,000	\$ 570,610	\$ 128,897,834

The Fitzsimons Redevelopment Authority's long-term maturities of long-term debt obligations as of December 31, 2001 are as follows:

	Notes Payable	Capitalized Leases	Total
2002	\$ 242,616	\$ 40,524	\$ 283,140
2003	—	13,509	13,509
2004	—	—	—
2005	177,420	—	177,420
2006	177,420	—	177,420
Thereafter	6,975,320	—	6,975,320
	7,572,776	54,033	7,626,809
Less interest	4,367,696	3,203	4,370,899
Total	\$ 3,205,080	\$ 50,830	\$ 3,255,910

The general obligation water bonds are payable from revenues of the Water Fund. Unamortized discounts on the bonds at December 31, 2001 totaled \$1,656,194.

The City issued a Governmental Agency revenue bond, pursuant to a loan agreement between the Colorado Water Resources and Power Development Authority and the Water Fund for the refurbishment of the Griswold (formerly Kuiper) Water Plant. The bond payments are payable from net revenues of the Water Fund. Unamortized underwriter's discount on the bonds at December 31, 2001 totaled \$80,434. Unamortized premium on the bond at December 31, 2001 totaled \$354,544.

The City entered into revenue note obligations for the purchase of water rights. The notes are payable from revenue of the Water Fund.

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

---

**9. LONG-TERM DEBT (Continued)**

**B. *Proprietary Funds Long-Term Debt* (Continued)**

The sewer revenue bonds are payable from net revenues of the Sewer Fund. In the bond ordinance, the City covenants to enforce a schedule of rates and charges for the sewer system sufficient to maintain Sewer Fund gross revenue (including tap and development fees) at least equal to the sum of operations and maintenance expenses of the sewer system plus 130% of the combined average annual debt service requirements of the bonds and any outstanding parity bonds and any additional amounts as required by the bond ordinance. Unamortized discounts on the bonds totaled \$4,710 as of December 31, 2001.

The City issued a Governmental Agency revenue bond, pursuant to a loan agreement between the Colorado Water Resources and Power Development Authority and the Sewer Fund to upgrade the wastewater facility and to add reuse storage and piping. The bond payments are payable from net revenues of the Sewer Fund. Unamortized underwriter's discount on the bonds at December 31, 2001 totaled \$130,725. Unamortized premium on the bond at December 31, 2001 totaled \$94,807.

The golf course revenue bonds are payable from net revenues of the Golf Fund. In the bond ordinance, the City covenants to maintain and enforce a schedule of rates, fees and charges for the golf system sufficient that the income is at least equal to the sum of operations and maintenance expenses plus 150% of the combined annual debt service requirements of the bonds and any outstanding parity bonds. Unamortized discounts on the bonds at December 31, 2001 totaled \$77,185.

The City has entered into golf cart leases that have been capitalized for financial statement purposes. The leases are renewable annually. The City has the option to purchase the equipment at the end of the lease period. The four year minimum lease payments include \$56,145 of imputed interest.

The Golf Fund executed a subordinate loan with the Sewer Fund to finance the construction of the Murphy Creek Golf Course. Principal paid on the loan in 2001 was \$256,000.

The FRA entered into an agreement with the United States Army for the conveyance of 332 acres of land along with the associated improvements and selected items of equipment at Fitzsimons. The conveyance will occur in phases as the Army meets certain environmental requirements and is anticipated to be complete by 2002. The purchase price for the conveyance is \$1,850,000, which is payable pursuant to a Promissory Note executed by the FRA for the full amount of the purchase price. The promissory note bears interest at 6.25% and is payable in ten equal annual installments of \$555,956 beginning December 31, 2012 through December 31, 2021.

The FRA entered into a loan agreement with the City of Aurora whereby the FRA could draw up to \$1,150,000. The FRA was permitted to draw on the funds to provide partial matching funds for two grants the FRA received from the U.S. Department of Commerce Economic Development Administration, for the purpose of designing and constructing a bioscience incubator facility at Fitzsimons. The current balance of the loan including interest is \$1,150,000. The loan is payable in ten equal installments of principal and interest beginning June 1, 2005.



**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**9. LONG-TERM DEBT (Continued)**

**B. Proprietary Funds Long-Term Debt (Continued)**

The Fitzsimons Redevelopment Authority has entered into a note obligation with the City to enable the FRA to operate the eighteen-hole Fitzsimons Golf Course and to purchase necessary equipment and to make improvements to the clubhouse. The note is payable in three equal installments of \$68,360 plus accrued interest beginning December 1, 2000 and ending December 1, 2002. The note payable is payable solely from the revenues of the Golf Course after payment of all expenses incurred with respect to the operations and maintenance of the Golf Course. There were insufficient net revenues from the Golf Course to make the December 1, 2000 and 2001 payments. The balance of the loan as of December 31, 2001 is \$205,080.

**10. FUND EQUITY**

**A. Contributed Capital**

For FRA, contributed capital represents capital grants from the Federal government and amounts contributed by the City for improvements to the main building at Fitzsimons. These contributions relate to the acquisition of depreciable assets and are amortized against contributed capital in an amount equal to depreciation expense. The total amount amortized in 2001 was \$206,046. This amount appears as an adjustment to net income on the statement of revenues, expenses and changes in retained earnings. The following shows the changes in FRA's contributed capital for the year:

FRA Contributed capital, January 1, 2001	\$ 6,384,860
Depreciation of assets acquired through capital contributions	<u>(206,046)</u>
FRA Contributed capital, December 31, 2001	<u>\$ 6,178,814</u>

**B. Retained Earnings**

1) *Reserves*

The following reserves are required per the applicable bond indenture:

Reserved for debt service	
1993 sewer revenue refunding bonds	\$ 3,815,916
1995 golf course revenue bonds	<u>664,673</u>
Total reserved for debt service	<u>\$ 4,480,589</u>
Reserved for repair and replacement	
1995 golf course revenue bonds	<u>\$ 600,000</u>
Reserved for operations and maintenance	
1999 water revenue bonds	\$ 4,972,547
1999 sewer revenue bonds	<u>1,250,000</u>
Total reserved for operations and maintenance	<u>\$ 6,222,547</u>

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

---

**10. FUND EQUITY (Continued)**

**C. Fund Balances**

1) *Reserved for Pension Benefits*

Fund balances of all pension trust funds are reserved for employee pension benefits. The total reserved for pension benefits as of December 31, 2001 was \$198,523,189.

2) *Reserved for Encumbrances*

These are amounts legally restricted for the payment of commitments relating to unperformed contracts and purchase orders. Reserves for encumbrances as of December 31, 2001 were as follows:

<b>Operating</b>	
General Fund	\$ 1,496,980
Gifts and Grants Fund	326,971
Enhanced E-911 Fund	133,772
Conservation Trust Fund	2,000
Recreation Services Fund	<u>20,539</u>
Total operating encumbrances	<u>1,980,262</u>
<b>Capital Projects</b>	
Gifts and Grants Fund	288,487
Enhanced E-911 Fund	87,622
Conservation Trust Fund	1,056,270
City Capital Projects Fund	24,952,819
ACLC Capital Projects Fund	<u>58,240,399</u>
Total capital projects encumbrances	<u>84,625,597</u>
Total reserved for encumbrances	<u>\$ 86,605,859</u>

3) *Reserved for Police*

In 1993, Aurora voters approved a 0.25% sales tax increase to fund an increase in police services. This increase provides two police officers for each 1,000 people living in the City. In 2001 the City received \$8,643,368 in incremental sales tax and \$565,129 in interest income. During 2001 \$10,719,618 of these funds were expended. The amount reserved in the General Fund for police as of December 31, 2001 of \$9,055,714 represents the cumulative amount collected but not yet used to provide police services.

Seizure funds of \$1,642,392 were reserved for police in the Gifts and Grants Fund at December 31, 2001.

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

---

**10. FUND EQUITY (Continued)**

**C. Fund Balances (Continued)**

4) *Reserved for Debt Service*

Certain fund balances in the Debt Service Funds (Note 9A6) are reserved for the payment of principal and interest on the debt shown in the GLTDAG. As of December 31, 2001 debt service reserves amounted to \$8,802,127.

5) *Reserved for Construction*

The Aurora Capital Leasing Corporation (ACLC) issued Certificates of Participation for the construction of a new administrative office building. Fund balances of \$2,401,027 were reserved for this project in the ACLC Capital Projects Fund as of December 31, 2001.

The City issued General Obligation (GO) Bonds to finance enhancements to Libraries, Public Safety, and Parks. Fund balances were reserved for these projects in the City Capital Project Fund as of December 31, 2001 as follows:

Libraries	\$ 12,200,664
Public Safety	4,266,600
Parks	<u>15,940,939</u>
Total 2000 GO Bonds reserved for construction	<u>\$ 32,408,203</u>

The City issued General Fund Bonds to finance the cost of a recreation and youth sports complex and associated facilities in the City. Fund balances of \$513,812 were reserved for this project in the City Capital Projects Fund as of December 31, 2001.

The City issued General Obligation Bonds to finance a portion of the cost of the highway interchange at Interstate 225 and Alameda Avenue. Fund balances of \$857 were reserved for this project in the City Capital Projects Fund as of December 31, 2001.

6) *Reserved by Agreements*

Certain fund balances in the Designated Revenues Special Revenue Fund are reserved for the payment of expenditures related to various agreements between the City and outside parties. As of December 31, 2001 these reserves totaled \$442,621.

7) *Designated for Subsequent Year Expenditures*

Fund balances budgeted as funding sources for subsequent year appropriations are shown as designated for subsequent year expenditures. A summary of these designations (as adopted in the 2001 budget) is as follows:

Special Revenue Funds	\$ 1,072,200
Debt Service Funds	<u>821,300</u>
Total designated for subsequent year expenditures - Budget	<u>\$ 1,893,500</u>

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

---

**10. FUND EQUITY (Continued)**

**C. Fund Balances (Continued)**

7) *Designated for Subsequent Year Expenditures (Continued)*

Budgets for capital projects are adopted on a project length basis. At year end, the unspent appropriation will carry forward to the subsequent year. A summary of designations of the unspent balances of project to date appropriations as of December 31, 2001 is as follows:

Special Revenue Funds	\$ 1,887,882
Capital Projects Fund	<u>24,364,751</u>
Total designated for subsequent year expenditures – Capital projects	<u>\$ 26,252,633</u>

8) *Designated for Long-Term Liabilities*

City management has designated \$13,133,827 in the General Fund at December 31, 2001 for the payment of future liabilities. This amount is equal to the sales, use and lodgers tax accrual.

9) *Designated for Future Operations*

City management has designated \$3,300,000 in the General Fund at December 31, 2001 for future operations.

10) *Designated for One-Time Expenditures*

City management has designated \$1,140,000 in the General Fund at December 31, 2001 for one-time expenditures.

**11. PENSION PLANS**

The City provides seven pension plans as follows:

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

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**11. PENSION PLANS (Continued)**

Covered payroll for the year ended December 31, 2001 for the various plans was as follows:

<u>Plan Name</u>	<u>Covered Payroll</u>
GERP	\$ 59,797,479
Old Hire - Fire	1,551,061
Old Hire - Police	1,864,247
New Hire - Fire	12,904,138
New Hire - Police	26,061,957
ERP	3,383,672
EOEP	—
Total covered payroll	<u>\$ 105,562,554</u>
Total 2001 payroll	<u>\$ 123,911,635</u>

Contributions made for the year ended December 31, 2001 were as follows:

<u>Plan Name</u>	<u>Employees</u>	<u>City</u>	<u>Totals</u>
GERP	\$ 3,317,985	\$ 3,313,280	\$ 6,631,265
Old Hire - Fire	—	—	—
Old Hire - Police	—	—	—
New Hire - Fire	1,290,414	1,290,414	2,580,828
New Hire - Police	2,606,196	2,606,196	5,212,392
ERP	289,391	289,391	578,782
EOEP	—	535,148	535,148
Totals	<u>\$ 7,503,986</u>	<u>\$ 8,034,429</u>	<u>\$ 15,538,415</u>

Contributions required and made during 2001 as a percent of current year covered payroll for the various plans were as follows:

<u>Plan Name</u>	<u>Employees</u>	<u>City</u>	<u>Totals</u>
GERP	5.5%	5.5%	11.0%
Old Hire - Fire	—	—	—
Old Hire - Police	—	—	—
New Hire - Fire	10.0%	10.0%	20.0%
New Hire - Police	10.0%	10.0%	20.0%
ERP	7.0%–10.0%	7.0%–10.0%	14.0%–20.0%
EOEP	—	—	—

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**11. PENSION PLANS (Continued)**

The City's annual pension cost for the current year and related information for each plan is as follows:

	<b>UNAUDITED</b>		
	<u>GERP</u>	<u>Old Hire Fire</u>	<u>Old Hire Police</u>
Annual required contribution (ARC)	\$ 1,671,956	\$ —	\$ —
Interest on net pension obligation (NPO)	(393,073)	(26,471)	13,260
Adjustment to ARC	327,314	49,239	(25,773)
Annual pension cost	1,606,197	22,768	(12,513)
Contributions made	3,090,022	—	—
Increase (decrease) in NPO (NPA)	(1,483,825)	22,768	(12,513)
NPO - beginning of year	(4,913,413)	(330,886)	176,802
NPO - end of year	\$ (6,397,238)	\$ (308,118)	\$ 164,289
Actuarial valuation date	1/1/01	1/1/00	1/1/00
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level percent of pay, open	Level percent of pay, closed	Level percent of pay, closed
Remaining amortization period	20 years	14 years	14 years
Asset valuation method	5-year smoothed market	3-year smoothed actuarial value	3-year smoothed actuarial value
Actuarial assumptions:			
Investment rate of return	8.0%	8.0%	8.0%
Projected salary increases	4.6 - 7.5%	4.5%	4.5%
Includes inflation at	4.0%	4.0%	4.0%
Cost of living adjustment	4.0%	4.0%	4.0%

**THREE YEAR TREND INFORMATION - UNAUDITED**

	<u>Year ended</u>	<u>Annual pension cost (APC)</u>	<u>Percentage of APC contributed</u>	<u>Net pension obligation</u>
GERP	12/31/99	\$ 824,443	339.95%	\$ (3,234,254)
	12/31/00	1,366,802	222.85%	(4,913,413)
	12/31/01	1,606,197	206.28%	(6,397,238)
Old Hire - Fire	12/31/99	1,456	—	(352,194)
	12/31/00	21,308	—	(330,886)
	12/31/01	22,768	—	(308,118)
Old Hire - Police	12/31/99	2,254,125	101.18%	176,600
	12/31/00	202	—	176,802
	12/31/01	(12,513)	—	164,289

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

---

**11. PENSION PLANS (Continued)**

**A. General Employees' Retirement Plan**

1) *Description of Plan*

The Aurora General Employees' Retirement Plan (GERP) is a single employer defined benefit pension plan covering substantially 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 GERP was established by City Resolution and is administered by the GERP Board. The GERP is not subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA); however, it has been qualified as a tax exempt Plan under Sections 401(a) and 501(a) of the Internal Revenue Code. Employee contributions are required as a condition of employment and are matched, dollar for dollar, by the City.

2) *Plan Benefits*

The GERP provides retirement, death and disability, and medical supplement benefits. Employees with less than five years of credited service at date of termination receive a refund of their contributions, including interest, plus their vested City contribution, which is a 25% match of the employee's contributions and interest for less than one year of credited service, increasing by 5% for each year of credited service completed. Employees with at least five years of credited service at date of termination may choose a refund or a deferred vested benefit. If termination occurs before age 65, an employee with between 5 and 10 years of credited service is eligible for a deferred vested benefit, in which monthly payments will begin at age 65. If termination occurs after an employee has obtained 10 years of credited service, monthly payments may begin anytime between the ages of 50 and 65. Benefits may be reduced when a participant retires before age 65, depending on the participant's age and length of service.

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

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

Death benefits paid to a beneficiary depend upon when the employee's death occurs. A one-time lump sum benefit of \$5,000 is provided to a beneficiary when a participant dies after retirement. This payment is separate from, and in addition to, any other benefits received.

The medical supplement is provided for all participants who have five or more years of credited service and is prorated for service less than 20 years.

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

---

**11. PENSION PLANS (Continued)**

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

2) *Plan Benefits (Continued)*

Both medical supplement and normal retirement benefit are subject to annual cost of living increase.

3) *Funding Policies*

Contribution requirements for the employees and the employer are established by City Resolution. Actuarial studies are considered in establishing funding policies. However, contributions are not actuarially determined. As determined by the actuarial study, current contribution rates are considered sufficient to accumulate assets to pay all benefits when due. All 2001 contributions were for normal costs. No unfunded accrued actuarial liability existed at December 31, 2001.

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

1) *Description of Plans*

The Old Hire Plans are agent multiple-employer defined benefit plans covering all full-time police officers or fire fighters hired before April 8, 1978 who elect not to participate in the "New Hire" plan. The Old Hire plans are a part of the statewide multiple employer public employee retirement system and are administered by the Fire and Police Pension Association of Colorado (FPPA). The FPPA follows the Colorado 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, Englewood, Colorado 80111-2721.

2) *Plan Benefits*

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

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

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



**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

---

**11. PENSION PLANS (Continued)**

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

**2) *Plan Benefits* (Continued)**

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

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

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

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

An optional benefit adopted by the City increases benefits in proportion to pay increases received by active employees (rank escalator). The Old Hire Plan also provides benefits to surviving spouses and dependent children of retired officers. These benefits for members who retired after 5/1/91 range from 75% to 100% of the officer's benefit.

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

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

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

---

**11. PENSION PLANS (Continued)**

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

**3) *Funding Policies***

The Old Hire funding policies provide for actuarially determined contributions calculated by the "entry age normal actuarial cost method." Under this method, the normal cost is computed as a percentage of pay which, if paid from the earliest time each member would have been eligible to join the plans if they then existed (entry age) until his retirement or termination and based upon the benefit formula applicable to new members, would accumulate with interest at the rate assumed in the valuation to an amount sufficient to pay all such benefits under the plans. The normal cost for the plans is determined by summing the normal costs for all members.

The latest actuarial studies for both plans were dated January 1, 2000. No on-behalf contributions were made by the State to either plan in 2001.

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

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

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

Contribution requirements for the employer and the employees are established by the City. Employee contributions and earnings on those contributions are nonforfeitable. City contributions and earnings on those contributions are distributable to the employee based on the schedule of vesting ranging from 25% to 100% over a period of 5 to 20 years. If a participant terminates service because of death, the entire amount credited to the participant from the employer is considered vested. Forfeited non-vested employer contributions may be used to reduce employer contributions but may not be used to otherwise increase any participant's plan benefit. Benefits may be distributed upon retirement, termination or death.

**D. *Executive Retirement Plan***

In 1996, the City adopted a resolution establishing a new defined contribution money purchase plan for City executive personnel. The plan is administered by ICMA Retirement Corporation. The plan is qualified as a tax-exempt defined contribution plan under section 401 of the Internal Revenue Code. Contributions for the employer and the employee were established by resolution.

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

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**11. PENSION PLANS (Continued)**

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

The City has a non-contributory single employer defined benefit pension plan that became effective January 1, 2001. The plan provides base and supplemental retirement benefits to members of the City Council and a standard retirement benefit to executive personnel who are also members of the Executive Retirement Plan (ERP).

With respect to elected officials in office before January 1, 2001, normal retirement age means the latter of age 60 or the date on which the elected official has accrued six years of service. With respect to elected officials in office after January 1, 2001, normal retirement age means the latter of age 56 or the date on which the elected official has accrued six years of service. Base benefits are paid at the rate of \$22 per month for each year of qualifying service prior to November 11, 1991, \$28 per month for service from November 11, 1991 through November 11, 1999 and \$55 for service after that date. The supplemental benefit is equal to \$175 per month subject to a cost of living adjustment.

With respect to executive personnel, normal retirement age means the latter of age 50 or the date on which the executive has accrued three years of service. For eligible executive personnel, the standard retirement benefit is equal to \$175 per month subject to a cost of living adjustment. If the executive participant has accrued fewer than six years of service, the participant's standard retirement benefit shall be equal to the following percentages of the full monthly benefit: less than 3 years= 0%; 3 years = 50%; 4 years = 67%; 5 years = 83% and 6 years = 100%.

Management's estimate of the required annual contribution for 2001 was \$535,148. This amount was funded through the City's annual operating budget. Benefits paid to nine eligible retirees or surviving spouses during 2001 totaled \$12,343.

**12. SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

The City maintains three enterprise funds which provide water, sewer and golf services. Segment information for the year ended December 31, 2001 is as follows:

	<u>Water</u>	<u>Sewer</u>	<u>Golf</u>	<u>Totals</u>
Operating revenues	\$ 37,033,541	\$ 22,606,204	\$ 9,454,822	\$ 69,094,567
Operating expenses (excluding depreciation)	21,843,628	17,620,277	7,196,676	46,660,581
Depreciation expense	4,988,693	3,001,033	1,044,843	9,034,569
Operating income	10,201,220	1,984,894	1,213,303	13,399,417
Net nonoperating revenues (expenses)	30,229,947	21,499,562	(614,250)	51,115,259
Operating transfers in	—	—	22,555	22,555
Operating transfers out	—	—	(40,000)	(40,000)
Net income	<u>\$ 40,431,167</u>	<u>\$ 23,484,456</u>	<u>\$ 581,608</u>	<u>\$ 64,497,231</u>
Property, plant, and equipment				
Additions	\$ 20,495,926	\$ 20,339,500	\$ 647,775	\$ 41,483,201
Disposals	(5,234,903)	(226,990)	(15,934)	(5,477,827)
Net working capital	53,943,224	28,510,827	492,393	82,946,444
Total assets	516,087,659	238,193,542	37,699,533	791,980,734
Bonds and other long-term liabilities				
payable from operating revenues	99,359,080	22,848,144	12,834,610	135,041,834
Capital contributions	34,214,004	18,687,969	—	52,901,973

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**13. INTERFUND TRANSACTIONS**

The following schedule reflects the City's interfund receivables and payables at December 31, 2001:

	<b>Receivable (Due From Other Funds)</b>	<b>Payable (Due to Other Funds)</b>
<b>Current</b>		
General Fund due from Community Development Fund	\$ 54,031	\$ —
General Fund due from AURA Debt Service Fund	85,720	—
General Fund due from ACLC Debt Service Fund	10,000	—
General Fund due to Designated Revenues Fund	—	35,466
General Fund due to AURA Debt Service Fund	—	60,012
Total General Fund	149,751	95,478
Community Development Fund due to General Fund	—	54,031
Total Community Development Fund	—	54,031
Designated Revenues Fund due from General Fund	35,466	—
Designated Revenues Fund due from AURA Debt Service Fund	600,000	—
Total Designated Revenues Fund	635,466	—
City Capital Projects Fund due to AURA Debt Service Fund	—	265,000
Total Capital Projects Fund	—	265,000
AURA Debt Service Fund due from General Fund	60,012	—
AURA Debt Service Fund due from City Capital Projects Fund	265,000	—
AURA Debt Service Fund due to General Fund	—	85,720
AURA Debt Service Fund due to Designated Revenues Fund	—	600,000
Total AURA Debt Service Fund	325,012	685,720
ACLC Debt Service Fund due to General Fund	—	10,000
Total ACLC Debt Service Fund	—	10,000
Total Current	1,110,229	1,110,229
<b>Long-Term Loans</b>		
Sewer Fund due from Golf Fund	6,144,000	—
Golf Fund due to Sewer Fund	—	6,144,000
Total long-term loans	6,144,000	6,144,000
Total interfund receivables/payables	\$ 7,254,229	\$ 7,254,229

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

---

**13. INTERFUND TRANSACTIONS (Continued)**

Operating transfers were made between funds during 2001 as follows:

<u>Fund</u>	<u>Out</u>	<u>In</u>
<b>General Fund</b>		
General Fund to Community Development Fund HOAP Loans – Home Program Match	\$ 211,725	\$ —
General Fund to Recreation Services Fund Funding for recreation programs	4,222,159	—
General Fund to Designated Revenues Fund Arapahoe Crossing tax incentive - \$1,013,077 Funding for Visitor Promotion - \$225,462 ACLCL Lease Funding - \$1,870,399 Hampden Town Center-Greenwood Village - \$35,466 Heritage Eagle Bend - \$864	3,145,268	—
General Fund to Policy Reserve Fund Increase policy reserve to required amount	271,415	—
General Fund to TABOR Reserve Fund Increase TABOR reserve to required amount	16,151	—
General Fund to City Debt Service Fund GO debt service requirements	1,761,070	—
General Fund to Capital Projects Fund Funding for capital improvement projects	29,812,323	—
General Fund to Fleet Management Fund Funding for fleet replacement	205,000	—
General Fund to ACLCL Debt Service Fund Facilities lease payments	2,501,859	—
General Fund from Conservation Trust Fund Funding for Sportspark construction	—	100,000
General Fund from Designated Revenues Fund Closure of Police Homeownership Program	—	11,294
Total General Fund	42,146,970	111,294

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**13. INTERFUND TRANSACTIONS (Continued)**

<u>Fund</u>	<u>Out</u>	<u>In</u>
<b>Special Revenue</b>		
Gifts and Grants Fund to Designated Revenues Fund	\$ 7,112	\$ —
Move revenue from Teen Court fees to proper fund		
Gifts and Grants Fund to Golf Fund	22,555	—
Record Golf donations in the Golf Fund		
Total Gifts and Grants Fund	29,667	—
Community Maintenance Fund to Capital Projects Fund	1,000,000	—
Funding for CIP Projects		
Total Community Maintenance Fund	1,000,000	—
Community Development Fund from General Fund	—	211,725
HOAP Loans - Home Program Match		
Community Development Fund from Designated Revenues Fund	—	92,499
Closure of Police Homeownership Program		
Total Community Development Fund	—	304,224
E-911 Fund from Capital Projects Fund	—	432,889
Funding for 800 MHz radio expansion		
Total E-911 Fund	—	432,889
Conservation Trust Fund to General Fund	100,000	—
Funding for Sportspark construction		
Total Conservation Trust Fund	100,000	—
Recreation Services Fund from General Fund	—	4,222,159
Funding for recreation programs		
Total Recreation Services Fund	—	4,222,159
Designated Revenues Fund to General Fund	11,294	—
Closure of Police Homeownership Program		
Designated Revenues Fund to Community Development Fund	92,499	—
Closure of Police Homeownership Program		
Designated Revenues Fund from General Fund	—	3,145,268
Arapahoe Crossing tax incentive - \$1,013,077		
Funding for Visitor Promotion - \$225,462		
ACLCL Future Lease funding - \$1,870,399		
Hampden Town Center-Greenwood Village - \$35,466		
Heritage Eagle Bend - \$864		
Designated Revenues Fund from Gifts and Grants Fund	—	7,112
Move revenue from Teen Court fees to proper fund		
Designated Revenues Fund from Capital Projects Fund	—	2,179,771
Art in Public Places fees - \$207,000		
ACLCL Lease Funding - \$72,771		
FPEA Private Development Project - \$1,500,000		
Art District Loan Program \$400,000		

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**13. INTERFUND TRANSACTIONS (Continued)**

<u>Fund</u>	<u>Out</u>	<u>In</u>
<b>Special Revenue (Continued)</b>		
Designated Revenues Fund from Golf Fund Art in Public Places fees	\$ —	\$ 40,000
Designated Revenues Fund from AURA Debt Service Fund ACLCL Future Lease Funding	—	600,000
Total Designated Revenues Fund	103,793	5,972,151
Policy Reserve Fund from General Fund Increase policy reserve to required amount	—	271,415
Total Policy Reserve Fund	—	271,415
TABOR Reserve Fund from General Fund Increase TABOR reserve to required amount	—	16,151
Total TABOR Reserve Fund	—	16,151
Total Special Revenue Funds	1,233,460	11,218,989
<b>Debt Service</b>		
City Debt Service Fund to Surplus & Deficiency Fund Move residual SID money to S&D	164,275	—
City Debt Service Fund to Capital Projects Fund Unused funds for 2000 GO Bond debt issue costs	24,717	—
City Debt Service Fund from General Fund GO debt service requirements	—	1,761,070
City Debt Service Fund from Surplus & Deficiency Fund To fund payoff of SID debt	—	180,569
Total Debt Service Fund	188,992	1,941,639
Surplus & Deficiency Fund to City Debt Service Fund To fund payoff of SID debt	180,569	—
Surplus & Deficiency Fund to Capital Projects Fund Funding for Sand Creek Parkway	1,200,000	—
Surplus & Deficiency Fund from City Debt Service Fund Move residual SID money to S&D	—	164,275
Total Surplus & Deficiency Fund	1,380,569	164,275
AURA Debt Service Fund to Designated Revenues Fund ACLCL Future Lease Funding	600,000	—
Total AURA Debt Service Fund	600,000	—
ACLCL Debt Service Fund from General Fund Facilities lease payments	—	2,501,859
Total ACLCL Debt Service Fund	—	2,501,859
Total Debt Service Funds	2,169,561	4,607,773

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**13. INTERFUND TRANSACTIONS (Continued)**

<u>Fund</u>	<u>Out</u>	<u>In</u>
<b>Capital Projects</b>		
Capital Projects Fund to E-911 Fund	\$ 432,889	\$ —
Funding for 800 MHz radio expansion		
Capital Projects Fund to Designated Revenues Fund	2,179,771	—
Art in Public Places fees - \$207,000		
ACLCL Lease Funding - \$72,771		
FPEA Private Development Project - \$1,500,000		
Art District Loan Program - \$400,000		
Capital Projects Fund to Building Repair Fund	2,242,000	—
Funding for building repair projects		
Capital Projects Fund from General Fund	—	29,812,323
Funding for capital improvement projects		
Capital Projects Fund from Community Maintenance Fund	—	1,000,000
Funding for CIP Projects		
Capital Projects Fund from City Debt Service Fund	—	24,717
Unused funds for 2000 GO Bond issue costs		
Capital Projects Fund from Surplus & Deficiency Fund	—	1,200,000
Funding for Sand Creek Parkway		
Total Capital Projects Fund	<u>4,854,660</u>	<u>32,037,040</u>
Total - All Governmental Funds	<u>50,404,651</u>	<u>47,975,096</u>
<b>Enterprise</b>		
Golf Fund to Designated Revenues Fund	40,000	—
Art in Public Places fees		
Golf Fund from Gifts and Grants Fund	—	22,555
Record Golf donations in Golf Fund		
Total Golf Fund	<u>40,000</u>	<u>22,555</u>
<b>Internal Service</b>		
Fleet Management Fund from General Fund	—	205,000
Funding for fleet replacement		
Total Fleet Management Fund	<u>—</u>	<u>205,000</u>
Building Repair Fund from Capital Projects Fund	—	2,242,000
Funding for building repair projects		
Total Building Repair Fund	<u>—</u>	<u>2,242,000</u>
Total Internal Service Funds	<u>—</u>	<u>2,447,000</u>
Total Operating Transfers – All Funds	<u>\$ 50,444,651</u>	<u>\$ 50,444,651</u>



**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**14. OPERATING LEASES**

The City is committed under various leases for buildings, office and storage space, and equipment. All leases are cancelable and must be reappropriated annually. These leases are considered for accounting purposes to be operating leases. Payment on these leases during 2001 totaled \$1,364,721. Future minimum payments by year for these leases are as follows:

2002	\$	1,361,010
2003		474,134
2004		117,609
2005		113,009
2006		53,108
Total	\$	<u>2,118,870</u>

**15. BUDGETS**

**A. Budget Appropriations and Revisions**

The following revisions were made to the original budget for each fund:

	<u>Total Original Budget</u>	<u>Supplemental Budgets and Revisions</u>	<u>Capital Projects Budget</u>	<u>Annual Operating Budget</u>
General	\$ 204,898,477	\$ 4,129,364	\$ —	\$ 209,027,841
Special Revenue Funds				
Gifts and Grants	17,561,214	6,584,815	(13,294,113)	10,851,916
Abatement	191,847	—	—	191,847
Community Maintenance	1,000,000	—	—	1,000,000
Community Development	3,891,250	203,475	(4,094,725)	—
Enhanced E-911	1,078,100	(17,111)	(432,889)	628,100
Conservation Trust	2,446,086	(130,000)	(1,946,000)	370,086
Emergency Contingency	—	—	—	—
Parks Development	—	242,690	(242,690)	—
Recreation Services	9,039,836	15,522	—	9,055,358
Designated Revenues	4,283,008	6,678,007	—	10,961,015
Policy Reserve	—	—	—	—
TABOR Reserve	—	—	—	—
Debt Service Funds				
Debt Service	12,728,703	(4,226,598)	—	8,502,105
Surplus and Deficiency	1,491,909	4,508	—	1,496,417
Capital Projects	81,288,529	(10,607,319)	(70,681,210)	—
Enterprise Funds				
Water	52,486,549	(2,982,846)	(14,181,154)	35,322,549
Sewer	42,178,506	(14,967,447)	(4,285,553)	22,925,506
Golf	9,779,061	—	(330,000)	9,449,061
Internal Service Funds				
Fleet Management	4,780,196	28,915	—	4,809,111
Print Shop	1,011,169	22,952	—	1,034,121
Risk Management	5,386,663	—	—	5,386,663
Building Repair	2,586,000	—	(2,586,000)	—
TOTALS	<u>\$ 458,107,103</u>	<u>\$ (15,021,073)</u>	<u>\$ (112,074,334)</u>	<u>\$ 331,011,696</u>

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**15. BUDGETS (Continued)**

**B. Budget Reconciliations**

The following are reconciliations of the Combined Statement of Revenues, Expenditures and Changes in Fund Balances and the Combined Statement of Revenues, Expenditures and Changes in Funds Available - Budget (Non-GAAP Budgetary Basis) and Actual for the Combined Debt Service Funds and Combined Capital Projects Funds.

1) *Debt Service Funds*

This reconciliation reflects entity differences for the AURA and ACLC Debt Service Funds which are not required to adopt annual budgets. The reclasses column reflects the difference in treatment of certain revenue and expenditure items, including the current year fair value adjustment.

	<u>Per Combined Revenue/ Expenditure Statement</u>	<u>Entity Difference AURA and ACLC</u>	<u>Reclasses</u>	<u>Per Combined Budget/ Actual Schedule</u>
TOTAL REVENUES	\$ 9,049,110	\$ (2,222,570)	\$ 2,060,678	\$ 8,887,218
TOTAL EXPENDITURES	<u>(15,647,782)</u>	<u>7,470,966</u>	<u>(1,569,561)</u>	<u>(9,746,377)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,598,672)	5,248,396	491,117	(859,159)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	4,607,773	(2,501,859)	(2,105,914)	—
Operating transfers out	<u>(2,169,561)</u>	<u>600,000</u>	<u>1,569,561</u>	<u>—</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(4,160,460)	3,346,537	(45,236)	(859,159)
BALANCES – JANUARY 1	<u>16,068,162</u>	<u>(12,785,344)</u>	<u>(11,544)</u>	<u>3,271,274</u>
BALANCES – DECEMBER 31	<u>\$ 11,907,702</u>	<u>\$ (9,438,807)</u>	<u>\$ (56,780)</u>	<u>\$ 2,412,115</u>

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

15. BUDGETS (Continued)

B. *Budget Reconciliations* (Continued)

2) *Capital Projects Funds*

The following reconciliation represents an entity difference for the ACLC Capital Projects Fund which is not required to adopt an annual budget. The reclasses column reflects the difference in treatment of certain revenue and expenditure items, including the current year fair value adjustment and the current year capital projects carryforward.

	Per Combined Revenue/ Expenditure Statement	Entity Difference ACLC	Reclasses	Per Combined Budget/ Actual Schedule
TOTAL REVENUES	\$ 9,733,667	\$ (3,210,291)	\$ 31,217,105	\$ 37,740,481
TOTAL EXPENDITURES	(44,767,145)	8,979,499	35,787,646	—
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(35,033,478)	5,769,208	67,004,751	37,740,481
OTHER FINANCING SOURCES (USES)				
Operating transfers in	32,037,040	—	(32,037,040)	—
Operating transfers out	(4,854,660)	—	4,854,660	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(7,851,098)	5,769,208	39,822,371	37,740,481
Adjustment for overspent projects	—	—	320,616	320,616
Transfers from capital projects	—	—	108,625	108,625
Capital projects appropriation	—	—	(70,599,718)	(70,599,718)
BALANCES – JANUARY 1	166,331,504	(66,410,634)	(40,247,202)	59,673,668
BALANCES – DECEMBER 31	\$ 158,480,406	\$ (60,641,426)	\$ (70,595,308)	\$ 27,243,672

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**15. BUDGETS (Continued)**

**C. Appropriation Violations**

The following funds had expenditures and other financing uses in excess of revised appropriations, which may be a violation of the City's Charter. Appropriation amendments for these expenditures will be requested in the following year and are subject to City Council approval by ordinance.

<u>Fund / Department</u>	<u>Appropriation</u>	<u>Appropriation Basis Expenditures</u>	<u>Variance</u>
Gifts and Grants / Public Works	\$ —	\$ 22,678	\$ (22,678)
Conservation Trust / Library and Recreation Services	14,000	37,351	(23,351)
Designated Revenues / Finance	5,000	5,247	(247)
Print Shop / Internal Services	1,034,121	1,076,006	(41,885)

**16. RISK MANAGEMENT**

The City is exposed to various risks and losses related to torts, theft, damage or destruction of assets, errors and omissions, natural disasters, property damage, worker's compensation, auto liability, and unemployment. Also, the City is party to various pending or threatened lawsuits, under which it may be required to pay certain amounts upon final disposition of these matters.

The City retains risk up to the levels where it has been determined that commercial insurance is more cost beneficial. The insurance companies guarantee payments of claims in excess of stated deductibles, with variable limits depending upon the specific line of coverage. The Colorado Governmental Immunity Act establishes limits for claims made against governmental entities. These limits are \$150,000 per injury up to a maximum of \$600,000 per occurrence. 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. Case reserves are amounts estimated to be paid on known cases. Case reserves are estimated by third party administrators and through in-house methods. Total self-insurance reserves are actuarially determined and include estimated costs for incurred but not reported claims (IBNR). The total liability has been recorded using the discounted method with an expected 4.5% interest return over the life of the liabilities.

The City reports and covers all claim settlements and judgments out of its Risk Management Internal Service Fund. The following is a summary of the accrued claims liability:

<u>Self Insured Program</u>	<u>Case Reserves</u>	<u>IBNR</u>	<u>Total</u>	<u>Discounted</u>
Worker's compensation	\$ 1,838,475	\$ 5,011,558	\$ 6,850,033	\$ 5,889,243
Multi-line liability	891,953	2,120,719	3,012,672	2,740,623
Totals	\$ 2,730,428	\$ 7,132,277	\$ 9,862,705	\$ 8,629,866

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**16. RISK MANAGEMENT (Continued)**

**Reconciliation of Claims Liability**

	<u>Balance</u> <u>January 1</u>	<u>Current Year</u> <u>Accrued</u> <u>Claims</u>	<u>Claim</u> <u>Payments</u>	<u>Recoveries</u>	<u>Balance</u> <u>December 31</u>
2000	\$ 9,273,752	\$ 1,095,048	\$ (2,485,016)	\$ 135,822	\$ 8,019,606
2001	\$ 8,019,606	\$ 3,521,189	\$ (3,186,605)	\$ 275,676	\$ 8,629,866

**17. CONTINGENT LIABILITIES**

The City is a party to various lawsuits which may require expenditures of funds upon decision of the courts or in connection with out-of-court settlements. The City Attorney's Office reports several possible contingent liabilities based on damages alleged in various cases. However, it is the opinion of the City Attorney that the City's liability in these cases will be far less than the amounts demanded and/or will be covered by insurance. Accordingly, management of the City considers the amount of liabilities established in the Risk Management Fund to be sufficient to cover any liabilities which may result from the eventual outcome of these matters. The City has received a use tax refund request. While it is possible a refund will be required, the City expects to prevail. The amount of the refund request is \$1,400,000.

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 bond 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 balance sheet.

The following are the defeased debt issues and the principal outstanding at December 31, 2001:

	<u>Date of</u> <u>Issue</u>	<u>Series</u>	<u>Balance</u> <u>December 31</u>
<i>Aurora Colorado Municipal Building Corporation (ACMBC)</i>			
Refunding revenue bonds	4/1/78	—	\$ 5,320,000
Total Aurora Colorado Municipal Building Corporation (ACMBC)			<u>\$ 5,320,000</u>
<i>Water</i>			
General obligation water bonds	11/1/64	1964	\$ 1,850,000
General obligation water bonds	9/1/65	1965	1,680,000
Total Water			<u>\$ 3,530,000</u>
<i>Sewer</i>			
Sewer revenue bonds	3/1/73	1973	\$ 325,000
Total Sewer			<u>\$ 325,000</u>

**EXHIBIT VII**  
**CITY OF AURORA, COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

---

**18. CONDUIT DEBT OBLIGATIONS**

From time to time, the City has issued revenue bonds to provide financial assistance to private-sector and non-profit entities for the acquisition and construction of industrial, commercial and residential properties deemed to be in the public interest. The bonds are secured by the property financed and 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, 2001, there were thirteen series of revenue bonds outstanding, which included one Educational Development Bond payable from lease payments, three Industrial Development Bonds payable from loan payments, six Multi-Family Mortgage Bonds, payable from rental and mortgage payments, and three Single Family Mortgage Bonds payable from mortgage payments. The total aggregate principal amount payable is \$55,384,215.

**19. TAXPAYER BILL OF RIGHTS (TABOR)**

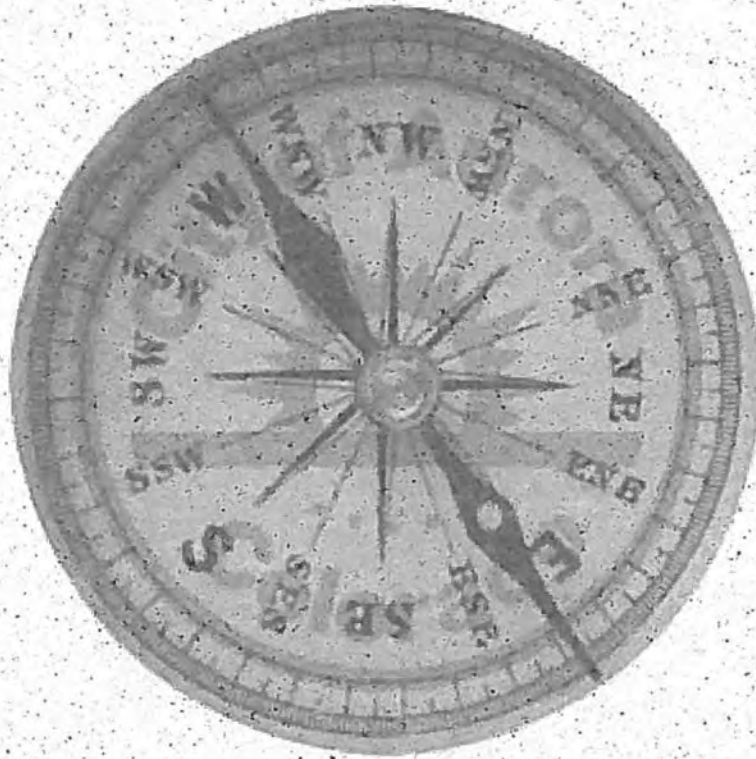
In November 1992, Colorado voters approved a State constitutional amendment, TABOR, the general purpose of which is to restrain government growth (as measured by revenues and expenditures) without a vote of the local citizens. The key mechanisms for restraining growth without a vote are: 1) the prohibition of revenue and expenditure growth other than for inflation and a component for new construction growth, 2) the prohibition of new taxes or higher tax rates, 3) the prohibition of new debt, and 4) the refunding of any revenues collected in excess of the revenue limitations.

In 2001, general and property tax revenues did not exceed the limits imposed under the TABOR Amendment. The portion of excess property tax revenues collected in years prior to 2001 that had not yet been refunded at December 31, 2001 was approximately \$300,000. Taxpayers were given a "temporary tax credit" for these prior year excess collections in the form of a reduction in the 2002 tax levy, which reduced the amount they are required to pay. The amount collected in excess of the prior years' limits was recognized as deferred revenue in 2001 and will be recognized as revenue in 2002. Property tax collections to be received from the counties in 2002 are anticipated to be over the TABOR limit by approximately \$1,700,000. The 2002 anticipated overcollection of \$1,700,000, in addition to the recognition of the \$300,000 in deferred property tax overcollection from prior years as revenue in 2002, will cause 2002 revenues to exceed the TABOR limit by approximately \$2,000,000. A "temporary tax credit" will be used to refund this amount to the taxpayers in the year 2003.

TABOR also requires emergency reserves of at least 3% of fiscal year spending (excluding bonded debt service). The amount recorded in the TABOR Reserve Fund, a Special Revenue fund created exclusively for this reserve, was \$5,826,763 as of December 31, 2001. Local governments are not allowed to use these emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The City's management believes the City is in compliance with the provisions of TABOR.

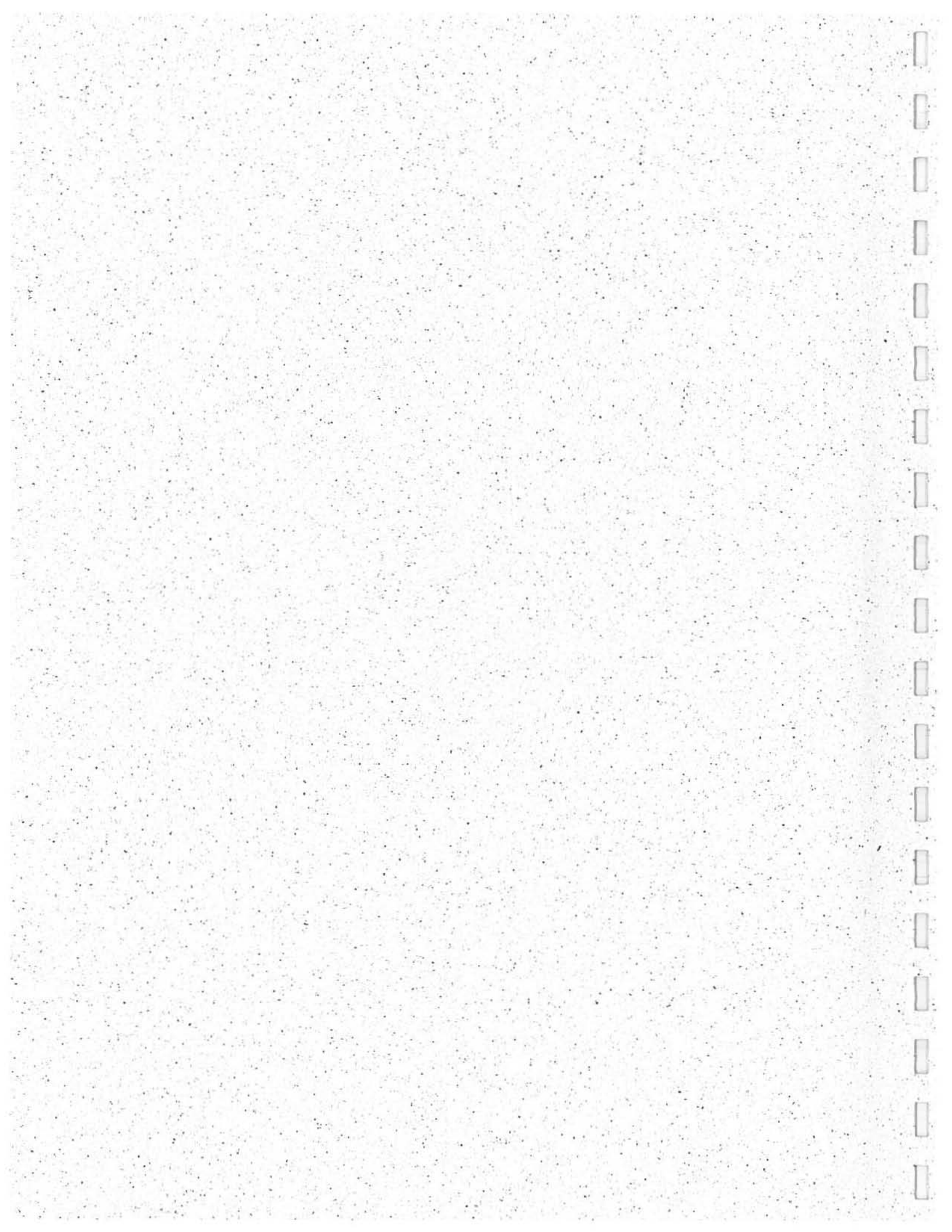
\* \* \* \* \*



---

## **Required Supplementary Information**

**Defined Benefit Pension Plans -  
Schedule of Funding Progress**



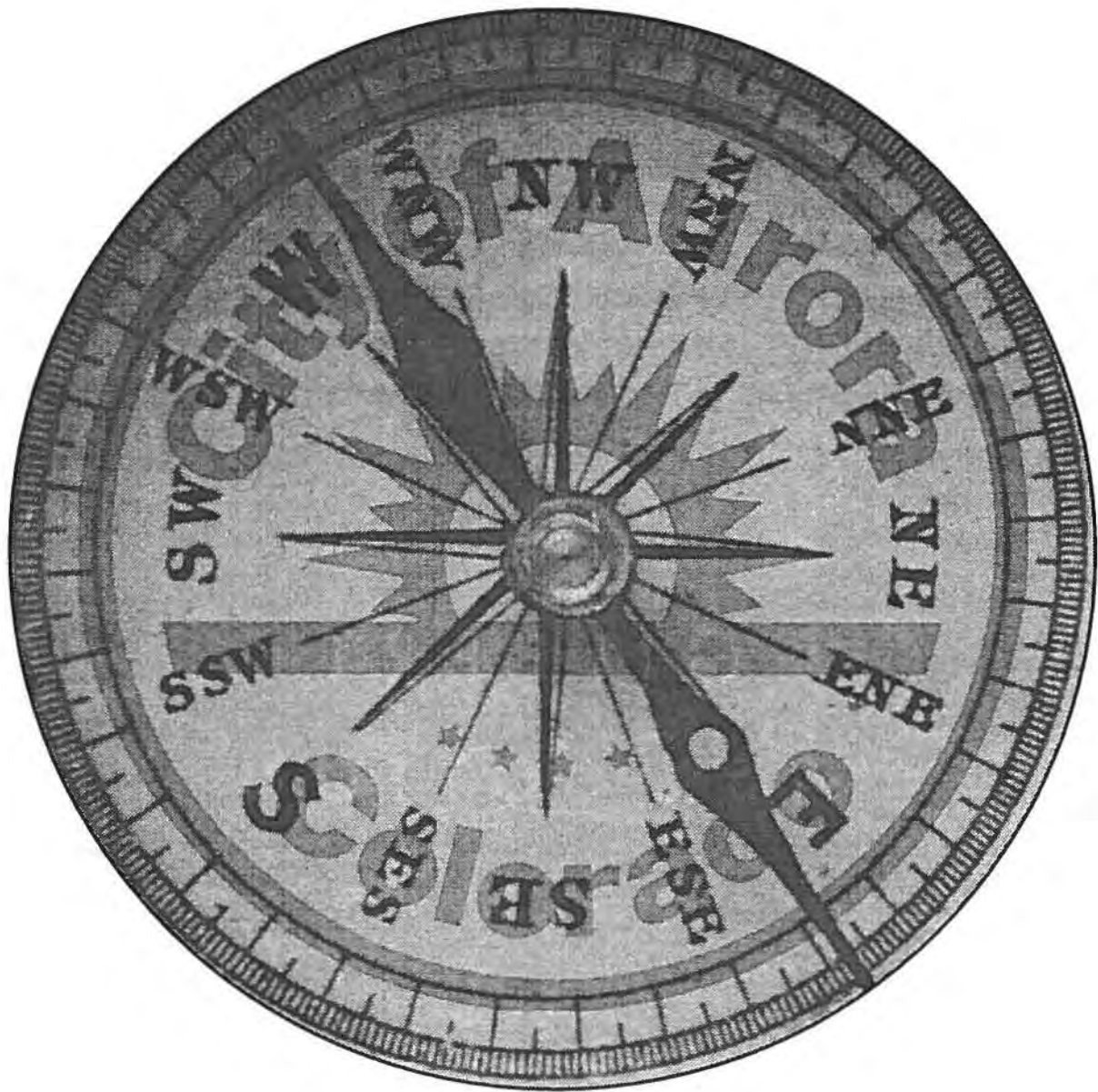


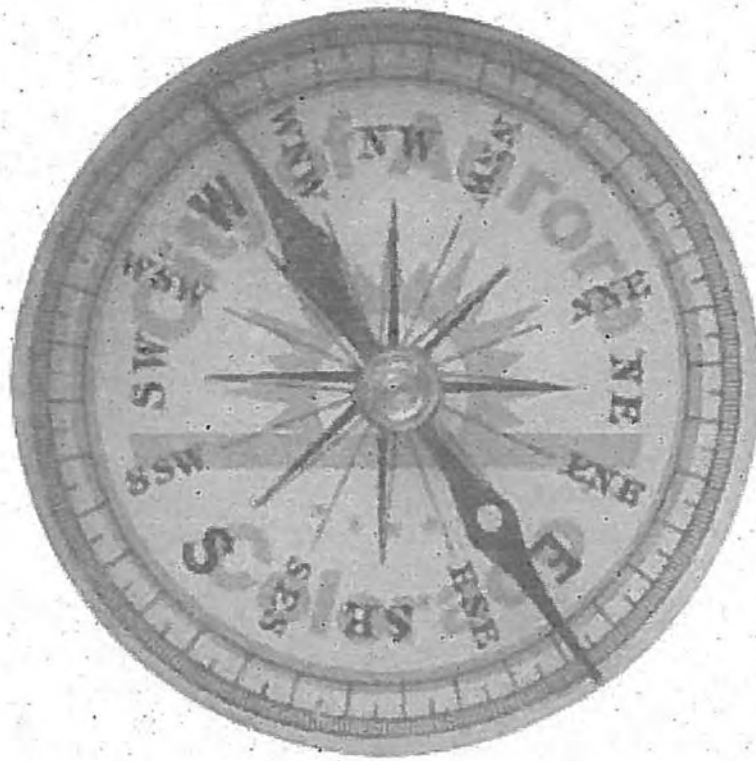
**EXHIBIT VIII**

**CITY OF AURORA, COLORADO**

**REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT PENSION PLANS  
SCHEDULE OF FUNDING PROGRESS  
DECEMBER 31, 2001**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded (Excess) AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Projected Covered Payroll</u>	<u>UAAL as a Percent of Covered Payroll</u>
<b><u>Old Hire - Fire Plan</u></b>						
01/01/96	\$ 70,622,377	\$ 69,857,791	\$ (764,586)	101.09%	\$ 4,208,091	(18.17)%
01/01/98	87,662,579	84,712,424	(2,950,155)	103.48%	2,319,010	(127.22)%
01/01/00	101,412,976	86,783,408	(14,629,568)	117.00%	1,749,537	(836.20)%
<b><u>Old Hire - Police Plan</u></b>						
01/01/96	\$ 70,238,757	\$ 88,043,678	\$ 17,805,221	79.78%	\$ 3,358,558	530.14%
01/01/98	90,238,856	100,953,672	10,714,816	89.39%	3,090,475	346.70%
01/01/00	109,237,539	107,064,518	(2,173,021)	102.00%	2,099,441	(103.50)%
<b><u>GERP</u></b>						
01/01/99	\$ 147,257,777	\$ 128,684,022	\$ (18,573,755)	114.43%	\$ 47,646,658	(38.98)%
01/01/00	185,264,480	155,169,044	(30,095,436)	119.40%	51,180,528	(58.80)%
01/01/01	203,862,059	172,005,869	(31,856,190)	118.52%	56,182,226	(56.70)%

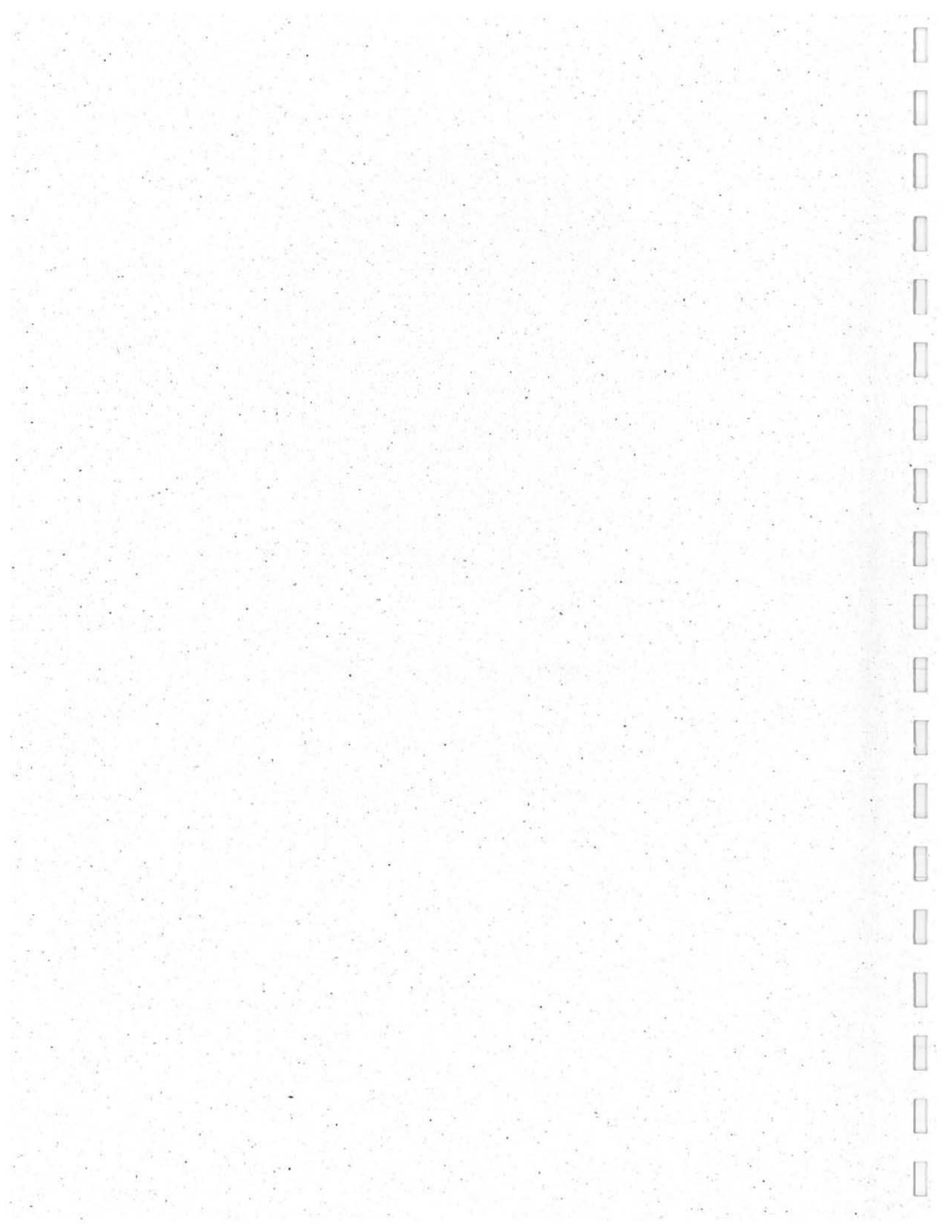




---

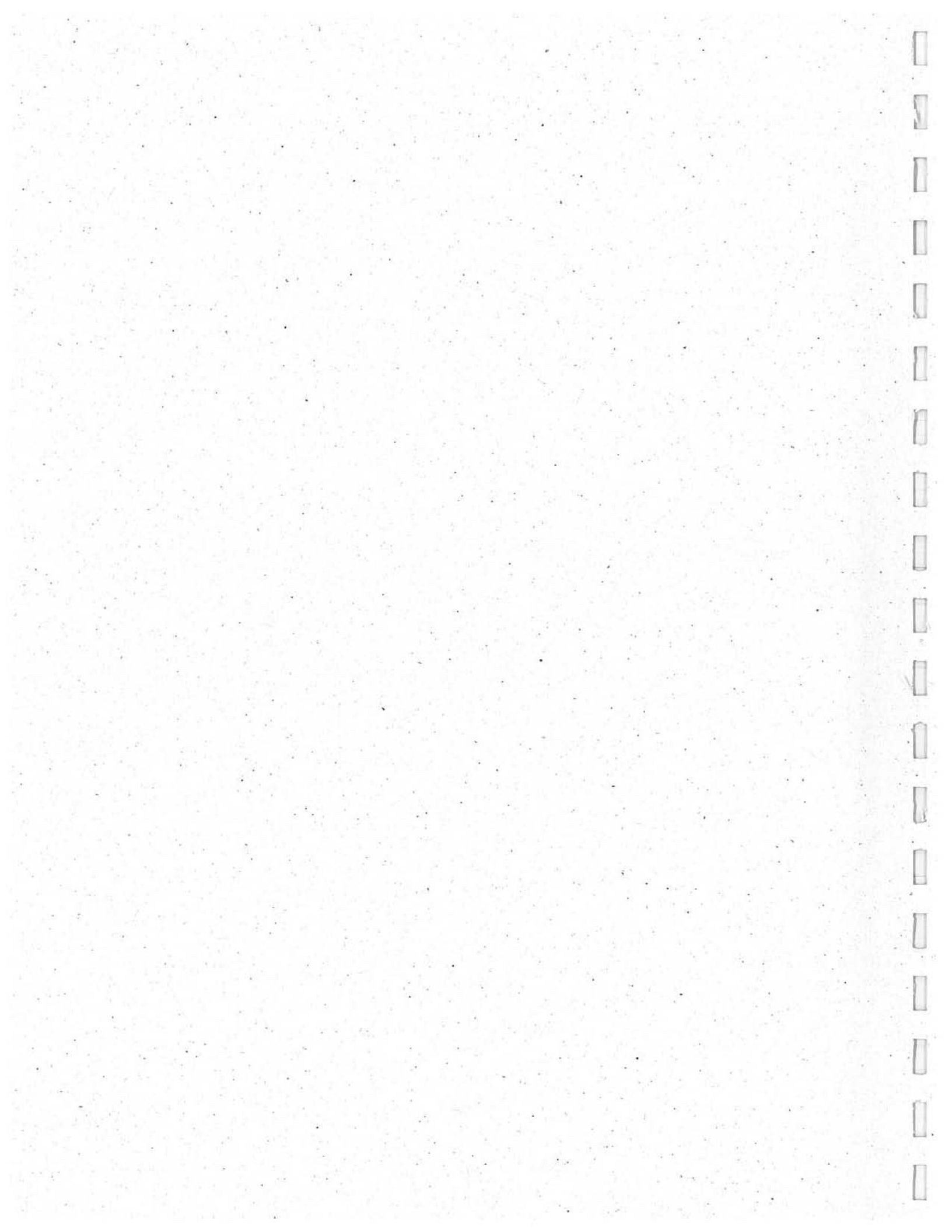
## **Supplemental Information**

**Combining, Individual Fund &  
Account Group Financial Statements &  
Schedules**



## **GENERAL FUND**

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



**EXHIBIT A-1**

**CITY OF AURORA, COLORADO**

**GENERAL FUND  
BALANCE SHEET  
DECEMBER 31, 2001**

---

**ASSETS**

Cash and cash equivalents	\$ 218,540
Equity in cash and cash equivalents	1,581,065
Equity in investments	18,301,484
Receivables	
Property taxes (net of allowance for uncollectibles)	21,685,863
Sales, use and lodgers taxes	13,133,827
Accounts	2,534,822
Accrued interest	623,682
Loans	385
Other	191,065
Due from other funds	149,751
Due from other governments	1,065,183

**TOTAL ASSETS** \$ 59,485,667

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Accounts payable	\$ 4,092,778
Accrued liabilities	1,509,521
Funds held for others	549,662
Due to other funds	95,478
Due to other governments	24,482
Deferred revenues	21,069,004
Total liabilities	<u>27,340,925</u>

**FUND BALANCE**

Reserved	
Reserved for encumbrances - operating	1,496,980
Reserved for police	9,055,714
Unreserved	
Designated for long-term liabilities	13,133,827
Designated for future operations	3,300,000
Designated for one-time expenditures	1,140,000
Undesignated	4,018,221
Total fund balance	<u>32,144,742</u>

**TOTAL LIABILITIES AND FUND BALANCE** \$ 59,485,667

**EXHIBIT A-2**

**CITY OF AURORA, COLORADO**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND**

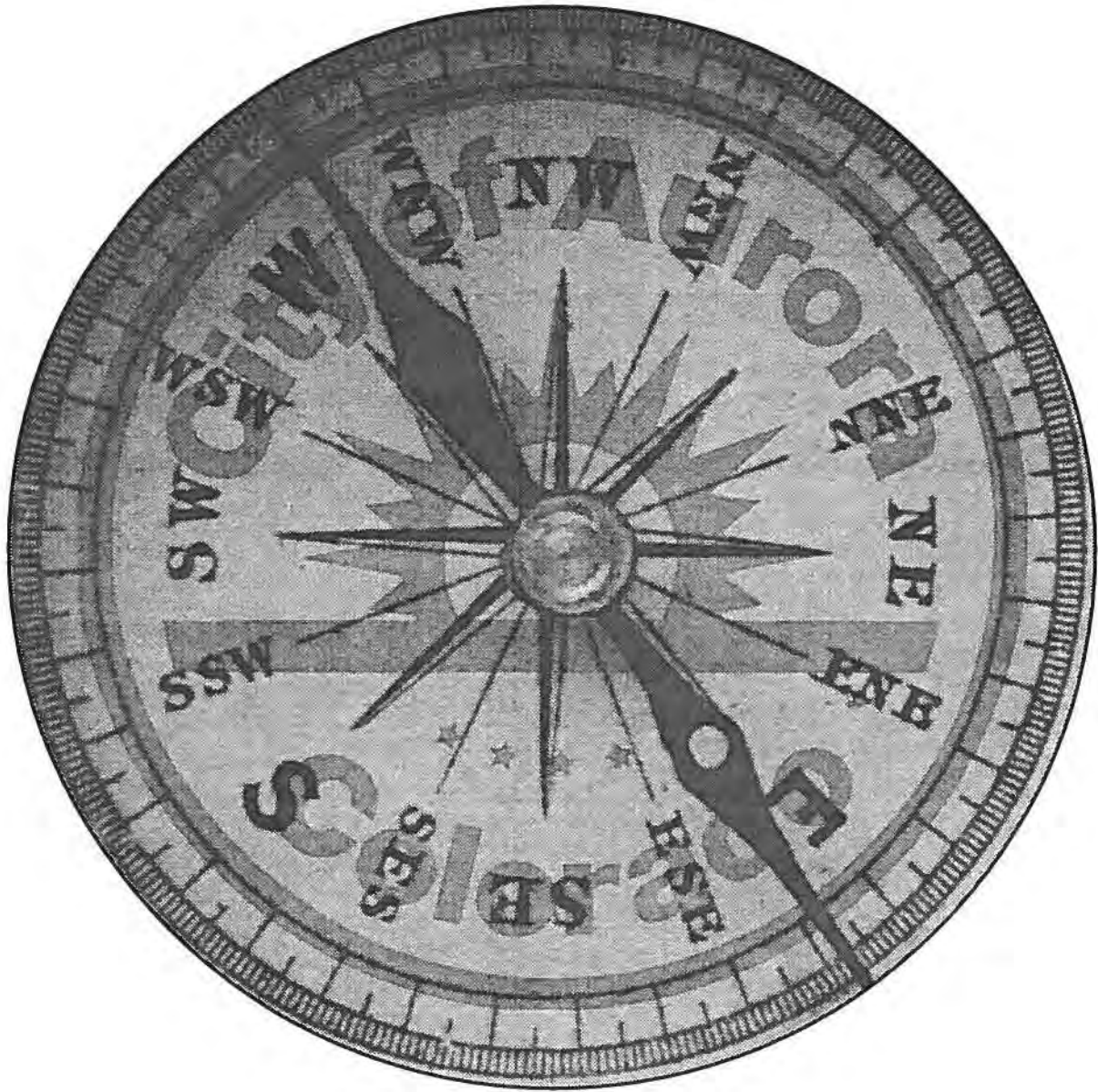
**CHANGES IN FUNDS AVAILABLE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**

**FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
FUNDS AVAILABLE - JANUARY 1	\$ 20,559,989	\$ 20,219,104	\$ (340,885)
REVENUES			
Taxes			
Property	18,302,400	18,385,046	82,646
Sales	105,790,454	104,932,228	(858,226)
Use	26,440,005	24,718,287	(1,721,718)
Lodgers	4,003,000	3,505,950	(497,050)
Franchise	8,382,454	10,117,112	1,734,658
Other	7,977,280	7,865,107	(112,173)
Total taxes	170,895,593	169,523,730	(1,371,863)
Licenses and permits	6,625,896	7,140,457	514,561
Intergovernmental revenues	10,867,694	10,574,569	(293,125)
Charges for services	5,330,439	5,363,638	33,199
Fines and forfeitures	3,595,965	3,976,992	381,027
Investment income	2,677,029	2,394,712	(282,317)
Miscellaneous revenues	774,831	438,304	(336,527)
Proceeds from sale of assets	205,000	406,864	201,864
Operating transfers in	314,501	111,294	(203,207)
TOTAL REVENUES	201,286,948	199,930,560	(1,356,388)
EXPENDITURES			
Municipal Court			
Judicial	1,787,468	1,502,615	284,853
Court Administration	2,267,427	2,253,725	13,702
Public Defender	455,907	434,367	21,540
Total Municipal Court	4,510,802	4,190,707	320,095
City Attorney	3,980,100	3,758,518	221,582
General Management			
City Council	898,031	732,729	165,302
Boards and Commissions	654,485	618,698	35,787
General Management	3,709,274	3,645,602	63,672
Development Services	5,931,134	5,499,600	431,534
Total General Management	11,192,924	10,496,629	696,295
Administrative Services Group			
Finance	4,089,309	3,814,781	274,528
Information Technology	5,428,948	5,291,467	137,481
Internal Services	5,449,023	5,414,231	34,792
Total Administrative Services Group	14,967,280	14,520,479	446,801



	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Operations Group			
Public Works	\$ 16,821,237	\$ 16,549,459	\$ 271,778
Parks and Open Space	15,104,270	14,886,184	218,086
Planning	<u>3,036,057</u>	<u>2,462,377</u>	<u>573,680</u>
Total Operations Group	<u>34,961,564</u>	<u>33,898,020</u>	<u>1,063,544</u>
Community Services Group			
Library and Recreation Services	10,243,526	10,164,827	78,699
Police	54,230,349	54,091,011	139,338
Fire	26,423,645	26,422,116	1,529
Neighborhood Services	<u>3,876,476</u>	<u>3,873,765</u>	<u>2,711</u>
Total Community Services Group	<u>94,773,996</u>	<u>94,551,719</u>	<u>222,277</u>
Non-departmental			
Transfers and other payments	<u>44,641,175</u>	<u>41,655,973</u>	<u>2,985,202</u>
TOTAL EXPENDITURES	<u>209,027,841</u>	<u>203,072,045</u>	<u>5,955,796</u>
Excess (deficiency) of revenues over (under) expenditures - budgetary basis	<u>(7,740,893)</u>	<u>(3,141,485)</u>	<u>4,599,408</u>
FUNDS AVAILABLE - DECEMBER 31	<u>\$ 12,819,096</u>	17,077,619	<u>\$ 4,258,523</u>
Less: Reservations		(9,055,714)	
Designations		<u>(4,440,000)</u>	
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESERVATIONS AND COUNCIL DESIGNATIONS - DECEMBER 31		<u>\$ 3,581,905</u>	
RECONCILIATION TO GAAP FUND BALANCE			
FUNDS AVAILABLE - DECEMBER 31		\$ 17,077,619	
Add: Current year operating encumbrances		1,496,980	
Adjust investments to fair value		436,316	
Sales, use and lodgers tax accrual		<u>13,133,827</u>	
FUND BALANCE - DECEMBER 31		<u>\$ 32,144,742</u>	



## **SPECIAL REVENUE FUNDS**

Special revenue funds account for revenues from specific sources which are required legally or by management decision to be used for particular activities.

### ***Gifts and Grants Fund***

The Gifts and Grants Fund accounts for various gifts and grants where the size or length of time of the funding source does not warrant establishing a separate fund.

### ***Abatement Fund***

The Abatement Fund accounts for costs related to weed cutting, trash removal, building demolition, tree trimming, and tree removal on properties which have not been maintained in accordance with City ordinances. Revenues are from fees collected from property owners and county collected liens on the properties.

### ***Community Maintenance Fund***

The Community Maintenance Fund accounts for fund balances resulting from fees received in previous years from multi-family mortgage revenue bonds, surplus revenues from single-family mortgage revenue bonds and from the interest earnings thereon. Expenditures are made for neighborhood and commercial revitalization, housing rehabilitation, economic development and protection of the public health, safety and welfare.

### ***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 for related activities.

### ***Conservation Trust Fund***

The Conservation Trust Fund accounts for lottery proceeds which are passed through the State of Colorado. Monies are used for development and renovation of facilities and infrastructure at park sites.

## **SPECIAL REVENUE FUNDS (continued)**

### ***Emergency Contingency Fund***

The Emergency Contingency Fund provides funding for expenditures which could not have been readily foreseen at the time of budget preparation. All expenditures require approval of the City Council. Revenues are primarily from interest earnings.

### ***Parks Development Fund***

The Parks Development Fund accounts for annexation fees, payments from developers and county open space taxes, which are to be used for the creation of City parks.

### ***Recreation Services Fund***

The Recreation Services Fund accounts for recreational services provided to citizens. Support for these services is derived from user fees and General Fund subsidies.

### ***Designated Revenues Fund***

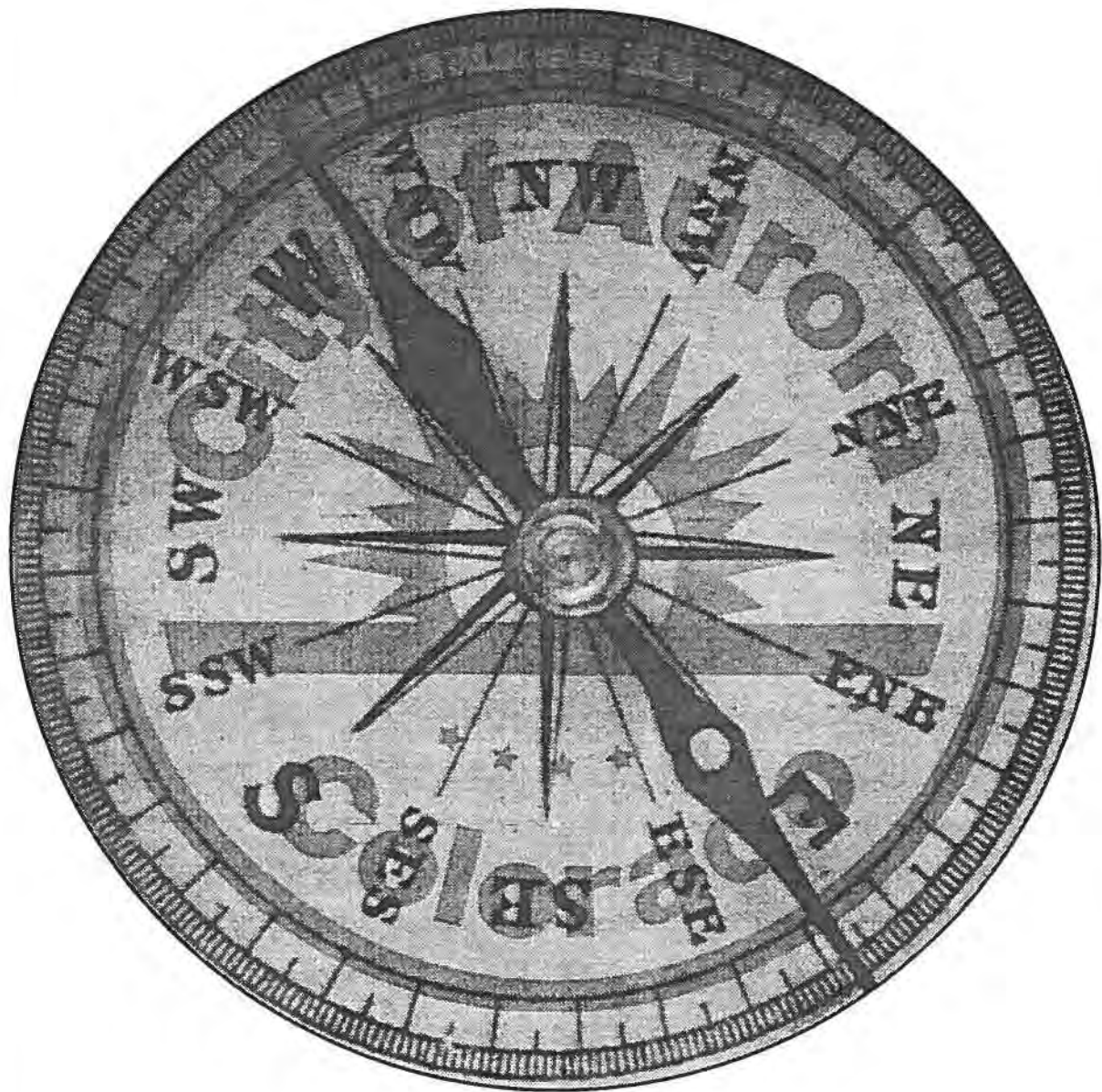
The Designated Revenues Fund accounts for revenues other than gifts or grants which are required by law, contract or City policy to be spent for a specific purpose where the size or length of time of the funding source does not warrant establishing a separate fund.

### ***TABOR Reserve Fund***

The TABOR Reserve Fund accounts for emergency reserves of at least 3% of fiscal year spending (excluding bonded debt service) as required under the taxpayer bill of rights (TABOR), a State constitutional amendment approved in 1992.

### ***Policy Reserve Fund***

The Policy Reserve Fund accounts for funds available maintained per City policy in an amount currently equal to 10% or greater of the General Fund's adjusted budgetary operating expenditures for the year.



**EXHIBIT B-1**

**CITY OF AURORA, COLORADO**

**SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2001**

	<u>Gifts and Grants</u>	<u>Abatement</u>	<u>Community Maintenance</u>	<u>Community Development</u>	<u>Enhanced E-911</u>	<u>Conservation Trust</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 250	\$ —	\$ —	\$ —	\$ —	\$ —
Equity in cash and cash equivalents	1,586,648	130,797	142,796	—	218,326	272,056
Equity in investments	—	—	1,598,230	—	2,443,593	3,046,020
Designated equity in investments	—	—	—	—	—	43,765
Receivables						
Accounts	120,000	26,237	—	—	193,170	—
Accrued interest	4,018	—	31,559	—	20,508	44,589
Loans	339,621	—	3,063,192	7,223,082	—	—
Other	—	200,167	—	—	—	—
Due from other funds	—	—	—	—	—	—
Due from other governments	1,732,922	—	—	716,004	—	677,201
Restricted assets						
Equity in cash and cash equivalents	1,642,392	—	—	—	—	—
<b>TOTAL ASSETS</b>	<b>\$ 5,425,851</b>	<b>\$ 357,201</b>	<b>\$ 4,835,777</b>	<b>\$ 7,939,086</b>	<b>\$ 2,875,597</b>	<b>\$ 4,083,631</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 194,712	\$ 1,563	\$ —	\$ 77,592	\$ 103,882	\$ 499,560
Accrued liabilities	1,304	123	—	3,528	—	665
Funds held for others	263,934	—	—	210,414	—	—
Due to other funds	—	—	—	54,031	—	—
Due to other governments	5,545	—	—	—	—	—
Deferred revenues	2,737,218	80,732	3,063,192	7,593,521	—	—
<b>Total liabilities</b>	<b>3,202,713</b>	<b>82,418</b>	<b>3,063,192</b>	<b>7,939,086</b>	<b>103,882</b>	<b>500,225</b>
<b>FUND BALANCES</b>						
Reserved						
Reserved for encumbrances						
Operating	326,971	—	—	—	133,772	2,000
Capital projects	288,487	—	—	—	87,622	1,056,270
Reserved for police	1,642,392	—	—	—	—	—
Reserved by agreements	—	—	—	—	—	—
Unreserved						
Designated for subsequent year expenditures						
Budget	—	82,200	990,000	—	—	—
Capital projects	—	—	—	—	237,889	1,537,618
Undesignated	(34,712)	192,583	782,585	—	2,312,432	987,518
<b>Total fund balances</b>	<b>2,223,138</b>	<b>274,783</b>	<b>1,772,585</b>	<b>—</b>	<b>2,771,715</b>	<b>3,583,406</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 5,425,851</b>	<b>\$ 357,201</b>	<b>\$ 4,835,777</b>	<b>\$ 7,939,086</b>	<b>\$ 2,875,597</b>	<b>\$ 4,083,631</b>

<u>Emergency Contingency</u>	<u>Parks Development</u>	<u>Recreation Services</u>	<u>Designated Revenues</u>	<u>Policy Reserve</u>	<u>TABOR Reserve</u>	<u>Totals</u>
\$ —	\$ —	\$ 2,750	\$ 3,038	\$ —	\$ —	\$ 6,038
57,673	45,256	305,681	7,192,017	—	—	9,951,250
645,503	506,527	—	—	16,761,980	5,762,710	30,764,563
—	—	—	—	—	—	43,765
—	—	29,876	271,621	—	—	640,904
—	—	—	24,309	183,922	64,053	372,958
—	—	—	—	—	—	10,625,895
—	—	—	—	—	—	200,167
—	—	—	635,466	—	—	635,466
—	—	—	—	—	—	3,126,127
—	—	—	—	—	—	1,642,392
<u>\$ 703.176</u>	<u>\$ 551.783</u>	<u>\$ 338.307</u>	<u>\$ 8,126.451</u>	<u>\$ 16,945.902</u>	<u>\$ 5,826.763</u>	<u>\$ 58,009.525</u>
\$ —	\$ 24,600	\$ 86,412	\$ 433,264	\$ —	\$ —	\$ 1,421,585
—	—	16,456	3,485	—	—	25,561
—	—	57,605	—	—	—	531,953
—	—	—	—	—	—	54,031
—	—	—	35,446	—	—	40,991
—	—	—	—	—	—	13,474,663
—	24,600	160,473	472,195	—	—	15,548,784
—	—	20,539	—	—	—	483,282
—	—	—	—	—	—	1,432,379
—	—	—	—	—	—	1,642,392
—	—	—	442,621	—	—	442,621
—	—	—	—	—	—	1,072,200
—	112,375	—	—	—	—	1,887,882
703.176	414.808	157.295	7,211,635	16,945.902	5,826.763	35,499,985
703.176	527.183	177.834	7,654,256	16,945.902	5,826.763	42,460,741
<u>\$ 703.176</u>	<u>\$ 551.783</u>	<u>\$ 338.307</u>	<u>\$ 8,126.451</u>	<u>\$ 16,945.902</u>	<u>\$ 5,826.763</u>	<u>\$ 58,009.525</u>

**EXHIBIT B-2**

**CITY OF AURORA, COLORADO**

**SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Gifts and Grants</u>	<u>Abatement</u>	<u>Community Maintenance</u>	<u>Community Development</u>	<u>Enhanced E-911</u>	<u>Conservation Trust</u>
<b>REVENUES</b>						
Intergovernmental revenues	\$ 5,613,475	\$ —	\$ —	\$ 2,697,109	\$ —	\$ 2,981,474
Charges for services	4,915	141,670	—	—	2,359,325	—
Fines and forfeitures	—	—	—	—	—	—
Investment income	193,854	12,597	171,159	—	130,914	283,117
Miscellaneous revenues	2,156,943	—	—	1,326,372	—	—
Total revenues	<u>7,969,187</u>	<u>154,267</u>	<u>171,159</u>	<u>4,023,481</u>	<u>2,490,239</u>	<u>3,264,591</u>
<b>EXPENDITURES</b>						
Current						
General government	964,973	155,319	7,102	3,836,556	—	—
Public safety	2,721,777	—	—	7,945	1,044,038	—
Public works	30,876	—	—	—	—	—
Culture and recreation	1,798,487	—	—	255,705	—	490,567
Capital outlay	1,548,770	—	—	135,000	12,547	2,931,175
Total expenditures	<u>7,064,883</u>	<u>155,319</u>	<u>7,102</u>	<u>4,235,206</u>	<u>1,056,585</u>	<u>3,421,742</u>
Excess (deficiency) of revenues over (under) expenditures	904,304	(1,052)	164,057	(211,725)	1,433,654	(157,151)
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from sale of assets	6,307	—	—	—	—	—
Operating transfers in	—	—	—	304,224	432,889	—
Operating transfers out	(29,667)	—	(1,000,000)	—	—	(100,000)
Total other financing sources (uses)	<u>(23,360)</u>	<u>—</u>	<u>(1,000,000)</u>	<u>304,224</u>	<u>432,889</u>	<u>(100,000)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	880,944	(1,052)	(835,943)	92,499	1,866,543	(257,151)
FUND BALANCES - JANUARY 1	<u>1,342,194</u>	<u>275,835</u>	<u>2,608,528</u>	<u>(92,499)</u>	<u>905,172</u>	<u>3,840,557</u>
FUND BALANCES - DECEMBER 31	<u>\$ 2,223,138</u>	<u>\$ 274,783</u>	<u>\$ 1,772,585</u>	<u>\$ —</u>	<u>\$ 2,771,715</u>	<u>\$ 3,583,406</u>



<u>Emergency Contingency</u>	<u>Parks Development</u>	<u>Recreation Services</u>	<u>Designated Revenues</u>	<u>Policy Reserve</u>	<u>TABOR Reserve</u>	<u>Totals</u>
\$ —	\$ 179,477	\$ —	\$ —	\$ —	\$ —	\$ 11,471,535
—	—	3,894,201	906,787	—	—	7,306,898
—	—	—	765,288	—	—	765,288
49,872	40,062	—	261,002	1,203,624	417,600	2,763,801
—	98,517	51,948	336,306	—	—	3,970,086
<u>49.872</u>	<u>318,056</u>	<u>3,946,149</u>	<u>2,269,383</u>	<u>1,203,624</u>	<u>417,600</u>	<u>26,277,608</u>
—	—	—	1,947,811	—	—	6,911,761
—	—	—	786,836	—	—	4,560,596
—	—	—	—	—	—	30,876
—	—	8,148,782	612,414	—	—	11,305,955
—	310,129	23,213	135,791	—	—	5,096,625
<u>—</u>	<u>310,129</u>	<u>8,171,995</u>	<u>3,482,852</u>	<u>—</u>	<u>—</u>	<u>27,905,813</u>
49.872	7,927	(4,225,846)	(1,213,469)	1,203,624	417,600	(1,628,205)
—	—	—	6,307	—	—	12,614
—	—	4,222,159	5,972,151	271,415	16,151	11,218,989
—	—	—	(103,793)	—	—	(1,233,460)
<u>—</u>	<u>—</u>	<u>4,222,159</u>	<u>5,874,665</u>	<u>271,415</u>	<u>16,151</u>	<u>9,998,143</u>
49.872	7,927	(3,687)	4,661,196	1,475,039	433,751	8,369,938
653.304	519,256	181,521	2,993,060	15,470,863	5,393,012	34,090,803
<u>\$ 703.176</u>	<u>\$ 527,183</u>	<u>\$ 177,834</u>	<u>\$ 7,654,256</u>	<u>\$ 16,945,902</u>	<u>\$ 5,826,763</u>	<u>\$ 42,460,741</u>

EXHIBIT B-3

CITY OF AURORA, COLORADO

SPECIAL REVENUE FUNDS

COMBINING SCHEDULE OF REVENUES,

EXPENDITURES AND CHANGES IN FUNDS AVAILABLE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2001

	Gifts and Grants			Abatement		
	Budget	Actual	Variance	Budget	Actual	Variance
FUNDS AVAILABLE - JANUARY 1	\$ 1,028,968	\$ (813,965)	\$ (1,842,933)	\$ 212,865	\$ 273,593	\$ 60,728
REVENUES						
Intergovernmental revenues	7,823,222	18,457,621	10,634,399	—	—	—
Charges for services	—	4,915	4,915	113,100	141,670	28,570
Fines and forfeitures	—	—	—	—	—	—
Proceeds - sale of assets	—	—	—	—	—	—
Investment income	32,900	90,754	57,854	2,560	12,597	10,037
Miscellaneous revenues	2,247,784	684,199	(1,563,585)	—	—	—
Transfers from seizure	—	157,385	157,385	—	—	—
Operating transfers in	—	—	—	—	—	—
Total revenues	10,103,906	19,394,874	9,290,968	115,660	154,267	38,607
EXPENDITURES						
Judicial	34,690	9,906	24,784	—	—	—
City Attorney	18,607	17,326	1,281	—	—	—
Boards & Commissions	—	—	—	—	—	—
General Management	15,000	9,507	5,493	—	—	—
Development Services	245,000	216,515	28,485	—	—	—
Finance	821,989	560,949	261,040	—	—	—
Information Technology	—	—	—	—	—	—
Public Works	—	22,678	(22,678)	—	—	—
Parks & Open Space	2,059,673	617,379	1,442,294	10,700	(2,242)	12,942
Library & Recreation Services	1,139,101	1,066,531	72,570	—	—	—
Police	5,025,377	2,654,275	2,371,102	—	—	—
Fire	947,500	456,009	491,491	—	—	—
Neighborhood Services	544,979	288,450	256,529	181,147	155,319	25,828
Nondepartmental	—	—	—	—	—	—
Total expenditures	10,851,916	5,919,525	4,932,391	191,847	153,077	38,770
Excess (deficiency) of revenues over (under) expenditures - budgetary basis	(748,010)	13,475,349	14,223,359	(76,187)	1,190	77,377
OTHER CHANGES TO FUNDS AVAILABLE						
Adjustment for overspent projects	—	—	—	—	—	—
Capital projects appropriation	(13,294,113)	(13,294,113)	—	—	—	—
Total other changes	(13,294,113)	(13,294,113)	—	—	—	—
FUNDS AVAILABLE - DECEMBER 31	\$ (13,013,155)	(632,729)	\$ 12,380,426	\$ 136,678	274,783	\$ 138,105
Less: Reservations	—	—	—	—	—	—
Designations	—	—	—	—	(82,200)	—
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESERVATIONS AND COUNCIL DESIGNATIONS - DECEMBER 31	—	—	—	—	—	—
	—	\$ (632,729)	—	—	\$ 192,583	—
RECONCILIATION TO GAAP FUND BALANCE						
FUNDS AVAILABLE - DECEMBER 31	—	\$ (632,729)	—	—	\$ 274,783	—
Add: Current year operating encumbrances	—	326,971	—	—	—	—
Capital projects carryforward	—	14,289,669	—	—	—	—
Seizure funds	—	1,642,392	—	—	—	—
Adjust investments to fair value	—	—	—	—	—	—
Less: Deferred revenue - Federal grants	—	(13,403,165)	—	—	—	—
FUND BALANCES - DECEMBER 31	—	\$ 2,223,138	—	—	\$ 274,783	—



EXHIBIT B-3

CITY OF AURORA, COLORADO

SPECIAL REVENUE FUNDS  
 COMBINING SCHEDULE OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUNDS AVAILABLE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2001

	Enhanced E-911			Conservation Trust		
	Budget	Actual	Variance	Budget	Actual	Variance
FUNDS AVAILABLE - JANUARY 1	\$ —	\$ 403,813	\$ 403,813	\$ 310,235	\$ (16,871)	\$ (327,106)
REVENUES						
Intergovernmental revenues	—	—	—	2,300,000	2,981,473	681,473
Charges for services	1,113,023	2,359,325	1,246,302	—	—	—
Fines and forfeitures	—	—	—	—	—	—
Proceeds - sale of assets	—	—	—	—	—	—
Investment income	43,440	76,720	33,280	200,000	222,131	22,131
Miscellaneous revenues	—	—	—	—	—	—
Operating transfers in	432,889	432,889	—	—	—	—
Total revenues	1,589,352	2,868,934	1,279,582	2,500,000	3,203,604	703,604
EXPENDITURES						
Judicial	—	—	—	—	—	—
City Attorney	—	—	—	—	—	—
Boards & Commissions	—	—	—	—	—	—
General Management	—	—	—	—	—	—
Development Services	—	—	—	—	—	—
Finance	—	—	—	—	—	—
Information Technology	628,100	585,573	42,527	—	—	—
Public Works	—	—	—	—	—	—
Parks & Open Space	—	—	—	356,086	289,386	66,700
Library & Recreation Services	—	—	—	14,000	37,351	(23,351)
Police	—	—	—	—	—	—
Fire	—	—	—	—	—	—
Neighborhood Services	—	—	—	—	—	—
Nondepartmental	—	—	—	—	—	—
Total expenditures	628,100	585,573	42,527	370,086	326,737	43,349
Excess (deficiency) of revenues over (under) expenditures - budgetary basis	961,252	2,283,361	1,322,109	2,129,914	2,876,867	746,953
OTHER CHANGES TO FUNDS AVAILABLE						
Adjustment for overspent projects	—	—	—	—	—	—
Capital projects appropriation	(432,889)	(432,889)	—	(1,946,000)	(1,946,000)	—
Total other changes	(432,889)	(432,889)	—	(1,946,000)	(1,946,000)	—
FUNDS AVAILABLE - DECEMBER 31	\$ 528,363	2,254,285	\$ 1,725,922	\$ 494,149	913,996	\$ 419,847
Less Reservations	—	—	—	—	—	—
Designations	—	—	—	—	—	—
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESERVATIONS AND COUNCIL DESIGNATIONS - DECEMBER 31		\$ 2,254,285			\$ 913,996	
RECONCILIATION TO GAAP FUND BALANCE						
FUNDS AVAILABLE - DECEMBER 31		\$ 2,254,285			\$ 913,996	
Add Current year operating encumbrances		133,772			2,000	
Capital projects carryforward		325,511			2,593,888	
Seizure funds		—			—	
Adjust investments to fair value		58,147			73,522	
Less Deferred revenue - Federal grants		—			—	
FUND BALANCES - DECEMBER 31		\$ 2,771,715			\$ 3,583,406	



**EXHIBIT B-3**

**CITY OF AURORA, COLORADO**

**SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES,  
EXPENDITURES AND CHANGES IN FUNDS AVAILABLE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Recreation Services			Designated Revenues		
	Budget	Actual	Variance	Budget	Actual	Variance
FUNDS AVAILABLE - JANUARY 1	\$ 6,638	\$ 126,400	\$ 119,762	\$ 2,502,596	\$ 2,982,779	\$ 480,183
REVENUES						
Intergovernmental revenues	—	—	—	—	—	—
Charges for services	4,235,087	3,894,201	(340,886)	1,149,743	906,787	(242,956)
Fines and forfeitures	—	—	—	661,580	765,288	103,708
Proceeds - sale of assets	—	—	—	—	6,307	6,307
Investment income	—	—	—	127,830	261,002	133,172
Miscellaneous revenues	8,000	51,948	43,948	190,000	336,306	146,306
Operating transfers in	4,828,143	4,222,159	(605,984)	5,866,842	5,972,151	105,309
Total revenues	9,071,230	8,168,308	(902,922)	7,995,995	8,247,841	251,846
EXPENDITURES						
Judicial	—	—	—	97,427	73,004	24,423
City Attorney	—	—	—	—	—	—
Boards & Commissions	—	—	—	1,000	877	123
General Management	—	—	—	632,854	279,514	353,340
Development Services	—	—	—	3,386,422	1,688,650	1,697,772
Finance	—	—	—	5,000	5,247	(247)
Information Technology	—	—	—	—	—	—
Public Works	—	—	—	—	—	—
Parks & Open Space	—	—	—	10,000	10,000	—
Library & Recreation Services	9,055,358	8,137,413	917,945	723,864	590,755	133,109
Police	—	—	—	845,607	759,655	85,952
Fire	—	—	—	53,188	27,181	26,007
Neighborhood Services	—	—	—	157,000	105,171	51,829
Nondepartmental	—	—	—	5,048,653	36,310	5,012,343
Total expenditures	9,055,358	8,137,413	917,945	10,961,015	3,576,364	7,384,651
Excess (deficiency) of revenues over (under) expenditures - budgetary basis	15,872	30,895	15,023	(2,965,020)	4,671,477	7,636,497
OTHER CHANGES TO FUNDS AVAILABLE						
Adjustment for overspent projects	—	—	—	—	—	—
Capital projects appropriation	—	—	—	—	—	—
Total other changes	—	—	—	—	—	—
FUNDS AVAILABLE - DECEMBER 31	\$ 22,510	157,295	\$ 134,785	\$ (462,424)	7,654,256	\$ 8,116,680
Less: Reservations					(442,621)	
Designations					—	
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESERVATIONS AND COUNCIL DESIGNATIONS - DECEMBER 31		\$ 157,295			\$ 7,211,635	
RECONCILIATION TO GAAP FUND BALANCE						
FUNDS AVAILABLE - DECEMBER 31		\$ 157,295			\$ 7,654,256	
Add: Current year operating encumbrances		20,539			—	
Capital projects carryforward		—			—	
Seizure funds		—			—	
Adjust investments to fair value		—			—	
Less: Deferred revenue - Federal grants		—			—	
FUND BALANCES - DECEMBER 31		\$ 177,834			\$ 7,654,256	



**EXHIBIT B-3**

**CITY OF AURORA, COLORADO**

**SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES,  
EXPENDITURES AND CHANGES IN FUNDS AVAILABLE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<b>Totals</b>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>FUNDS AVAILABLE - JANUARY 1</b>	<b>\$ 28,053,083</b>	<b>\$ 27,591,190</b>	<b>\$ (461,893)</b>
<b>REVENUES</b>			
Intergovernmental revenues	13,358,112	24,676,570	11,318,458
Charges for services	6,610,953	7,306,898	695,945
Fines and forfeitures	661,580	765,288	103,708
Investment income	1,996,621	2,028,231	31,610
Miscellaneous revenues	3,330,784	2,654,726	(676,058)
Proceeds from sale of assets	—	6,307	6,307
Operating transfers in	11,719,664	11,218,989	(500,675)
Total revenues	<u>37,677,714</u>	<u>48,657,009</u>	<u>10,979,295</u>
<b>EXPENDITURES</b>			
Judicial	132,117	82,910	49,207
City Attorney	18,607	17,326	1,281
Boards & Commissions	1,000	877	123
General Management	647,854	289,021	358,833
Development Services	3,631,422	1,905,165	1,726,257
Finance	826,989	566,196	260,793
Information Technology	628,100	585,573	42,527
Public Works	—	22,678	(22,678)
Parks & Open Space	2,436,459	914,523	1,521,936
Library & Recreation Services	10,932,323	9,832,050	1,100,273
Police	5,870,984	3,413,930	2,457,054
Fire	1,000,688	483,190	517,498
Neighborhood Services	883,126	548,940	334,186
Nondepartmental	6,048,653	1,036,310	5,012,343
Total expenditures	<u>33,058,322</u>	<u>19,698,689</u>	<u>13,359,633</u>
Excess of revenues over expenditures - budgetary basis	4,619,392	28,958,320	24,338,928
<b>OTHER CHANGES TO FUNDS AVAILABLE</b>			
Adjustment for overspent projects	12,201	12,201	—
Capital projects appropriation	(20,010,417)	(20,010,417)	—
Total other changes	<u>(19,998,216)</u>	<u>(19,998,216)</u>	<u>—</u>
<b>FUNDS AVAILABLE - DECEMBER 31</b>	<b><u>\$ 12,674,259</u></b>	<b><u>\$ 36,551,294</u></b>	<b><u>\$ 23,877,035</u></b>
Less: Reservations		(442,621)	
Designations		(1,072,200)	
<b>FUNDS AVAILABLE FOR APPROPRIATION AFTER RESERVATIONS AND COUNCIL DESIGNATIONS - DECEMBER 31</b>		<b><u>\$ 35,036,473</u></b>	
<b>RECONCILIATION TO GAAP FUND BALANCE</b>			
<b>FUNDS AVAILABLE - DECEMBER 31</b>		<b>\$ 36,551,294</b>	
Add: Current year operating encumbrances		483,282	
Capital projects carryforward		20,446,560	
Seizure funds		1,642,392	
Adjust investments to fair value		733,102	
Less: Deferred revenue - Federal grants		(17,395,889)	
<b>FUND BALANCES - DECEMBER 31</b>		<b><u>\$ 42,460,741</u></b>	



EXHIBIT B-4

CITY OF AURORA, COLORADO

SPECIAL REVENUE FUNDS  
 SCHEDULE OF EXPENDITURES AND APPROPRIATIONS  
 GIFTS AND GRANTS FUND CAPITAL PROJECTS  
 FOR THE YEAR ENDED DECEMBER 31, 2001

Project Number	Year Project Started	Project Description	Appropriations			Expenditures			Balances December 31			
			Cumulative January 1	2001	Transfers To (From) Project	Cumulative December 31	Cumulative January 1	2001	Cumulative December 31	Cumulative Unspent Appropriations	Encumbered	Unencumbered
<b>PUBLIC WORKS</b>												
49763	2001	Fitz Landfill Cleanup Federal	\$ —	\$ 11,956,113	\$ —	\$ 11,956,113	\$ —	\$ 30,876	\$ 30,876	\$ 11,925,237	\$ 252,436	\$ 11,672,801
		Total Public Works	—	11,956,113	—	11,956,113	—	30,876	30,876	11,925,237	252,436	11,672,801
<b>PARKS AND OPEN SPACE</b>												
61710	1994	Cherry Creek Bike Path	105,000	—	—	105,000	—	—	—	105,000	—	105,000
61765	1996	CO Delaney St Historical Grant	65,000	—	—	65,000	59,760	—	59,760	5,240	—	5,240
61775	1997	CO GOCO-Plains Center Grant	350,000	—	—	350,000	350,000	—	350,000	—	—	—
61777	1997	CO GOCO-Westerly Creek Grant	55,000	180,000	—	235,000	55,000	—	55,000	180,000	—	180,000
61791	1998	CO GOCO-Jewell Wetland Grant	60,000	—	—	60,000	54,962	—	54,962	5,038	—	5,038
61795	1998	CO GOCO Regional Trail Connect	135,000	—	—	135,000	—	98,275	98,275	36,725	36,051	674
61799	1998	Sand Creek Park-Private	100,000	—	—	100,000	—	—	—	100,000	—	100,000
61807	1998	Sand Creek Legacy Grant	700,000	200,000	—	900,000	479,000	137,000	616,000	284,000	—	284,000
61819	1999	CO-Sand Creek Acquisition Grant	100,000	—	—	100,000	70,000	—	70,000	30,000	—	30,000
61820	1999	Sand Creek Corridor-Private	230,551	150,000	—	380,551	94,349	129,887	224,236	156,315	—	156,315
61824	1999	Fitzsimons HUD Grant Lighting	60,000	—	—	60,000	—	—	—	60,000	—	60,000
61830	2000	Jewell Wetland-Private	75,000	—	(60,000)	15,000	15,000	—	15,000	—	—	—
61831	2000	SportsPark Donations	10,000	—	—	10,000	—	3,915	3,915	6,085	—	6,085
61834	2000	GOCO Sports Park Construction	706,000	—	—	706,000	—	—	—	706,000	—	706,000
61853	2001	Montview Streetscape - TIP	—	388,000	—	388,000	—	—	—	388,000	—	388,000
61854	2001	Fitz Pond / Guard Houses	—	50,000	(40,000)	10,000	—	7,971	7,971	2,029	—	2,029
61855	2001	Expo Park - DURP	—	25,000	(5,000)	20,000	—	20,000	20,000	—	—	—
61856	2001	Wheel Park - GOCO	—	175,000	(175,000)	—	—	—	—	—	—	—
61857	2001	Rains Park - GOCO	—	100,000	—	100,000	—	—	—	100,000	—	100,000
61858	2001	Aurora Reservoir Buffer - GOCO	—	100,000	—	100,000	—	—	—	100,000	—	100,000
61859	2001	Airport / Alameda - GOCO	—	100,000	—	100,000	—	—	—	100,000	—	100,000
61860	2001	Sand Creek Dartmouth Acq-Adams	—	—	150,000	150,000	—	150,000	150,000	—	—	—
		Total Parks and Open Space	2,751,551	1,468,000	(130,000)	4,089,551	1,178,071	547,048	1,725,119	2,364,432	36,051	2,328,381
<b>TOTAL GIFTS AND GRANTS FUND CAPITAL PROJECTS</b>			<b>\$ 2,751,551</b>	<b>\$ 13,424,113</b>	<b>\$ (130,000)</b>	<b>\$ 16,045,664</b>	<b>\$ 1,178,071</b>	<b>\$ 577,924</b>	<b>\$ 1,755,995</b>	<b>\$ 14,289,669</b>	<b>\$ 288,487</b>	<b>14,001,182</b>
Less	Unencumbered appropriations on projects pending funding agreements											(690,029)
	Unencumbered appropriations in excess of available unreserved fund balance on reimbursable grants											(13,305,068)
	Unencumbered appropriations in excess of available unreserved fund balance											(6,085)
	Designated for subsequent year - capital projects											\$ —

EXHIBIT B-5

CITY OF AURORA, COLORADO

SPECIAL REVENUE FUNDS  
 SCHEDULE OF EXPENDITURES AND APPROPRIATIONS  
 COMMUNITY DEVELOPMENT FUND PROJECTS  
 YEAR ENDED DECEMBER 31, 2001

Project Number	Year Project Started	Project Description	Appropriations				Expenditures			Balances December 31		
			Cumulative January 1	2001	Transfers To (From) Project	Cumulative December 31	Cumulative January 1	2001	Cumulative December 31	Cumulative Unspent Appropriation	Encumbered	Unencumbered
<b>PUBLIC SERVICE PROGRAM</b>												
64054	1995	Apt-Mgr Training Project	\$ 195,790	\$ —	\$ —	\$ 195,790	\$ 183,482	\$ 12,308	\$ 195,790	\$ —	\$ —	\$ —
64220	1997	City Park/Fletcher Plaza Park 97	183,890	—	(99,324)	84,566	84,566	—	84,566	—	—	—
64239	1997	Landscaping 97	15,000	—	(12,000)	3,000	3,000	—	3,000	—	—	—
64264	1999	OAR program Admin-CDBG	130,104	—	66,565	196,669	130,104	66,077	196,181	488	—	488
		Total Public Service Program	524,784	—	(44,759)	480,025	401,152	78,385	479,537	488	—	488
<b>PUBLIC FACILITY PROGRAM</b>												
64184	1995	Unprogrammed Funds	122,799	1,233,098	(964,057)	391,840	—	—	—	391,840	—	391,840
64207	1996	96 Mid-Block Lightings	1,109	—	—	1,109	782	—	782	327	—	327
64249	1998	DAVA Building Rehab	15,000	—	—	15,000	12,375	—	12,375	2,625	—	2,625
64268	1999	NW Alley Paving	400,000	—	200,000	600,000	400,000	200,000	600,000	—	—	—
64275	1999	AMHC Fitz Bldg 302 Elevator	122,500	—	(1,143)	121,357	131,729	(10,372)	121,357	—	—	—
64279	1999	DAVA Building Renovation	9,750	—	—	9,750	8,570	—	8,570	1,180	—	1,180
64284	2000	A Senior Center Renovation	47,500	—	7,826	55,326	3,750	51,576	55,326	—	—	—
64286	1999	Comitis Fitz Bldg 301 Renovation	102,500	—	(1,174)	101,326	93,484	7,842	101,326	—	—	—
64300	2000	AHA 6th and Potomac	350,000	—	—	350,000	—	350,000	350,000	—	—	—
64346	2001	Redevelopment Project	—	—	499,324	499,324	—	258,392	258,392	240,932	—	240,932
		Total Public Facility Program	1,171,158	1,233,098	(259,224)	2,145,032	650,690	857,438	1,508,128	636,904	—	636,904
<b>HOAP LOANS PROGRAM</b>												
64132	1994	HOAP Loans CDBG	643,027	—	(34,108)	608,919	608,919	—	608,919	—	—	—
		Total HOAP Loans Program	643,027	—	(34,108)	608,919	608,919	—	608,919	—	—	—
<b>SINGLE FAMILY REHAB PROGRAM</b>												
64090	1994	SF Emergency Repairs	376,268	—	65,000	441,268	331,840	102,484	434,324	6,944	—	6,944
64130	1994	Single Family Tree Removal	188,005	—	20,000	208,005	170,334	18,179	188,513	19,492	—	19,492
64139	1994	Single Family Paint Up/Fix Up	145,000	—	20,000	165,000	105,439	10,859	116,298	48,702	—	48,702
		Total Single Family Rehab Program	709,273	—	105,000	814,273	607,613	131,522	739,135	75,138	—	75,138
<b>MULTI-FAMILY REHAB PROGRAM</b>												
64164	1994	MF Rev Loans CDBG	985,166	—	—	985,166	708,913	—	708,913	276,253	—	276,253
		Total Multi-Family Rehab Program	985,166	—	—	985,166	708,913	—	708,913	276,253	—	276,253
<b>COMMERCIAL REHAB PROGRAM</b>												
64244	1998	DABA Security Lighting Program	55,000	—	—	55,000	23,586	7,945	31,531	23,469	—	23,469
64289	2000	DAVA Bldg Upgrade	11,730	—	—	11,730	6,948	4,782	11,730	—	—	—
64292	2000	Fletcher Plaza Cover	40,000	—	—	40,000	—	40,000	40,000	—	—	—
		Total Commercial Rehab Program	106,730	—	—	106,730	30,534	52,727	83,261	23,469	—	23,469

(Continued)



EXHIBIT B-6

CITY OF AURORA, COLORADO

SPECIAL REVENUE FUNDS

SCHEDULE OF EXPENDITURES AND APPROPRIATIONS

ENHANCED E-911 FUND CAPITAL PROJECTS

YEAR ENDED DECEMBER 31, 2001

Project Number	Year Project Started	Project Description	Appropriations			Expenditures			Balances December 31			
			Cumulative January 1	2001	Transfers To (From) Project	Cumulative December 31	Cumulative January 1	2001	Cumulative December 31	Cumulative Unspent Appropriations	Encumbered	Unencumbered
INFORMATION TECHNOLOGY												
37229	2001	800 MHz Radio Expansion - E-911	\$ —	\$ 432,889	\$ —	\$ 432,889	\$ —	\$ 107,378	\$ 107,378	\$ 325,511	\$ 87,622	\$ 237,889
TOTAL ENHANCED E-911 FUND CAPITAL PROJECTS			\$ —	\$ 432,889	\$ —	\$ 432,889	\$ —	\$ 107,378	\$ 107,378	\$ 325,511	\$ 87,622	\$ 237,889

EXHIBIT B-7

CITY OF AURORA, COLORADO

SPECIAL REVENUE FUNDS  
 SCHEDULE OF EXPENDITURES AND APPROPRIATIONS  
 CONSERVATION TRUST FUND CAPITAL PROJECTS  
 YEAR ENDED DECEMBER 31, 2001

Project Number	Year Project Started	Project Description	Appropriations				Expenditures			Balances December 31		
			Cumulative January 1	2001	Transfers To (From) Project	Cumulative December 31	Cumulative January 1	2001	Cumulative December 31	Cumulative Unspent Appropriations	Encumbered	Unencumbered
61703	Ongoing	Park Infrastructure	\$ 2,625,922	\$ 225,000	\$ 619,035	\$ 3,489,957	\$ 2,184,679	\$ 865,673	\$ 3,050,352	\$ 439,605	\$ 142,197	\$ 297,408
61709	1994	Cherry Creek Bike Path-City	149,092	—	(75,131)	73,961	73,961	—	73,961	—	—	—
61718	Ongoing	Aurora Reservoir Recreation Facility	1,964,261	—	(70,628)	1,893,633	1,893,633	—	1,893,633	—	—	—
61721	Ongoing	Park Enhancements	459,117	—	(23,798)	435,319	435,319	—	435,319	—	—	—
61726	Ongoing	Open Space Acquisitions	433,000	250,000	(205,000)	478,000	205,334	272,666	478,000	—	—	—
61727	Ongoing	Recreation Center Renovations	1,236,000	370,000	(729,897)	876,103	876,103	—	876,103	—	—	—
61732	Ongoing	Park Signage	225,000	—	—	225,000	113,284	46,741	160,025	64,975	64,975	—
61735	Ongoing	DeSney Farm Improvements	112,467	—	(7,519)	104,948	104,948	—	104,948	—	—	—
61741	2001	Art in Public Places	—	16,000	—	16,000	—	—	—	16,000	—	16,000
61751	1996	Lowry Center Improvements	495,199	—	(1,239)	493,960	493,960	—	493,960	—	—	—
61753	Ongoing	Delaney Master Plan	157,533	—	(63,965)	93,568	93,568	—	93,568	—	—	—
61754	Ongoing	Security Lighting CTF	120,000	—	(7,134)	112,866	112,866	—	112,866	—	—	—
61755	1996	Quincy Reservoir Use/Management	25,000	—	(2,968)	22,032	22,032	—	22,032	—	—	—
61757	Ongoing	Pool Renovations General	1,254,000	—	—	1,254,000	1,209,706	—	1,209,706	44,294	—	44,294
61758	1996	Sand Creek Improvements/Path	306,158	—	(244,656)	61,502	61,502	—	61,502	—	—	—
61771	1997	Plains Conservation Acquisition	1,950,088	—	(295,000)	1,655,088	1,655,088	—	1,655,088	—	—	—
61771	1997	Sand Creek Park Improvement	91,000	—	(820)	92,180	92,180	—	92,180	—	—	—
61785	1998	Center Point Park	615,000	—	(19,932)	595,068	595,068	—	595,068	—	—	—
61787	1998	Environmental Day Camp	45,000	—	(43,554)	1,446	1,446	—	1,446	—	—	—
61788	1998	Expo Park Landscape/Dram Im	590,000	—	(510,335)	79,665	79,665	—	79,665	—	—	—
61789	1998	In-Line Skate Plaza	950,000	—	(843,865)	106,135	106,135	—	106,135	—	—	—
61790	1999	Jewell Wetland	50,000	—	(7,607)	42,393	42,393	—	42,393	—	—	—
61794	Ongoing	Greenways/Trails	637,790	235,000	319,785	1,192,575	202,509	341,015	543,524	649,051	397,930	251,121
61797	1998	Sport Field Assessment	5,000	—	(624)	4,376	4,376	—	4,376	—	—	—
61818	1999	Year One Project Support	25,000	—	—	25,000	21,625	3,375	25,000	—	—	—
61837	2000	Sports Park CTF Transfer to CPF	260,000	100,000	—	360,000	260,000	100,000	360,000	—	—	—
61847	2001	Open Space/Natural Resource	—	—	430,241	430,241	—	159,430	159,430	270,811	19,346	251,465
61848	2001	Regional /Special Use Parks	—	500,000	1,706,423	2,206,423	—	1,329,020	1,329,020	877,403	423,023	454,380
61849	2001	New Neighborhood Parks	—	25,000	50,230	75,230	—	31,162	31,162	44,068	—	44,068
61850	2001	Systemwide Improvements	—	75,000	7,133	82,133	—	45,277	45,277	36,856	8,799	28,057
61851	2001	Community/Large Urban Parks	—	100,000	825	100,825	—	—	—	100,825	—	100,825
61852	2001	Utah Park/Tennis Center	—	50,000	—	50,000	—	—	—	50,000	—	50,000
<b>TOTAL CONSERVATION TRUST FUND CAPITAL PROJECTS</b>			<b>\$ 14,783,627</b>	<b>\$ 1,946,000</b>	<b>\$ —</b>	<b>\$ 16,729,627</b>	<b>\$ 10,941,380</b>	<b>\$ 3,194,359</b>	<b>\$ 14,135,739</b>	<b>\$ 2,593,888</b>	<b>\$ 1,056,270</b>	<b>\$ 1,537,618</b>

EXHIBIT B-8

CITY OF AURORA, COLORADO

SPECIAL REVENUE FUNDS  
 SCHEDULE OF EXPENDITURES AND APPROPRIATIONS  
 PARKS DEVELOPMENT FUND CAPITAL PROJECTS  
 YEAR ENDED DECEMBER 31, 2001

Project Number	Year Project Started	Project Description	Appropriations			Expenditures			Balance December 31			
			Cumulative January 1	2001	Transfers To (From) Project	Cumulative December 31	Cumulative January 1	2001	Cumulative December 31	Cumulative Unspent Appropriations	Encumbered	Unencumbered
61760	1996	Cherry Creek Trail Park Development	\$ —	\$ 61,000	—	\$ 61,000	\$ —	\$ —	\$ —	\$ 61,000	\$ —	\$ 61,000
61821	1999	Expo Park Redevelopment	150,000	—	—	150,000	50,000	100,000	150,000	—	—	—
61838	2000	Adams County Open Space	79,814	181,690	—	261,504	—	210,129	210,129	51,375	—	51,375
<b>TOTAL PARKS DEVELOPMENT FUND CAPITAL PROJECTS</b>			<b>\$ 229,814</b>	<b>\$ 242,690</b>	<b>—</b>	<b>\$ 472,504</b>	<b>\$ 50,000</b>	<b>\$ 310,129</b>	<b>\$ 360,129</b>	<b>\$ 112,375</b>	<b>\$ —</b>	<b>\$ 112,375</b>

## **DEBT SERVICE FUNDS**

Debt service funds account for the accumulation of resources to pay principal, interest and agency fees on general 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 special assessment revenue bonds. Revenues are from General Fund transfers, dedicated property taxes and special assessments.

### ***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 may be used to: 1) 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; 2) pay City administrative costs associated with special improvement districts; and 3) transfer to the City Capital Projects Fund or other improvement district to finance, acquire, or construct public improvements.

### ***Aurora Urban Renewal Authority (AURA) Debt Service Fund***

The AURA was created to redevelop and support areas within the City which are considered blighted. The AURA Debt Service 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 the AURA.

## **DEBT SERVICE FUNDS (continued)**

### ***Aurora Capital Leasing Corporation (ACLC) Debt Service Fund***

The ACLC is a non-profit corporation established to finance City capital projects, primarily buildings. The ACLC Debt Service Fund accounts for the principal and interest payments on certificates of participation issued by ACLC. Revenues are from lease payments (operating transfers) from the General Fund and investment earnings.



**EXHIBIT C-1**

**CITY OF AURORA, COLORADO**

**DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2001**

	<u>Debt Service</u>	<u>Surplus and Deficiency</u>	<u>AURA</u>	<u>ACLC</u>	<u>Totals</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ —	\$ —	\$ 1,382,801	\$ —	\$ 1,382,801
Equity in cash and cash equivalents	229,234	159,769	—	—	389,003
Equity in investments	597,945	1,788,200	—	—	2,386,145
Receivables					
Property tax net of allowance	6,147,371	—	—	—	6,147,371
Sales tax	—	—	77,936	—	77,936
Special assessments	—	306,795	—	—	306,795
Accrued interest	25,636	35,068	2,491	—	63,195
Other	—	24,381	—	—	24,381
Due from other funds	—	—	325,012	—	325,012
Restricted assets					
Cash and cash equivalents	—	—	358,000	893	358,893
Investments	410,000	—	—	8,201,653	8,611,653
Equity in investments	—	—	—	25,609	25,609
Accrued interest	—	—	—	26,157	26,157
<b>TOTAL ASSETS</b>	<u>\$ 7,410,186</u>	<u>\$ 2,314,213</u>	<u>\$ 2,146,240</u>	<u>\$ 8,254,312</u>	<u>\$ 20,124,951</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ —	\$ 3,275	\$ 1,025	\$ —	\$ 4,300
Accrued liabilities	798,000	63	—	265,000	1,063,063
Due to other funds	—	—	685,720	10,000	695,720
Deferred revenues	6,147,371	306,795	—	—	6,454,166
<b>Total liabilities</b>	<u>6,945,371</u>	<u>310,133</u>	<u>686,745</u>	<u>275,000</u>	<u>8,217,249</u>
<b>FUND BALANCES</b>					
Reserved for debt service	464,815	—	358,000	7,979,312	8,802,127
Designated for subsequent year expenditures-budget	—	821,300	—	—	821,300
Unreserved, undesignated	—	1,182,780	1,101,495	—	2,284,275
<b>Total fund balances</b>	<u>464,815</u>	<u>2,004,080</u>	<u>1,459,495</u>	<u>7,979,312</u>	<u>11,907,702</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 7,410,186</u>	<u>\$ 2,314,213</u>	<u>\$ 2,146,240</u>	<u>\$ 8,254,312</u>	<u>\$ 20,124,951</u>

**EXHIBIT C-2**

**CITY OF AURORA, COLORADO**

**DEBT SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

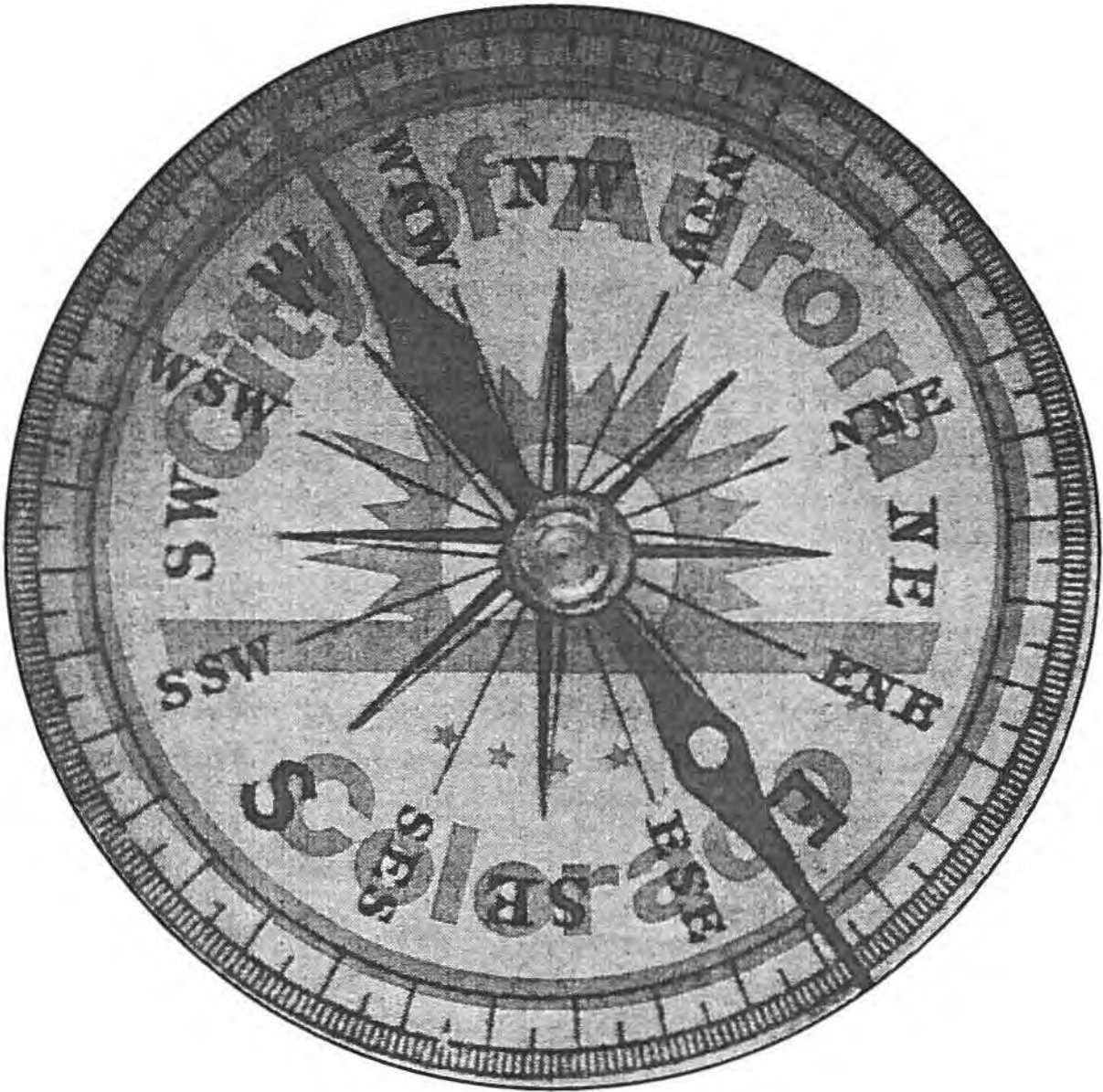
	<u>Debt Service</u>	<u>Surplus and Deficiency</u>	<u>AURA</u>	<u>ACLC</u>	<u>Totals</u>
<b>REVENUES</b>					
Taxes					
Property	\$ 6,090,763	\$ —	\$ 662,337	\$ —	\$ 6,753,100
Sales	—	—	691,419	—	691,419
Total taxes	<u>6,090,763</u>	<u>—</u>	<u>1,353,756</u>	<u>—</u>	<u>7,444,519</u>
Special assessments	4,455	314,162	—	—	318,617
Investment income	181,658	235,502	49,139	819,675	1,285,974
Total revenues	<u>6,276,876</u>	<u>549,664</u>	<u>1,402,895</u>	<u>819,675</u>	<u>9,049,110</u>
<b>EXPENDITURES</b>					
Current					
General government	96,570	47,559	4,775	—	148,904
Debt service					
Principal	4,350,000	—	260,000	1,495,000	6,105,000
Interest and fiscal charges	3,682,687	—	137,642	5,573,549	9,393,878
Total expenditures	<u>8,129,257</u>	<u>47,559</u>	<u>402,417</u>	<u>7,068,549</u>	<u>15,647,782</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,852,381)</u>	<u>502,105</u>	<u>1,000,478</u>	<u>(6,248,874)</u>	<u>(6,598,672)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	1,941,639	164,275	—	2,501,859	4,607,773
Operating transfers out	(188,992)	(1,380,569)	(600,000)	—	(2,169,561)
Total other financing sources (uses)	<u>1,752,647</u>	<u>(1,216,294)</u>	<u>(600,000)</u>	<u>2,501,859</u>	<u>2,438,212</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(99,734)</u>	<u>(714,189)</u>	<u>400,478</u>	<u>(3,747,015)</u>	<u>(4,160,460)</u>
FUND BALANCES - JANUARY 1	<u>564,549</u>	<u>2,718,269</u>	<u>1,059,017</u>	<u>11,726,327</u>	<u>16,068,162</u>
FUND BALANCES - DECEMBER 31	<u>\$ 464,815</u>	<u>\$ 2,004,080</u>	<u>\$ 1,459,495</u>	<u>\$ 7,979,312</u>	<u>\$ 11,907,702</u>

EXHIBIT C-3

CITY OF AURORA, COLORADO

DEBT SERVICE FUNDS  
 COMBINING SCHEDULE OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUNDS AVAILABLE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2001

	Debt Service			Surplus and Deficiency			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
FUNDS AVAILABLE - JANUARY 1	\$ 241,473	\$ 561,534	\$ 320,061	\$ 255,477	\$ 2,709,740	\$ 2,454,263	\$ 496,950	\$ 3,271,274	\$ 2,774,324
REVENUES									
Property tax	10,644,150	6,090,763	(4,553,387)	—	—	—	10,644,150	6,090,763	(4,553,387)
Special assessments	899	4,455	3,556	280,030	314,162	34,132	280,929	318,617	37,688
Investment income	62	170,445	170,383	127,810	201,479	73,669	127,872	371,924	244,052
Operating transfers in	2,011,479	1,941,639	(69,840)	164,275	164,275	—	2,175,754	2,105,914	(69,840)
Total revenues	12,656,590	8,207,302	(4,449,288)	572,115	679,916	107,801	13,228,705	8,887,218	(4,341,487)
EXPENDITURES									
Finance	—	—	—	41,500	41,500	—	41,500	41,500	—
Nondepartmental	8,502,105	8,318,249	183,856	1,454,917	1,386,628	68,289	9,957,022	9,704,877	252,145
Total expenditures	8,502,105	8,318,249	183,856	1,496,417	1,428,128	68,289	9,998,522	9,746,377	252,145
Excess (deficiency) of revenues over (under) expenditures	4,154,485	(110,947)	(4,265,432)	(924,302)	(748,212)	176,090	3,230,183	(859,159)	(4,089,342)
FUNDS AVAILABLE - DECEMBER 31	\$ 4,395,958	450,587	\$ (3,945,371)	\$ (668,825)	1,961,528	\$ 2,630,353	\$ 3,727,133	2,412,115	\$ (1,315,018)
Less: Reservations		(450,587)			—			(450,587)	
Designations		—			(821,300)			(821,300)	
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESERVATIONS AND COUNCIL DESIGNATIONS - DECEMBER 31		\$ —			\$ 1,140,228			\$ 1,140,228	
RECONCILIATION TO GAAP FUND BALANCE									
FUNDS AVAILABLE - DECEMBER 31		\$ 450,587			\$ 1,961,528			\$ 2,412,115	
Adjust investments to fair value		14,228			42,552			56,780	
FUND BALANCES - DECEMBER 31		\$ 464,815			\$ 2,004,080			\$ 2,468,895	



## **CAPITAL PROJECTS FUNDS**

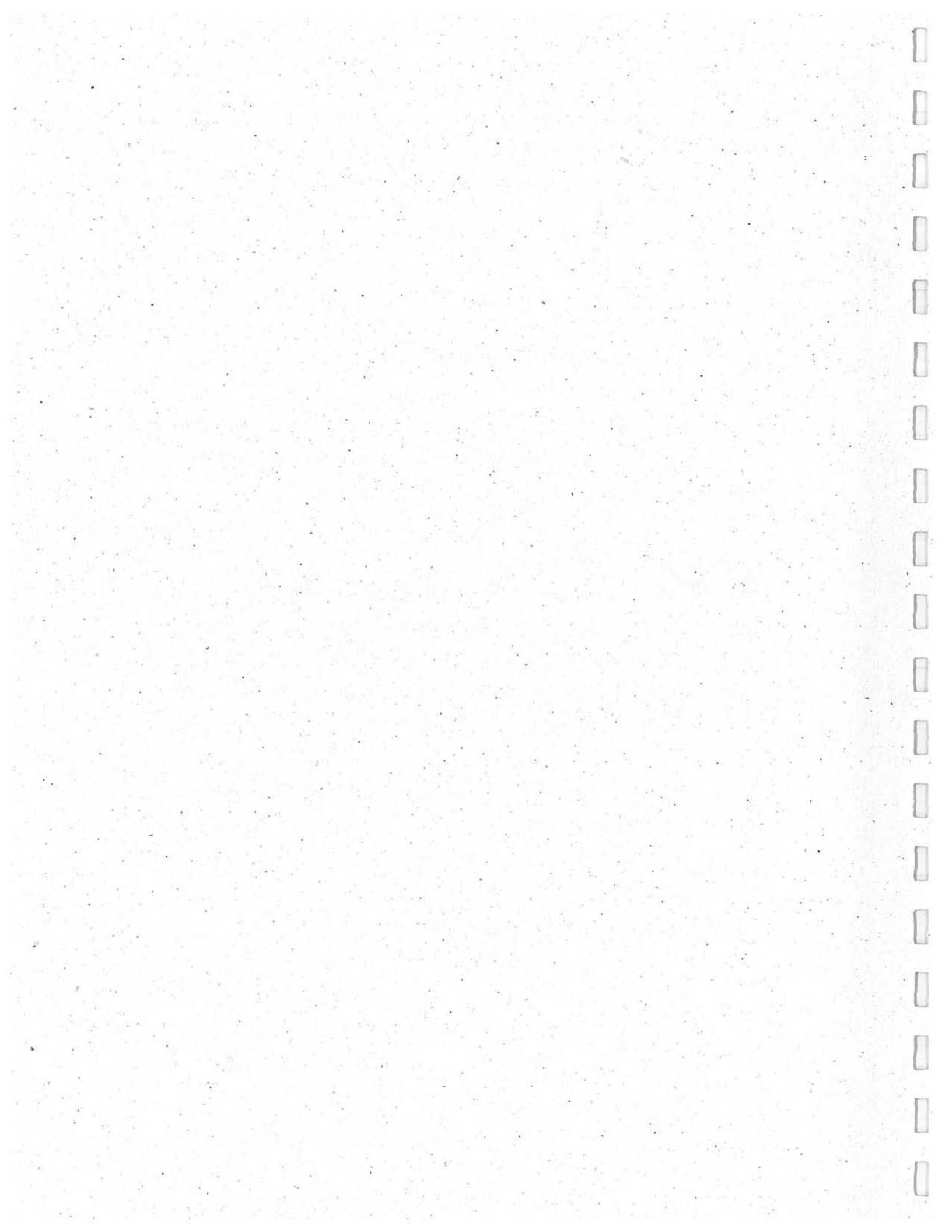
Capital project funds account for financial resources used for the acquisition or construction of major capital facilities other than those financed by proprietary and similar trust funds.

### ***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 is provided by General Fund operating transfers, interest earnings, participation revenues from outside and, when applicable, bond proceeds.

### ***Aurora Capital Leasing Corporation (ACLCL) Capital Projects Fund***

The ACLCL Capital Projects Fund accounts for financial resources to be used by ACLCL for the construction of a building complex and administrative offices that will be used by the City as a municipal center. Funding is provided by proceeds of certificates of participation issued by ACLCL.



**EXHIBIT D-1**

**CITY OF AURORA, COLORADO**

**CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2001**

	<u>City Capital Projects</u>	<u>ACLC</u>	<u>Totals</u>
<b>ASSETS</b>			
Equity in cash and cash equivalents	\$ 5,154,746	\$ —	\$ 5,154,746
Equity in investments	40,820,252	—	40,820,252
Receivables			
Accounts	41,679	—	41,679
Accrued interest	296,850	—	296,850
Loans	1,236,848	—	1,236,848
Restricted assets			
Cash and cash equivalents	2,274,101	11,643	2,285,744
Investments	52,778,099	63,576,929	116,355,028
Equity in investments	225,182	—	225,182
Accrued interest	310,315	376,593	686,908
<b>TOTAL ASSETS</b>	<b><u>\$ 103,138,072</u></b>	<b><u>\$ 63,965,165</u></b>	<b><u>\$ 167,103,237</u></b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 3,796,611	\$ 2,063,739	\$ 5,860,350
Accrued liabilities	633	1,260,000	1,260,633
Due to other funds	265,000	—	265,000
Deferred revenues	1,236,848	—	1,236,848
<b>Total liabilities</b>	<b><u>5,299,092</u></b>	<b><u>3,323,739</u></b>	<b><u>8,622,831</u></b>
<b>FUND BALANCES</b>			
Reserved			
Reserved for encumbrances - capital projects	24,952,819	58,240,399	83,193,218
Reserved for construction	32,922,872	2,401,027	35,323,899
Unreserved			
Designated for subsequent year expenditures			
Capital projects	24,364,751	—	24,364,751
Undesignated	15,598,538	—	15,598,538
<b>Total fund balances</b>	<b><u>97,838,980</u></b>	<b><u>60,641,426</u></b>	<b><u>158,480,406</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 103,138,072</u></b>	<b><u>\$ 63,965,165</u></b>	<b><u>\$ 167,103,237</u></b>

EXHIBIT D-2

CITY OF AURORA, COLORADO

CAPITAL PROJECTS FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED DECEMBER 31, 2001

	City Capital Projects	ACLC	Totals
<b>REVENUES</b>			
Intergovernmental revenues	\$ 212,849	\$ —	\$ 212,849
Investment income	5,024,177	3,210,291	8,234,468
Miscellaneous revenues	1,286,350	—	1,286,350
Total revenues	<u>6,523,376</u>	<u>3,210,291</u>	<u>9,733,667</u>
<b>EXPENDITURES</b>			
Current			
General government	501,717	23,829	525,546
Public safety	151,323	—	151,323
Public works	14,354,394	—	14,354,394
Culture and recreation	1,840,915	—	1,840,915
Capital outlay	<u>18,939,297</u>	<u>8,955,670</u>	<u>27,894,967</u>
Total expenditures	<u>35,787,646</u>	<u>8,979,499</u>	<u>44,767,145</u>
Deficiency of revenues under expenditures	<u>(29,264,270)</u>	<u>(5,769,208)</u>	<u>(35,033,478)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	32,037,040	—	32,037,040
Operating transfers out	<u>(4,854,660)</u>	<u>—</u>	<u>(4,854,660)</u>
Total of other financing sources	<u>27,182,380</u>	<u>—</u>	<u>27,182,380</u>
Deficiency of revenues and other financing sources under expenditures and other financing uses	<u>(2,081,890)</u>	<u>(5,769,208)</u>	<u>(7,851,098)</u>
FUND BALANCES - JANUARY 1	<u>99,920,870</u>	<u>66,410,634</u>	<u>166,331,504</u>
FUND BALANCES - DECEMBER 31	<u>\$ 97,838,980</u>	<u>\$ 60,641,426</u>	<u>\$ 158,480,406</u>



**EXHIBIT D-3**

**CITY OF AURORA, COLORADO**

**CITY CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES,  
EXPENDITURES AND CHANGES IN FUNDS AVAILABLE -  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
FUNDS AVAILABLE - JANUARY 1	\$ 9,076,620	\$ 59,673,668	\$ 50,597,048
REVENUES			
Intergovernmental revenues	—	212,849	212,849
Investment income	3,105,000	4,204,242	1,099,242
Miscellaneous	277,174	1,286,350	1,009,176
Proceeds of bonds	64,787,000	—	(64,787,000)
Operating transfers in	32,012,323	32,037,040	24,717
Total revenues	<u>100,181,497</u>	<u>37,740,481</u>	<u>(62,441,016)</u>
OTHER CHANGES TO FUNDS AVAILABLE			
Adjustment for overspent projects	—	320,616	320,616
Transfers from capital projects	—	108,625	108,625
Capital projects appropriation	(70,599,718)	(70,599,718)	—
FUNDS AVAILABLE - DECEMBER 31	<u>\$ 38,658,399</u>	27,243,672	<u>\$ (11,414,727)</u>
Less: Reservations		<u>(12,621,832)</u>	
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESERVATIONS - DECEMBER 31		<u>\$ 14,621,840</u>	
RECONCILIATION TO GAAP FUND BALANCE			
FUNDS AVAILABLE - DECEMBER 31		\$ 27,243,672	
Capital project carryforward		69,618,610	
Adjust investments to fair value		<u>976,698</u>	
FUND BALANCE - DECEMBER 31		<u>\$ 97,838,980</u>	

EXHIBIT D-4

CITY OF AURORA, COLORADO

CITY CAPITAL PROJECTS FUND  
SCHEDULE OF EXPENDITURES AND APPROPRIATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2001

Project Number	Year Project Started	Project Description	Appropriations				Expenditures			Balances December 31		
			Cumulative January 1	2001	Transfers To / (From) Project	Cumulative December 31	Cumulative January 1	2001	Cumulative December 31	Cumulative Unspent Appropriations	Encumbered	Unencumbered
<b>NON-DEPARTMENTAL</b>												
25078	2001	Light Rail	\$ —	\$ 208,829	\$ —	\$ 208,829	\$ —	\$ —	\$ —	\$ 208,829	\$ —	\$ 208,829
25079	2001	O&M Project Management	—	126,000	(126,000)	—	—	—	—	—	—	—
25082	2001	Operating Transfers - CPF	—	2,522,000	—	2,522,000	—	2,380,771	2,380,771	141,229	—	141,229
		Total Non-Departmental	—	2,856,829	(126,000)	2,730,829	—	2,380,771	2,380,771	350,058	—	350,058
<b>TOTAL FINANCE</b>												
34701	1997	Economic Development System	175,000	—	(87,158)	87,842	87,842	—	87,842	—	—	—
34702	1996	Financial Systems	196,608	50,000	87,158	333,766	64,743	96,951	161,694	172,072	11,430	160,642
		Total Finance	371,608	50,000	—	421,608	152,585	96,951	249,536	172,072	11,430	160,642
<b>INFORMATION TECHNOLOGY</b>												
37705	1994	Financial Systems	3,708,323	—	(429,358)	3,278,965	3,000,567	81,541	3,082,108	196,857	92,101	104,756
37707	1994	Strategic Information Systems	3,676,215	—	(186,072)	3,490,143	3,364,639	37,987	3,402,626	87,517	422	87,095
37713	1998	Library System	1,210,000	—	—	1,210,000	1,152,224	16,444	1,168,668	41,332	—	41,332
37714	1998	SIS-Networking	345,000	200,000	—	545,000	124,781	233,918	358,699	186,301	80,911	105,390
37716	1999	Fire Records Management System	350,000	—	(13,528)	336,472	299,683	—	299,683	36,789	—	36,789
37717	1999	Mobile Data Terminals	1,100,000	100,000	—	1,200,000	—	175,883	175,883	1,024,117	—	1,024,117
37718	1999	Document Imaging	350,000	—	250,000	600,000	—	—	600,000	—	—	600,000
37719	1999	Mobile Radio Replacement	125,000	50,000	(62,829)	112,171	112,171	—	112,171	—	—	—
37720	1999	Geographic Info Systems-GIS	100,000	—	—	100,000	47,379	—	47,379	52,621	4,331	48,290
37721	1999	Telephone Infrasturc Expansion	280,000	100,000	—	380,000	139,281	2,400	141,681	238,319	2,673	235,646
37723	1998	Data Center Project	145,374	—	(28,191)	117,183	117,183	—	117,183	—	—	—
37724	2000	800 Mhz Radio Expansion - CPF	150,000	150,000	132,889	432,889	—	432,889	432,889	—	—	—
37725	2000	Enterprise Security	100,000	50,000	—	150,000	—	—	150,000	—	—	150,000
37726	2000	Portable Radio Replacement	60,000	70,000	(70,060)	59,940	59,940	—	59,940	—	—	—
37727	2000	E-Government	106,800	—	207,549	314,349	—	—	—	314,349	—	314,349
37728	2000	Fire MDC	154,000	—	199,600	353,600	—	—	—	353,600	—	353,600
		Total Information Technology	11,960,712	720,000	—	12,680,712	8,417,848	981,062	9,398,910	3,281,802	217,227	3,064,575
<b>LIBRARY AND RECREATION SERVICES</b>												
43702	1997	Rec Registration Computer System	450,000	197,000	—	647,000	426,158	150,293	576,451	70,549	—	70,549
43706	2001	South Branch Library 00 BOND	—	463,000	—	463,000	—	1,263	461,737	—	—	461,737
43707	2001	Tallyn's Reach Libr 00 BOND	—	5,785,000	—	5,785,000	—	165,754	165,754	5,619,246	5,335,005	284,241
43708	2001	North Branch Libr 00 BOND	—	1,052,000	—	1,052,000	—	4,833	1,047,167	—	—	1,047,167
43709	2001	MLK Library/Muni Ctr 00 BOND	—	10,342,000	—	10,342,000	—	559,869	559,869	9,782,131	154,420	9,627,711
43713	2001	MLK N Aurora Redevelopment	—	—	1,100,000	1,100,000	—	—	—	1,100,000	—	1,100,000
43715	2001	Fletcher/Murphy Creek Rec	—	—	500,000	500,000	—	—	—	500,000	—	500,000
		Total Library and Recreation Services	450,000	17,839,000	1,600,000	19,889,000	426,158	882,012	1,308,170	18,580,830	5,489,425	13,091,405
<b>OPERATIONS GROUP MANAGEMENT</b>												
46701	2001	Tree Farm Relocation - FMP	—	—	237,000	237,000	—	—	—	237,000	—	237,000
46702	2001	Fire Dept Annex/EMS Fac - FMP	—	—	2,932,000	2,932,000	—	10,897	10,897	2,921,103	60,420	2,860,683
46703	2001	Central Maint Facility-FMP	—	—	239,700	239,700	—	6,266	6,266	233,434	233,400	34
46704	2001	N Maint Facility-FMP	—	—	245,000	245,000	—	442	442	244,558	91,140	153,418
46705	2001	S Maint Facility-FMP	—	—	250,000	250,000	—	442	442	249,558	59,545	190,013
46706	2001	Fuz Landfill Remediation	—	100,000	—	100,000	—	84,348	84,348	15,652	—	15,652
		Total Operations Group Management	—	100,000	3,903,700	4,003,700	—	102,395	102,395	3,901,305	444,505	3,456,800

Project Number	Year Project Started	Project Description	Appropriations				Expenditures			Balances December 31		
			Cumulative January 1	2001	Transfers To / (From) Project	Cumulative December 31	Cumulative January 1	2001	Cumulative December 31	Cumulative Unspent Appropriations	Encumbered	Unencumbered
<b>PUBLIC WORKS</b>												
49702	1994	Misc Street Improvements	\$ 3,380,741	\$ 394,250	\$ 314,439	\$ 4,089,430	\$ 3,309,723	\$ 645,325	\$ 3,955,048	\$ 134,382	\$ 120,360	\$ 14,022
49705	1994	Sidewalk Improv- City Share	1,614,164	250,000	—	1,864,164	1,478,982	380,921	1,859,903	4,261	—	4,261
49710	1994	Traffic Signals - New	4,992,488	1,214,924	64,072	6,271,484	4,619,753	1,294,162	5,913,915	357,569	203,219	154,350
49712	1994	Street Overlay Program	19,299,592	4,525,000	214,490	24,039,082	19,260,028	4,749,133	24,009,161	29,921	—	29,921
49711	1994	Concrete Repair Program	1,046,976	2,360,000	141,245	3,548,221	10,912,898	2,573,300	13,486,198	62,023	56,912	5,111
49721	1994	Street Reconstruction	3,612,915	1,205,000	—	4,817,915	3,593,081	1,219,568	4,812,649	5,266	—	5,266
49723	1994	Gateway Improvements	4,767,329	—	—	4,767,329	3,167,713	184,519	3,352,232	1,415,097	1,431	1,413,666
49729	1995	Alameda/I-225 Interchange-CLIP	5,497,153	—	—	5,497,153	5,143,924	44,203	5,188,127	309,026	38,700	270,326
49770	1994	Highway 30 Recycling Center	176,000	—	(6,403)	169,597	—	—	169,597	—	—	—
49737	1996	International Center Street	3,000,000	—	—	3,000,000	177,277	—	177,277	2,822,723	248,529	2,574,194
49739	1996	Jewell Himalaya to Gun Club	2,175,716	(825,660)	—	1,350,056	1,350,056	—	1,350,056	—	—	—
49742	1996	Median Upgrades/Construction	673,835	—	—	673,835	577,744	—	577,744	96,091	—	96,091
49743	1996	Trans Improve Program Match	875,514	386,000	(271,000)	990,514	337,984	3,500	341,484	649,030	649,030	—
49745	1997	Atylene Jewell-Mississippi	21,000	—	—	21,000	20,724	—	20,724	276	—	276
49746	1997	Collax/Chambers to Laredo	85,000	—	—	85,000	22,886	1,000	23,886	61,114	61,114	—
49750	1998	Alameda/I-225 Interchange BOND	10,310,460	325,167	—	10,635,627	10,631,075	3,695	10,634,770	857	—	857
49752	1999	Major Intersection Traffic Imp	650,000	500,000	(25,851)	1,124,149	156,115	322,189	478,304	645,845	181,562	464,283
49753	1999	Atley Construction-NW Aurora	500,000	300,000	52,489	852,489	490,690	282,830	773,520	78,969	54,205	24,764
49754	1999	Traffic Calming	410,000	—	—	410,000	59,239	251,093	310,332	99,668	94,600	5,068
49759	1999	Alameda/I225 NonBnd CDOT Escrow	5,885,390	—	(900,000)	4,985,390	2,781,533	1,340,582	4,122,115	863,275	—	863,275
49762	1999	Sand Creek Parkway	720,000	860,000	(1,548,405)	31,595	31,595	—	31,595	—	—	—
49765	1999	Eagle Monarch Traffic Signal	408,000	—	—	408,000	302,622	79,800	382,422	25,578	—	25,578
49766	1999	Buckley/Hill Intersection	209,760	—	160,609	370,369	127,014	149,076	276,090	94,279	71,387	22,892
49767	1999	Systemwide Trail Improvements	221,761	—	(119,517)	102,244	102,244	—	102,244	—	—	—
49768	1999	Havana - Darmouth to Yale	241,721	—	(47,196)	194,525	194,525	109	194,525	—	—	—
49769	1999	Miss @ Murphy Creek Bridge	239,410	—	(39,103)	200,307	200,307	—	200,307	—	—	—
49770	1999	Del Mar Cir E to Del Mar Cir W	389,250	—	220,000	609,250	15,719	390,130	405,849	203,401	—	203,401
49771	1999	Chambers @ Hill Turn Lanes	298,000	—	95,950	393,950	87,720	269,954	357,674	36,276	—	36,276
49772	2001	Sand Creek Parkway EDA Grant	—	1,180,000	1,548,405	2,728,405	—	116	116	2,728,289	—	2,728,289
49774	2000	Arapahoe/Parker Intersection	400,000	—	(77,950)	322,050	322,050	—	322,050	—	—	—
49775	2001	Traffic Signal Timing Study	—	215,000	—	215,000	—	189,287	189,287	25,713	10,713	15,000
49776	2000	Hill/I-225 Interchange Imp	948,575	—	606,394	1,554,969	258,625	110	258,735	1,296,234	—	1,296,234
49777	2001	Alameda/I-225 Int Landscaping	—	1,000,000	900,000	1,900,000	—	90,553	1,809,447	86,653	86,653	1,722,794
49778	2001	Tower / Collax Intersection	—	200,000	—	200,000	—	4,925	4,925	195,075	—	195,075
49779	2001	Direct Costs-Design Engr	—	690,000	(689,755)	245	—	—	245	—	—	245
49780	2001	Rebuild Fence - Potomac	—	50,000	4,000	54,000	—	37,187	37,187	16,813	16,813	—
49998	1999	Anticipated C/PF Match Programs	596,913	—	(596,913)	—	—	—	—	—	—	—
<b>Total Public Works</b>			<b>83,647,663</b>	<b>14,829,681</b>	<b>—</b>	<b>98,477,344</b>	<b>69,903,334</b>	<b>14,507,267</b>	<b>84,410,601</b>	<b>14,066,743</b>	<b>1,895,228</b>	<b>12,171,515</b>
<b>POLICE</b>												
55702	1996	Police Facility Master Plan	75,000	—	—	75,000	71,996	—	71,996	3,004	—	3,004
55704	1999	Police Firing Range Repair/Exp	250,000	—	(3,343)	246,657	246,657	—	246,657	—	—	—
55705	2000	Police Subs Remodel Bldg 100	3,500,000	—	3,343	3,503,343	99,228	3,374,785	3,474,013	29,330	24,132	5,198
55706	2000	New Range Bldg / Practice Area	70,000	97,000	(70,000)	97,000	—	6,732	6,732	90,268	14,674	75,594
55707	2001	District III Substat GO 00 BOND	—	6,521,000	—	6,521,000	—	135,697	135,697	6,385,303	6,170,351	214,952
55708	2001	Sched & Attendance Software	—	—	70,000	70,000	—	—	—	70,000	—	70,000
<b>Total Police</b>			<b>3,895,000</b>	<b>6,618,000</b>	<b>—</b>	<b>10,513,000</b>	<b>417,881</b>	<b>3,517,214</b>	<b>3,935,095</b>	<b>6,577,905</b>	<b>6,209,157</b>	<b>368,748</b>
<b>FIRE</b>												
58704	2001	Fire Station #1 Remodel 00 BND	—	—	368,000	368,000	—	272	272	367,728	—	367,728
58707	1997	Whelen Warning System	190,000	30,000	—	220,000	108,170	—	108,170	111,830	—	111,830
58713	2001	Fire Stat #13 GO 00 Bond	—	2,582,000	271,293	2,853,293	—	444,740	444,740	2,408,553	2,291,771	116,782
58714	2001	Fire Station #14 GO 00 Bond	—	2,582,000	(271,293)	2,310,707	—	451,037	451,037	1,859,670	1,569,218	290,452
58715	2001	Rebuild Fire Stat #3 GO 00 Bond	—	2,178,000	—	2,178,000	—	77,349	77,349	2,100,651	1,642,883	457,768
58716	2000	Fire Lease Expense	75,000	—	—	75,000	67,795	3,865	71,660	3,340	—	3,340
58717	2001	Fire Station #11	—	2,281,000	—	2,281,000	—	406,117	406,117	1,874,883	1,561,639	313,244
58718	2001	Fire Station #7 Additions 00BND	—	—	600,000	600,000	—	237	237	599,763	—	599,763
<b>Total Fire</b>			<b>265,000</b>	<b>9,653,000</b>	<b>968,000</b>	<b>10,886,000</b>	<b>175,965</b>	<b>1,383,617</b>	<b>1,559,582</b>	<b>9,326,418</b>	<b>7,065,511</b>	<b>2,260,907</b>

EXHIBIT D-4

CITY OF AURORA, COLORADO

CITY CAPITAL PROJECTS FUND  
SCHEDULE OF EXPENDITURES AND APPROPRIATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2001

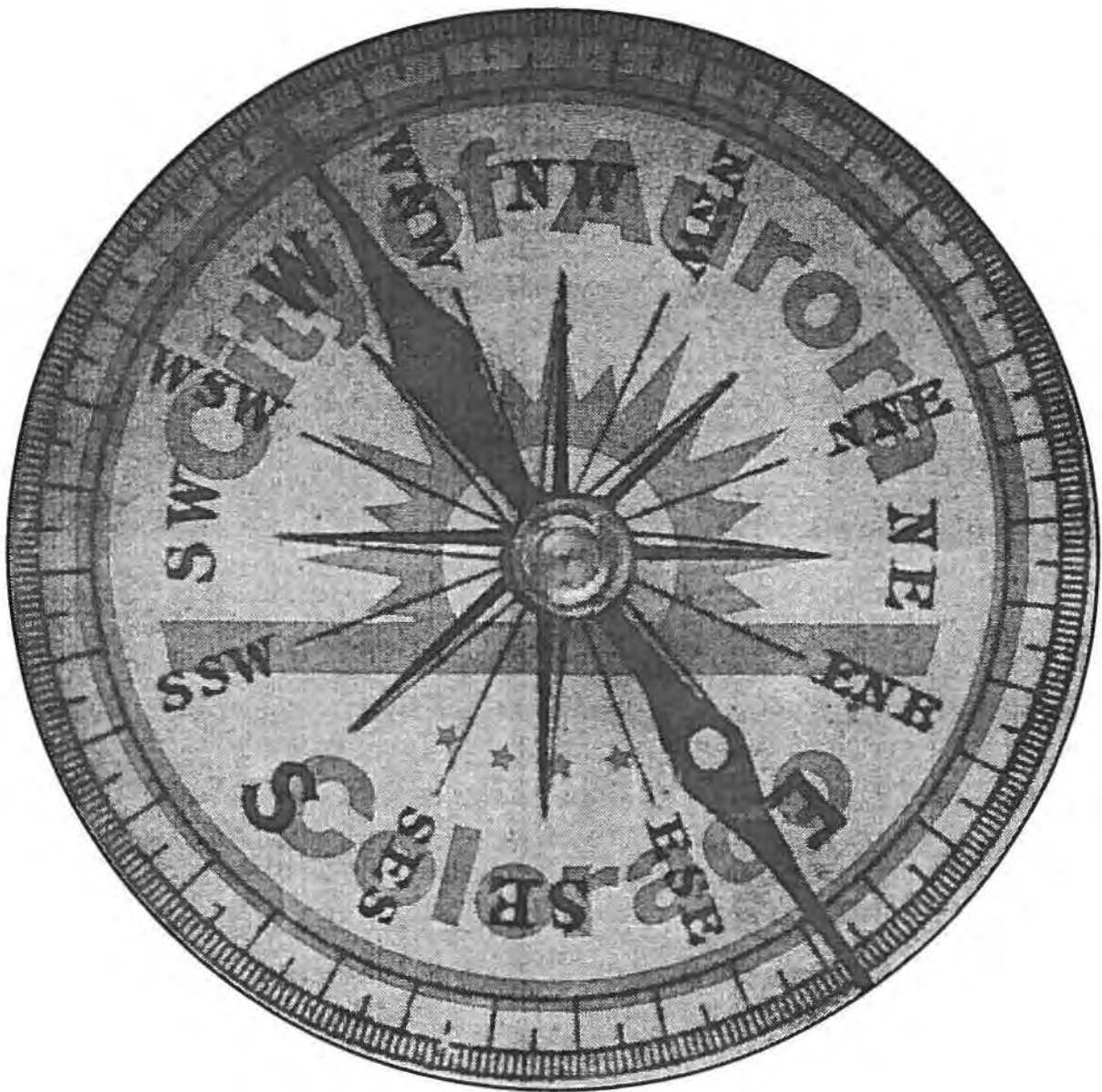
Project Number	Year Project Started	Project Description	Appropriations				Expenditures			Balances December 31		
			Cumulative January 1	2001	Transfers To / (From) Project	Cumulative December 31	Cumulative January 1	2001	Cumulative December 31	Cumulative Unspent Appropriations	Encumbered	Unencumbered
PARKS AND OPEN SPACE												
60701	2001	Expand/Improve Centri Site-FMP	\$	\$ 239,700	\$ (239,700)	\$	\$	\$	\$	\$	\$	\$
60702	2001	Fire Dept Annex/EMS Facil-FMP		2,932,000	(2,932,000)							
60703	2001	Grade & Relocate Tree Nurs-FMP		237,000	(237,000)							
60704	2000	Lg. Vehicle Maint Facility-FMP		(6,221,000)	6,221,000							
61701	1994	Median Development	6,804,966	980,000	363,933	8,148,899	6,297,024	1,046,784	7,343,808	805,091	386,489	418,602
61702	1995	Airport Blvd Corridor Landscape	1,203,591		(298,292)	905,299	905,299		905,299			
61738	1994	Park Security Lighting	135,000		(19,156)	115,844	115,844		115,844			
61750	1996	Public Building Landscaping	159,766			159,766	158,480		158,480	1,286		1,286
61770	1997	Sand Creek Greenway-CPF	851,332	200,000	22,630	1,073,962	848,131	152,650	1,000,781	73,181		73,181
61772	1997	Natural Open Space Acq	848,326	150,000		998,326	320,511	677,815	998,326			
61780	1998	Fitzsimons Park & Sport Facilities	50,000		(42,236)	7,764		7,764				
61781	1998	Pool Renovation	85,000	30,000		115,000	76,386	38,614	115,000			
61782	1998	Fletcher Plaza	126,906		(24,083)	102,823	102,823		102,823			
61784	1998	Facilities Study	500,000	665,000		1,165,000	458,623	124,743	583,366	581,634	55,476	526,158
61798	1998	Mission Viejo Trail Replacement	101,969		(69,339)	32,630	32,630		32,630			
61803	1998	Fitz EDA Project	1,150,000			1,150,000	867,397	282,603	1,150,000			
61810	1999	Expo Park Redevelopment	560,131		(300,000)	260,131	260,131		260,131			
61811	1999	Building Security/Surveillance	50,000	50,000		100,000	20,618		20,618	79,382		79,382
61813	1999	Athletic Field Renovation	115,954		(34,561)	81,393	81,393		81,393			
61814	1999	City Park/Collax Parking Lot	153,660		(144,560)	9,100	9,100		9,100			
61825	1999	Sports Park Construction	16,092,576			16,092,576	3,945,014	10,556,877	14,501,891	1,590,685	1,569,195	21,490
61826	2001	Direct Costs-Design, Engr		145,000	(145,000)							
61827	2000	Lowry Park	20,120		(5,000)	15,120			15,120			15,120
61836	2000	CPF Sports Park Construction	1,050,000	1,194,000		2,244,000		600,417	600,417	1,643,583	1,576,358	67,225
61839	2001	Beautification/Image Projects			168,644	168,644				168,644		168,644
61840	2001	Systemwide Improvements - CPF			27,136	27,136		10,786	10,786	16,350		16,350
61841	2001	Park / Open Space Acquis CPF		350,000	7,070	357,070		13,682	13,682	343,388		343,388
61842	2001	Greenways / Trails - CPF			94,759	94,759		94,759	94,759			
61843	2001	Parks OS Infrastructure - CPF		50,000	383,425	433,425		365,666	365,666	67,759	18,990	48,769
61844	2001	New Neighborhood Parks - CPF		80,000		80,000		11,030	11,030	68,970		68,970
61845	2001	Rec Center Renov/Develop - CPF		500,000	(500,000)							
61846	2001	Utah Park/Tennis Center CPF		175,000	14,630	189,630		22,464	22,464	167,166		167,166
62701	2001	Aqua Vista Park - BOND		400,000		400,000		4,650	4,650	395,350		395,350
62702	2001	Aurora Reservoir Buller - BOND		3,000,000		3,000,000		868,267	868,267	2,131,733		2,131,733
62703	2001	Great Plains Comm Park - BOND		1,200,000		1,200,000				1,200,000		1,200,000
62704	2001	Greenways / Trails - BOND		500,000		500,000				500,000	8,188	491,812
62705	2001	Havana West Neighb Park - BOND		1,225,000		1,225,000				1,225,000		1,225,000
62706	2001	Kentucky/Buckley Nigh Park-BOND		625,000		625,000		2,860	2,860	622,140		622,140
62707	2001	Olympic Park Expansion - BOND		750,000		750,000				750,000	5,640	744,360
		Total Parks and Open Space	30,059,297	9,456,700	2,312,300	41,828,297	14,507,168	14,874,667	29,381,835	12,446,462	3,620,336	8,826,126
DEVELOPMENT SERVICES												
71701	1996	Economic Development Infrastructure	3,250,000		(3,000,000)	250,000	87,100		87,100	162,900		162,900
71702	2000	Fitzsimons Redevelopment	2,000,000	1,000,000		3,000,000		16,350	16,350	2,983,650		2,983,650
71703	2001	North Aurora Redevelopment			1,900,000	1,900,000		1,900,000	1,900,000			
		Total Development Services	5,250,000	1,000,000	(1,100,000)	5,150,000	87,100	1,916,350	2,003,450	3,146,550		3,146,550
		TOTAL CAPITAL PROJECTS FUND CAPITAL PROJECTS	\$ 135,899,280	\$ 63,133,210	\$ 7,558,000	\$ 206,580,490	\$ 94,088,039	\$ 40,642,306	\$ 134,730,345	\$ 71,850,145	\$ 24,952,819	\$ 46,897,326
		Appropriated bond proceeds										(20,301,042)
		Appropriations on reimbursable grants										(2,231,533)
		Designated for subsequent year - capital projects										\$ 24,364,751

EXHIBIT D-5

CITY OF AURORA, COLORADO

ACLC CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 FOR THE YEAR ENDED DECEMBER 31, 2001

Project Number	Year Project Started	Project Description	Revenues			Expenditures			Balances December 31			
			Cumulative January 1	2001	Transfers To (From) project	Cumulative December 31	Cumulative January 1	2001	Cumulative December 31	Cumulative Unspent Funds	Encumbered	Unencumbered
OPERATIONS GROUP MANAGEMENT												
46700	2000	ACLC-Municipal Center Constrct	\$ 66,499,338	\$ 3,209,512	\$ —	\$ 69,708,850	\$ 115,188	\$ 8,955,670	\$ 9,070,858	\$ 60,637,992	\$ 58,240,399	\$ 2,397,593
TOTAL ACLC CAPITAL PROJECTS			<u>\$ 66,499,338</u>	<u>\$ 3,209,512</u>	<u>\$ —</u>	<u>\$ 69,708,850</u>	<u>\$ 115,188</u>	<u>\$ 8,955,670</u>	<u>\$ 9,070,858</u>	<u>\$ 60,637,992</u>	<u>\$ 58,240,399</u>	<u>2,397,593</u>
Add Unappropriated COPs proceeds											<u>3,434</u>	
Reserved for construction											<u>\$ 2,401,027</u>	



## **ENTERPRISE FUNDS**

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 the periodic determination of revenues, expenses, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

### ***Water Fund***

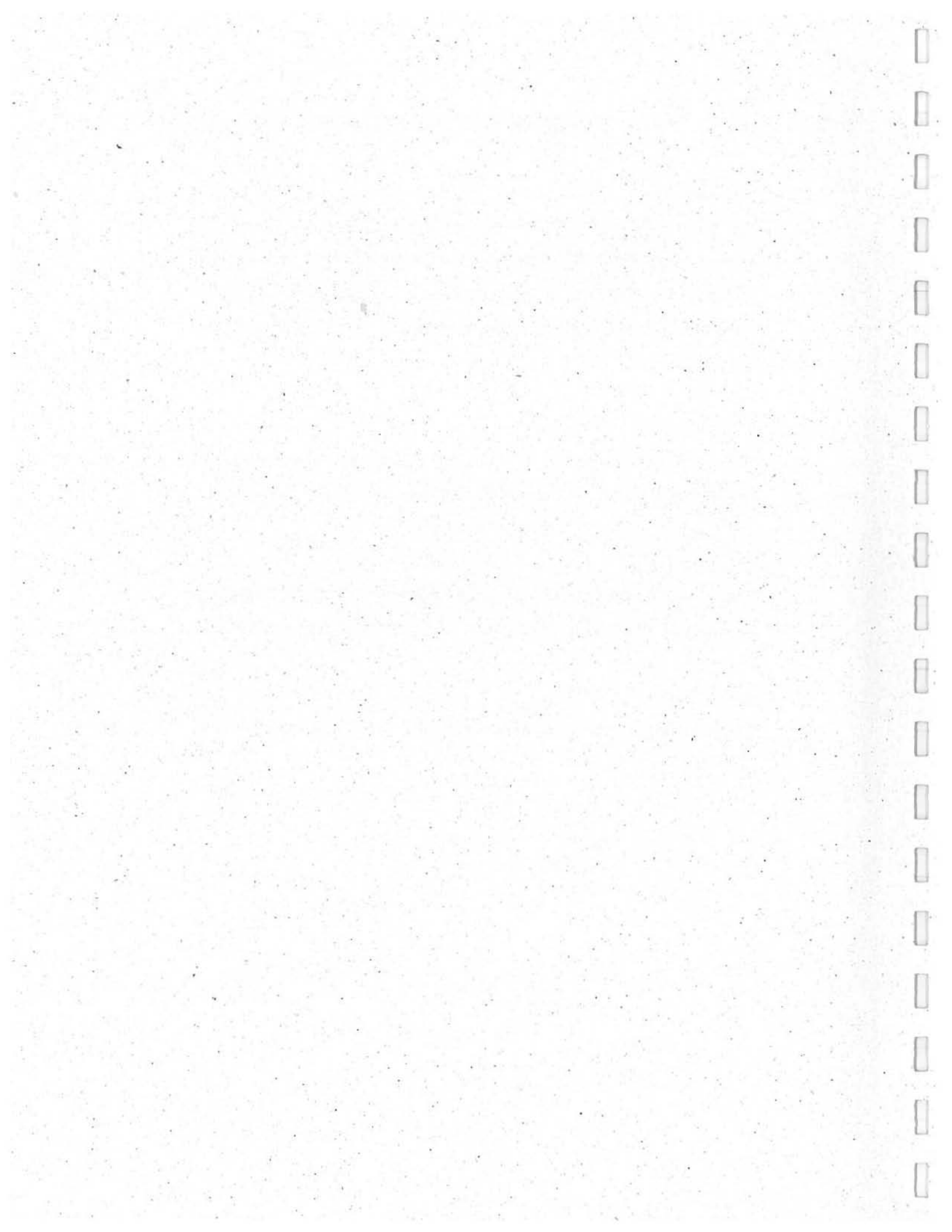
The Water Fund accounts for the acquisition of water and water rights and for the operation and maintenance of the water plant and distribution system.

### ***Sewer Fund***

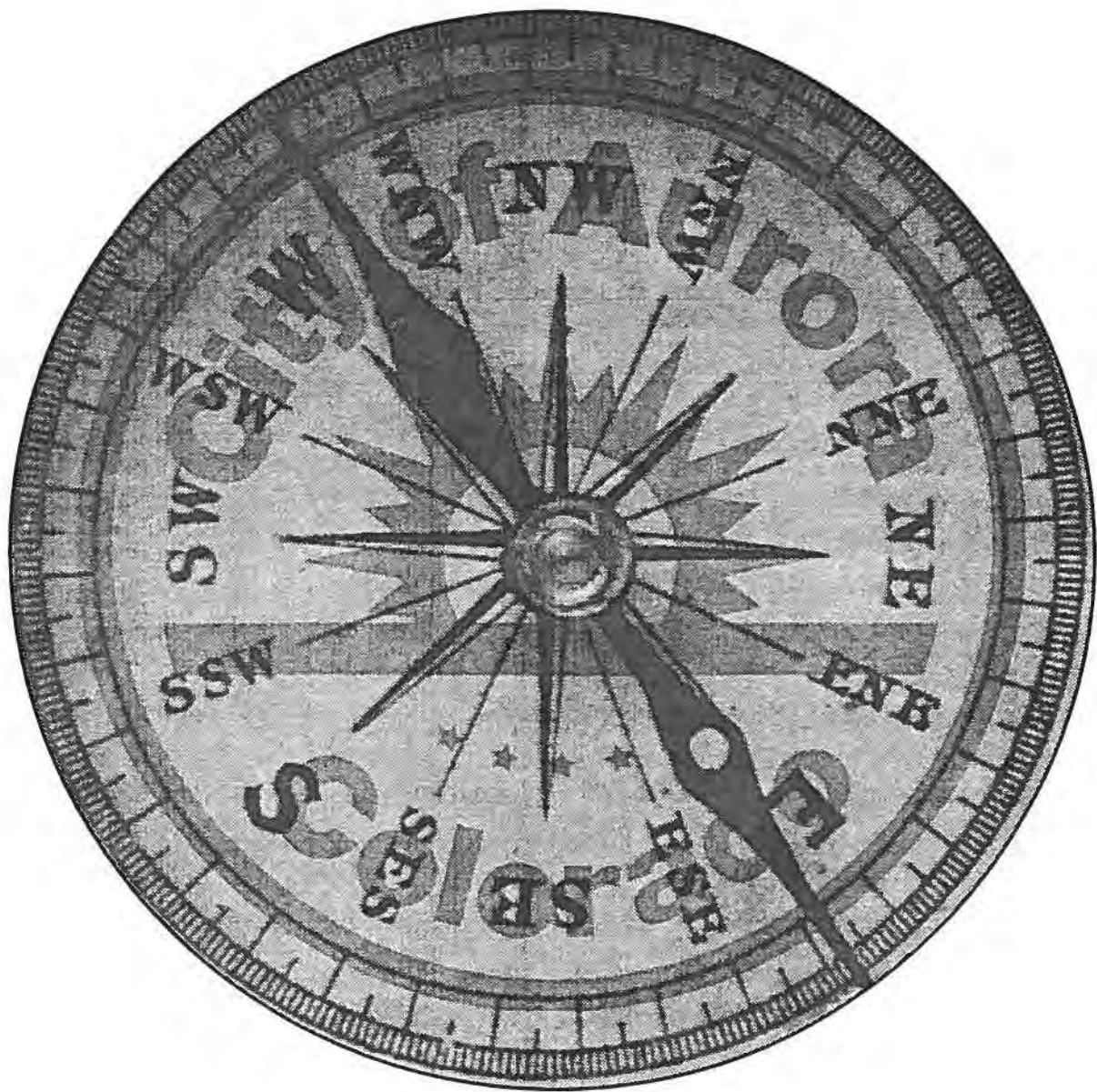
The Sewer Fund accounts for the systems and operations used in treating and disposing of wastewater from sanitary sewer and storm drain activities.

### ***Golf Fund***

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







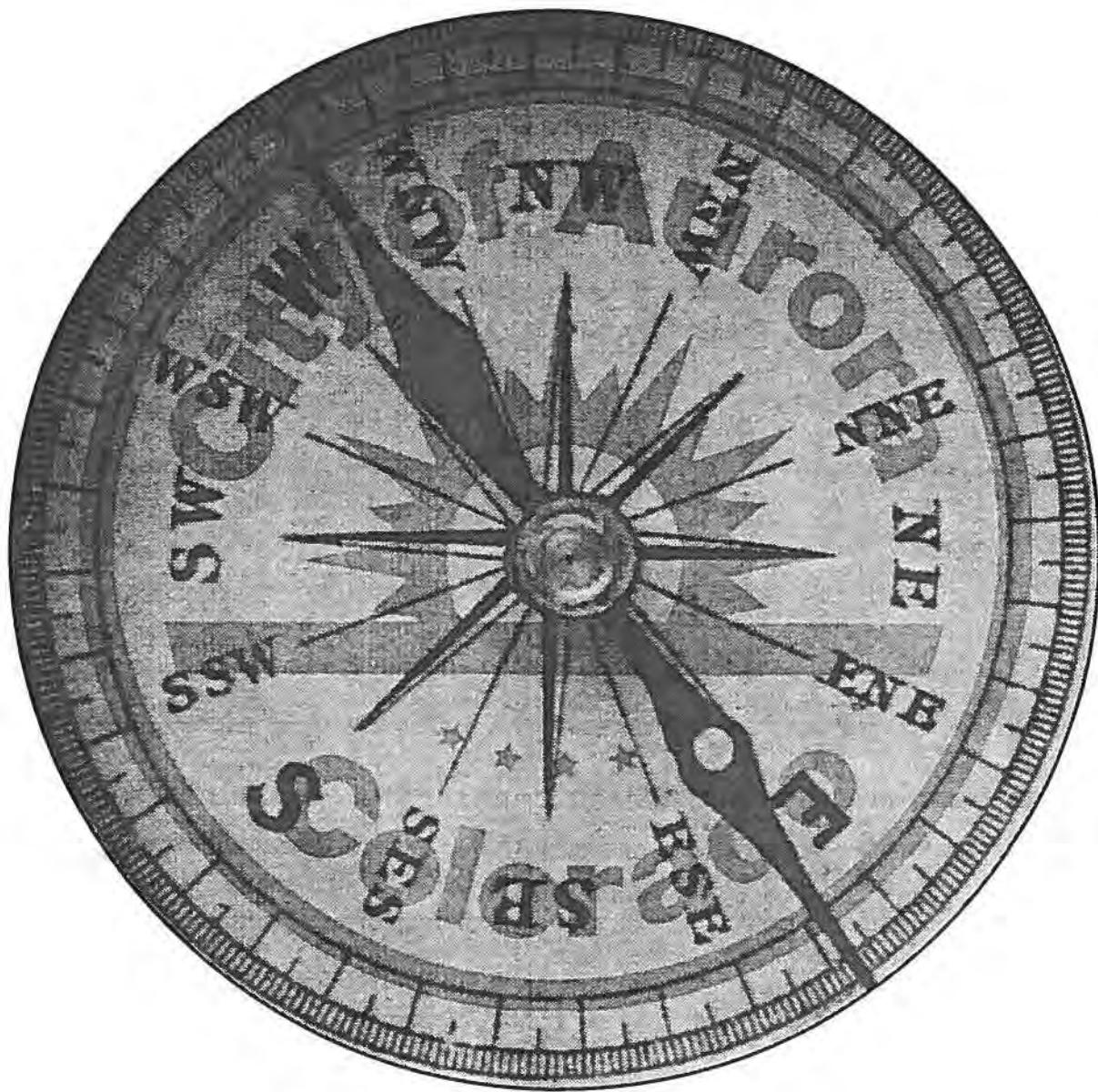
**EXHIBIT E-1**

**CITY OF AURORA, COLORADO**

**ENTERPRISE FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2001**

ASSETS	Water	Sewer	Golf	Totals
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 1,420	\$ 50	\$ 10,630	\$ 12,100
Equity in cash and cash equivalents	2,595,599	—	171,461	2,767,060
Investments	—	—	14,664	14,664
Equity in investments	39,072,373	7,635,006	1,066,619	47,773,998
Designated equity in investments	25,805,966	24,443,874	—	50,249,840
Receivables				
Accounts (net of allowance for uncollectibles)	3,198,557	2,512,342	—	5,710,899
Accrued interest	543,427	188,538	26,719	758,684
Designated accrued interest	260,269	264,524	—	524,793
Loans	—	—	205,080	205,080
Other	2,581	—	60,877	63,458
Inventory	—	—	467,098	467,098
Total current assets	<u>71,480,192</u>	<u>35,044,334</u>	<u>2,023,148</u>	<u>108,547,674</u>
<b>RESTRICTED ASSETS</b>				
Cash and cash equivalents	—	684,888	—	684,888
Investments	—	16,934,390	664,673	17,599,063
Equity in investments	4,972,546	1,250,000	600,000	6,822,546
Accrued interest	—	—	10,476	10,476
Total restricted assets	<u>4,972,546</u>	<u>18,869,278</u>	<u>1,275,149</u>	<u>25,116,973</u>
<b>DEFERRED CHARGES</b>	245,421	73,987	133,002	452,410
<b>LONG-TERM INTERFUND RECEIVABLE</b>	—	6,144,000	—	6,144,000
<b>EQUITY IN JOINT VENTURE</b>	2,378,507	—	—	2,378,507
<b>PROPERTY AND EQUIPMENT</b>				
Land and water rights	135,156,595	5,010,857	15,175,438	155,342,890
Buildings and improvements	46,157,115	6,884,430	4,049,201	57,090,746
Improvements other than buildings	308,860,457	172,749,260	16,488,621	498,098,338
Machinery and equipment	22,645,743	5,656,825	4,928,546	33,231,114
Accumulated depreciation	(79,191,029)	(40,338,600)	(6,373,572)	(125,903,201)
Construction in progress	1,063,228	28,099,171	—	29,162,399
Water rights in progress	2,318,884	—	—	2,318,884
Net property and equipment	<u>437,010,993</u>	<u>178,061,943</u>	<u>34,268,234</u>	<u>649,341,170</u>
<b>TOTAL ASSETS</b>	<u>\$ 516,087,659</u>	<u>\$ 238,193,542</u>	<u>\$ 37,699,533</u>	<u>\$ 791,980,734</u>

LIABILITIES AND FUND EQUITY	Water	Sewer	Golf	Totals
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 4,210,127	\$ 2,687,441	\$ 90,197	\$ 6,987,765
Accrued liabilities	864,743	513,070	97,706	1,475,519
Accrued compensated absences	1,008,871	464,693	365,687	1,839,251
Funds held for others	114,246	—	205,080	319,326
Deferred revenues	—	—	20,933	20,933
Current portion - long-term debt				
General obligation bonds payable	10,430,000	—	—	10,430,000
Revenue bonds payable	858,670	2,868,303	295,000	4,021,973
Capitalized leases	—	—	200,152	200,152
Notes payable	50,311	—	—	50,311
Long-term interfund payable	—	—	256,000	256,000
Total current liabilities	<u>17,536,968</u>	<u>6,533,507</u>	<u>1,530,755</u>	<u>25,601,230</u>
<b>LONG-TERM LIABILITIES</b>				
General obligation bonds payable	75,185,000	—	—	75,185,000
Net unamortized bond discounts	(1,382,084)	(40,628)	(77,185)	(1,499,897)
Revenue bonds payable	12,482,921	19,979,841	5,825,000	38,287,762
Capitalized leases	—	—	370,458	370,458
Notes payable	352,178	—	—	352,178
Long-term interfund payable	—	—	5,888,000	5,888,000
Total long-term liabilities	<u>86,638,015</u>	<u>19,939,213</u>	<u>12,006,273</u>	<u>118,583,501</u>
Total liabilities	<u>104,174,983</u>	<u>26,472,720</u>	<u>13,537,028</u>	<u>144,184,731</u>
<b>FUND EQUITY</b>				
Contributed capital				
Developers	243,958,122	107,851,052	—	351,809,174
Municipality	7,171,846	2,640,168	2,638,629	12,450,643
Federal	121,018	798,737	—	919,755
State	172,396	50,482	—	222,878
Other	815,989	4,713,766	13,923,154	19,452,909
Total contributed capital	<u>252,239,371</u>	<u>116,054,205</u>	<u>16,561,783</u>	<u>384,855,359</u>
Retained earnings				
Reserved for debt service	—	3,815,916	664,673	4,480,589
Reserved for repair and replacement	—	—	600,000	600,000
Reserved for operations and maintenance	4,972,547	1,250,000	—	6,222,547
Unreserved	154,700,758	90,600,701	6,336,049	251,637,508
Total retained earnings	<u>159,673,305</u>	<u>95,666,617</u>	<u>7,600,722</u>	<u>262,940,644</u>
Total fund equity	<u>411,912,676</u>	<u>211,720,822</u>	<u>24,162,505</u>	<u>647,796,003</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 516,087,659</u>	<u>\$ 238,193,542</u>	<u>\$ 37,699,533</u>	<u>\$ 791,980,734</u>



**EXHIBIT E-2**

**CITY OF AURORA, COLORADO**

**ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN RETAINED EARNINGS  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Water</u>	<u>Sewer</u>	<u>Golf</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>				
Charges for services				
Customers	\$ 36,662,654	\$ 22,606,204	\$ 9,379,822	\$ 68,648,680
Fire protection	354,277	—	—	354,277
Total charges for services	<u>37,016,931</u>	<u>22,606,204</u>	<u>9,379,822</u>	<u>69,002,957</u>
Miscellaneous	16,610	—	75,000	91,610
Total operating revenues	<u>37,033,541</u>	<u>22,606,204</u>	<u>9,454,822</u>	<u>69,094,567</u>
<b>OPERATING EXPENSES</b>				
Personal services	8,323,319	4,846,241	3,933,837	17,103,397
Supplies	2,329,279	531,753	1,396,544	4,257,576
Other services and charges	11,191,030	12,242,283	1,866,295	25,299,608
Depreciation	4,988,693	3,001,033	1,044,843	9,034,569
Total operating expenses	<u>26,832,321</u>	<u>20,621,310</u>	<u>8,241,519</u>	<u>55,695,150</u>
Operating income	<u>10,201,220</u>	<u>1,984,894</u>	<u>1,213,303</u>	<u>13,399,417</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	4,931,884	2,902,973	180,636	8,015,493
Intergovernmental revenue	807,405	—	—	807,405
Miscellaneous revenues	39,400	45,475	22	84,897
Capital contributions	34,214,004	18,687,969	—	52,901,973
Interest expense	(3,803,318)	(115,678)	(781,896)	(4,700,892)
Gain (loss) on disposal of assets	(5,176,352)	7,659	(69)	(5,168,762)
Amortization expense	(718,646)	(28,836)	(12,943)	(760,425)
Loss on equity in joint venture	(64,430)	—	—	(64,430)
Net nonoperating revenues (expenses)	<u>30,229,947</u>	<u>21,499,562</u>	<u>(614,250)</u>	<u>51,115,259</u>
Income before operating transfers	<u>40,431,167</u>	<u>23,484,456</u>	<u>599,053</u>	<u>64,514,676</u>
Operating transfers in	—	—	22,555	22,555
Operating transfers out	—	—	(40,000)	(40,000)
<b>NET INCOME</b>	<u>40,431,167</u>	<u>23,484,456</u>	<u>581,608</u>	<u>64,497,231</u>
<b>RETAINED EARNINGS - JANUARY 1</b>	<u>119,242,138</u>	<u>72,182,161</u>	<u>7,019,114</u>	<u>198,443,413</u>
<b>RETAINED EARNINGS - DECEMBER 31</b>	<u>\$ 159,673,305</u>	<u>\$ 95,666,617</u>	<u>\$ 7,600,722</u>	<u>\$ 262,940,644</u>

EXHIBIT E-3

CITY OF AURORA, COLORADO

ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2001

	Water	Sewer	Golf	Totals
<b>OPERATING ACTIVITIES</b>				
Cash received from customers and others	\$ 37,189,708	\$ 23,119,235	\$ 9,538,010	\$ 69,866,953
Cash payments to employees	(8,237,075)	(4,792,115)	(3,886,979)	(16,916,169)
Cash payments to suppliers for goods and services	(13,124,843)	(12,794,279)	(3,257,537)	(29,176,659)
Net cash provided by operating activities	<u>15,827,790</u>	<u>5,552,841</u>	<u>2,393,494</u>	<u>23,774,125</u>
<b>NONCAPITAL FINANCING ACTIVITIES</b>				
Operating transfers in	—	—	22,555	22,555
Operating transfers out	—	—	(40,000)	(40,000)
Net cash used in noncapital financing activities	<u>—</u>	<u>—</u>	<u>(17,445)</u>	<u>(17,445)</u>
<b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Construction and acquisition of capital assets	(9,783,289)	(6,510,847)	(526,566)	(16,820,702)
Proceeds from sale of capital assets	52,108	17,152	450	69,710
Cash received from capital contributions	24,171,071	6,329,143	—	30,500,214
Cash paid for bond principal	(10,972,204)	(2,766,773)	(280,000)	(14,018,977)
Cash paid for bond interest/agency fees	(4,439,553)	(943,733)	(378,257)	(5,761,543)
Cash paid for loan interest	—	—	(374,708)	(374,708)
Cash received for interfund loan principal	—	256,000	—	256,000
Cash paid for interfund loan principal	—	—	(256,000)	(256,000)
Payments to joint venture	(348,571)	—	—	(348,571)
CIP participating revenues	807,405	—	—	807,405
Cash paid for note payable principal	(50,311)	—	—	(50,311)
Cash paid for note payable interest	(22,640)	—	—	(22,640)
Cash paid for capitalized lease principal	—	—	(225,034)	(225,034)
Cash paid for capitalized lease interest	—	—	(36,861)	(36,861)
Net cash used in capital and related financing activities	<u>(585,984)</u>	<u>(3,619,058)</u>	<u>(2,076,976)</u>	<u>(6,282,018)</u>
<b>INVESTING ACTIVITIES</b>				
Increase in equity in pool investments	(28,417,542)	(6,604,570)	(501,076)	(35,523,188)
Decrease in investments	—	—	65,826	65,826
Decrease in restricted cash	—	78,850	—	78,850
Decrease in restricted investments	6,478,119	1,948,229	—	8,426,348
Decrease in equity in restricted investments	3,528,486	—	—	3,528,486
Net appreciation in fair value of investments	1,505,665	696,852	56,461	2,258,978
Interest received	2,958,464	1,946,856	102,807	5,008,127
Net cash used in investing activities	<u>(13,946,808)</u>	<u>(1,933,783)</u>	<u>(275,982)</u>	<u>(16,156,573)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>1,294,998</u>	<u>—</u>	<u>23,091</u>	<u>1,318,089</u>
<b>TOTAL CASH AND CASH EQUIVALENTS, JANUARY 1</b>	<u>1,302,021</u>	<u>50</u>	<u>159,000</u>	<u>1,461,071</u>
<b>TOTAL CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<u>\$ 2,597,019</u>	<u>\$ 50</u>	<u>\$ 182,091</u>	<u>\$ 2,779,160</u>

	Water	Sewer	Golf	Totals
Amounts reported on combining balance sheet				
Cash and cash equivalents	\$ 1,420	\$ 50	\$ 10,630	\$ 12,100
Equity in cash and cash equivalents	2,595,599	—	171,461	2,767,060
Total cash and cash equivalents, December 31	<u>\$ 2,597,019</u>	<u>\$ 50</u>	<u>\$ 182,091</u>	<u>\$ 2,779,160</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
OPERATING INCOME	<u>\$ 10,201,220</u>	<u>\$ 1,984,894</u>	<u>\$ 1,213,303</u>	<u>\$ 13,399,417</u>
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Miscellaneous nonoperating revenues	39,400	45,475	22	84,897
Depreciation	4,988,693	3,001,033	1,044,843	9,034,569
Changes in operating assets and liabilities				
Accounts receivable	118,492	487,558	216	606,266
Due from other funds	—	—	(60,877)	(60,877)
Other receivables	(1,724)	—	—	(1,724)
Inventory	—	—	(18,565)	(18,565)
Accounts payable	395,970	(20,243)	53,926	429,653
Accrued liabilities	22,501	26,190	12,860	61,551
Accrued compensated absences	63,742	27,934	33,998	125,674
Prepaid	—	—	(30,059)	(30,059)
Funds held for others	(504)	—	205,080	204,576
Deferred revenue	—	—	(61,253)	(61,253)
Total adjustments	<u>5,626,570</u>	<u>3,567,947</u>	<u>1,180,191</u>	<u>10,374,708</u>
Net cash provided by operating activities	<u>\$ 15,827,790</u>	<u>\$ 5,552,841</u>	<u>\$ 2,393,494</u>	<u>\$ 23,774,125</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Borrowing under capital lease	\$ —	\$ —	\$ 121,208	\$ 121,208
Contributions of capital assets from developers	10,042,933	12,228,826	—	22,271,759
Contributions of capital assets from governments	—	130,000	—	130,000
Increase in fair value of investments	1,505,665	696,852	56,461	2,258,978

EXHIBIT E-4

CITY OF AURORA, COLORADO

ENTERPRISE FUNDS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE -  
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2001

	Water			Sewer			Golf		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
FUNDS AVAILABLE - JANUARY 1	\$ 18,582,443	\$ 12,756,152	\$ (5,826,291)	\$ 9,122,474	\$ 9,576,851	\$ 454,377	\$ 876,921	\$ 368,095	\$ (508,826)
REVENUES									
Operating revenues	33,641,800	37,033,541	3,391,741	22,159,280	22,606,204	446,924	9,582,000	9,454,822	(127,178)
Development fees	18,613,100	23,129,951	4,516,851	7,592,000	5,839,235	(1,752,765)	120,000	—	(120,000)
Annexation fees	250,000	1,041,120	791,120	25,000	489,908	464,908	—	—	—
Investment income	2,015,300	3,426,219	1,410,919	1,161,200	2,079,270	918,070	100,000	124,176	24,176
Intergovernmental revenue	—	807,405	807,405	—	—	—	—	—	—
Miscellaneous	54,600	39,400	(15,200)	17,300	45,475	28,175	—	22	22
Proceeds from sale of assets	52,000	52,108	108	20,400	17,152	(3,248)	—	450	450
Proceeds from long term borrowings	—	—	—	9,000,000	—	(9,000,000)	—	—	—
Operating transfer in	—	—	—	—	—	—	—	22,555	22,555
Interfund payable principal received	—	—	—	550,000	256,000	(294,000)	—	—	—
Total revenues	54,626,800	65,529,744	10,902,944	40,525,180	31,333,244	(9,191,936)	9,802,000	9,602,025	(199,975)
EXPENDITURES									
Utilities	35,322,549	35,049,658	272,891	22,925,506	21,387,488	1,538,018	9,449,061	8,882,050	567,011
Total expenditures	35,322,549	35,049,658	272,891	22,925,506	21,387,488	1,538,018	9,449,061	8,882,050	567,011
Excess of revenues over expenditures - budgetary basis	19,304,251	30,480,086	11,175,835	17,599,674	9,945,756	(7,653,918)	352,939	719,975	367,036
OTHER CHANGES TO FUNDS AVAILABLE									
Decrease (increase) in assets restricted by bond covenant	—	3,528,486	3,528,486	—	(16,000)	(16,000)	—	—	—
Cash receipt from Urban Drainage	—	—	—	—	78,850	78,850	—	—	—
Capital project appropriation	(14,181,154)	(14,181,154)	—	(4,285,553)	(4,285,553)	—	(330,000)	(330,000)	—
Total other changes to funds available	(14,181,154)	(10,652,668)	3,528,486	(4,285,553)	(4,222,703)	62,850	(330,000)	(330,000)	—
FUNDS AVAILABLE - DECEMBER 31	\$ 23,705,540	\$ 32,583,570	\$ 8,878,030	\$ 22,436,595	\$ 15,299,904	\$ (7,136,691)	\$ 899,860	\$ 758,070	\$ (141,790)



	<u>Water</u> <u>Actual</u>	<u>Sewer</u> <u>Actual</u>	<u>Golf</u> <u>Actual</u>
<b>RECONCILIATION TO NET INCOME</b> <b>(GAAP BASIS)</b>			
Excess of revenues over expenditures budgetary basis	\$ 30,480,086	\$ 9,945,756	\$ 719,975
Add			
Capital outlay	419,556	680,045	307,774
Bonds, notes, and capital lease payable principal payments	10,972,204	2,766,773	761,034
Capitalized interest	669,705	806,098	—
Capital Contributions	34,214,004	18,687,969	—
Gain on disposal of asset	—	7,659	—
Current year operating encumbrances	372,650	83,093	20,298
Payments made to joint venture	348,571	—	—
Increase in inventory	—	—	18,565
Interest on escrow cash	—	126,850	—
Adjust investments to fair value	1,505,665	696,852	56,461
Less:			
Depreciation	(4,988,693)	(3,001,033)	(1,044,843)
Proceeds from sale of assets	(52,108)	(17,152)	(450)
Loss on disposal of assets	(5,176,352)	—	(69)
Development fees	(23,129,951)	(5,839,235)	—
Annexation fees	(1,041,120)	(489,908)	—
Prior year operating encumbrances	(474,689)	(198,738)	(93,130)
Increase in accrued compensated absences	(63,742)	(27,934)	(33,999)
Loss on equity in joint venture	(64,430)	—	—
Interfund loan principal received	—	(256,000)	—
Amortization of issue and discount costs	(718,646)	(28,836)	(12,943)
Noncapitalizable construction projects	(2,841,543)	(457,803)	(117,065)
<b>NET INCOME (GAAP BASIS)</b>	<b><u>\$ 40,431,167</u></b>	<b><u>\$ 23,484,456</u></b>	<b><u>\$ 581,608</u></b>

See accompanying independent auditors' report.

EXHIBIT E-5

CITY OF AURORA, COLORADO

ENTERPRISE FUNDS  
 SCHEDULE OF EXPENDITURES AND APPROPRIATIONS  
 WATER FUND CAPITAL PROJECTS  
 FOR THE YEAR ENDED DECEMBER 31, 2001

Project Number	Year Project Started	Project Description	Appropriations			Expenditures			Balance December 31			
			Cumulative January 1	2001	Transfers To / (From) Project	Cumulative December 31	Cumulative January 1	2001	Cumulative December 31	Cumulative Unspent Appropriations	Encumbered	Unencumbered
<b>UTILITIES</b>												
<b>WATER SYSTEM SECURITY</b>												
52902	2001	Water System Security	\$ —	\$ —	\$ 250,000	\$ 250,000	\$ —	\$ 2,251	\$ 2,251	\$ 247,749	\$ 44,941	\$ 202,808
		Total Water System Security	—	—	250,000	250,000	—	2,251	2,251	247,749	44,941	202,808
<b>SI OTHERS/BENEFITS ENTIRE CITY</b>												
52862	1999	Griswold Water Plant Renovation Loan	14,999,899	277,596	—	15,277,495	12,831,156	2,446,339	15,277,495	—	—	—
		Total SI Others/Benefits Entire City	14,999,899	277,596	—	15,277,495	12,831,156	2,446,339	15,277,495	—	—	—
<b>FRONT RANGE AIRPORT AREA</b>												
52833	1999	Activate #2 Arapahoe Well FRAA	25,000	200,000	—	225,000	—	—	—	225,000	—	225,000
52845	1999	Front Range Airport Pump Station	350,000	—	—	350,000	54,563	107,681	162,244	187,756	31,703	156,053
		Total Front Range Airport Area	375,000	200,000	—	575,000	54,563	107,681	162,244	412,756	31,703	381,053
<b>FITZSIMONS</b>												
52784	1997	Fitzsimons Connections Zone 2	258,268	—	—	258,268	77,720	43,445	121,165	137,103	—	137,103
52836	1999	Fitzsimons Line Replacement	326,003	75,000	—	401,003	326,003	—	326,003	75,000	—	75,000
52860	2000	SI Oversizing Fitzsimons Water Line	280,000	—	—	280,000	—	26,834	26,834	253,166	—	253,166
		Total Fitzsimons	864,271	75,000	—	939,271	403,723	70,279	474,002	465,269	—	465,269
<b>OTHERS / BENEFITS ENTIRE CITY</b>												
52701	1994	Misc Intergovernmental Water Project	380,000	50,000	—	430,000	219,845	10	219,855	210,145	—	210,145
52702	1994	CF Misc. Transmission Mains	1,828,650	300,000	(297,628)	1,831,022	795,615	135,299	930,914	900,108	—	900,108
52712	1994	Cherry Creek Well Field	1,260,000	—	—	1,260,000	900,426	25,151	925,577	334,423	—	334,423
52714	1994	Chambers - S Joplin Way	211,000	—	—	211,000	—	24,590	24,590	186,410	—	186,410
52753	1995	Supervisory Control & Data Acquisition	1,330,000	150,000	—	1,480,000	864,423	9,081	873,504	606,496	67	606,429
52768	1996	Automated Meter Reading System	9,518,217	—	—	9,518,217	9,419,313	56,200	9,475,513	42,704	42,704	—
52785	1997	Quincy Reservoir Circulation Line	85,000	—	—	85,000	46,075	—	46,075	38,925	—	38,925
52790	1998	CF Griswold Water Plant Renovation FB	9,814,101	—	—	9,814,101	8,349,761	766,687	9,116,448	697,653	39,626	658,027
52791	1998	Quincy Bypass Parallel 30"	1,731,718	—	—	1,731,718	1,172,314	66,946	1,239,260	492,458	—	492,458
52793	1998	T&D Operations Building	500,000	—	—	500,000	—	—	—	500,000	—	500,000
52796	1998	Upsize Water Line-Prkr/Hamp/1225	1,444,000	—	—	1,444,000	563,718	838,996	1,402,714	41,286	—	41,286
52797	1998	Zone 4A Pressure Zone Expansion	285,000	—	—	285,000	—	—	—	285,000	—	285,000
52801	1998	Aurora Reservoir Destratification	250,000	—	—	250,000	—	—	—	250,000	—	250,000
52805	1998	South Area Operations Building	500,000	—	—	500,000	—	—	—	500,000	—	500,000
52806	1998	Water Distribution Master Plan	70,000	—	—	70,000	46,625	11,208	57,833	12,167	—	12,167
52819	1998	Y2K-Water	507,745	—	—	507,745	465,868	16,640	482,508	25,237	—	25,237
52838	1999	Lowry Water Line Replacement	100,000	—	—	100,000	—	—	—	100,000	—	100,000
52855	2000	City Oversizing Cost	890,000	500,000	(1,000,000)	390,000	—	—	—	390,000	—	390,000
52865	2000	Susp Bridge Parker Rd Repair	150,000	—	—	150,000	—	9,975	9,975	140,025	—	140,025
52866	2000	CF Griswold Zone 4 Pump Station	3,600,000	400,000	—	4,000,000	56,485	3,142,880	3,199,365	800,635	789,969	10,666
52868	2000	CF Zone 5 Smokey Hill Pump St	200,000	100,000	1,296,791	1,596,791	6,648	859,243	865,891	730,900	730,900	—
52872	2001	Water Plant Expansion Wemlinger	—	1,100,000	—	1,100,000	—	24,639	24,639	1,075,361	—	1,075,361
52881	2001	Wemlinger Plant Regulatory Imp	—	1,000,000	—	1,000,000	—	—	—	1,000,000	—	1,000,000
52882	2001	Wemlinger Infrastructure Repair	—	992,000	—	992,000	—	—	—	992,000	—	992,000
52883	2001	WTR Central Facility Site Improvement	—	270,000	(232,500)	37,500	—	—	—	37,500	—	37,500
52899	2001	Financial Syst/Fiscal Analysis	—	—	125,000	125,000	—	—	—	125,000	—	125,000
52925	2001	Remodel Building A - Central	—	—	232,500	232,500	—	—	—	232,500	—	232,500
		Total Others / Benefits Entire City	34,655,431	4,862,000	124,163	39,641,594	22,907,116	5,987,545	28,894,661	10,746,933	1,603,266	9,143,667

Project Number	Year Project Started	Project Description	Appropriations			Expenditures			Balance December 31			
			Cumulative January 1	2001	Transfers To / (From) Project	Cumulative December 31	Cumulative January 1	2001	Cumulative December 31	Cumulative Unspent Appropriations	Encumbered	Unencumbered
<b>MOUNTAIN / RAW WATER</b>												
52700	1994	Eagle River CUP	\$ 1,720,000	\$ 250,000	\$ —	\$ 1,970,000	\$ 1,657,193	\$ 167,366	\$ 1,824,559	\$ 145,441	\$ —	\$ 145,441
52710	1994	Water Acquisition	9,900,860	2,000,000	(250,000)	11,650,860	7,979,859	2,249,632	10,229,491	1,421,369	65,096	1,356,273
52774	1996	SPCUP	4,932,703	1,000,000	(125,000)	5,807,703	4,867,974	359,300	5,227,274	580,429	—	580,429
52792	1998	Water Resources Strategic Plan	300,000	100,000	—	400,000	21,152	72,804	93,956	306,044	76,770	229,274
52800	1998	54 Raw Water Line	1,200,000	—	—	1,200,000	244,245	357,273	601,518	598,482	141,571	456,911
52807	1998	Watershed Protection Program	200,000	150,000	—	350,000	91,935	6,482	98,417	251,583	—	251,583
52859	2000	Lawn Irrigation Return Flows	150,000	—	—	150,000	—	—	—	150,000	—	150,000
Total Mountain / Raw Water			18,403,563	3,500,000	(375,000)	21,528,563	14,862,358	3,212,857	18,075,215	3,453,348	283,437	3,169,911
<b>E-470</b>												
52711	1994	Picadilly/32nd/64th Himalaya 24"	1,340,361	—	—	1,340,361	7,323	—	7,323	1,333,038	—	1,333,038
52715	1994	40th Kallispell to Tower 16"	478,000	—	—	478,000	140,091	61,030	201,121	276,879	—	276,879
52782	1997	Colfax: Picadilly Rd-Gun Club	250,000	—	—	250,000	—	—	—	250,000	—	250,000
52839	1999	56th & Himalaya:64th&Picadilly	1,000,000	—	—	1,000,000	436,778	—	436,778	563,222	—	563,222
52840	1999	Jewell:Gun Club/Pohaton Development	266,000	—	—	266,000	—	—	—	266,000	—	266,000
52841	1999	26th Ave:Picadilly to Pohaton	350,000	(9,880)	—	340,120	340,120	—	340,120	—	—	—
52842	1999	64th Ave/Picadilly-Gun Club Rd	806,000	—	—	806,000	—	—	—	806,000	—	806,000
52876	2001	6th Ave/Gun Club to Powhatan	—	866,000	—	866,000	—	—	—	866,000	—	866,000
Total E-470			4,490,361	856,120	—	5,346,481	924,312	61,030	985,342	4,361,139	—	4,361,139
<b>EASTERN HILLS</b>												
52766	1996	6th Ave: Tower to Himalaya 24"	900,000	—	—	900,000	12,742	—	12,742	887,258	—	887,258
52781	1997	6th Ave/Himalaya/Gun Club	596,000	—	—	596,000	18,880	—	18,880	577,120	—	577,120
52837	1999	Jewell Gun Club-Pohaton Rd	866,000	—	—	866,000	179,154	9,648	188,802	677,198	—	677,198
52880	2001	Picadilly Rd: Quincy - Hampden	—	210,000	—	210,000	—	57,119	57,119	152,881	—	152,881
Total Eastern Hills			2,362,000	210,000	—	2,572,000	210,776	66,767	277,543	2,294,457	—	2,294,457
<b>SOUTHEAST AURORA RESERVOIR</b>												
52794	1998	Treated Water Storage Site Acquisition	100,000	—	—	100,000	33	—	33	99,967	—	99,967
52861	2000	Zone 7 Powhatan Rd/Reservoir	3,000,000	—	—	3,000,000	—	—	—	3,000,000	—	3,000,000
52878	2001	Powhatan:Orchard-Dry Creek Line	—	596,000	—	596,000	—	—	—	596,000	—	596,000
Total Southeast Aurora Reservoir			3,100,000	596,000	—	3,696,000	33	—	33	3,695,967	—	3,695,967
<b>CHERRY CREEK AREA INC KINGS POINTE</b>												
52777	1997	Parker Rd-Arapahoe Rd-County Line	779,887	300,000	—	1,079,887	322,096	28,598	350,694	729,193	15,140	714,053
52783	1997	Oversize County Line Rd Line	900,000	700,000	—	1,600,000	—	—	—	1,600,000	—	1,600,000
52798	1998	Pines Pointe GunClub/Harv/Zn 8	3,100,000	—	—	3,100,000	2,827,935	5,447	2,833,382	266,618	—	266,618
52834	1999	E Arap Rd:WagonTrail-Promontor	500,000	—	—	500,000	—	73,600	73,600	426,400	—	426,400
52843	1999	E Arap Rd:WagonTrail-Prom Development	500,000	—	837	500,837	313,270	187,567	500,837	—	—	—
52844	1999	Zone 7 Pump Tallyn's Reach	200,000	(100,562)	—	99,438	93,811	5,627	99,438	—	—	—
52857	2000	Gun Club Zone 7 Addition	55,000	—	—	55,000	—	—	—	55,000	—	55,000
52858	2000	Harvest/Orchard to Arapahoe	210,000	—	—	210,000	—	—	—	210,000	—	210,000
52870	2001	Kings Pointe Pump Station Zone 6	—	1,200,000	—	1,200,000	—	—	—	1,200,000	—	1,200,000
52871	2001	Arapahoe Rd/Powhatan - GunClub	—	700,000	—	700,000	—	—	—	700,000	—	700,000
52877	2001	ArapRd Oversize-Tallyn's Reach	—	210,000	—	210,000	—	—	—	210,000	—	210,000
52879	2001	ArapRd Oversize in Pine Pointe	—	595,000	—	595,000	—	—	—	595,000	—	595,000
Total Cherry Creek Area Inc Kings Pointe			6,244,887	3,604,438	837	9,850,162	3,557,112	300,839	3,857,951	5,992,211	15,140	5,977,071
<b>TOTAL WATER FUND CAPITAL PROJECTS</b>			<b>\$ 85,495,412</b>	<b>\$ 14,181,154</b>	<b>\$ —</b>	<b>\$ 99,676,566</b>	<b>\$ 55,751,149</b>	<b>\$ 12,255,588</b>	<b>\$ 68,006,737</b>	<b>\$ 31,669,829</b>	<b>\$ 1,978,487</b>	<b>\$ 29,691,342</b>

## EXHIBIT E-6

## CITY OF AURORA, COLORADO

 ENTERPRISE FUNDS  
 SCHEDULE OF EXPENDITURES AND APPROPRIATIONS  
 SEWER FUND CAPITAL PROJECTS  
 FOR THE YEAR ENDED DECEMBER 31, 2001

Project Number	Year Project Started	Project Description	Appropriations				Expenditures			Balances December 31		
			Cumulative January 1	2001	Transfers To / (From) Project	Cumulative December 31	Cumulative January 1	2001	Cumulative December 31	Cumulative Unspent Appropriations	Encumbered	Unencumbered
SANITARY SEWER PROJECTS												
FITZSIMONS												
52848	2000	Fitzsimons Sewer Upgrade	\$ 400,000	\$ 200,000	\$ —	\$ 600,000	\$ 8,878	\$ 347,052	\$ 355,930	\$ 244,070	\$ 53,573	\$ 190,497
		Total Fitzsimons	400,000	200,000	—	600,000	8,878	347,052	355,930	244,070	53,573	190,497
REUSE WATER / SEWER CITY												
52787	1997	SandCreek Water Reuse Plant FB	6,100,000	—	(4,446,744)	1,653,256	1,453,256	99,372	1,552,628	100,628	21,283	79,345
52863	1998	SandCreek Reuse Plant Loan	13,250,000	—	—	13,250,000	10,375,198	2,239,127	12,614,325	635,675	71,151	564,524
52897	2001	Sand Creek Reuse Transmission	—	—	4,446,744	4,446,744	—	11,634	11,634	4,435,110	—	4,435,110
		Total Reuse Water / Sewer City	19,350,000	—	—	19,350,000	11,828,454	2,350,133	14,178,587	5,171,413	92,434	5,078,979
OTHERS / BENEFITS ENTIRE CITY												
52719	1994	Sewer Replacement/Rchab	2,697,465	200,000	—	2,897,465	2,138,762	18,765	2,157,527	739,938	77,967	661,971
52720	1994	Sand Creek Intercept Parallel	3,100,000	—	(80,899)	3,019,101	2,858,286	147,769	3,006,055	13,046	13,046	—
52722	1994	Misc Sanitary Sewer Extension	589,990	100,000	—	689,990	512,478	3,696	516,174	173,816	3,240	170,576
52723	1994	Development Related Sanitary Sewer	835,000	200,000	377,447	1,412,447	386,807	348,746	735,553	676,894	3,850	673,044
52724	1994	Tollgate Intercept Parallel	2,613,336	—	(14,745)	2,598,591	2,598,591	—	2,598,591	—	—	—
52808	1998	Lowry Sewer Connections	325,000	—	—	325,000	91,231	—	91,231	233,769	—	233,769
52811	1998	South Area Operations Building	500,000	—	(500,000)	—	—	—	—	—	—	—
52820	1998	Y2K-Sewer	254,047	—	—	254,047	233,384	8,320	241,704	12,343	—	12,343
52824	1999	Supervisory Control & Data Acq	90,000	—	—	90,000	44,411	—	44,411	45,589	—	45,589
52825	1999	Addition to Storage Building	210,000	—	(200,036)	9,964	9,964	—	9,964	—	—	—
52826	1999	Aurora Hills Lake Dredging	300,000	—	—	300,000	—	150,245	150,245	149,755	39,489	110,266
52846	2000	Highway 30 Recycling Center	139,000	33,000	—	172,000	9,680	6,759	16,439	155,561	13,466	142,095
52891	2001	SWR Central Facility Site Imp	—	135,000	(116,250)	18,750	—	—	—	18,750	—	18,750
52900	2001	SWR Central Facility WW Bldg	—	—	776,093	776,093	—	—	—	776,093	—	776,093
52928	2001	Misc Facility Improvements	—	—	156,443	156,443	—	—	—	156,443	—	156,443
		Total Others / Benefits Entire City	11,653,838	668,000	398,053	12,719,891	8,883,594	684,300	9,567,894	3,151,997	151,058	3,000,939
E-470												
52728	1994	2nd Crk Basin Lift Station	2,090,000	(2,086,792)	—	3,208	3,208	—	3,208	—	—	—
52769	1996	Intl Center Sanitary Sewer Ext	2,910,000	(2,104,043)	—	805,957	575,246	2,060	577,306	228,651	227,647	1,004
52810	1998	Upper 1st Crk Intercept 26in/Colfax	420,000	(420,000)	—	—	—	—	—	—	—	—
52854	2000	2nd Crk Lift Station & Force Main	950,000	(950,000)	—	—	—	—	—	—	—	—
		Total E-470	6,370,000	(5,560,835)	—	809,165	578,454	2,060	580,514	228,651	227,647	1,004
EASTERN HILLS												
52786	1997	Murphy Creek Development Oversize	100,000	—	—	100,000	48,704	7,565	56,269	43,731	—	43,731
		Total Eastern Hills	100,000	—	—	100,000	48,704	7,565	56,269	43,731	—	43,731
SOUTHEAST AURORA RESERVOIR												
52727	1994	SE Sewer Agreement @ AurRsv-City	4,935,075	400,000	—	5,335,075	1,402,106	295,021	1,697,127	3,637,948	—	3,637,948
52809	1998	Upper Senac Creek	420,000	—	—	420,000	—	—	—	420,000	—	420,000
52823	1999	Piney Creek Lift Station & Force Main	1,730,000	1,500,000	410,000	3,640,000	102,567	436,153	538,720	3,101,280	3,091,565	9,715
52847	2000	E Tollgate Crk-Bellevue/Smoky Hill	800,000	—	—	800,000	—	—	—	800,000	—	800,000
52851	2000	Upper Murphy Creek Interceptor	800,000	(800,000)	—	—	—	—	—	—	—	—
52875	2001	E Tollgate/Dove Hill	300,000	—	—	300,000	—	9,874	9,874	290,126	—	290,126
52884	2001	E Tollgate Cr Trans-Murphy Creek	—	2,500,000	360,000	2,860,000	—	148,263	148,263	2,711,737	5,475	2,706,262
52887	2001	SE Sewer Agreement @ Aur Res Dev	—	2,700,000	—	2,700,000	—	—	—	2,700,000	—	2,700,000
52889	2001	W Trib Murphy Crk Swr @ Hwy 30	—	360,000	(360,000)	—	—	—	—	—	—	—
		Total Southeast Aurora Reservoir	8,985,075	6,660,000	410,000	16,055,075	1,504,673	889,311	2,393,984	13,661,091	3,097,040	10,564,051
CHERRY CREEK AREA INC KINGS POINTE												
52770	1996	DF Cherry Creek Connect/Ridge	1,100,000	—	—	1,100,000	—	—	—	1,100,000	—	1,100,000
52849	2000	Sampson Gulch Sewer Oversizing	800,000	—	(691,803)	108,197	75,785	11,902	87,687	20,510	20,510	—
		Total Cherry Creek Area Inc Kings Pointe	1,900,000	—	(691,803)	1,208,197	75,785	11,902	87,687	1,120,510	20,510	1,100,000
		Total Sanitary Sewer	48,758,913	1,967,165	116,250	50,842,328	22,928,542	4,292,323	27,220,865	23,621,463	3,642,262	19,979,201

STORM DRAIN PROJECTS

STM CENTRAL FACILITY WW BLDG

52901	2001	STM Central Facility WW Bldg	\$	—	\$	—	\$	108,000	\$	108,000	\$	—	\$	—	\$	—	\$	108,000	\$	—	\$	108,000
		Total STM Central Facility WW Bldg		—		—		108,000		108,000		—		—		—		108,000		—		108,000
FITZSIMONS																						
52895	2001	Fitzsimons Drainage Improvement		—		600,000		—		600,000		—		—		—		600,000		—		600,000
		Total Fitzsimons		—		600,000		—		600,000		—		—		—		600,000		—		600,000
OTHERS / BENEFITS ENTIRE CITY																						
52729	1994	Developer Cost Shares - Storm		1,184,416		500,000		(110,000)		1,574,416		845,359		85,148		930,507		643,909		—		643,909
52734	1994	Landscape Drainage Ways		230,247		20,000		—		250,247		221,492		3,600		225,092		25,155		4,378		20,777
52735	1994	Contrib to Improve Districts		325,000		—		(107,028)		217,972		176,627		—		176,627		41,345		—		41,345
52736	1994	Misc Storm Sewer Extensions		1,341,108		150,000		—		1,491,108		1,298,013		172,186		1,470,199		20,909		2,919		17,990
52749	1995	Upper Westerly Creek Outfall		3,681,675		—		—		3,681,675		3,369,862		224,465		3,594,327		87,348		—		87,348
52760	1995	Flood Warning System		30,000		—		—		30,000		5,000		25,000		30,000		—		—		—
52761	1995	Meadow Hills Storm Sewer		230,000		—		107,028		337,028		188,977		148,051		337,028		—		—		—
52762	1995	Unnamed Creek Detention Pond		108,000		—		(108,000)		—		—		—		—		—		—		—
52772	1996	Drainageway Landscaping		1,317,853		300,000		—		1,617,853		934,606		455,938		1,390,544		227,309		—		227,309
52812	1998	Delmar-6th Storm Sewer		125,000		—		(5,608)		119,392		42,766		4,520		47,286		72,106		—		72,106
52815	1998	Water Quality Improvements		400,000		100,000		—		500,000		147,417		26,430		173,847		326,153		13,069		313,084
52821	1998	Y2K-Storm		254,047		—		—		254,047		231,662		8,320		239,982		14,065		—		14,065
52822	1998	Meadowood Chan Imp Quincy/Hampden		1,836,817		—		5,608		1,842,425		1,835,643		6,782		1,842,425		—		—		—
52829	1999	Quincy Reservoir Diversion		400,000		600,000		—		1,000,000		73,291		12,353		85,644		914,356		—		914,356
52830	1999	Lowry 11th Ave Outfall		100,000		—		—		100,000		—		—		100,000		—		—		100,000
52831	1999	Sand Creek Erosion Control		400,000		—		—		400,000		100,000		—		100,000		300,000		—		300,000
52850	2000	Sand Creek Water Quality Pond		850,000		—		—		850,000		80,000		—		80,000		770,000		—		770,000
52853	2000	Utah Det Pond & Irrigation System		1,150,000		(1,150,000)		—		—		—		—		—		—		—		—
52896	2001	STM Central Facility Site Improvement		—		135,000		(116,250)		18,750		—		—		—		18,750		—		18,750
		Total Others / Benefits Entire City		13,964,163		655,000		(334,250)		14,284,913		9,550,715		1,172,793		10,723,508		3,561,405		20,366		3,541,039
E-470																						
52827	1999	Irondale 1st&2nd Crk Improvement		400,000		(136,612)		—		263,388		—		263,388		263,388		—		—		—
		Total E-470		400,000		(136,612)		—		263,388		—		263,388		263,388		—		—		—
EASTERN HILLS																						
52892	2001	Coal Creek Tributaries		—		100,000		—		100,000		—		—		—		100,000		—		100,000
		Total Eastern Hills		—		100,000		—		100,000		—		—		—		100,000		—		100,000
SOUTHEAST AURORA RESERVOIR																						
52893	2001	Upper Senae Trib Stab/Water Quality		—		500,000		—		500,000		—		29,493		29,493		470,507		18,507		452,000
		Total Southeast Aurora Reservoir		—		500,000		—		500,000		—		29,493		29,493		470,507		18,507		452,000
CHERRY CREEK AREA INC KINGS PT																						
52852	2000	Upper Piney Crk & Tributaries		146,586		500,000		110,000		756,586		1,128		530,608		531,736		224,850		94,354		130,496
52894	2001	Kingspointe Drainage Improvement		—		100,000		—		100,000		—		—		—		100,000		—		100,000
		Total Cherry Creek Area Inc Kings Pointe		146,586		600,000		110,000		856,586		1,128		530,608		531,736		324,850		94,354		230,496
		Total Storm Drain		14,510,749		2,318,388		(116,250)		16,712,887		9,551,843		1,996,282		11,548,125		5,164,762		133,227		5,031,535
TOTAL SEWER FUND CAPITAL PROJECTS				\$ 63,269,662		\$ 4,285,553		\$ —		\$ 67,555,215		\$ 32,480,385		\$ 6,288,605		\$ 38,768,990		\$ 28,786,225		\$ 3,775,489		\$ 25,010,736

EXHIBIT E-7

CITY OF AURORA, COLORADO

ENTERPRISE FUNDS  
 SCHEDULE OF EXPENDITURES AND APPROPRIATIONS  
 GOLF FUND CAPITAL PROJECTS  
 FOR THE YEAR ENDED DECEMBER 31, 2001

Project Number	Year Project Started	Project Description	Appropriations			Expenditures			Balances December 31			
			Cumulative January 1	2001	Transfers To (From) Project	Cumulative December 31	Cumulative January 1	2001	Cumulative December 31	Cumulative Unspent Appropriations	Encumbered	Unencumbered
<b>COURSE IMPROVEMENTS</b>												
61568	2001	Aurora Hills Irrigation System	\$ —	\$ 40,000	\$ —	\$ 40,000	\$ —	\$ 12,640	\$ 12,640	\$ 27,360	\$ —	\$ 27,360
61570	1999	Aurora Hills Parking Lot Resurfacing	28,562	—	—	28,562	8,082	—	8,082	20,480	—	20,480
61571	1999	Aurora Hills Lake Dredging	35,000	—	—	35,000	—	—	—	35,000	—	35,000
61573	1998	Aurora Hills Clubhouse Renovation	40,000	50,000	—	90,000	33,259	13,342	46,601	43,399	6,000	37,399
61574	1998	Fitzsimons GC Clubhouse Renovation	184,372	30,000	(35,000)	179,372	156,856	10,000	166,856	12,516	—	12,516
61575	1998	Springhill Green Construction	37,226	40,000	—	77,226	37,226	31,664	68,890	8,336	—	8,336
61585	Ongoing	Cart Path Reconstruction	120,391	—	—	120,391	107,924	6,651	114,575	5,816	—	5,816
61586	Ongoing	Facility Enhancement	180,000	50,000	—	230,000	148,529	—	148,529	81,471	34,279	47,192
61587	2001	Centre Hills Parking Lot	—	80,000	35,000	115,000	—	109,119	109,119	5,881	—	5,881
61589	1994	New Golf Course Development	553,660	—	—	553,660	539,971	4,250	544,221	9,439	—	9,439
61597	1994	Springhill Irrigation Pump - 94	62,584	—	—	62,584	56,256	—	56,256	6,328	—	6,328
		<b>Total Course Improvements</b>	<b>1,241,795</b>	<b>290,000</b>	<b>—</b>	<b>1,531,795</b>	<b>1,088,103</b>	<b>187,666</b>	<b>1,275,769</b>	<b>256,026</b>	<b>40,279</b>	<b>215,747</b>
<b>MURPHY CREEK</b>												
61569	2000	Murphy Creek Furniture	201,000	—	—	201,000	127,575	1,659	129,234	71,766	—	71,766
61599	1995	Murphy Creek	9,580,593	40,000	—	9,620,593	9,449,852	146,531	9,596,383	24,210	—	24,210
		<b>Total Murphy Creek</b>	<b>9,781,593</b>	<b>40,000</b>	<b>—</b>	<b>9,821,593</b>	<b>9,577,427</b>	<b>148,190</b>	<b>9,725,617</b>	<b>95,976</b>	<b>—</b>	<b>95,976</b>
<b>TOTAL GOLF FUND CAPITAL PROJECTS</b>			<b>\$ 11,023,388</b>	<b>\$ 330,000</b>	<b>\$ —</b>	<b>\$ 11,353,388</b>	<b>\$ 10,665,530</b>	<b>\$ 335,856</b>	<b>\$ 11,001,386</b>	<b>\$ 352,002</b>	<b>\$ 40,279</b>	<b>\$ 311,723</b>

## INTERNAL SERVICE FUNDS

Internal service funds account for goods and services provided to other funds or departments in the City. Revenues are from interfund charges calculated on a cost-reimbursement basis.

### ***Fleet Management Fund***

The Fleet Management Fund accounts for centralized maintenance of City owned vehicles. Operations are funded by charges to user departments.

### ***Print Shop Fund***

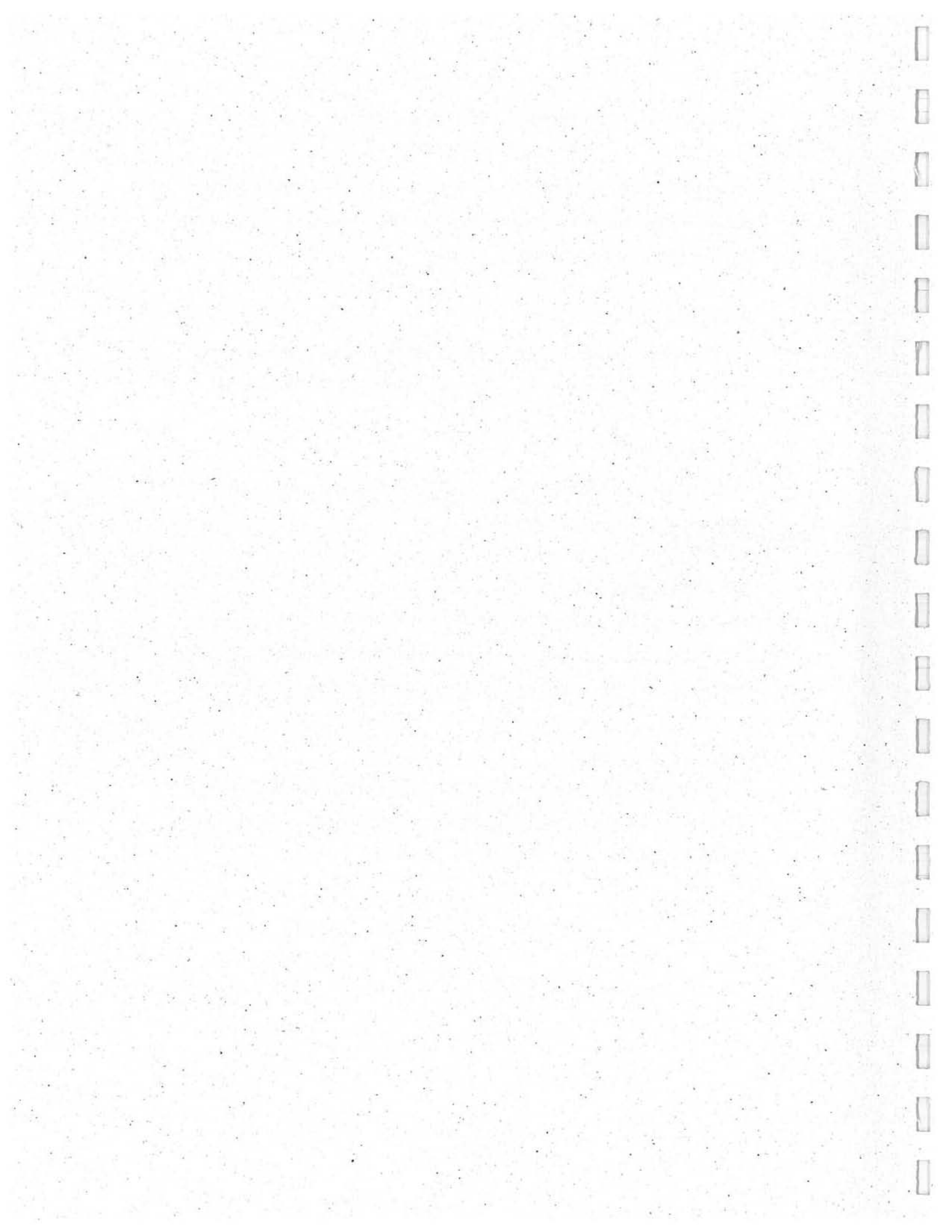
The Print Shop Fund accounts for centralized printing and copying needs of departments and agencies of the City.

### ***Risk Management Fund***

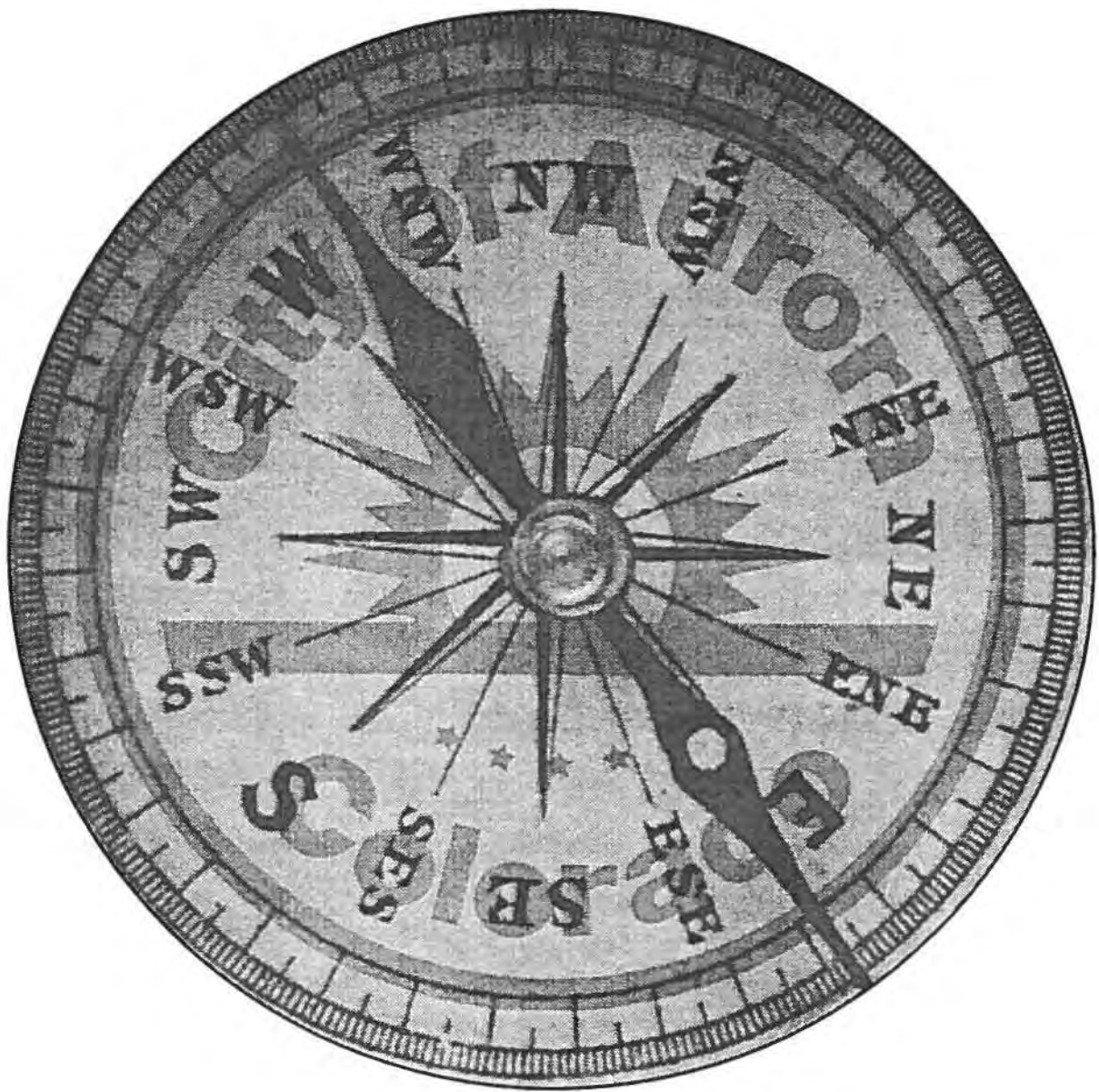
The Risk Management Fund accounts for centralized costs of risk retention, risk administration and excess insurance coverage for claims and judgements made against the City. Revenues are primarily from charges to departments.

### ***Building Repair Fund***

The Building Repair Fund provides centralized repairs for City-owned facilities. Revenues are from charges to departments and operating transfers from other funds.







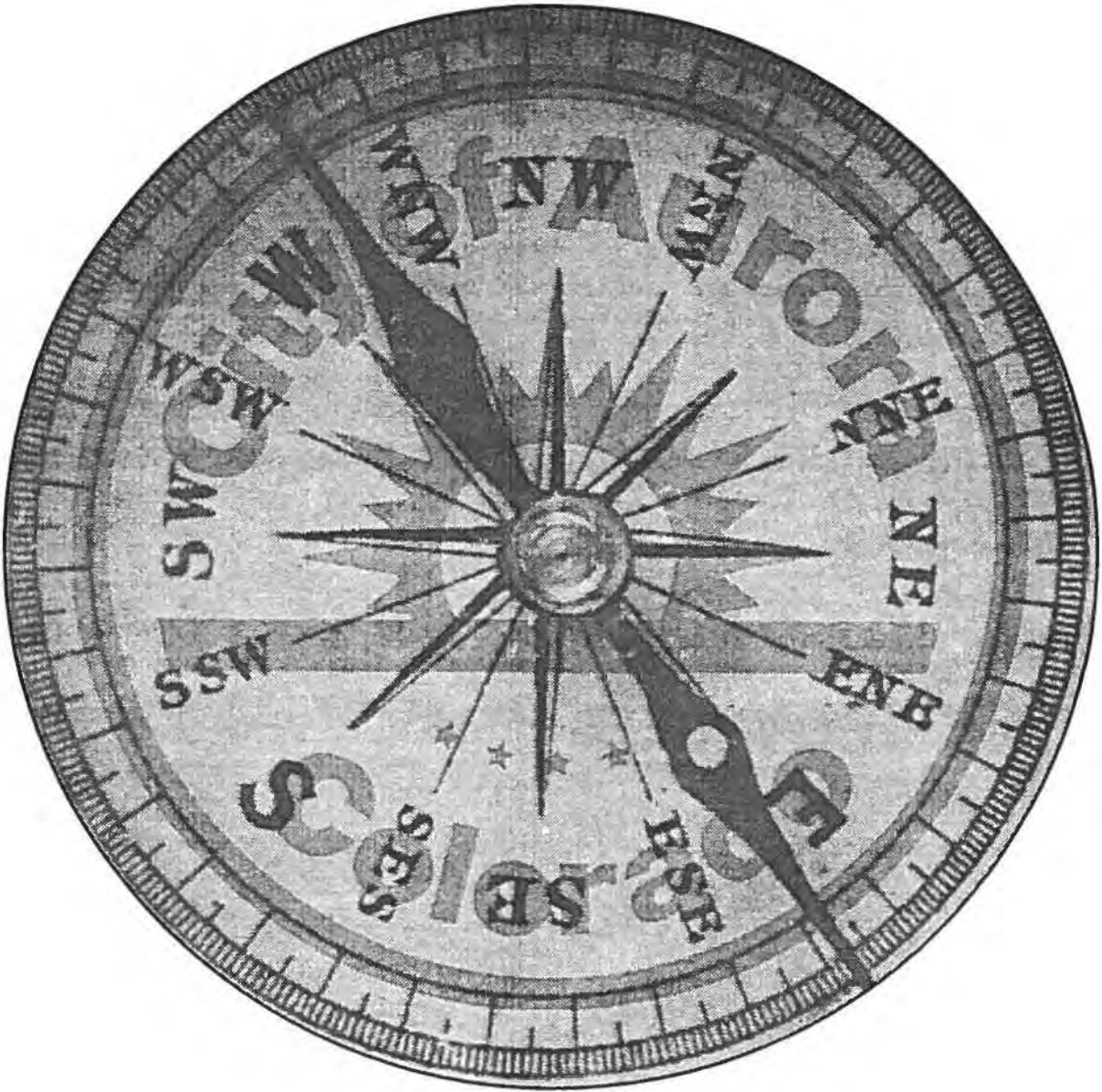
**EXHIBIT F-1**

**CITY OF AURORA, COLORADO**

**INTERNAL SERVICE FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2001**

	<u>Fleet Management</u>	<u>Print Shop</u>	<u>Risk Management</u>	<u>Building Repair</u>	<u>Totals</u>
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Equity in cash and cash equivalents	\$ 67,885	\$ 43,546	\$ 891,491	\$ 226,388	\$ 1,229,310
Equity in investments	759,794	487,384	9,977,913	2,533,826	13,758,917
Receivables					
Accounts	4,782	40	—	—	4,822
Accrued interest	—	—	113,761	11,578	125,339
Other	—	1,800	—	—	1,800
Inventory	154,044	33,643	—	—	187,687
Total current assets	<u>986,505</u>	<u>566,413</u>	<u>10,983,165</u>	<u>2,771,792</u>	<u>15,307,875</u>
<b>PROPERTY AND EQUIPMENT</b>					
Improvements other than buildings	697,718	—	—	—	697,718
Machinery and equipment	515,579	185,953	31,448	—	732,980
Accumulated depreciation	<u>(601,755)</u>	<u>(162,919)</u>	<u>(30,902)</u>	<u>—</u>	<u>(795,576)</u>
Net property and equipment	<u>611,542</u>	<u>23,034</u>	<u>546</u>	<u>—</u>	<u>635,122</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,598,047</u>	<u>\$ 589,447</u>	<u>\$ 10,983,711</u>	<u>\$ 2,771,792</u>	<u>\$ 15,942,997</u>

	<u>Fleet Management</u>	<u>Print Shop</u>	<u>Risk Management</u>	<u>Building Repair</u>	<u>Totals</u>
<b>LIABILITIES AND FUND EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 93,920	\$ 42,066	\$ 57,412	\$ 73,556	\$ 266,954
Accrued liabilities	8,240	1,185	3,487	—	12,912
Accrued claims payable	—	—	8,629,866	—	8,629,866
Accrued compensated absences	216,980	49,511	50,992	—	317,483
Total current liabilities	<u>319,140</u>	<u>92,762</u>	<u>8,741,757</u>	<u>73,556</u>	<u>9,227,215</u>
Total liabilities	<u>319,140</u>	<u>92,762</u>	<u>8,741,757</u>	<u>73,556</u>	<u>9,227,215</u>
<b>FUND EQUITY</b>					
Contributed capital	1,110,258	—	3,353	—	1,113,611
Retained earnings					
Unreserved	168,649	496,685	2,238,601	2,698,236	5,602,171
Total fund equity	<u>1,278,907</u>	<u>496,685</u>	<u>2,241,954</u>	<u>2,698,236</u>	<u>6,715,782</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 1,598,047</u>	<u>\$ 589,447</u>	<u>\$ 10,983,711</u>	<u>\$ 2,771,792</u>	<u>\$ 15,942,997</u>



**EXHIBIT F-2**

**CITY OF AURORA, COLORADO**

**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Fleet Management</u>	<u>Print Shop</u>	<u>Risk Management</u>	<u>Building Repair</u>	<u>Totals</u>
OPERATING REVENUES					
Charges for services	\$ 4,588,812	\$ 1,078,449	\$ 5,293,861	\$ 331,265	\$ 11,292,387
OPERATING EXPENSES					
Personal services	1,913,655	354,343	592,647	41,168	2,901,813
Supplies	2,663,893	406,220	12,507	97,462	3,180,082
Other services and charges	175,009	321,382	908,159	1,762,050	3,166,600
Claims losses	—	—	3,831,205	—	3,831,205
Depreciation	56,614	16,907	2,368	—	75,889
Total operating expenses	<u>4,809,171</u>	<u>1,098,852</u>	<u>5,346,886</u>	<u>1,900,680</u>	<u>13,155,589</u>
Operating loss	<u>(220,359)</u>	<u>(20,403)</u>	<u>(53,025)</u>	<u>(1,569,415)</u>	<u>(1,863,202)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	44,151	35,249	725,578	129,954	934,932
Miscellaneous revenues	7,607	—	277,533	—	285,140
Loss on sale of assets	—	—	(1,194)	—	(1,194)
Net nonoperating revenues	<u>51,758</u>	<u>35,249</u>	<u>1,001,917</u>	<u>129,954</u>	<u>1,218,878</u>
Income (loss) before operating transfers	<u>(168,601)</u>	<u>14,846</u>	<u>948,892</u>	<u>(1,439,461)</u>	<u>(644,324)</u>
Operating transfers in	<u>205,000</u>	<u>—</u>	<u>—</u>	<u>2,242,000</u>	<u>2,447,000</u>
NET INCOME	36,399	14,846	948,892	802,539	1,802,676
RETAINED EARNINGS - JANUARY 1	<u>132,250</u>	<u>481,839</u>	<u>1,289,709</u>	<u>1,895,697</u>	<u>3,799,495</u>
RETAINED EARNINGS - DECEMBER 31	<u>\$ 168,649</u>	<u>\$ 496,685</u>	<u>\$ 2,238,601</u>	<u>\$ 2,698,236</u>	<u>\$ 5,602,171</u>

**EXHIBIT F-3**

**CITY OF AURORA, COLORADO**

**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Fleet Management	Print Shop	Risk Management	Building Repair	Totals
<b>OPERATING ACTIVITIES</b>					
Cash received from quasi-external operating transactions with other funds	\$ 4,594,374	\$ 1,078,409	\$ 5,571,394	\$ 331,265	\$ 11,575,442
Cash payments to employees	(1,881,676)	(349,825)	(584,179)	(55,155)	(2,870,835)
Cash payments to suppliers for goods and services	(2,832,561)	(725,482)	(895,990)	(2,083,560)	(6,537,593)
Cash payments for insurance claims	—	—	(3,220,945)	—	(3,220,945)
Net cash provided by (used in) operating activities	<u>(119,863)</u>	<u>3,102</u>	<u>870,280</u>	<u>(1,807,450)</u>	<u>(1,053,931)</u>
<b>NONCAPITAL FINANCING ACTIVITIES</b>					
Operating transfers in	<u>205,000</u>	<u>—</u>	<u>—</u>	<u>2,242,000</u>	<u>2,447,000</u>
Net cash provided by noncapital financing activities	<u>205,000</u>	<u>—</u>	<u>—</u>	<u>2,242,000</u>	<u>2,447,000</u>
<b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets	<u>(6,650)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(6,650)</u>
Net cash used in capital and related financing activities	<u>(6,650)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(6,650)</u>
<b>INVESTING ACTIVITIES</b>					
Increase in equity in pool investments	(117,569)	(39,725)	(1,482,424)	(523,526)	(2,163,244)
Interest received	28,291	25,202	462,676	69,558	585,727
Net cash used in investing activities	<u>(89,278)</u>	<u>(14,523)</u>	<u>(1,019,748)</u>	<u>(453,968)</u>	<u>(1,577,517)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(10,791)</u>	<u>(11,421)</u>	<u>(149,468)</u>	<u>(19,418)</u>	<u>(191,098)</u>
<b>TOTAL CASH AND CASH EQUIVALENTS, JANUARY 1</b>	<u>78,676</u>	<u>54,967</u>	<u>1,040,959</u>	<u>245,806</u>	<u>1,420,408</u>
<b>TOTAL CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<u>\$ 67,885</u>	<u>\$ 43,546</u>	<u>\$ 891,491</u>	<u>\$ 226,388</u>	<u>\$ 1,229,310</u>

	<u>Fleet Management</u>	<u>Print Shop</u>	<u>Risk Management</u>	<u>Building Repair</u>	<u>Totals</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>					
Operating loss	\$ (220,359)	\$ (20,403)	\$ (53,025)	\$ (1,569,415)	\$ (1,863,202)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Miscellaneous nonoperating revenues	7,607	—	277,533	—	285,140
Depreciation	56,614	16,907	2,368	—	75,889
Changes in operating assets and liabilities					
Accounts receivable	(2,045)	(40)	—	—	(2,085)
Inventory	(6,387)	1,865	—	—	(4,522)
Accounts payable	12,728	254	24,676	(224,048)	(186,390)
Accrued liabilities	7,808	445	612,850	—	621,103
Accrued compensated absences	24,171	4,074	5,878	(13,987)	20,136
Total adjustments	<u>100,496</u>	<u>23,505</u>	<u>923,305</u>	<u>(238,035)</u>	<u>809,271</u>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b><u>\$ (119,863)</u></b>	<b><u>\$ 3,102</u></b>	<b><u>\$ 870,280</u></b>	<b><u>\$ (1,807,450)</u></b>	<b><u>\$ (1,053,931)</u></b>
<b>NONCASH INVESTING ACTIVITIES:</b>					
Increase in fair value of investments	\$ 15,860	\$ 10,047	\$ 208,056	\$ 53,358	\$ 287,321

EXHIBIT F-4

CITY OF AURORA, COLORADO

INTERNAL SERVICE FUNDS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE -  
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2001

	Fleet Management			Print Shop		
	Budget	Actual	Variance	Budget	Actual	Variance
FUNDS AVAILABLE - JANUARY 1	\$ 697,933	\$ 615,531	\$ (82,402)	\$ 414,915	\$ 450,275	\$ 35,360
REVENUES						
Charges for services	4,553,152	4,588,812	35,660	1,038,663	1,078,449	39,786
Investment income	30,000	28,291	(1,709)	16,000	25,202	9,202
Miscellaneous	3,000	7,607	4,607	—	—	—
Operating transfers in	205,000	205,000	—	—	—	—
Total revenues	4,791,152	4,829,710	38,558	1,054,663	1,103,651	48,988
EXPENDITURES						
Internal Services	4,809,111	4,733,023	76,088	1,034,121	1,076,006	(41,885)
Total expenditures	4,809,111	4,733,023	76,088	1,034,121	1,076,006	(41,885)
Excess (deficiency) of revenues over (under) expenditures - budgetary basis	(17,959)	96,687	114,646	20,542	27,645	7,103
OTHER CHANGES TO FUNDS AVAILABLE						
Capital projects appropriation	—	—	—	—	—	—
Total other changes	—	—	—	—	—	—
FUNDS AVAILABLE - DECEMBER 31	\$ 679,974	\$ 712,218	\$ 32,244	\$ 435,457	\$ 477,920	\$ 42,463
RECONCILIATION TO NET INCOME (LOSS) (GAAP BASIS)						
Excess (deficiency) of revenues over (under) expenditures - budgetary basis		\$ 96,687		\$ 27,645		
Add: Capital outlay		6,650		—		
Current year operating encumbrances		—		—		
Increase in inventory		6,387		—		
Decrease in accrued compensated absences		—		—		
Adjust investments to fair value		15,860		10,047		
Less: Depreciation		(56,614)		(16,907)		
Increase in accrued compensated absences		(24,171)		(4,074)		
Loss on sale of asset		—		—		
Prior year operating encumbrances		(8,400)		—		
Decrease in inventory		—		(1,865)		
Expenditures for capital projects		—		—		
NET INCOME (LOSS) GAAP BASIS		\$ 36,399		\$ 14,846		



Risk Management			Building Repair		
Budget	Actual	Variance	Budget	Actual	Variance
\$ (1,566,383)	\$ 1,304,694	\$ 2,871,077	\$ 173,217	\$ 151,219	\$ (21,998)
5,266,423	5,293,861	27,438	343,839	331,265	(12,574)
293,000	517,522	224,522	52,000	76,596	24,596
57,535	277,533	219,998	—	—	—
—	—	—	2,242,000	2,242,000	—
5,616,958	6,088,916	471,958	2,637,839	2,649,861	12,022
5,386,663	5,341,490	45,173	—	—	—
5,386,663	5,341,490	45,173	—	—	—
230,295	747,426	517,131	2,637,839	2,649,861	12,022
—	—	—	(2,586,000)	(2,586,000)	—
—	—	—	(2,586,000)	(2,586,000)	—
\$ (1,336,088)	\$ 2,052,120	\$ 3,388,208	\$ 225,056	\$ 215,080	\$ (9,976)

\$ 747,426	\$ 2,649,861
—	—
2,850	—
—	—
—	13,987
208,056	53,358
(2,368)	—
(5,878)	—
(1,194)	—
—	—
—	—
—	(1,914,667)
\$ 948,892	\$ 802,539

EXHIBIT F-5

CITY OF AURORA, COLORADO

BUILDING REPAIR FUND CAPITAL PROJECTS  
 SCHEDULE OF EXPENDITURES AND APPROPRIATIONS  
 FOR THE YEAR ENDED DECEMBER 31, 2001

Project Number	Year Project Started	Project Description	Appropriations				Expenditures			Balances December 31		
			Cumulative January 1	2001	Transfers To (From) Project	Cumulative December 31	Cumulative January 1	2001	Cumulative December 31	Cumulative Unappt. Appropriations	Encumbered	Unencumbered
INTERNAL SERVICES												
40708	2001	Fire St#7 HVAC/Electrical/Roof	\$ —	\$ —	\$ 425,000	\$ 425,000	\$ —	\$ —	\$ —	\$ 425,000	\$ —	\$ 425,000
40709	2001	Fire St#7 HVAC/Electrical/Roof	—	—	390,000	390,000	—	—	—	390,000	—	390,000
40710	2001	H Branch Library HVAC/Roof	—	—	200,000	200,000	—	—	—	200,000	—	200,000
40711	2001	S Branch Library HVAC	—	—	100,000	100,000	—	—	—	100,000	—	100,000
40712	2001	MLK/Fox Theater HVAC	—	—	100,000	100,000	—	—	—	100,000	—	100,000
		Total Internal Services	—	—	1,215,000	1,215,000	—	—	—	1,215,000	—	1,215,000
PARKS & OPEN SPACE												
61745	1996	West Major Building Repair	7,581,912	2,586,000	(1,215,000)	8,952,912	5,927,468	1,826,794	7,754,262	1,198,650	350,568	848,082
61767	1996	Elevator Repair/Replacement	400,000	—	—	400,000	327,592	63,200	390,792	9,208	9,208	—
61806	1996	MJC HVAC Removal	125,000	—	—	125,000	100,327	24,673	125,000	—	—	—
		Total Parks & Open Space	8,106,912	2,586,000	(1,215,000)	9,477,912	6,355,387	1,914,667	8,270,054	1,207,858	359,776	848,082
TOTAL BUILDING REPAIR FUND CAPITAL PROJECTS			\$ 8,106,912	\$ 2,586,000	\$ —	\$ 10,692,912	\$ 6,355,387	\$ 1,914,667	\$ 8,270,054	\$ 2,422,858	\$ 359,776	\$ 2,063,082

## **TRUST AND AGENCY FUNDS**

Trust funds account for assets held by the City in a trustee capacity. Agency funds account for assets held by the City as an agent for individuals or private organizations.

## **PENSION TRUST FUNDS**

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

The General Employees' Retirement Plan (GERP) Fund accounts for the accumulation of resources and the payment of retirement benefits to qualified City employees.

### ***Elected Officials' Pension Fund***

The Elected Officials' Pension Fund accounted for the payment of retirement benefits to qualified retired City Council members. All activities of the fund were transferred to the Elected Officials and Executive Personnel Pension Fund in 2001 and the fund was fully closed in 2001.

### ***Elected Officials' and Executive Personnel Pension Fund***

The Elected Officials' and Executive Personnel Pension Fund was created in 2001. The fund accounts for the payment of retirement benefits to qualified City Council members and City executives.

## **TRUST AND AGENCY FUNDS (continued)**

### **AGENCY FUNDS**

#### ***General Agency Fund***

The General Agency Fund accounted for escrows, deposits and other related assets held by the City. All activities of the fund were transferred to the General Fund in 2001 and the fund was fully closed in 2001.

#### ***Payroll Clearing Fund***

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

**EXHIBIT G-1**

**CITY OF AURORA, COLORADO**

**TRUST AND AGENCY FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2001**

	Pension Trust		Agency	Totals
	GERP	EOEP	Payroll Clearing	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 7,300,766	\$ —	\$ —	\$ 7,300,766
Equity in cash and cash equivalents	—	42,318	6,031,106	6,073,424
Investments	189,871,673	—	—	189,871,673
Equity in investments	—	473,636	—	473,636
Receivables				
Accrued interest	1,434,513	—	—	1,434,513
Other	197,441	—	—	197,441
Due from other governments	302,359	—	—	302,359
Machinery and equipment	43,695	—	—	43,695
Accumulated depreciation	(40,489)	—	—	(40,489)
<b>TOTAL ASSETS</b>	<b>\$ 199,109,958</b>	<b>\$ 515,954</b>	<b>\$ 6,031,106</b>	<b>\$ 205,657,018</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 1,102,723	\$ —	\$ 1,020	\$ 1,103,743
Funds held for others	—	—	6,030,086	6,030,086
<b>Total liabilities</b>	<b>1,102,723</b>	<b>—</b>	<b>6,031,106</b>	<b>7,133,829</b>
<b>FUND BALANCES</b>				
Reserved for employee pension benefits	198,007,235	515,954	—	198,523,189
<b>Total fund balances</b>	<b>198,007,235</b>	<b>515,954</b>	<b>—</b>	<b>198,523,189</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 199,109,958</b>	<b>\$ 515,954</b>	<b>\$ 6,031,106</b>	<b>\$ 205,657,018</b>

**EXHIBIT G-2**

**CITY OF AURORA, COLORADO**

**PENSION TRUST FUNDS  
COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>GERP</u>	<u>EOEP</u>	<u>Totals</u>
<b>ADDITIONS</b>			
Contributions			
City	\$ 3,313,280	\$ 535,148	\$ 3,848,428
Plan members	3,317,985	—	3,317,985
Total contributions	<u>6,631,265</u>	<u>535,148</u>	<u>7,166,413</u>
Investment income (loss)			
Net appreciation (depreciation) in fair value of investments	(10,056,810)	11,270	(10,045,540)
Interest	6,107,718	29,280	6,136,998
Dividends	1,276,363	—	1,276,363
Other income	3,924	—	3,924
Total investment income (loss)	<u>(2,668,805)</u>	<u>40,550</u>	<u>(2,628,255)</u>
Less investment expense	909,735	—	909,735
Net investment income (loss)	<u>(3,578,540)</u>	<u>40,550</u>	<u>(3,537,990)</u>
Total additions	<u>3,052,725</u>	<u>575,698</u>	<u>3,628,423</u>
<b>DEDUCTIONS</b>			
Benefits	4,342,627	12,343	4,354,970
Refunds of contributions	2,260,583	—	2,260,583
Administrative expense			
Salaries	192,867	—	192,867
Other administrative costs	90,742	47,401	138,143
Professional fees	22,588	—	22,588
Actuary fees	26,698	—	26,698
Total administrative expenses	<u>332,895</u>	<u>47,401</u>	<u>380,296</u>
Total deductions	<u>6,936,105</u>	<u>59,744</u>	<u>6,995,849</u>
NET INCREASE (DECREASE) IN PLAN ASSETS	(3,883,380)	515,954	(3,367,426)
NET ASSETS HELD FOR EMPLOYEE PENSION BENEFITS - JANUARY 1	<u>201,890,615</u>	<u>—</u>	<u>201,890,615</u>
NET ASSETS HELD FOR EMPLOYEE PENSION BENEFITS - DECEMBER 31	<u>\$ 198,007,235</u>	<u>\$ 515,954</u>	<u>\$ 198,523,189</u>

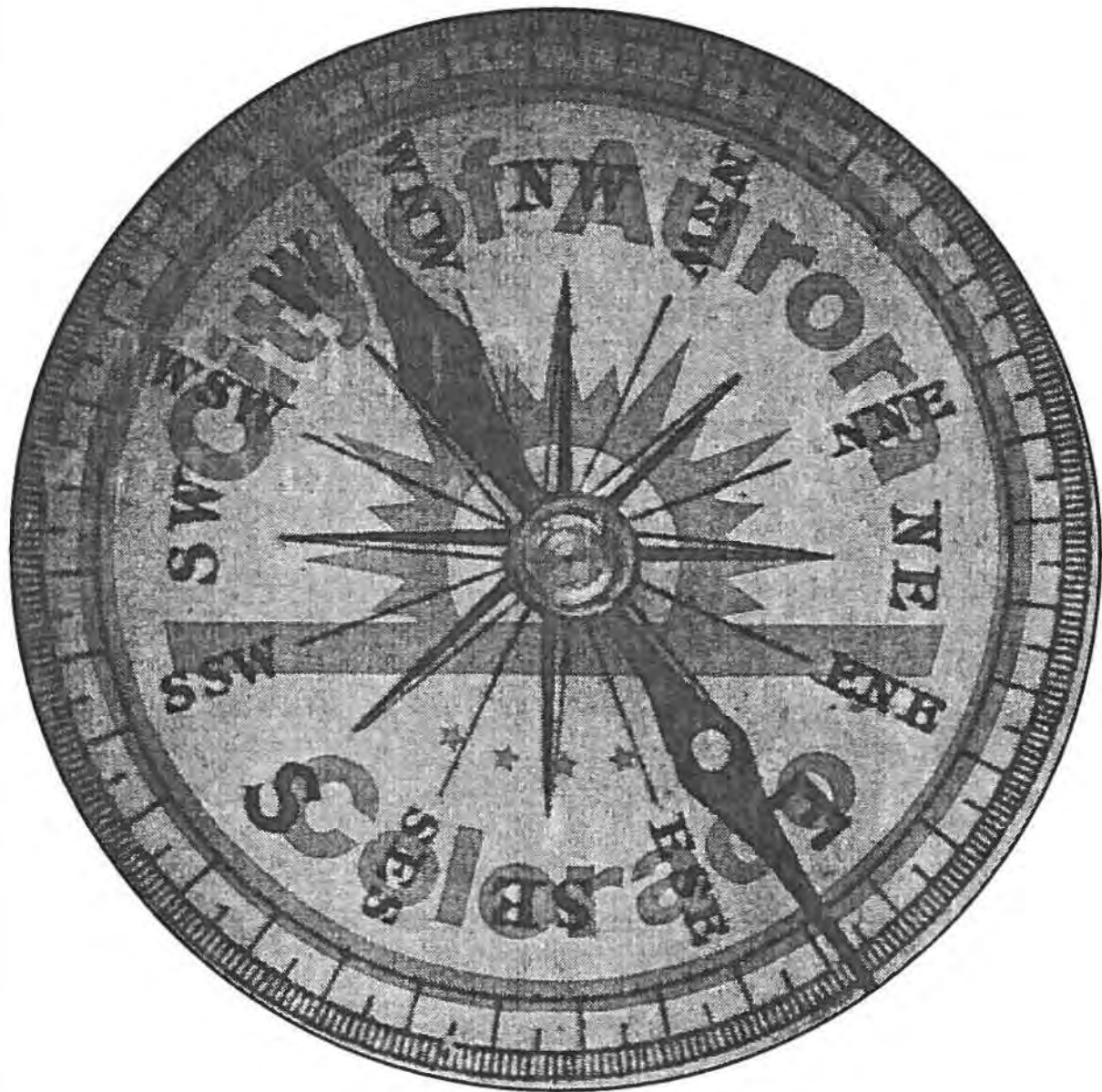
EXHIBIT G-3

CITY OF AURORA, COLORADO

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED DECEMBER 31, 2001

	Balance January 1	Additions	Deductions	Balance December 31
<b>GENERAL AGENCY</b>				
<b>ASSETS</b>				
Equity in cash and cash equivalents	\$ 44,889	\$ 67,810	\$ (112,699)	\$ —
<b>TOTAL ASSETS</b>	<b>\$ 44,889</b>	<b>\$ 67,810</b>	<b>\$ (112,699)</b>	<b>\$ —</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 2,567	\$ 40,969	\$ (43,536)	\$ —
Funds held for others	42,322	69,312	(111,634)	—
<b>TOTAL LIABILITIES</b>	<b>\$ 44,889</b>	<b>\$ 110,281</b>	<b>\$ (155,170)</b>	<b>\$ —</b>
<b>PAYROLL CLEARING</b>				
<b>ASSETS</b>				
Equity in cash and cash equivalents	\$ 5,618,937	\$ 150,350,288	\$ (149,938,119)	\$ 6,031,106
<b>TOTAL ASSETS</b>	<b>\$ 5,618,937</b>	<b>\$ 150,350,288</b>	<b>\$ (149,938,119)</b>	<b>\$ 6,031,106</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 5,203	\$ 146,934,704	\$ (146,938,887)	\$ 1,020
Funds held for others	5,613,734	151,817,624	(151,401,272)	6,030,086
<b>TOTAL LIABILITIES</b>	<b>\$ 5,618,937</b>	<b>\$ 298,752,328</b>	<b>\$ (298,340,159)</b>	<b>\$ 6,031,106</b>
<b>TOTAL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Equity in cash and cash equivalents	\$ 5,663,826	\$ 150,418,098	\$ (150,050,818)	\$ 6,031,106
<b>TOTAL ASSETS</b>	<b>\$ 5,663,826</b>	<b>\$ 150,418,098</b>	<b>\$ (150,050,818)</b>	<b>\$ 6,031,106</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 7,770	\$ 146,975,673	\$ (146,982,423)	\$ 1,020
Funds held for others	5,656,056	151,886,936	(151,512,906)	6,030,086
<b>TOTAL LIABILITIES</b>	<b>\$ 5,663,826</b>	<b>\$ 298,862,609</b>	<b>\$ (298,495,329)</b>	<b>\$ 6,031,106</b>





## **ACCOUNT GROUPS**

### **GENERAL FIXED ASSETS**

The General Fixed Assets account group is used to record fixed assets which are not accounted for in a proprietary or similar trust fund.

#### ***City Fixed Asset Account Group***

The City Fixed Asset Account Group is used to record fixed assets of the City which are not accounted for in a proprietary or similar trust fund.

#### ***Aurora Capital Leasing Corporation Fixed Asset Account Group***

The Aurora Capital Leasing Corporation (ACLC) Fixed Asset Account Group is used to record public buildings and other assets financed and owned by ACLC.

### **GENERAL LONG - TERM DEBT.**

The general long-term debt account group is used to record all long-term indebtedness except that which has been identified as a specific liability of a proprietary or similar trust fund..

#### ***City General Long-term Debt Account Group***

The City General Long-term Debt Account Group is used to record general obligation bonds, General Fund revenue bonds, special assessment bonds, capitalized leases, net pension obligation and unfunded accrued compensated absences payable by governmental funds.

**ACCOUNT GROUPS (continued)**

**GENERAL LONG - TERM DEBT (continued)**

***Aurora Urban Renewal Authority (AURA) General Long-term Debt Account Group***

The AURA General Long-term Debt Account Group is used to account for the incremental tax revenue bonds of AURA.

***Aurora Capital Leasing Corporation (ACLC) General Long-term Debt Account Group***

The ACLC General Long-term Debt Account Group is used to account for the certificates of participation issued by ACLC.

**EXHIBIT H-1****CITY OF AURORA, COLORADO****GENERAL FIXED ASSETS ACCOUNT GROUP  
COMBINING SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE  
DECEMBER 31, 2001**

	<u>City</u>	<u>ACLC</u>	<u>Totals</u>
<b>GENERAL FIXED ASSETS</b>			
Land	\$ 22,001,763	\$ 2,086,067	\$ 24,087,830
Buildings and improvements	31,157,602	34,608,645	65,766,247
Improvements other than buildings	19,236,057	36,014	19,272,071
Machinery and equipment	54,744,620	—	54,744,620
Construction in progress	14,799,821	9,070,858	23,870,679
<b>TOTAL GENERAL FIXED ASSETS</b>	<b><u>\$ 141,939,863</u></b>	<b><u>\$ 45,801,584</u></b>	<b><u>\$ 187,741,447</u></b>
<b>INVESTMENT IN GENERAL FIXED ASSETS</b>			
Federal government	\$ 3,563,611	\$ —	\$ 3,563,611
State of Colorado	825,979	—	825,979
Private gifts and grants	820,149	—	820,149
General fund	45,527,159	—	45,527,159
Special revenue funds	10,459,057	—	10,459,057
Conservation Trust	9,685,693	—	9,685,693
Capital projects fund	62,208,799	—	62,208,799
Contributions from enterprise funds	534,947	—	534,947
Contributions from internal service funds	8,314,469	—	8,314,469
ACLC	—	45,801,584	45,801,584
<b>TOTAL INVESTMENT IN GENERAL FIXED ASSETS</b>	<b><u>\$ 141,939,863</u></b>	<b><u>\$ 45,801,584</u></b>	<b><u>\$ 187,741,447</u></b>

**EXHIBIT H-2**

**CITY OF AURORA, COLORADO**

**GENERAL FIXED ASSETS ACCOUNT GROUP**

**COMBINING SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY**

**DECEMBER 31, 2001**

<b>FUNCTION AND ACTIVITY</b>	<b>Land</b>	<b>Buildings and Improvements</b>	<b>Improvements Other Than Buildings</b>	<b>Machinery and Equipment</b>	<b>Construction in Progress</b>	<b>Totals</b>
<b>CITY</b>						
General Government						
Buildings	\$ 3,665,512	\$ 2,534,332	\$ 659,487	\$ 152,745	\$ —	\$ 7,012,076
City Council	—	—	—	6,264	—	6,264
Boards and Commissions	—	78,420	—	8,435	—	86,855
Judicial	—	—	—	34,625	—	34,625
Court Administration	—	—	—	624,311	—	624,311
City Attorney	—	—	—	78,050	—	78,050
General Management	—	—	—	862,791	—	862,791
Communications	—	—	—	150,000	—	150,000
Non-Departmental	—	—	—	2,697	—	2,697
Finance	—	—	—	197,532	—	197,532
Information Technology	—	—	76,404	7,415,789	—	7,492,193
Internal Services	—	167,000	25,975	294,591	—	487,566
Building Services	—	20,425	—	471,822	—	492,247
Community Services	135,000	—	—	528,353	—	663,353
Planning	—	—	—	169,801	—	169,801
Development Services	—	—	—	36,256	—	36,256
Total General Government	3,800,512	2,800,177	761,866	11,034,062	—	18,396,617
Public Safety						
Emergency Communications	—	3,740	333,307	1,889,880	—	2,226,927
Police	90,000	7,362,716	687,091	9,765,076	131,800	18,036,683
Fire	107,000	5,027,453	140,558	10,685,276	226,460	16,186,747
Building Inspection	—	—	—	510,564	—	510,564
Total Public Safety	197,000	12,393,909	1,160,956	22,850,796	358,260	36,960,921
Public Works						
Transfers and other payments	—	—	19,500	158,731	—	178,231
Highways and Streets	6,976,332	42,339	30,792	12,436,681	—	19,486,144
Total Public Works	6,976,332	42,339	50,292	12,595,412	—	19,664,375
Culture and Recreation						
Library and Recreation Services	840,882	11,011,779	2,932,199	1,485,655	391,023	16,661,538
Parks and Open Space	10,187,037	4,909,398	14,330,744	6,778,695	14,050,538	50,256,412
Total Culture and Recreation	11,027,919	15,921,177	17,262,943	8,264,350	14,441,561	66,917,950
Total - City	22,001,763	31,157,602	19,236,057	54,744,620	14,799,821	141,939,863
ACLC						
General government buildings	2,086,067	34,608,645	36,014	—	9,070,858	45,801,584
Total Reporting Entity	\$ 24,087,830	\$ 65,766,247	\$ 19,272,071	\$ 54,744,620	\$ 23,870,679	\$ 187,741,447

EXHIBIT H-3

CITY OF AURORA, COLORADO

GENERAL FIXED ASSETS ACCOUNT GROUP  
 COMBINING SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY  
 FOR THE YEAR ENDED DECEMBER 31, 2001

	Balance January 1	Additions	Disposals	Transfers In (Out)	Balance December 31
CITY					
General Government					
Buildings	\$ 7,012,076	\$ —	\$ —	\$ —	\$ 7,012,076
City Council	6,264	—	—	—	6,264
Boards and Commissions	89,721	—	(2,866)	—	86,855
Judicial	29,185	5,440	—	—	34,625
Court Administration	624,311	—	—	—	624,311
City Attorney	70,705	7,345	—	—	78,050
General Management	727,000	135,791	—	—	862,791
Communications	—	150,000	—	—	150,000
Non-Departmental	—	2,697	—	—	2,697
Finance	181,294	16,238	—	—	197,532
Information Technology	7,274,268	196,989	—	20,936	7,492,193
Internal Services	266,862	222,082	(1,378)	—	487,566
Building Services	428,619	74,477	(10,849)	—	492,247
Community Services	461,881	211,139	(17,811)	8,144	663,353
Planning	169,801	—	—	—	169,801
Development Services	33,536	2,720	—	—	36,256
Total General Government	17,375,523	1,024,918	(32,904)	29,080	18,396,617
Public Safety					
Emergency Communications	2,007,706	219,221	—	—	2,226,927
Police	13,533,012	5,485,858	(953,107)	(29,080)	18,036,683
Fire	14,711,983	1,559,357	(84,593)	—	16,186,747
Building Inspection	345,923	204,324	(39,683)	—	510,564
Total Public Safety	30,598,624	7,468,760	(1,077,383)	(29,080)	36,960,921
Public Works					
Transfers and other payments	87,382	90,849	—	—	178,231
Highways and Streets	17,304,237	2,803,924	(622,017)	—	19,486,144
Total Public Works	17,391,619	2,894,773	(622,017)	—	19,664,375
Culture and Recreation					
Library and Recreation Services	15,907,430	947,954	(193,846)	—	16,661,538
Parks and Open Space	32,550,531	18,214,513	(508,632)	—	50,256,412
Total Culture and Recreation	48,457,961	19,162,467	(702,478)	—	66,917,950
Total City	113,823,727	30,550,918	(2,434,782)	—	141,939,863
ACLIC					
General government buildings	36,845,914	8,955,670	—	—	45,801,584
Total Reporting Entity	\$ 150,669,641	\$ 39,506,588	\$ (2,434,782)	\$ —	\$ 187,741,447

**EXHIBIT H-4****CITY OF AURORA, COLORADO****GENERAL LONG-TERM DEBT ACCOUNT GROUP  
COMBINING SCHEDULE OF GENERAL LONG-TERM DEBT  
DECEMBER 31, 2001**

	<u>City</u>	<u>AURA</u>	<u>ACLC</u>	<u>Totals</u>
<b>OTHER DEBITS</b>				
Amount available in debt service funds	\$ 464,815	\$ 1,459,495	\$ 7,979,312	\$ 9,903,622
Amount to be provided for retirement of general long-term debt	<u>94,072,289</u>	<u>760,505</u>	<u>88,090,688</u>	<u>182,923,482</u>
<b>TOTAL OTHER DEBITS</b>	<u>\$ 94,537,104</u>	<u>\$ 2,220,000</u>	<u>\$ 96,070,000</u>	<u>\$ 192,827,104</u>
<b>LIABILITIES</b>				
Accrued compensated absences	\$ 16,801,701	\$ —	\$ —	\$ 16,801,701
General obligation bonds payable	59,480,000	—	—	59,480,000
Revenue bonds payable	16,800,000	2,220,000	—	19,020,000
Certificates of participation	—	—	96,070,000	96,070,000
Capitalized leases	1,291,114	—	—	1,291,114
Net pension obligation	<u>164,289</u>	<u>—</u>	<u>—</u>	<u>164,289</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 94,537,104</u>	<u>\$ 2,220,000</u>	<u>\$ 96,070,000</u>	<u>\$ 192,827,104</u>

## **OTHER SCHEDULES.**

### ***Schedule of Indebtedness - All Funds***

This schedule provides a summary of all debt of the City outstanding at year-end.

### ***Schedule of Debt Service Requirements - General Long-Term Debt***

This schedule provides a summary of debt service requirements to maturity by revenue source for all governmental funds.

### ***Schedule of Debt Service Requirements - Proprietary Funds***

This schedule provides a summary of debt service requirements to maturity by revenue source for all proprietary funds.

### ***Schedule of Conduit Debt Outstanding***

This schedule provides a summary of revenue bonds issued by the City to provide financial assistance to private-sector and non-profit entities.

### ***Schedule of Pooled Investments - Unaudited***

This schedule lists the investments held by the City in its pooled accounts at year-end.

### ***Counties, Cities, & Towns Annual Statement of Receipts & Expenditures for Roads, Bridges and Streets***

This report is required for all local governments that receive highway user taxes from the State of Colorado.

### ***Schedule of Insurance Coverage - Unaudited***

This schedule provides a summary of outstanding City insurance policies.

### ***Schedule of Debt Ratings - Unaudited***

This schedule lists the debt ratings on applicable outstanding City debt.

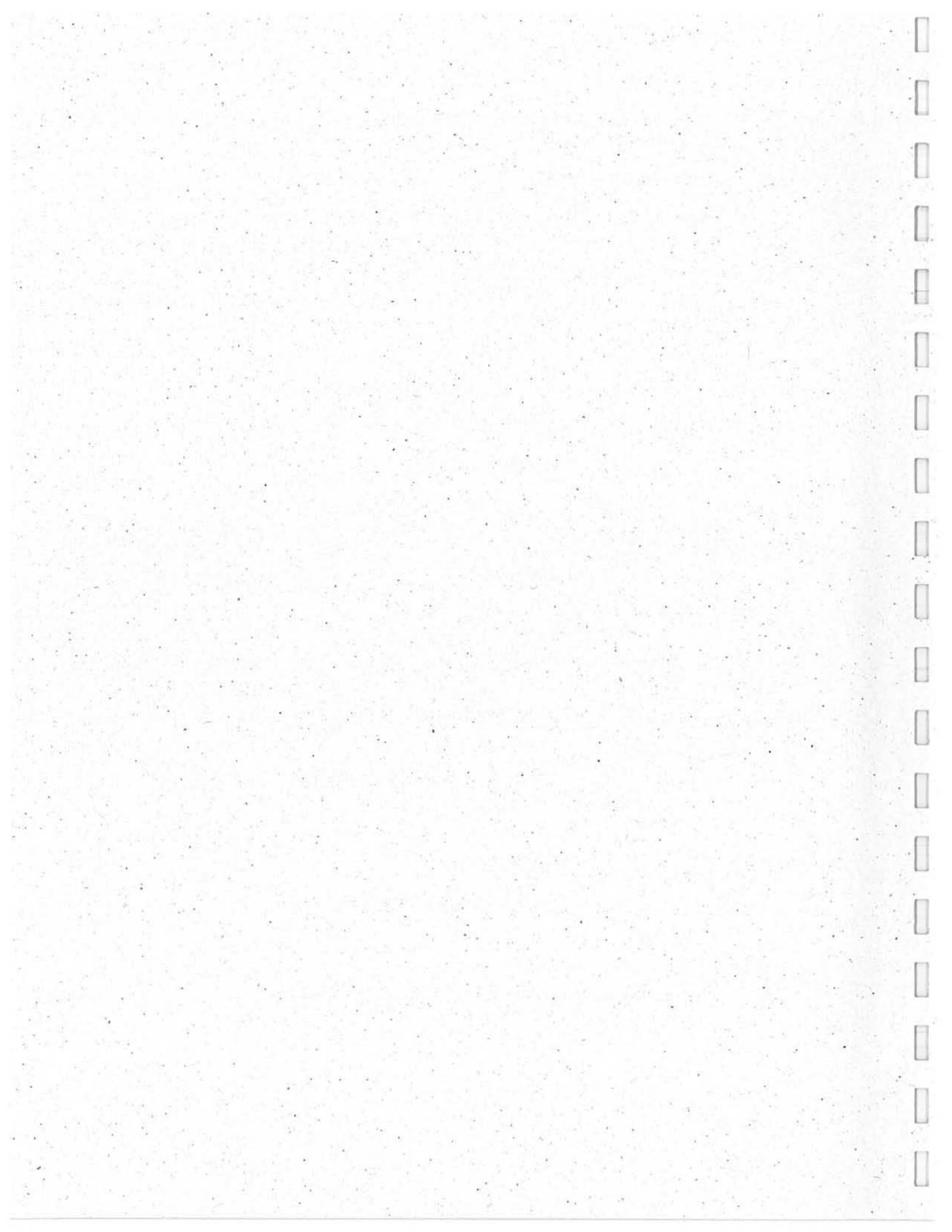




EXHIBIT I-1

CITY OF AURORA, COLORADO

SCHEDULE OF INDEBTEDNESS - ALL FUNDS  
DECEMBER 31, 2001

	Interest Rates	Dates		Bonds		Current Maturities
		Issue	Maturity	Authorized and Issued	Outstanding	
<b>GENERAL OBLIGATION DEBT</b>						
Supported by General Fund revenues						
Public safety	4.85 - 5.55%	05/15/95	2002 - 2009	\$ 4,855,000	\$ 3,165,000	\$ 330,000
Alameda & I-225 Interchange	4.50 - 4.80%	06/01/98	2002 - 2012	10,000,000	8,525,000	615,000
Libraries, parks, public safety	4.60 - 5.00%	12/01/00	2002 - 2015	50,100,000	47,790,000	2,425,000
Total supported by General Fund revenues				64,955,000	59,480,000	3,370,000
Supported by Water Fund revenues						
General obligation refunding	4.625 - 4.75%	09/15/93	2002 - 2014	114,800,000	74,185,000	7,520,000
General obligation refunding	6.80 - 6.90%	08/01/89	2002 - 2006	24,452,709	8,910,000	2,890,000
General obligation refunding	4.55 - 4.90%	12/01/96	2002 - 2006	2,615,000	2,520,000	20,000
Unamortized bond discounts				—	(1,656,194)	—
Total supported by Water Fund revenues				141,867,709	83,958,806	10,430,000
<b>REVENUE BONDS</b>						
Supported by General Fund revenues						
Sports Park	4.75 - 5.125%	07/01/99	2002 - 2014	17,470,000	16,800,000	945,000
Supported by Water Fund revenues						
Governmental agency bond	4.485%	05/01/99	2002 - 2014	14,999,899	13,341,591	858,670
Unamortized bond discounts				—	(80,434)	—
Unamortized bond premium				—	354,544	—
Total supported by Water Fund revenues				14,999,899	13,615,701	858,670
Supported by Sewer Fund revenues						
Sewer revenue refunding	4.50 - 4.65%	07/15/93	2002	11,180,000	1,485,000	1,485,000
Governmental agency bond	5.00%	07/27/99	2002 - 2014	24,124,366	21,363,144	1,383,303
Unamortized bond discounts				—	(135,435)	—
Unamortized bond premium				—	94,807	—
Total supported by Sewer Fund revenues				35,304,366	22,807,516	2,868,303
Supported by Golf Fund revenues						
Golf Course Enterprise System	5.25 - 6.20%	11/01/95	2002 - 2015	7,395,000	6,120,000	295,000
Unamortized bond discount				—	(77,185)	—
Total supported by Golf Fund revenues				7,395,000	6,042,815	295,000
<b>WATER NOTES</b>						
Supported by Water Fund revenues						
Water Rights No. R/B-I-One	5.00%	11/19/99	2002 - 2009	253,987	203,189	25,400
Water Rights No. R/B-I-Two	5.00%	11/19/99	2002 - 2009	249,125	199,300	24,912
Total supported by Water Fund revenues				503,112	402,489	50,312
<b>INCLUDABLE ENTITIES</b>						
AURA tax increment revenue refunding bonds	5.15 - 5.80%	05/15/96	2002 - 2007	3,580,000	2,220,000	270,000
ACLIC certificates of participation - refunding	5.70 - 6.25%	06/01/94	2002 - 2009	35,875,000	19,695,000	1,575,000
ACLIC certificates of participation	5.00 - 6.00%	08/01/00	2003 - 2030	76,375,000	76,375,000	—
Total supported by includable entities				115,830,000	98,290,000	1,845,000
<b>TOTAL INDEBTEDNESS</b>				<b>\$ 398,325,086</b>	<b>\$ 301,397,327</b>	<b>\$ 20,662,285</b>

EXHIBIT I-2

CITY OF AURORA, COLORADO

SCHEDULE OF DEBT SERVICE REQUIREMENTS  
 GENERAL LONG-TERM DEBT  
 DECEMBER 31, 2001

Year	General Obligation Bonds Supported by General Fund Revenues		Revenue Bonds Supported by General Fund Revenues		Tax Increment Revenue Refunding Bonds Supported by AURA Revenues		Capitalized Leases Supported by General Fund Revenues		Certificates of Participation Supported by ACLC Revenues		Total Principal and Interest Requirements to Maturity
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2002	\$ 3,370,000	\$ 2,801,575	\$ 945,000	\$ 812,386	\$ 270,000	\$ 124,252	\$ 519,072	\$ 59,002	\$ 1,575,000	\$ 5,485,484	\$ 15,961,771
2003	3,540,000	2,646,015	990,000	766,430	285,000	109,942	296,169	36,523	2,185,000	5,393,346	16,248,425
2004	3,710,000	2,482,440	1,040,000	717,568	300,000	94,695	329,721	22,628	2,315,000	5,269,066	16,281,118
2005	3,900,000	2,310,625	1,095,000	665,527	320,000	78,195	71,532	4,809	2,445,000	5,135,566	16,026,254
2006	4,090,000	2,129,808	1,150,000	610,805	335,000	60,275	74,620	1,723	2,590,000	4,994,516	16,036,747
2007	4,295,000	1,939,803	1,205,000	552,649	710,000	41,180	—	—	2,825,000	4,845,066	16,413,698
2008	4,510,000	1,739,810	1,270,000	490,774	—	—	—	—	2,985,000	4,676,316	15,671,900
2009	4,735,000	1,529,368	1,335,000	425,649	—	—	—	—	6,955,000	4,497,941	19,477,958
2010	4,480,000	1,307,933	1,400,000	357,274	—	—	—	—	1,900,000	4,071,816	13,517,023
2011	4,705,000	1,101,853	1,475,000	285,399	—	—	—	—	1,995,000	3,976,816	13,539,068
2012	4,940,000	882,610	1,550,000	209,774	—	—	—	—	2,095,000	3,877,066	13,554,450
2013	4,185,000	647,480	1,630,000	129,459	—	—	—	—	2,205,000	3,769,698	12,566,637
2014	4,400,000	446,600	1,715,000	43,947	—	—	—	—	2,320,000	3,653,935	12,579,482
2015	4,620,000	231,000	—	—	—	—	—	—	2,440,000	3,530,975	10,821,975
2016	—	—	—	—	—	—	—	—	2,585,000	3,390,675	5,975,675
2017	—	—	—	—	—	—	—	—	2,730,000	3,242,038	5,972,038
2018	—	—	—	—	—	—	—	—	2,890,000	3,085,063	5,975,063
2019	—	—	—	—	—	—	—	—	3,055,000	2,918,888	5,973,888
2020	—	—	—	—	—	—	—	—	3,230,000	2,743,225	5,973,225
2021	—	—	—	—	—	—	—	—	3,415,000	2,557,500	5,972,500
2022	—	—	—	—	—	—	—	—	3,620,000	2,352,600	5,972,600
2023	—	—	—	—	—	—	—	—	3,835,000	2,135,400	5,970,400
2024	—	—	—	—	—	—	—	—	4,070,000	1,905,300	5,975,300
2025	—	—	—	—	—	—	—	—	4,310,000	1,661,100	5,971,100
2026	—	—	—	—	—	—	—	—	4,570,000	1,402,500	5,972,500
2027	—	—	—	—	—	—	—	—	4,820,000	1,151,150	5,971,150
2028	—	—	—	—	—	—	—	—	5,085,000	886,050	5,971,050
2029	—	—	—	—	—	—	—	—	5,365,000	606,375	5,971,375
2030	—	—	—	—	—	—	—	—	5,660,000	311,300	5,971,300
Totals	\$ 59,480,000	\$ 22,196,920	\$ 16,800,000	\$ 6,067,641	\$ 2,220,000	\$ 508,539	\$ 1,291,114	\$ 124,685	\$ 96,070,000	\$ 93,526,771	\$ 298,285,670

EXHIBIT I-3

CITY OF AURORA, COLORADO

SCHEDULE OF DEBT SERVICE REQUIREMENTS  
 PROPRIETARY FUNDS  
 DECEMBER 31, 2001

Year	General Obligation Bonds Supported by Water Revenues		Revenue Bonds Supported by Water Revenues		Notes Supported by Water Revenues		Revenue Bonds Supported by Sewer Revenues		Revenue Bonds Supported by Golf Revenues		Capitalized Leases Supported by Golf Revenues		Total Principal and Interest Requirements to Maturity
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2002	\$ 10,430,000	\$ 3,658,514	\$ 858,670	\$ 519,413	\$ 50,311	\$ 20,124	\$ 2,868,302	\$ 865,023	\$ 295,000	\$ 363,558	\$ 200,153	\$ 28,269	\$ 20,157,337
2003	8,195,000	3,309,784	885,504	495,735	50,311	17,609	1,426,363	756,247	315,000	347,628	201,944	18,601	16,019,726
2004	8,750,000	3,063,009	906,971	471,317	50,311	15,093	1,458,658	725,225	335,000	329,672	128,411	7,651	16,241,318
2005	6,990,000	2,730,916	933,804	444,194	50,311	12,578	1,496,336	683,337	350,000	310,577	40,102	1,625	14,043,780
2006	7,335,000	2,404,962	960,638	416,269	50,311	10,062	1,539,396	640,368	370,000	290,628	—	—	14,017,634
2007	6,380,000	2,062,281	982,104	394,253	50,311	7,547	1,577,072	603,312	390,000	269,167	—	—	12,716,047
2008	6,700,000	1,767,206	1,008,938	370,603	50,311	5,031	1,620,132	563,517	410,000	246,157	—	—	12,741,895
2009	5,865,000	1,457,331	1,030,404	345,600	50,312	2,516	1,663,192	520,756	435,000	222,583	—	—	11,592,694
2010	6,160,000	1,186,075	1,057,238	319,586	—	—	1,711,634	467,201	460,000	197,570	—	—	11,559,304
2011	6,470,000	893,475	1,094,804	283,045	—	—	1,770,842	412,087	485,000	171,120	—	—	11,580,373
2012	6,800,000	586,150	1,132,372	245,205	—	—	1,819,284	361,234	520,000	141,050	—	—	11,605,295
2013	2,695,000	263,150	1,202,138	176,067	—	—	1,873,110	301,086	550,000	108,810	—	—	7,169,361
2014	2,845,000	135,138	1,288,006	89,517	—	—	2,023,823	156,817	585,000	74,710	—	—	7,198,011
2015	—	—	—	—	—	—	—	—	620,000	38,440	—	—	658,440
Totals	\$ 85,615,000	\$ 23,517,991	\$ 13,341,591	\$ 4,570,804	\$ 402,489	\$ 90,560	\$ 22,848,144	\$ 7,056,210	\$ 6,120,000	\$ 3,111,670	\$ 570,610	\$ 56,146	\$ 167,301,215

EXHIBIT I-4

CITY OF AURORA, COLORADO

SCHEDULE OF CONDUIT DEBT OUTSTANDING  
DECEMBER 31, 2001

Trustee	Issue Type*	Dated Date	Description	Funding Source	December 31, 2001 Outstanding
Bank One	(EDB)	04/15/94	Refunding Rev Bonds (Community College of Aurora), 1994	lease pymt	\$ 9,935,000
US Bank	(IDB)	11/15/84	(TE Properties) Commercial Office Products, 1984	loan pymt	3,600,000
Wells Fargo Bank West	(IDB)	07/29/94	Optima Batteries, Series B (\$5.515 mil, non rated)	loan pymt	3,870,000
Wells Fargo Bank West	(IDB)	07/29/94	Optima Batteries, Series A (\$3.4 mil, COP backed conv floaters)	loan pymt	3,430,000
US Bank	(MF)	04/21/98	Dayton 98 Series A	rental pymt	8,455,000
US Bank	(MF)	04/21/98	Dayton 98 Series B	rental pymt	1,195,000
US Bank	(MF)	04/21/98	Dayton 98 Series C	rental pymt	410,000
US Bank	(MF)	04/21/98	Dayton 98 Series D	mortg pymt	550,000
Wells Fargo Minnesota	(MF)	08/01/96	Aurora Meadows Apartment Project Revenue Refunding 1996	mortg pymt	13,400,000
U.S. Bank Trust	(MF)	10/27/92	Multi-Family Housing Revenue Refunding 1992, Laredo Apartments Project (1)	mortg pymt	—
U.S. Bank Trust	(MF)	06/26/01	Multi-Family Housing Revenue Refunding 2001, Laredo Apartments Project (1)	mortg pymt	1,220,000
US Bank	(SF)	11/13/81	Revenue Bonds, 1981 Series A (private placement)	mortg pymt	2,625,000
BNY	(SF)	09/01/84	Revenue Bonds, Series 1984 A (defeased and non-defeased escrow)	mortg pymt	2,129,215
Zions Bank	(SF)	11/01/93	Revenue Bonds, Series 1993 A	mortg pymt	4,565,000
Total conduit debt outstanding					<u>\$ 55,384,215</u>

- \* EDB Educational Development Bond
- IDB Industrial Development Bond
- MF Multi-Family
- SF Single Family

(1) The Series 1992 bonds were refunded on 06/26/2001 with Series 2001 Refunding Bonds (maturity date 06/15/2026).

EXHIBIT I-5

CITY OF AURORA, COLORADO

SCHEDULE OF POOLED INVESTMENTS - UNAUDITED  
DECEMBER 31, 2001

Investment Description	Coupon Rate	Maturity Date	Original Cost	Carrying/ Fair Value	Par Value
<b>U.S. Government and agency securities</b>					
Federal Agricultural Mortgage Corp.	N/A	01/03/02	\$ 6,962,270	\$ 6,999,300	\$ 7,000,000
	4.875	04/26/04	2,000,000	2,053,800	2,000,000
	4.710	07/23/04	2,882,306	2,933,140	2,870,000
Federal Farm Credit Bank	6.875	05/01/02	1,837,602	1,828,134	1,800,000
	6.250	12/02/02	5,102,245	5,150,163	5,000,000
	6.250	12/02/02	2,035,700	2,103,588	2,000,000
	5.840	11/21/03	1,024,090	1,043,200	1,000,000
	5.100	11/24/03	3,558,556	3,660,050	3,550,000
	5.400	01/23/04	2,997,000	3,118,140	3,000,000
Federal Home Loan Bank	N/A	01/17/02	3,328,045	3,866,362	3,870,000
	6.750	02/01/02	3,042,030	3,011,250	3,000,000
	7.250	05/15/03	2,021,875	2,121,880	2,000,000
	6.050	06/09/03	1,968,050	2,091,880	2,000,000
	5.375	01/05/04	3,050,250	3,117,180	3,000,000
	5.250	02/13/04	2,993,340	3,105,930	3,000,000
	5.460	03/29/04	3,160,890	3,124,680	3,000,000
	4.875	04/16/04	2,982,270	3,087,180	3,000,000
	4.875	05/14/04	3,000,870	3,086,250	3,000,000
	4.750	06/28/04	2,995,830	3,078,750	3,000,000
	3.625	10/15/04	5,045,000	4,968,750	5,000,000
Federal Home Loan Mtg. Corp.	5.750	07/15/03	2,952,570	3,131,250	3,000,000
	6.375	11/15/03	636,375	634,878	600,000
	6.250	07/15/04	5,229,848	5,310,950	5,000,000
	4.500	08/15/04	4,991,400	5,095,300	5,000,000
	3.250	11/15/04	5,001,150	4,910,000	5,000,000
Federal National Mortgage Assn.	5.260	10/02/03	4,353,120	4,636,800	4,500,000
	3.500	09/15/04	4,982,400	4,976,550	5,000,000
U.S. Treasury Notes	N/A	02/15/02	4,307,650	4,993,750	5,000,000
Total U.S. Government and agency securities			94,442,732	97,239,085	95,190,000
<b>Commercial Paper</b>					
	N/A	03/06/02	1,990,596	1,993,458	2,000,000
	N/A	03/15/02	3,985,611	3,985,806	4,000,000
	N/A	01/09/02	1,989,750	1,999,000	2,000,000
	N/A	03/29/02	1,991,347	1,991,445	2,000,000
	N/A	02/06/02	1,991,835	1,995,860	2,000,000
	N/A	03/01/02	2,986,588	2,990,904	3,000,000
	N/A	02/01/02	2,988,498	2,994,478	3,000,000
Total Commercial Paper			17,924,225	17,950,951	18,000,000

(Continued)

EXHIBIT I-5

CITY OF AURORA, COLORADO

SCHEDULE OF POOLED INVESTMENTS - UNAUDITED  
DECEMBER 31, 2001

Investment Description	Coupon Rate	Maturity Date	Original Cost	Carrying/ Fair Value	Par Value
<u>Corporate Notes</u>					
	5.200	05/10/04	\$ 1,998,240	\$ 2,059,600	\$ 2,000,000
	5.125	08/01/04	2,263,950	2,274,575	2,250,000
	5.125	08/04/04	2,031,960	2,017,076	2,000,000
	5.350	05/03/04	2,997,360	3,055,800	3,000,000
	5.550	04/15/03	1,907,560	2,067,200	2,000,000
	6.000	06/15/02	1,311,161	1,369,575	1,350,000
	5.700	05/03/02	2,000,000	2,023,800	2,000,000
	6.875	06/01/03	1,999,640	2,099,400	2,000,000
	9.500	06/01/04	2,764,375	2,794,000	2,500,000
	6.740	08/15/03	1,996,700	2,091,200	2,000,000
	6.625	06/15/04	2,591,975	2,650,250	2,500,000
	5.750	08/01/03	1,239,355	1,251,754	1,205,000
	6.875	11/01/03	1,033,890	1,056,200	1,000,000
	5.750	11/01/03	1,983,460	2,084,000	2,000,000
	5.750	09/01/03	2,904,930	3,126,000	3,000,000
	5.900	02/25/04	1,271,283	1,350,180	1,300,000
	5.700	02/06/04	1,994,020	2,079,000	2,000,000
	5.800	03/15/04	2,142,383	2,215,100	2,125,000
	6.500	09/01/02	1,333,368	1,380,467	1,350,000
	6.500	09/01/02	1,976,133	2,070,701	2,000,000
	6.250	03/15/03	980,490	1,036,200	1,000,000
	7.250	01/15/03	2,001,070	2,064,000	2,000,000
	7.570	03/11/02	1,030,480	1,010,600	1,000,000
	6.750	09/11/03	2,496,775	2,635,500	2,500,000
	8.200	10/30/03	2,782,567	2,814,017	2,595,000
	5.375	04/23/04	517,405	518,400	500,000
	5.375	04/23/04	998,960	1,036,800	1,000,000
	5.375	04/23/04	2,583,150	2,592,000	2,500,000
	6.500	09/15/04	2,107,463	2,063,880	1,950,000
	6.450	11/12/02	1,963,280	2,062,600	2,000,000
	6.430	10/15/02	2,060,688	2,164,050	2,100,000
	9.875	09/01/04	1,535,579	1,537,580	1,450,000
	5.150	08/01/02	3,998,040	4,121,200	4,000,000
	5.750	03/04/03	967,620	1,040,400	1,000,000
	5.750	01/20/04	1,406,535	1,500,295	1,460,000
	6.000	12/01/02	1,544,350	1,656,663	1,593,000
	6.000	07/01/04	1,441,075	1,529,227	1,495,000
	6.800	11/15/03	1,517,295	1,586,421	1,500,000
	6.800	11/04/02	1,997,100	2,102,930	2,000,000
	5.710	02/12/03	994,090	1,001,100	1,000,000
	4.250	02/12/03	3,050,340	3,002,700	3,000,000
	6.375	11/03/03	983,015	1,023,300	1,000,000
	6.750	11/03/03	2,674,568	2,872,100	2,750,000
	5.625	01/15/02	1,996,060	2,025,000	2,000,000
	7.375	02/10/03	1,010,220	1,044,400	1,000,000
	5.840	02/14/03	1,383,445	1,495,385	1,450,000
	3.625	11/01/04	4,015,000	3,985,600	4,000,000
	5.650	01/15/03	1,433,235	1,544,100	1,500,000
	6.250	10/15/02	1,959,545	2,049,600	2,000,000
	6.925	10/15/03	1,997,360	2,118,800	2,000,000
	6.750	05/15/02	1,995,480	2,031,800	2,000,000
	6.375	03/01/03	1,968,060	2,079,000	2,000,000
	7.500	05/15/04	2,118,760	2,171,600	2,000,000

<u>Investment Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Original Cost</u>	<u>Carrying/ Fair Value</u>	<u>Par Value</u>
<b><u>Corporate Notes (continued)</u></b>					
	6.550	08/10/04	\$ 2,635,525	\$ 2,667,000	\$ 2,500,000
	5.750	01/15/03	2,305,656	2,456,880	2,400,000
	6.800	05/15/02	994,520	1,017,400	1,000,000
	6.800	05/15/02	999,862	1,017,400	1,000,000
	5.750	02/01/03	3,169,877	3,248,595	3,150,000
	7.200	05/01/03	1,759,806	1,792,820	1,700,000
	6.375	11/15/03	2,051,880	2,098,800	2,000,000
	6.625	07/15/04	1,451,707	1,480,095	1,395,000
	6.250	11/01/02	974,640	1,028,600	1,000,000
Total Corporate Notes			117,594,316	121,440,716	117,068,000
COLOTRUST	6.500	Open	3,503,188	3,503,188	3,503,188
<b>TOTAL POOLED INVESTMENTS</b>			<b>\$ 233,464,461</b>	<b>\$ 240,133,940</b>	<b>\$ 233,761,188</b>

This schedule represents City pooled investments. The City's financial statements include other investments that are not located in the investment pool. Investments with maturities of three months or less from date of purchase are cash and cash equivalents, which are carried at amortized cost.

(Concluded)

**EXHIBIT I-6**

Form Approved  
OMB No. 2125-0032

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: City of Aurora, Colorado
		YEAR ENDING : December 2001
This Information From The Records Of (example - City of _ or County of _): City of Aurora, Colorado	Prepared By: Phone:	Todd Moses (303) 739-7792

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

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

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

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	3,117,958
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	15,868,462
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	1,840,948
2. General fund appropriations	0	b. Snow and ice removal	1,640,667
3. Other local imposts (from page 2)	17,879,338	c. Other	0
4. Miscellaneous local receipts (from page 2)	1,200,000	d. Total (a. through c.)	3,481,615
5. Transfers from toll facilities	0	4. General administration & miscellaneous	2,031,888
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	5,713,247
a. Bonds - Original Issues	0	6. Total (1 through 5)	30,213,170
b. Bonds - Refunding Issues	0	<b>B. Debt service on local obligations:</b>	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	432,785
7. Total (1 through 6)	19,079,338	b. Redemption	1,225,000
<b>B. Private Contributions</b>	5,878,119	c. Total (a. + b.)	1,657,785
<b>C. Receipts from State government</b> (from page 2)	8,258,297	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	0	a. Interest	0
<b>E. Total receipts (A.7 + B + C + D)</b>	33,215,754	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	1,657,785
		<b>C. Payments to State for highways</b>	1,344,799
		<b>D. Payments to toll facilities</b>	0
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	33,215,754

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>	9,750,000	0	1,225,000	8,525,000
1. Bonds (Refunding Portion)		0	235,000	
<b>B. Notes (Total)</b>	0	0	0	0

Notes and Comments:



**EXHIBIT I-6**

<b>LOCAL HIGHWAY FINANCE REPORT</b>	STATE: Colorado
	YEAR ENDING (mm/yy): December 2001

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assesments	994,173	a. Interest on investments	0
b. Other local imposts:		b. Other	0
1. Sales Taxes	8,427,350	c. Transfers	1,200,000
2. Traffic Fines	4,026,932	d. Capital Credits	0
3. Specific Ownership Tax	2,528,840	e. Sale of Assets	0
4. Motor Vehicle Registration	810,968	f. Fees/Licenses/Permits	0
5. From Cities/Counties	1,091,075	g. Service Performed	0
6. Total (1. through 5.)	16,885,165	h. Refunds of Expenditures	0
c. Total (a. + b.)	17,879,338	i. Total (a. through h.)	1,200,000
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	8,258,297	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. (Specify)	0	d. Mineral Leasing	0
d. (Specify)	0	e. Pay Lieu of Tax	0
e. (Specify)	0	f. Other Federal	0
f. Total (a. through e.)	0	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	8,258,297	3. Total (1. + 2.g)	
			(Carry forward to page 1)

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

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs	20,548	28,865	49,413
b. Engineering Costs	18,203	854,480	872,683
c. Construction:			
(1). Capacity Improvements	5,474	218,939	224,413
(2). System Preservation	0	0	0
(3). Safety And Other	1,000	1,970,449	1,971,449
(4). Total Construction (1)+(2)+(3)	6,474	2,189,388	2,195,862
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	45,225	3,072,733	3,117,958
			(Carry forward to page 1)

Notes and Comments:



**EXHIBIT I-7**

**CITY OF AURORA, COLORADO**

**SCHEDULE OF INSURANCE COVERAGES - UNAUDITED  
DECEMBER 31, 2001**

<u>Coverage</u>	<u>Carrier</u>	<u>Future Coverage Term</u>	<u>Limit of Coverage</u>	<u>Deductible or Retention</u>
<b>Property</b>	Travelers Indemnity Company	January 1, 2002 - January 1, 2003	\$200,000,000 per occurrence	\$100,000 per occurrence
<b>Boiler &amp; Machinery</b>	Travelers Indemnity Company	January 1, 2002 - January 1, 2003	\$50,000,000 per occurrence	\$10,000 per occurrence
<b>Crime</b>	Travelers Casualty & Surety Company of America	March 31, 2002 - March 31, 2004	Public employee dishonesty: \$2,000,000 Destruction, computer fraud: \$1,000,000	\$50,000 per occurrence
<b>Workers' Compensation Specific Excess</b>	Midwest Employers Casualty	January 1, 2002 - January 1, 2003	Statutory	\$350,000 per occurrence
<b>Workers' Compensation Bond</b>	Travelers Casualty & Surety Company of America	January 1, 2002 - January 1, 2003	\$5,878,000	N/A
<b>Primary Liability</b>	Genesis Insurance Company	January 1, 2002 - January 1, 2003	\$2,000,000	\$150,000 per occurrence
<b>Excess Liability</b>	Gulf Insurance Company	January 1, 2002 - January 1, 2003	\$8,000,000	\$2,000,000 underlying primary

**EXHIBIT I-8**

**CITY OF AURORA, COLORADO**

**SCHEDULE OF DEBT RATINGS - UNAUDITED  
DECEMBER 31, 2001**

<u>Debt</u>	<u>Rating Agency</u>	<u>Rating</u>
City of Aurora, Colorado General Obligation Bonds, Series 1995 and 2000	Moody's Investors Service Standard and Poor's	Aa2 AA
City of Aurora, Colorado General Obligation Bonds, Series 1998 <sup>(1)</sup>	Moody's Investors Service Standard and Poor's	Aaa AAA
City of Aurora, Colorado General Obligation Water Refunding Bonds, Series 1989, 1993, and 1996	Moody's Investors Service Standard and Poor's	Aa2 AA
City of Aurora, Colorado General Fund Bonds, Series 1999 <sup>(1)</sup>	Moody's Investors Service Standard and Poor's	Aaa AAA
City of Aurora, Colorado Sewer Revenue Refunding Bonds, Series 1993	Moody's Investors Service Standard and Poor's	Aa3 A+
City of Aurora, Colorado Aurora Capital Leasing Corporation Refunding Certificates of Participation, Series 1994	Moody's Investors Service Standard and Poor's	Aa3 AA-
City of Aurora, Colorado Aurora Capital Leasing Corporation Certificates of Participation, Series 2000 <sup>(1)</sup>	Moody's Investors Service Standard and Poor's	Aaa AAA
Aurora Urban Renewal Authority Tax Increment Financing Revenue Refunding Bonds, Series 1996	Standard and Poor's	A
City of Aurora, Colorado Golf Course Enterprise System Revenue Bonds, Series 1995	Moody's Investors Service	Baa1

<sup>(1)</sup> Reflects the credit-enhanced rating

## SUPPLEMENTARY FINANCIAL DISCLOSURES

### ***Disclosure Report - Aurora Urban Renewal Authority Tax Increment Revenue Refunding Bonds, Series 1996***

These schedules provide required continuing disclosure information for the undertaking dated May 29, 1996 for Aurora Urban Renewal Authority Tax Increment Revenue Refunding Bonds, Series 1996.

### ***Disclosure Report - General Obligation Water Refunding Bonds, Series 1996***

These schedules provide required continuing disclosure information for the undertaking dated December 20, 1996 for City of Aurora, Colorado General Obligation Water Refunding Bonds, Series 1996.

### ***Disclosure Report - Golf Course Enterprise System Revenue Bonds, Series 1995***

These schedules provide required continuing disclosure information for the undertaking dated November 7, 1995 for City of Aurora, Colorado Golf Course Enterprise System Revenue Bonds - Series 1995.

### ***Disclosure Report - General Obligation Bonds, Series 1998***

These schedules provide required continuing disclosure information for the undertaking dated June 17, 1998 for the City of Aurora, Colorado General Obligation Bonds, Series 1998.

### ***Disclosure Report - General Fund Bonds, Series 1999***

These schedules provide required continuing disclosure information for the undertaking dated July 12, 1999 for the City of Aurora, Colorado General Fund Bonds, Series 1999.

### ***Disclosure Report - Drinking Water Revenue Bonds, Series 1999***

These schedules provide required continuing disclosure information for the undertaking dated April 23, 1999 for the Colorado Water Resources and Power Development Authority (CWR&PDA) Drinking Water Revenue Bonds, under which the City of Aurora is obligated as evidenced by a governmental agency bond.

**SUPPLEMENTARY FINANCIAL DISCLOSURES (continued)**

***Disclosure Report - Clean Water Revenue Bonds, Series 1999***

These schedules provide required continuing disclosure information for the undertaking dated July 7, 1999 for the Colorado Water Resources and Power Development Authority (CWR&PDA) Clean Water Revenue Bonds, under which the City of Aurora is obligated as evidenced by a governmental agency bond.

***Disclosure Report - Certificates of Participation, Series 2000***

These schedules provide required continuing disclosure information for the undertaking dated July 27, 2000 for the Certificates of Participation evidencing proportionate undivided interests in rights to receive certain revenues pursuant to a Lease Purchase Agreement between Aurora Capital Leasing Corporation and the City of Aurora.

***Disclosure Report - General Obligation Bonds, Series 2000***

These schedules provide required continuing disclosure information for the undertaking dated December 18, 2000 for the City of Aurora, Colorado General Obligation Bonds, Series 2000.

**EXHIBIT J-1**

**CITY OF AURORA, COLORADO**

**AURORA URBAN RENEWAL AUTHORITY  
TAX INCREMENT REVENUE REFUNDING BONDS, SERIES 1996  
DISCLOSURE REPORT  
DECEMBER 31, 2001**

---

The following information is presented pursuant to continuing disclosure undertaking dated May 29, 1996 for the Aurora Urban Renewal Authority Tax Increment Revenue Refunding Bonds, Series 1996.

**Sales Tax Collections in the  
City Center Urban Renewal Project Area 1997-2001**

<u>Year ended December 31,</u>	<u>Collected in the City Center Urban Renewal Project Area (1)</u>
1997	\$ 395,222
1998	446,008
1999	593,163
2000	642,217
2001	691,419

(1) The base year sales tax in the City Center Urban Renewal Project Area was zero. All sales taxes collected in the project area are treated as Sales Tax Increment Revenues.

The incremental assessed valuation of taxable property in the City Center Urban Renewal Project Area was as follows in the years 1997-2001:

<u>Collection Year</u>	<u>Incremental Assessed Valuation</u>	<u>Total Rate of Levy</u>	<u>Property Tax Increment</u>
1997	\$ 1,729,530	97.317	\$ 168,318
1998	2,069,310	89.852	185,932
1999	3,628,490	88.747	322,018
2000	8,090,420	79.958	646,878
2001	8,728,579	78.960	662,337

(Continued)

**EXHIBIT J-1**

**CITY OF AURORA, COLORADO**

**AURORA URBAN RENEWAL AUTHORITY**

**TAX INCREMENT REVENUE REFUNDING BONDS, SERIES 1996**

**DISCLOSURE REPORT**

**DECEMBER 31, 2001**

---

The following mill levies were imposed by the individual overlapping taxing entities of the City Center Urban Renewal Project Area in the tax years 1997-2001:

**Mill Levies of Overlapping Taxing Entities  
of the City Center Urban Renewal Project Area**

<u>Overlapping Entities</u>	<u>Tax Year/Collection Year</u>				
	<u>1996/97</u>	<u>1997/98</u>	<u>1998/99</u>	<u>1999/2000</u>	<u>2000/01</u>
City of Aurora	12.000	11.940	11.507	11.796	10.594
Arapahoe County	16.973	15.960	15.549	13.706	14.013
Adams-Arapahoe School District 28J	67.595	61.203	60.935	53.799	53.686
Urban Drainage and Flood Control District	.749	.749	.756	.657	.667
	<u>97.317</u>	<u>89.852</u>	<u>88.747</u>	<u>79.958</u>	<u>78.960</u>

**Businesses Operating in the City Center Urban Renewal Project Area**

As of December 31, 2001, the following business establishments most recently operated within the City Center Urban Renewal Project Area:

<u>Name</u>	<u>Type of Business</u>	<u>Square Feet of Space</u>
Right Cuts Plus, Inc.	Hair Cutting	1,300
Gart Sports	Sporting Goods	55,080
Black Eyed Pea	Restaurant	5,000
ADT Security Systems	Security Services	136,445
Century Theaters	Movie Theater	58,696

(Continued)



**EXHIBIT J-1**

**CITY OF AURORA, COLORADO**

**AURORA URBAN RENEWAL AUTHORITY  
TAX INCREMENT REFUNDING BONDS, SERIES 1996  
DISCLOSURE REPORT  
DECEMBER 31, 2001**

**Aurora Urban Renewal Authority  
Summary of Revenues, Expenditures and Changes in  
Fund Balance for the Years Ended December 31,**

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
<b>REVENUES</b>					
Taxes					
Property	\$ 187,663	\$ 182,844	\$ 314,666	\$ 630,583	\$ 662,337
Sales	<u>395,222</u>	<u>446,008</u>	<u>593,163</u>	<u>642,217</u>	<u>691,419</u>
Total taxes	582,885	628,852	907,829	1,272,800	1,353,756
Investment income	215,599	225,176	205,495	107,977	49,139
Miscellaneous revenue	<u>—</u>	<u>5,000</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total revenues	798,484	859,028	1,113,324	1,380,777	1,402,895
<b>EXPENDITURES</b>					
Current					
General Government	900	—	7,383	1,250	4,775
Debt Service					
Principal	215,000	225,000	235,000	250,000	260,000
Interest and fiscal charges	<u>182,162</u>	<u>172,595</u>	<u>161,907</u>	<u>144,260</u>	<u>137,642</u>
Total expenditures	398,062	397,595	404,290	395,510	402,417
Excess of revenues over expenditures	400,422	461,433	709,034	985,267	1,000,478
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	—	—	265,000	—	—
Operating transfers out	<u>(300,000)</u>	<u>(700,000)</u>	<u>(3,435,720)</u>	<u>(1,600,000)</u>	<u>(600,000)</u>
Total other financing uses	(300,000)	(700,000)	(3,170,720)	(1,600,000)	(600,000)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	100,422	(238,567)	(2,461,686)	(614,733)	400,478
FUND BALANCE - JANUARY 1	<u>4,273,581</u>	<u>4,374,003</u>	<u>4,135,436</u>	<u>1,673,750</u>	<u>1,059,017</u>
FUND BALANCE - DECEMBER 31	<u>\$ 4,374,003</u>	<u>\$ 4,135,436</u>	<u>\$ 1,673,750</u>	<u>\$ 1,059,017</u>	<u>\$ 1,459,495</u>

(Concluded)

EXHIBIT J-2

CITY OF AURORA, COLORADO

GENERAL OBLIGATION WATER REFUNDING BONDS, SERIES 1996  
DISCLOSURE REPORT  
DECEMBER 31, 2001

Water Fund					
Comparative Statement of Revenues, Expenses and Changes in Retained Earnings					
For the Years Ended December 31,					
	1997	1998	1999	2000	2001
<b>OPERATING REVENUES</b>					
Charges for services					
Water customers	\$ 28,822,575	\$ 30,231,916	\$ 32,710,309	\$ 35,411,488	\$ 36,662,654
Water fire protection	325,134	330,692	341,182	345,164	354,277
Miscellaneous	32,777	9,756	7,624	12,922	16,610
Total operating revenues	29,180,486	30,572,364	33,059,115	35,769,574	37,033,541
<b>OPERATING EXPENSES BEFORE DEPRECIATION</b>					
Operating income before depreciation	17,473,315	17,678,324	17,520,594	19,161,354	15,189,913
Depreciation	3,938,470	4,281,950	15,732,652	4,926,964	4,988,693
Operating income	13,534,845	13,396,374	1,787,942	14,234,390	10,201,220
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Investment income	2,080,062	2,124,558	1,577,655	3,254,077	4,931,884
Miscellaneous revenue	61,823	21,746	—	212,334	846,805
Capital contributions	—	—	—	—	34,214,004
Interest expense	(5,034,422)	(4,591,054)	(4,456,917)	(4,057,213)	(3,803,318)
Gain (loss) on disposal of assets	44,673	(1,392,084)	(5,467,719)	35,800	(5,176,352)
Amortization expense	(742,007)	(786,934)	(822,482)	(867,668)	(718,646)
Loss on equity in joint venture	(132,887)	(118,589)	(111,107)	(82,606)	(64,430)
Net non-operating revenues (expenses)	(3,722,758)	(4,742,357)	(9,280,570)	(1,505,276)	30,229,947
<b>NET INCOME (LOSS)</b>	9,812,087	8,654,017	(7,492,628) (1)	12,729,114	40,431,167
<b>RETAINED EARNINGS - JANUARY 1</b>	97,802,760	107,614,847	114,005,652	106,513,024	119,242,138
<b>RESTATEMENTS:</b>					
DEPRECIATION EXPENSE	—	(2,263,212)	—	—	—
<b>RETAINED EARNINGS - DECEMBER 31</b>	<u>\$ 107,614,847</u>	<u>\$ 114,005,652</u>	<u>\$ 106,513,024</u>	<u>\$ 119,242,138</u>	<u>\$ 159,673,305</u>

(1) Loss is due to disposal of certain facilities and equipment and reduction in certain estimated useful asset lives. The change in estimated useful asset life resulted in an approximate \$2,000,000 increase in annual depreciation expense, and approximately \$9,000,000 of depreciation applicable to years prior to 1999.

(Continued)

**EXHIBIT J-2****CITY OF AURORA, COLORADO****GENERAL OBLIGATION WATER REFUNDING BONDS, SERIES 1996****DISCLOSURE REPORT****DECEMBER 31, 2001**

The following information is presented pursuant to continuing disclosure undertaking dated December 20, 1996 for the City of Aurora, Colorado General Obligation Water Refunding Bonds, Series 1996.

**THE WATER SYSTEM**

The table below gives a statistical indication of the growth of the Water System during the past 5 years.

<u>Year</u>	<u>Total Number of Water Taps (1)</u>	<u>Increase in Taps</u>	<u>% Increase</u>	<u>Total Miles of Water Pipe</u>	<u>Million Gallons Supplied</u>	<u>Daily Average Consumption (in Millions of Gallons)</u>
1997	59,771	567	1.0	948.68	15,832	43.4
1998	60,393	622	1.0	980.94	16,395	44.9
1999	61,366	973	1.6	1,012.66	16,076	44.0
2000	63,409	2,043	3.2	1,055.92	18,991	51.9
2001	64,845	1,436	2.3	1,072.93	18,341	50.2

(1) Includes inactive and stubbed taps.

The City used 56,287 acre feet of water in 2001 (one acre foot is 325,850 gallons). At the end of 2001, the City had approximately 84,032 acre feet of available water in carryover storage (the excess of the year's runoff over Aurora's annual demand). Recent years' water usage and carryover storage have been as follows:

<u>Year</u>	<u>End of Year Carryover Storage</u>	<u>Supplied</u>	<u>Billed Consumption</u>	<u>Utility Sales (2)</u>
1997	116,797 a.f.	48,587 a.f.	45,468 a.f.	\$ 27,755,316
1998	106,519 a.f.	50,315 a.f.	45,211 a.f.	27,856,838
1999	121,856 a.f.	49,336 a.f.	45,422 a.f.	31,207,116
2000	94,861 a.f.	58,280 a.f.	49,762 a.f.	33,888,457
2001	84,032 a.f.	56,287 a.f.	52,044 a.f.	34,655,966

(2) Base charge and metered sales.

Funds generated from tap and development fees have been as follows in the years 1997-2001:

<u>Year</u>	<u>Tap &amp; Development Fees</u>
1997	\$ 8,023,146
1998	8,822,388
1999	12,893,000
2000	13,761,220
2001	24,171,072

**EXHIBIT J-3****CITY OF AURORA, COLORADO****GOLF COURSE ENTERPRISE SYSTEM REVENUE BONDS, SERIES 1995****DISCLOSURE REPORT****DECEMBER 31, 2001**

The following information is presented pursuant to disclosure undertaking dated November 7, 1995 for the City of Aurora, Colorado Golf Course Enterprise System Revenue Bonds, Series 1995.

**Revenue Coverage**

See Statistical Section, Exhibit xv

**Course Usage**

Usage of courses in the Golf Course System has been as follows in the last five full years:

<u>Course</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Meadow Hills	60,572	61,420	63,211	60,994	56,818
Aurora Hills	57,504	61,426	60,690	55,258	55,205
Springhill	52,558	54,347	54,146	50,250	48,237
Centre Hills	45,386	45,577	44,157	38,620	38,956
Saddle Rock	23,460	44,385	48,102	43,980	40,479
Fitzsimons	—	—	45,418	47,893	45,365
Murphy Creek	—	—	—	16,957	37,272

**Green Fee Rates**

The current green fees for the courses included in the Golf Course System are as follows:

	<u>Meadow Hills</u>	<u>Aurora Hills</u>	<u>Springhill</u>	<u>Centre Hills (1)</u>	<u>Saddle Rock</u>	<u>Fitzsimons (2)</u>	<u>Murphy Creek</u>
18-Hole Resident - Weekday	\$ 22.00	\$ 18.00	\$ 16.00	\$ 11.25	\$ 30.00	\$ 17.00	\$ 28.00
18-Hole Resident - Weekend	26.00	20.00	17.00	12.50	40.00	19.00	38.00
18-Hole Non-Resident - Weekday	24.00	20.00	18.00	13.50	32.00	19.00	30.00
18-Hole Non-Resident - Weekend	26.00	22.00	20.00	16.50	40.00	21.00	38.00
18-Hole Resident Junior - Weekday	10.00	9.00	8.00	7.00	16.00	9.00	15.00
18-Hole Resident Senior - Weekday	13.00	11.00	10.00	8.00	20.00	11.00	18.00
9-Hole Resident - Weekday	11.00	9.00	8.50	6.25	15.00	9.00	14.00
9-Hole Resident - Weekend	13.00	10.00	9.50	7.00	20.00	10.00	19.00
9-Hole Non-Resident - Weekday	13.00	11.00	10.00	7.50	16.00	11.00	15.00
9-Hole Non-Resident - Weekend	15.00	13.00	12.00	9.00	20.00	13.00	19.00
9-Hole Resident Junior - Weekday	5.75	5.00	4.50	4.00	8.00	5.00	7.50
9-Hole Resident Senior - Weekday	7.00	6.00	5.50	4.50	10.00	6.00	9.00

- (1) The Centre Hills Golf Course is a 9-hole course. The 18-hole fee is the total cost to play the 9-hole course twice on the same day.
- (2) Continuing annual members \$450/year and \$2.00/9 holes.

The City of Aurora manages the course for FRA and pays a lease of \$150,000/year and receives a management fee ranging from \$52,400 in the first year to \$61,000 in the final year.

(Continued)

EXHIBIT J-3

CITY OF AURORA, COLORADO

GOLF COURSE ENTERPRISE SYSTEM REVENUE BONDS, SERIES 1995  
 DISCLOSURE REPORT  
 DECEMBER 31, 2001

**Golf Fund**  
**Comparative Statement of Revenues,**  
**Expenses and Changes in Retained Earnings**  
**For the Years Ended December 31,**

	1997	1998	1999	2000	2001
<b>OPERATING REVENUES</b>					
Charges for services	\$ 4,892,212	\$ 5,986,326	\$ 7,115,491	\$ 8,173,773	\$ 9,379,822
Miscellaneous	—	—	—	—	75,000
Total operating revenues	4,892,212	5,986,326	7,115,491	8,173,773	9,454,822
<b>OPERATING EXPENSES BEFORE DEPRECIATION</b>	4,121,295	4,572,949	6,065,401	7,345,386	7,196,676
Operating income before depreciation	770,917	1,413,377	1,050,090	828,387	2,258,146
Depreciation	459,366	660,848	858,775	1,014,581	1,044,843
Operating income (loss)	311,551	752,529	191,315	(186,194)	1,213,303
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Investment income	331,150	256,229	281,567	248,319	180,636
Miscellaneous revenue	30,206	291,806	1,174,485	126,139	22
Interest expense	(284,235)	(363,637)	(605,018)	(715,930)	(781,896)
Loss on disposal of assets	—	(41,274)	(183,034)	—	(69)
Amortization expense	(12,944)	(12,943)	(12,943)	(12,943)	(12,943)
Net non-operating revenues (expenses)	64,177	130,181	655,057	(354,415)	(614,250)
Operating transfers in	—	—	—	—	22,555
Operating transfers out	(62,338)	—	—	(72,940)	(40,000)
<b>NET INCOME (LOSS)</b>	313,390	882,710	846,372	(613,549)	581,608
<b>RETAINED EARNINGS - JANUARY 1</b>	5,583,253	5,896,643	6,786,291	7,632,663	7,019,114
<b>PRIOR PERIOD ADJUSTMENT DEPRECIATION EXPENSE</b>	—	6,938	—	—	—
<b>RETAINED EARNINGS - DECEMBER 31</b>	<u>\$ 5,896,643</u>	<u>\$ 6,786,291</u>	<u>\$ 7,632,663</u>	<u>\$ 7,019,114</u>	<u>\$ 7,600,722</u>

(Concluded)

**EXHIBIT J-4**

**CITY OF AURORA, COLORADO**

**GENERAL OBLIGATION BONDS, SERIES 1998**

**DISCLOSURE REPORT**

**DECEMBER 31, 2001**

---

<b>Required Disclosure</b>	<b>Location</b>
General Fund Operating History	Exhibit J-8
Sources of Revenues	Statistical Section, Exhibit iv
Sales, Use and Lodgers Tax Receipts	Statistical Section, Exhibit vi
Property Tax Levies and Collections	Statistical Section, Exhibit vii
Ten Principal Property Taxpayers	Statistical Section, Exhibit xix
Mill Levies of Direct and Primary Overlapping Governments	Statistical Section, Exhibit x
Authorized, Issued and Outstanding Debt	Schedule of Indebtedness, Exhibit I-1
Long Term Debt Schedules	Schedule of Debt Service Requirements - General Long-Term Debt, Exhibit I-2 and Schedule of Debt Service Requirements - Proprietary Funds, Exhibit I-3
Direct and Overlapping General Obligation Debt	Statistical Section, Exhibit xii
Historical Summary of Debt Ratios	Statistical Section, Exhibit xiv
History of Outstanding Debt	Exhibit J-8
Legal Debt Margin	Statistical Section, Exhibit xi

(Concluded)

**EXHIBIT J-5**

**CITY OF AURORA, COLORADO**

**GENERAL FUND BONDS, SERIES 1999**

**DISCLOSURE REPORT**

**DECEMBER 31, 2001**

<b>Required Disclosure</b>	<b>Location</b>
General Fund Operating History	Exhibit J-8
Sources of Revenues	Statistical Section, Exhibit iv
Sales, Use and Lodgers Tax Receipts	Statistical Section, Exhibit vi
Property Tax Levies and Collections	Statistical Section, Exhibit vii
Ten Principal Property Taxpayers	Statistical Section, Exhibit xix
Mill Levies of Direct and Primary Overlapping Governments	Statistical Section, Exhibit x
Authorized, Issued and Outstanding Debt	Schedule of Indebtedness, Exhibit I-1
Long Term Debt Schedules	Schedule of Debt Service Requirements - General Long-Term Debt, Exhibit I-2 and Schedule of Debt Service Requirements - Proprietary Funds, Exhibit I-3
Direct and Overlapping General Obligation Debt	Statistical Section, Exhibit xii
Historical Summary of Debt Ratios	Statistical Section, Exhibit xiv
History of Outstanding Debt	Exhibit J-8
Legal Debt Margin	Statistical Section, Exhibit xi

(Concluded)

**EXHIBIT J-6**

**CITY OF AURORA, COLORADO**

**DRINKING WATER REVENUE BONDS, SERIES 1999**

**DISCLOSURE REPORT**

**DECEMBER 31, 2001**

---

Water System Customer Information

The System serves a customer base which has grown as follows in the years 1997 through 2001.

<u>Years December 31</u>	<u>Total Estimated Residential Meters</u>
1997	58,614
1998	59,354
1999	58,543
2000	59,523
2001	60,454

The Enterprise classifies its System customers as business, residential and other. A breakdown of the usage and revenues as of December 31, 2001 is as follows:

<u>Classification</u>	<u>Percent of Consumption</u>	<u>Percent of Billed Revenues</u>
Business	18%	17%
Residential	57%	58%
Other (1)	25%	25%

(1) Includes tertiary, irrigation and raw water customers.

The following table sets forth the ten largest consumers of the System which, in the aggregate, accounted for approximately 2.0% of total billed System revenue during 2001.

**Ten Largest Customers of the System**

<u>Consumers</u>	<u>Billed Revenue*</u>
Buckley ANG Base	\$ 198,946
Kingsley Management Corp.	84,256
Cherry Creek Schools	79,427
The Parks Apartments	64,640
Heatheridge Pine Apartments	57,842
Holiday Inn Denver SE	55,149
Timberleaf Apartments	46,434
Buckingham Oaks Condominium	44,791
Aurora Meadows Apartments	43,733
The Medical Center of Aurora	41,858
	<u>\$ 717,076</u>

\* Treated water consumption

(Continued)



**EXHIBIT J-6**

**CITY OF AURORA, COLORADO**

**DRINKING WATER REVENUE BONDS, SERIES 1999**

**DISCLOSURE REPORT**

**DECEMBER 31, 2001**

Water System Financial Information

System Rates and Charges

<u>Meter Size</u>	<u>Monthly Service Charge</u>
5/8" & 3/4"	\$ 2.69
1"	3.69
1 1/2"	5.91
2"	8.58
3"	17.00
4"	45.83
6"	90.17
8"	112.36

Tap Fees

<u>Service Size (Inches)</u>	<u>Single Family Detached</u>	<u>Single Family Attached</u>	<u>Multi-Family</u>	<u>Commercial</u>
N/A	\$ —	\$ 5,759 per unit	\$ 4,252 per unit	\$ —
5/8 & 3/4	6,846	—	—	6,846
1	13,958	—	—	13,958
1 1/2	—	—	—	31,437
2	—	—	—	55,833
3	—	—	—	125,534
4	—	—	—	223,330
6	—	—	—	502,742
8	—	—	—	893,783

Tap Fee Revenue

1997	\$ 7,692,761
1998	8,605,558
1999	12,135,147
2000	13,234,435
2001	22,936,681

(Continued)

**EXHIBIT J-6**

**CITY OF AURORA, COLORADO**

**DRINKING WATER REVENUE BONDS, SERIES 1999**

**DISCLOSURE REPORT**

**DECEMBER 31, 2001**

---

Comparative schedules of System revenues and expenditures for the years ended December 31, 1997 through December 31, 2001 are shown on Exhibit J-2.

Budget Summary

	<u>2002 Budget</u>
Funds Available - January 1	\$ 25,903,000
Revenues	55,437,000
Uses of funds	
Operating expenditures	21,341,000
Debt related	16,285,000
Capital projects	<u>17,618,000</u>
Total uses	<u>55,244,000</u>
Change in funds available	<u>193,000</u>
Funds Available - December 31	<u>\$ 26,096,000</u>

Historical Debt Service Coverage  
See Statistical Section, Exhibit xv

(Concluded)

**EXHIBIT J-7**  
**CITY OF AURORA, COLORADO**  
**CLEAN WATER REVENUE BONDS, SERIES 1999**  
**DISCLOSURE REPORT**  
**DECEMBER 31, 2001**

---

Sewer System Customer Information

The System serves a customer base which has grown as follows in the years 1997 through 2001.

<u>Years December 31</u>	<u>Total Estimated Residential Meters</u>
1997	58,614
1998	59,354
1999	58,543
2000	59,523
2001	60,454

The Enterprise classifies its System customers as business and residential. A breakdown of the usage and revenues as of December 31, 2001 is as follows:

<u>Classification</u>	<u>Percent of Consumption</u>	<u>Percent of Billed Revenues</u>
Business	11%	11%
Residential	89%	89%
Totals	100%	100%

The following table sets forth the ten largest consumers of the System which, in the aggregate, accounted for approximately 2.00% of total billed System revenue during 2001.

**Ten Largest Customers of the System**

<u>Consumers</u>	<u>Billed Revenue</u>
Buckley ANG Base	\$ 84,258
Kingsley Management Corp.	44,478
Holiday Inn Denver SE	44,208
Hillcrest Village	42,156
University of Colorado Hospital Authority	31,212
The Parks Apartments	39,258
Heatheridge Pine Apartments	38,988
The Medical Center of Aurora	31,212
American Timberleaf Partners	31,104
Buckingham Oaks Condominium	29,754
	<u>\$ 416,628</u>

(Continued)

**EXHIBIT J-7**  
**CITY OF AURORA, COLORADO**  
**CLEAN WATER REVENUE BONDS, SERIES 1999**  
**DISCLOSURE REPORT**  
**DECEMBER 31, 2001**

---

Sewer System Financial Information

System Rates and Charges

<u>Meter Size</u>	<u>Monthly Service Charge</u>
5/8" & 3/4"	\$ 1.61
1"	4.03
1 1/2"	8.05
2"	12.88
3"	28.18
4"	80.50
6"	161.00
8"	161.00

Tap Fees

<u>Service Size (Inches)</u>	<u>Single Family Detached</u>	<u>Single Family Attached</u>	<u>Multi-Family</u>	<u>Commercial</u>
N/A	\$ —	\$ 1,095 per unit	\$ 865 per unit	\$ —
5/8	1,095	—	—	—
3/4	1,095	—	—	2,081
1	1,095	—	—	4,929
1 1/2	—	—	—	12,048
2	—	—	—	21,906
3	—	—	—	46,002
4	—	—	—	83,242
6	—	—	—	*
8	—	—	—	*

\* Ratios for six inch and larger meters are based on a formula utilizing flow, BOD, TSS, and TKN values.

<u>Tap Fee Revenue</u>	
1997	\$ 1,470,200
1998	1,622,042
1999	1,697,574
2000	2,216,949
2001	4,256,124

(Continued)

**EXHIBIT J-7**

**CITY OF AURORA, COLORADO**

**CLEAN WATER REVENUE BONDS, SERIES 1999**

**DISCLOSURE REPORT**

**DECEMBER 31, 2001**

---

**Storm Drain Rates and Charges**

The City imposes storm drainage fees upon the owners of property served by the System's storm sewer facilities, and charges developers a \$1,033 per acre storm drainage development fee at the time building permits are issued. The storm drainage fee is \$3.65 per month for single family detached and individually metered single family attached dwellings. The storm drainage fee is \$3.65 per month plus \$2.89 per month for each additional unit for multifamily and master-metered single family attached dwellings. For commercial and industrial buildings, the storm drainage fee is \$3.65 per month for the first 2,500 square feet of gross floor space plus \$2.89 for each additional 2,500 square feet of gross floor space or portion thereof.

**Budget Summary**

	<u>2002 Budget</u>
Funds Available - January 1	\$ 22,462,000
Sources of funds	
Revenues	<u>28,979,000</u>
Total sources	28,979,000
Uses of funds	
Operating expenditures	19,946,000
Debt related	9,000
Capital projects	<u>18,175,000</u>
Total uses	<u>38,130,000</u>
Change in funds available	<u>(9,151,000)</u>
Funds Available - December 31	13,311,000
Principal receivable - loan to Golf	<u>(256,000)</u>
Adjusted funds available - December 31	<u>\$ 13,055,000</u>

Historical Debt Service Coverage  
See Statistical Section, Exhibit xv

(Continued)

## EXHIBIT J-7

## CITY OF AURORA, COLORADO

**CLEAN WATER REVENUE BONDS, SERIES 1999  
 DISCLOSURE REPORT  
 DECEMBER 31, 2001**

City of Aurora, Colorado Sewer Fund					
Comparative Statement of Revenues, Expenses and Changes in Retained Earnings For the Years Ended December 31,					
	1997	1998	1999	2000	2001
<b>OPERATING REVENUES</b>					
Charges for services	\$ 19,775,423	\$ 20,197,761	\$ 21,518,092	\$ 21,648,208	\$ 22,606,204
Miscellaneous	—	450	—	—	—
Total operating revenues	<u>19,775,423</u>	<u>20,198,211</u>	<u>21,518,092</u>	<u>21,648,208</u>	<u>22,606,204</u>
<b>OPERATING EXPENSES</b>					
Personal services	3,496,126	3,744,179	4,099,758	4,440,975	4,846,241
Supplies	286,085	507,257	568,429	551,587	531,753
Other services and charges	11,487,223	10,426,614	11,866,156	11,993,595	12,242,283
Depreciation	2,393,709	2,583,244	2,698,842	2,925,103	3,001,033
Total operating expenses	<u>17,663,143</u>	<u>17,261,294</u>	<u>19,233,185</u>	<u>19,911,260</u>	<u>20,621,310</u>
Operating income	<u>2,112,280</u>	<u>2,936,917</u>	<u>2,284,907</u>	<u>1,736,948</u>	<u>1,984,894</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest	2,118,469	2,312,251	1,690,088	2,902,336	2,902,973
Miscellaneous revenue	11,717	112,191	105,101	36,715	45,475
Capital contributions	—	—	—	—	18,687,969
Interest expense	(221,650)	(68,436)	(81,605)	(485,309)	(115,678)
Gain (loss) on disposal of assets	5,777	(667,797)	(169,534)	(37,254)	7,659
Amortization expense	(42,995)	(42,995)	(47,098)	(92,205)	(28,836)
Net non-operating revenues	<u>1,871,318</u>	<u>1,645,214</u>	<u>1,496,952</u>	<u>2,324,283</u>	<u>21,499,562</u>
<b>NET INCOME</b>	3,983,598	4,582,131	3,781,859	4,061,231	23,484,456
<b>RETAINED EARNINGS - JANUARY 1 AS RESTATED</b>	<u>55,854,242</u>	<u>59,756,940</u>	<u>64,339,071</u>	<u>68,120,930</u>	<u>72,182,161</u>
<b>RETAINED EARNINGS - DECEMBER 31</b>	<u>\$ 59,837,840</u>	<u>\$ 64,339,071</u>	<u>\$ 68,120,930</u>	<u>\$ 72,182,161</u>	<u>\$ 95,666,617</u>

(Concluded)

EXHIBIT J-8

CITY OF AURORA, COLORADO

CONTINUING DISCLOSURE INFORMATION  
DECEMBER 31, 2001

Combined General, TABOR Reserve and Policy Reserve  
Funds (1) Statement of Revenues, Expenditures and  
Changes in Fund Balance (GAAP Basis)  
For the Years Ended December 31,

	1997	1998	1999	2000	2001
<b>REVENUES</b>					
Taxes	\$ 127,046,518	\$ 137,883,780	\$ 146,466,221	\$ 161,167,947	\$ 167,908,642
Licenses and permits	4,093,884	4,703,725	5,373,101	6,005,710	7,140,457
Intergovernmental	13,805,722	10,608,129	10,924,976	10,534,892	10,574,570
Charges for services	4,449,459	5,026,677	5,202,091	4,733,638	5,363,638
Fines and forfeits	3,068,732	3,166,427	3,369,937	3,438,155	3,976,992
Investment income	2,453,914	2,907,701	1,771,553	4,395,780	4,360,951
Miscellaneous	354,304	418,121	1,918,926	1,169,136	438,304
Total revenues	<u>155,272,533</u>	<u>164,714,560</u>	<u>175,026,805</u>	<u>191,445,258</u>	<u>199,763,554</u>
<b>EXPENDITURES</b>					
Current					
General government	26,624,613	28,154,640	30,229,874	33,324,021	36,329,951
Public safety	72,519,670	71,429,986	75,838,669	79,379,716	84,960,689
Public works	15,228,396	15,016,811	15,335,661	16,589,882	17,576,391
Culture and recreation	12,094,059	12,367,848	13,541,627	15,174,445	16,653,462
Total current	<u>126,466,738</u>	<u>126,969,285</u>	<u>134,945,831</u>	<u>144,468,064</u>	<u>155,520,493</u>
Capital outlay	5,494,077	4,911,921	3,459,620	5,687,250	6,357,497
Debt service	—	302,066	303,997	578,073	849,594
Total expenditures	<u>131,960,815</u>	<u>132,183,272</u>	<u>138,709,448</u>	<u>150,733,387</u>	<u>162,727,584</u>
Excess of revenues over expenditures	23,311,718	32,531,288	36,317,357	40,711,871	37,035,970
Net other financing uses (2)	<u>(21,109,828)</u>	<u>(28,894,477)</u>	<u>(25,726,731)</u>	<u>(38,785,161)</u>	<u>(40,997,569)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	2,201,890	3,636,811	10,590,626	1,926,710	(3,961,599)
Residual equity transfers in	—	—	—	369,043	—
Fund balance - beginning of year	<u>40,153,927</u>	<u>42,355,817</u>	<u>45,992,628</u>	<u>56,583,254</u>	<u>58,879,007</u>
Fund balance - end of year	<u>\$ 42,355,817</u>	<u>\$ 45,992,628</u>	<u>\$ 56,583,254</u>	<u>\$ 58,879,007</u>	<u>\$ 54,917,408</u>

(1) This schedule contains the activities of the General Fund, the TABOR Reserve Fund and the 10% Policy Reserve Fund. In 1996-1997, the TABOR and Policy Reserves were included in the General Fund. At the end of 1998, the TABOR Reserve Fund was transferred from the General Fund to the Emergency Contingency Fund and then to a separate fund early in 1999. The Policy Reserve was transferred to a separate fund in 1999.

(2) Net other financing uses consist primarily of transfers to other funds. Transfers among the General Fund, the TABOR Reserve Fund and the Policy Reserve Fund have been eliminated in this schedule.

(Continued)

EXHIBIT J-8  
CITY OF AURORA, COLORADO

CONTINUING DISCLOSURE INFORMATION  
DECEMBER 31, 2001

Combined General, TABOR Reserve and Policy Reserve Funds (1) Comparative Statements of  
Revenues, Expenditures and Changes in Funds Available, Actual and Budget  
(Non-GAAP Budgetary Basis)  
For the Years Ended December 31,

	1997		1998		1999		2000		2001	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
<b>REVENUES</b>										
Taxes	\$ 126,546,626	\$ 124,058,000	\$ 136,645,727	\$ 130,738,184	\$ 144,895,863	\$ 141,129,591	\$ 160,034,815	\$ 160,276,323	\$ 169,523,730	\$ 170,895,593
Licenses and permits	4,093,884	3,454,000	4,703,725	4,188,084	5,373,101	4,940,672	6,005,710	5,765,159	7,140,457	6,625,896
Intergovernmental	8,906,136	8,655,000	9,575,653	9,395,254	9,892,500	10,121,433	10,534,892	10,182,238	10,574,569	10,867,694
Charges for services	4,449,459	4,996,100	5,026,676	4,746,600	5,202,091	5,088,697	4,733,638	5,478,072	5,363,638	5,330,439
Fines and forfeits	3,068,732	2,941,000	3,166,427	2,302,000	3,369,937	3,595,787	3,438,155	3,441,115	3,976,992	3,595,965
Investment income	2,453,914	2,415,000	2,939,470	2,551,737	2,469,749	2,562,100	3,501,043	2,760,501	3,553,421	3,775,170
Miscellaneous	1,166,079	743,000	677,669	654,825	3,606,321	2,394,739	3,213,691	1,335,844	956,462	1,294,332
Total revenues	150,684,830	147,262,100	162,735,347	154,576,684	174,809,562	169,833,019	191,461,944	189,239,252	201,089,269	202,385,089
<b>EXPENDITURES</b>										
Municipal Court	3,419,613	3,683,475	3,655,120	3,816,332	3,696,769	3,913,607	3,901,719	4,352,706	4,190,707	4,510,802
City Attorney	2,647,874	2,743,271	2,837,931	2,889,424	3,171,487	3,171,487	3,361,806	3,600,179	3,758,518	3,980,100
General Management	5,552,043	5,904,685	6,559,605	6,776,144	8,073,104	8,315,878	9,302,845	9,678,135	10,496,629	11,192,924
Administrative Services	9,916,866	10,536,757	11,568,121	11,721,444	11,499,307	11,678,053	13,987,001	14,111,288	14,520,479	14,967,280
Operations Group Management	28,516,238	29,187,472	28,221,506	28,477,500	29,724,261	30,047,798	32,317,191	33,194,954	33,898,020	34,961,564
Community Services	77,695,464	77,987,869	80,017,210	80,081,244	84,896,006	85,359,041	89,406,218	89,463,347	94,551,719	94,773,996
Transfers and other payments	20,215,638	19,480,366	27,019,377	28,388,893	24,721,542	25,096,800	39,872,925	42,190,172	41,368,407	44,353,609
Total expenditures	147,963,736	149,523,895	159,878,870	162,150,981	165,782,476	167,582,664	192,149,705	196,590,781	202,784,479	208,740,275
Excess (deficiency) of revenues over (under) expenditures	2,721,094	(2,261,795)	2,856,477	(7,574,297)	9,027,086	2,250,355	(687,761)	(7,351,529)	(1,695,210)	(6,355,186)
Funds available - beginning of year	27,092,610	26,837,619	29,813,704	28,678,517	32,670,181	27,430,927	41,697,267	31,339,866	41,009,506	41,382,296
Funds available - end of year	29,813,704	\$ 24,575,824	32,670,181	\$ 21,104,220	41,697,267	\$ 29,681,282	41,009,506	\$ 23,988,337	39,314,296	\$ 35,027,110
Reserved for police	(10,240,213)		(10,865,085)		(11,308,354)		(10,566,835)		(9,055,714)	
Reserved for emergencies	(4,600,000)		(4,807,000)		(5,057,863)		(5,374,017)		(5,689,636)	
Council designations	(30,020)		—		(9,273,474)		(5,396,000)		(4,440,000)	
Funds available - after reservations and designations	\$ 14,943,471		\$ 16,998,096		\$ 16,057,576		\$ 19,672,654		\$ 20,128,946	
Reconciliation of funds available to fund balance										
Funds available - end of year	\$ 29,813,704		\$ 32,670,181		\$ 41,697,267		\$ 41,009,506		\$ 39,314,296	
Current year encumbrances	1,734,741		1,308,791		2,000,167		2,955,812		1,496,980	
Sales, use and lodgers tax accruals	10,807,372		12,045,425		13,615,783		14,748,915		13,133,827	
Adjust investments to fair value	—		(31,769)		(729,963)		164,774		972,304	
Fund balance - end of year	\$ 42,355,817		\$ 45,992,628		\$ 56,583,254		\$ 58,879,007		\$ 54,917,407	

(1) This schedule contains the activities of the General Fund, the TABOR emergency reserve, and City's 10% Policy "Reserve". In 1996-1997, the TABOR and Policy Reserves were included within the General Fund. At the end of 1998, the TABOR Reserve was transferred from the General Fund to the Emergency Contingency Fund and then to a separate fund early in 1999. The Policy "Reserve" was transferred from the General Fund to a separate fund in 1999.

(2) Some amounts on this schedule have been reclassified and restated from the presentation in the Comprehensive Annual Financial Reports for consistency.



**EXHIBIT J-8**

**CITY OF AURORA, COLORADO**

**CONTINUING DISCLOSURE INFORMATION**

**DECEMBER 31, 2001**

---

**City of Aurora, Colorado  
History of Outstanding Debt  
1997 – 2001**

<b>Years Ended December 31</b>	<b>Total Outstanding Debt (1)</b>
1997	\$ 132,555,000
1998	131,725,000
1999	120,070,000
2000	158,845,000
2001	145,095,000

- (1) Figure represents gross general obligation debt and includes self-supporting General Obligation Water Bonds. Figure excludes revenue bonds, capitalized lease obligations and water rights contracts payable.

(Concluded)

**EXHIBIT J-9**

**CITY OF AURORA, COLORADO**

**GENERAL OBLIGATION BONDS, SERIES 2000**

**DISCLOSURE REPORT**

**DECEMBER 31, 2001**

---

<b>Required Disclosure</b>	<b>Location</b>
General Fund Operating History	Exhibit J-8
Sources of Revenues	Statistical Section, Exhibit iv
Sales, Use and Lodgers Tax Receipts	Statistical Section, Exhibit vi
Property Tax Levies and Collections	Statistical Section, Exhibit vii
Ten Principal Property Taxpayers	Statistical Section, Exhibit xix
Mill Levies of Direct and Primary	
Overlapping Governments	Statistical Section, Exhibit x
Authorized, Issued and Outstanding Debt	Schedule of Indebtedness, Exhibit I-1
Long Term Debt Schedules	Schedule of Debt Service Requirements - General Long-Term Debt, Exhibit I-2 and Schedule of Debt Service Requirements – Proprietary Funds, Exhibit I-3
Direct and Overlapping General Obligation Debt	Statistical Section, Exhibit xii
Historical Summary of Debt Ratios	Statistical Section, Exhibit xiv
History of Outstanding Debt	Exhibit J-8
Legal Debt Margin	Statistical Section, Exhibit xi

(Concluded)

**EXHIBIT J-10**

**CITY OF AURORA, COLORADO**

**CERTIFICATES OF PARTICIPATION, SERIES 2000**

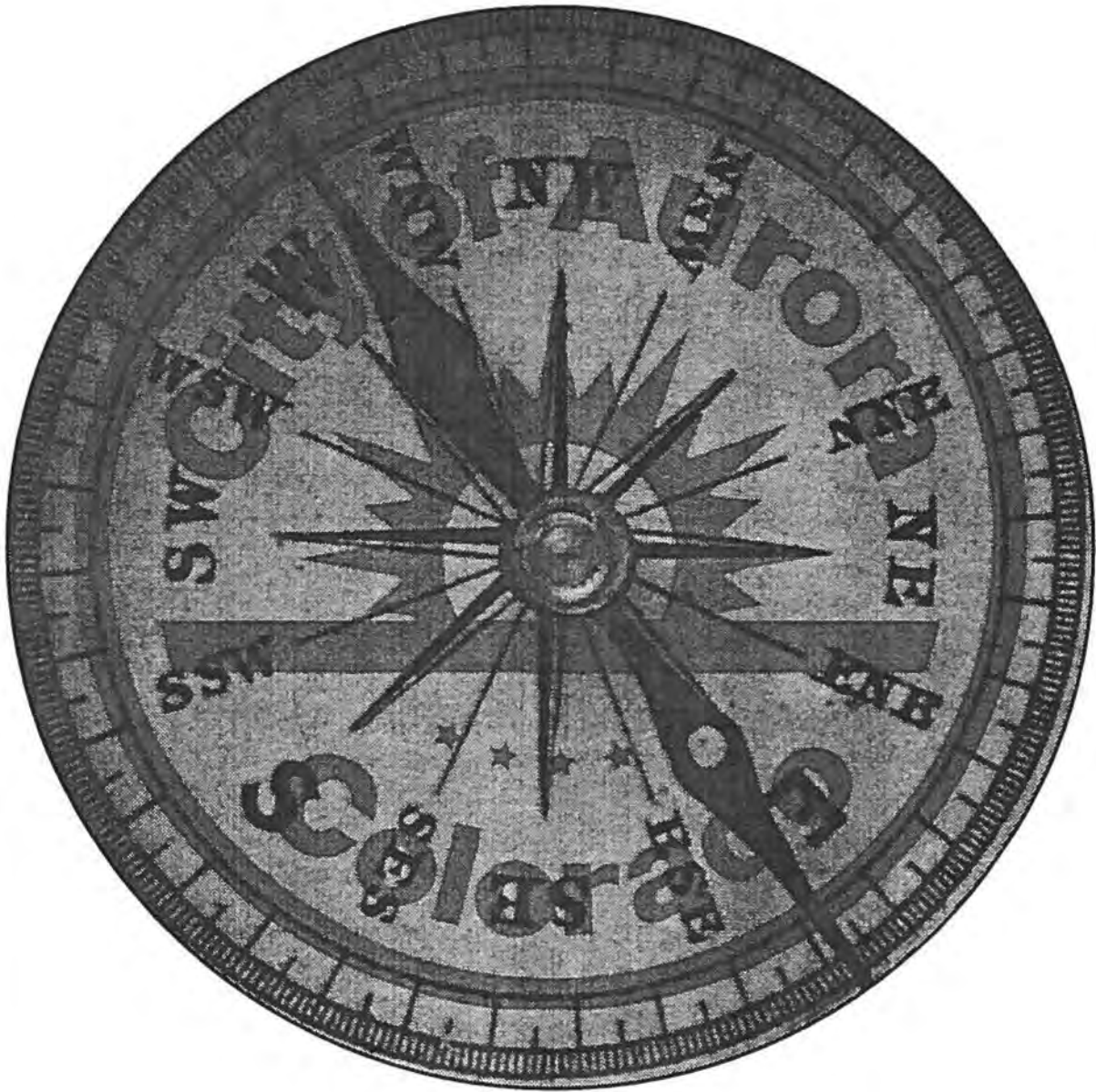
**DISCLOSURE REPORT**

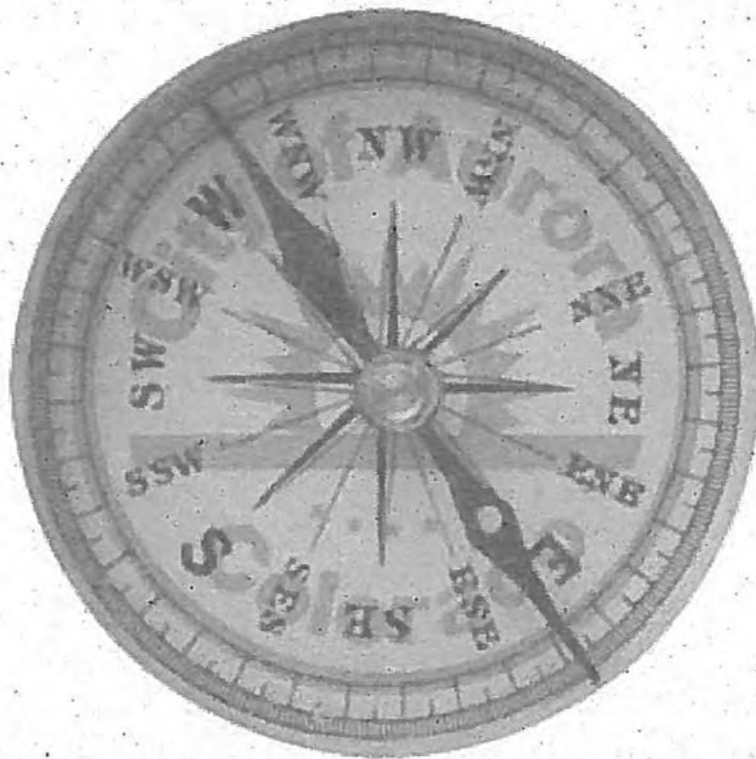
**DECEMBER 31, 2001**

---

<b>Required Disclosure</b>	<b>Location</b>
General Fund Operating History	Exhibit J-8
Sources of Revenues	Statistical Section, Exhibit iv
Sales, Use and Lodgers Tax Receipts	Statistical Section, Exhibit vi
Property Tax Levies and Collections	Statistical Section, Exhibit vii
Ten Principal Property Taxpayers	Statistical Section, Exhibit xix
Mill Levies of Direct and Primary Overlapping Governments	Statistical Section, Exhibit x
Authorized, Issued and Outstanding Debt	Schedule of Indebtedness, Exhibit I-1
Long Term Debt Schedules	Schedule of Debt Service Requirements - General Long-Term Debt, Exhibit I-2 and Schedule of Debt Service Requirements – Proprietary Funds, Exhibit I-3
Direct and Overlapping General Obligation Debt	Statistical Section, Exhibit xii
Historical Summary of Debt Ratios	Statistical Section, Exhibit xiv
History of Outstanding Debt	Exhibit J-8
Legal Debt Margin	Statistical Section, Exhibit xi

(Concluded)





---

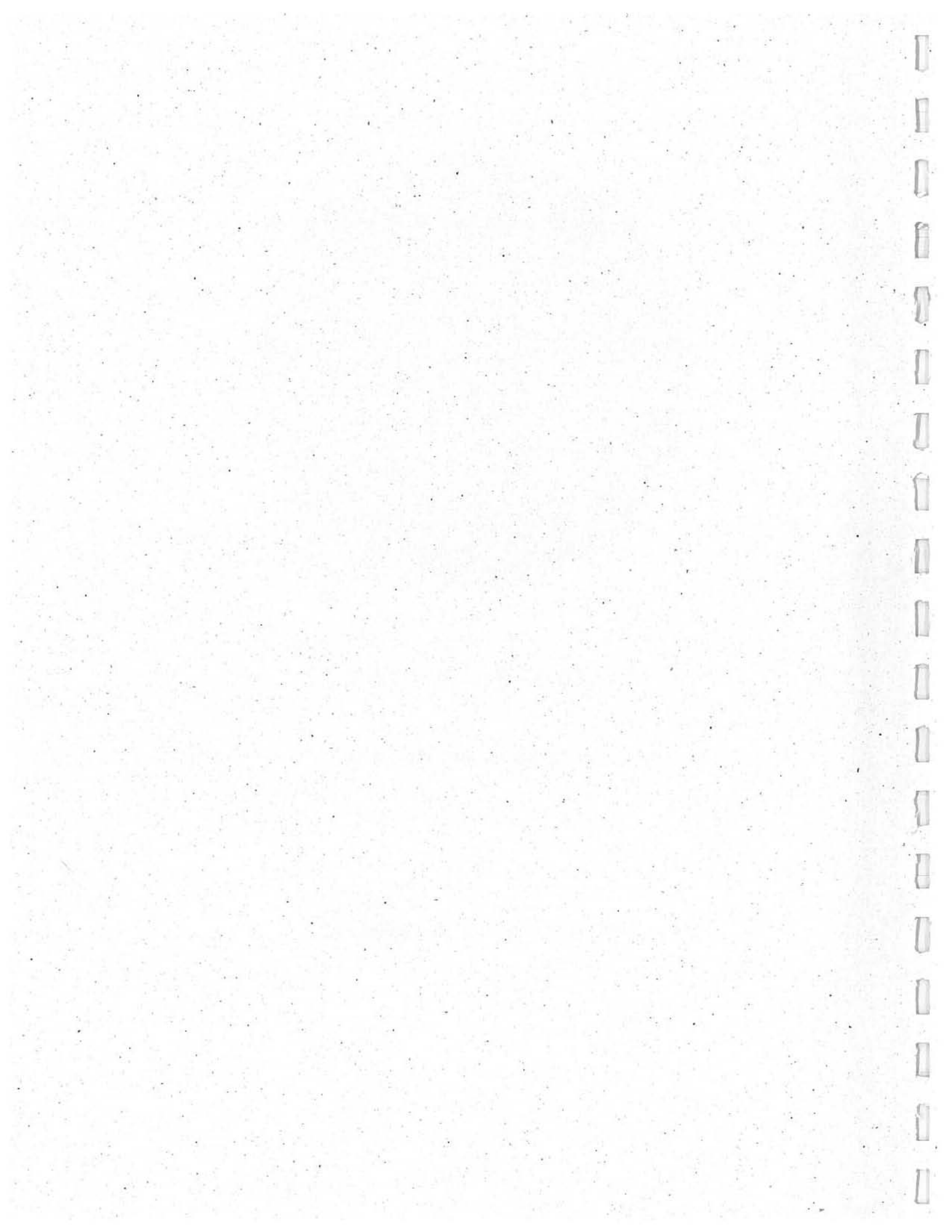
## **Statistical Section**

**Revenues & Expenditures**

**Taxes & Assessments**

**Debt**

**Economic & Demographic**



## ABOUT THE STATISTICAL TABLES

### REVENUES AND EXPENDITURES STATISTICS

Exhibit i  
Exhibit ii

#### **GOVERNMENTAL EXPENDITURES BY FUNCTION**

These tables present general information on recurring governmental expenditures during the last ten years. The tables include the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds. They do not include expenditures of the leasing corporation ACLC. The expenditures are categorized as General Government, Public Safety, Public Works, Culture and Recreation, Debt Service and Capital Outlay.

Exhibit iii  
Exhibit iv

#### **GOVERNMENTAL REVENUES BY SOURCE**

These tables present general information on recurring governmental revenues during the last ten years. The tables include the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds. They do not include revenues of the leasing corporation ACLC. Major governmental revenue sources are: taxes, licenses and permits, intergovernmental revenues, charges for services, fines and forfeitures and miscellaneous revenues such as special assessments and interest income on investments.

Exhibit v  
Exhibit vi

#### **GOVERNMENTAL TAX REVENUES BY SOURCE**

These tables present detailed information on the tax revenues portion of governmental revenues. They include tax revenues of the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds. Tax revenues are derived primarily from property taxes, sales, use and lodgers taxes, specific ownership taxes and gross receipts business taxes such as franchise and occupational privilege taxes.

### TAXES AND ASSESSMENT STATISTICS

Exhibit vii

#### **PROPERTY TAX LEVIES AND COLLECTIONS**

This table presents comparative data regarding the City's property tax revenues. Data presented includes the total property tax levy, current and delinquent tax collections/refunds, TABOR excess collections and tax credit and tax collections related to the City's tax increment financing district. Property tax levies and collections are reported in the General Fund and the Debt Service Funds.

**ABOUT THE STATISTICAL TABLES (Continued)**

**ECONOMIC AND DEMOGRAPHIC STATISTICS**

**Exhibit xvi      **PROPERTY VALUES AND CONSTRUCTION****

This table represents general statistical information on commercial and residential construction activity and the assessed and estimated actual value of real property.

**Exhibit xvii      **DEMOGRAPHIC STATISTICS****

This table presents non-financial information pertaining to City population, estimated median family income and general unemployment rates.

**Exhibit xviii      **MAJOR EMPLOYERS****

This table lists the major public and private employers located in the City, including the type of business or industry and the approximate number of employees for each employer listed.

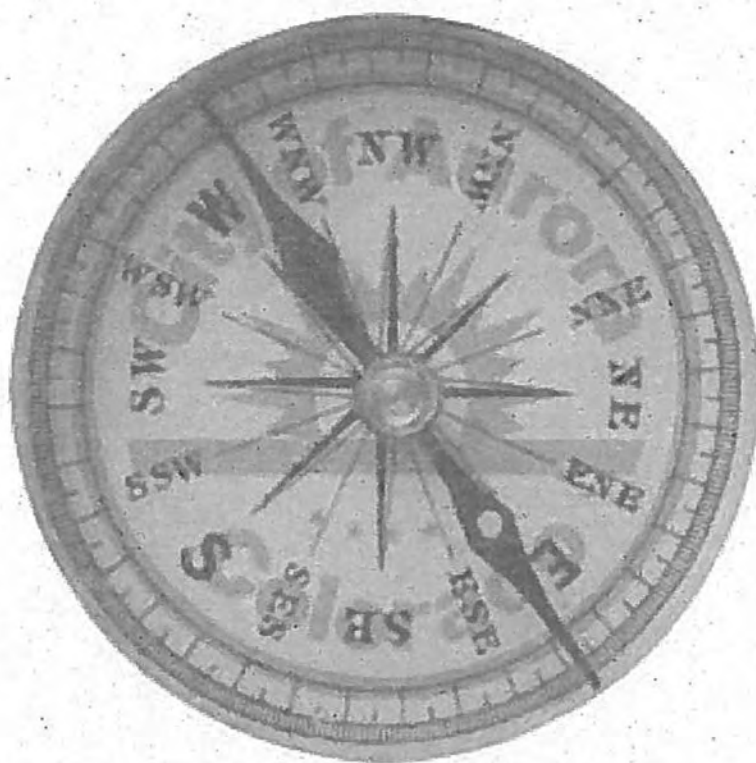
**Exhibit xix      **TEN PRINCIPAL PROPERTY TAXPAYERS****

This table lists major property taxpayers based on assessed value of their property located in the City. The assessed value of each taxpayer's property is also presented as a percentage of the City's total assessed property value.

**Exhibit xx      **MISCELLANEOUS STATISTICAL DATA****

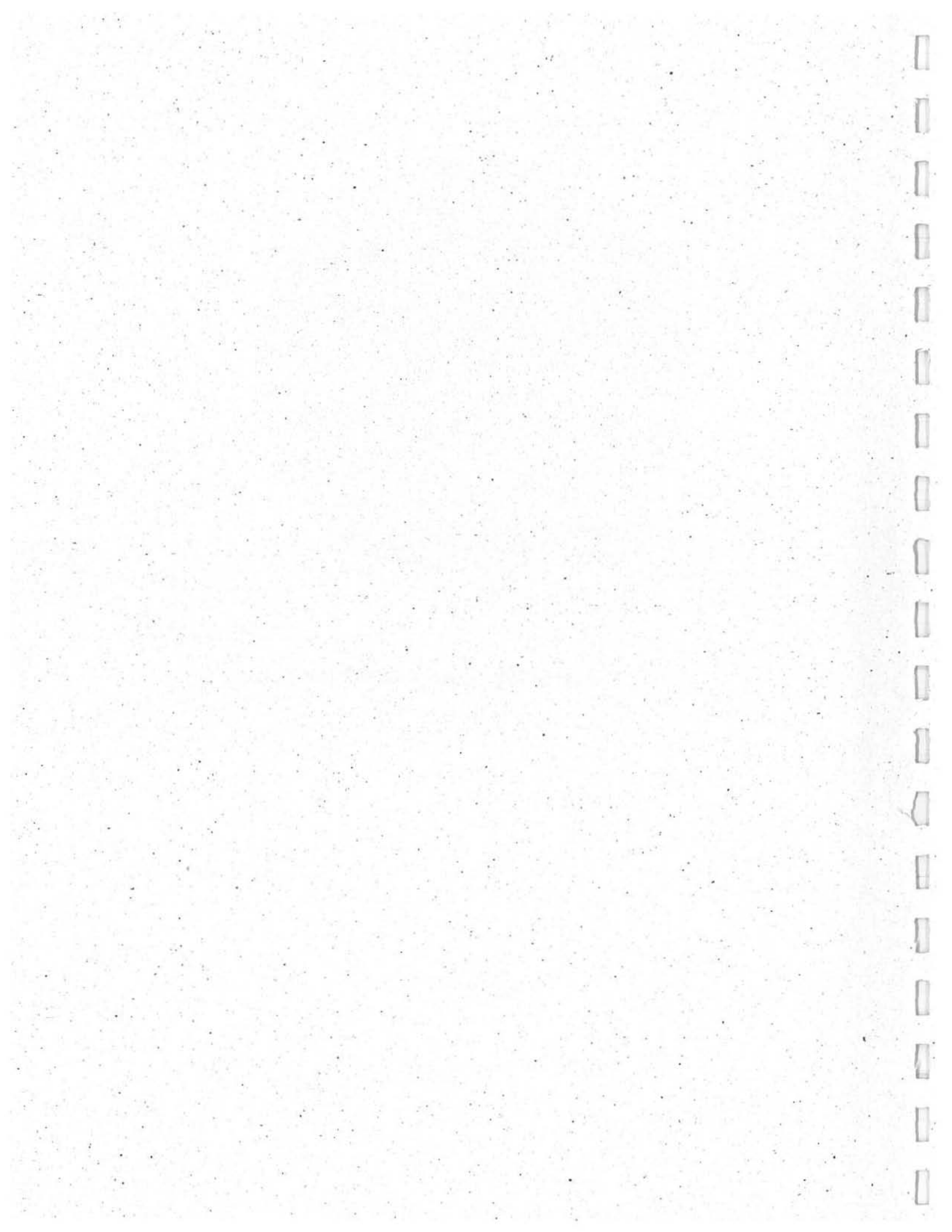
This table presents detailed non-financial information regarding City infrastructure, fire and police protection, recreation, utilities, schools and voter registration.





---

**Revenues & Expenditures  
Statistics**



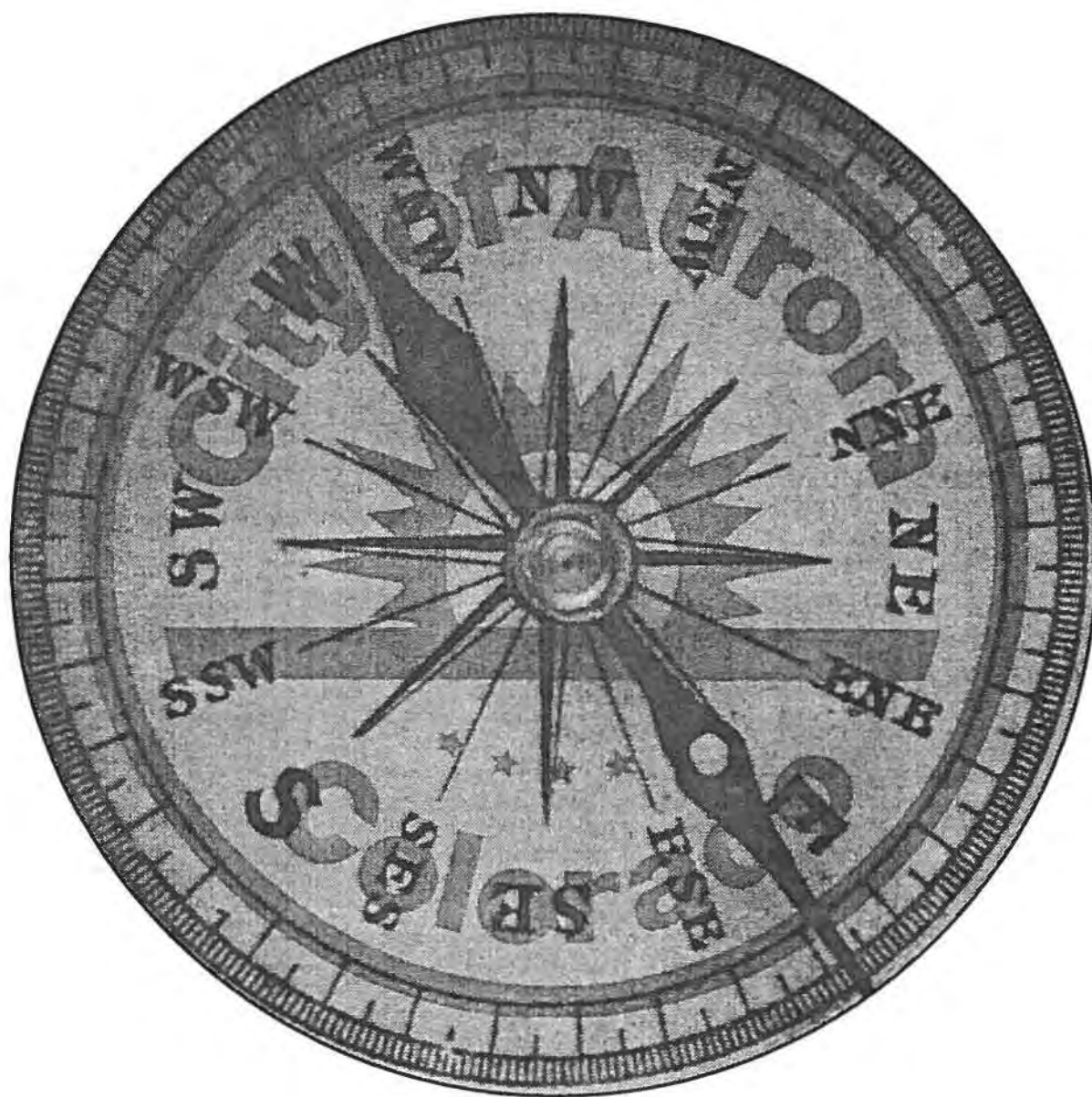
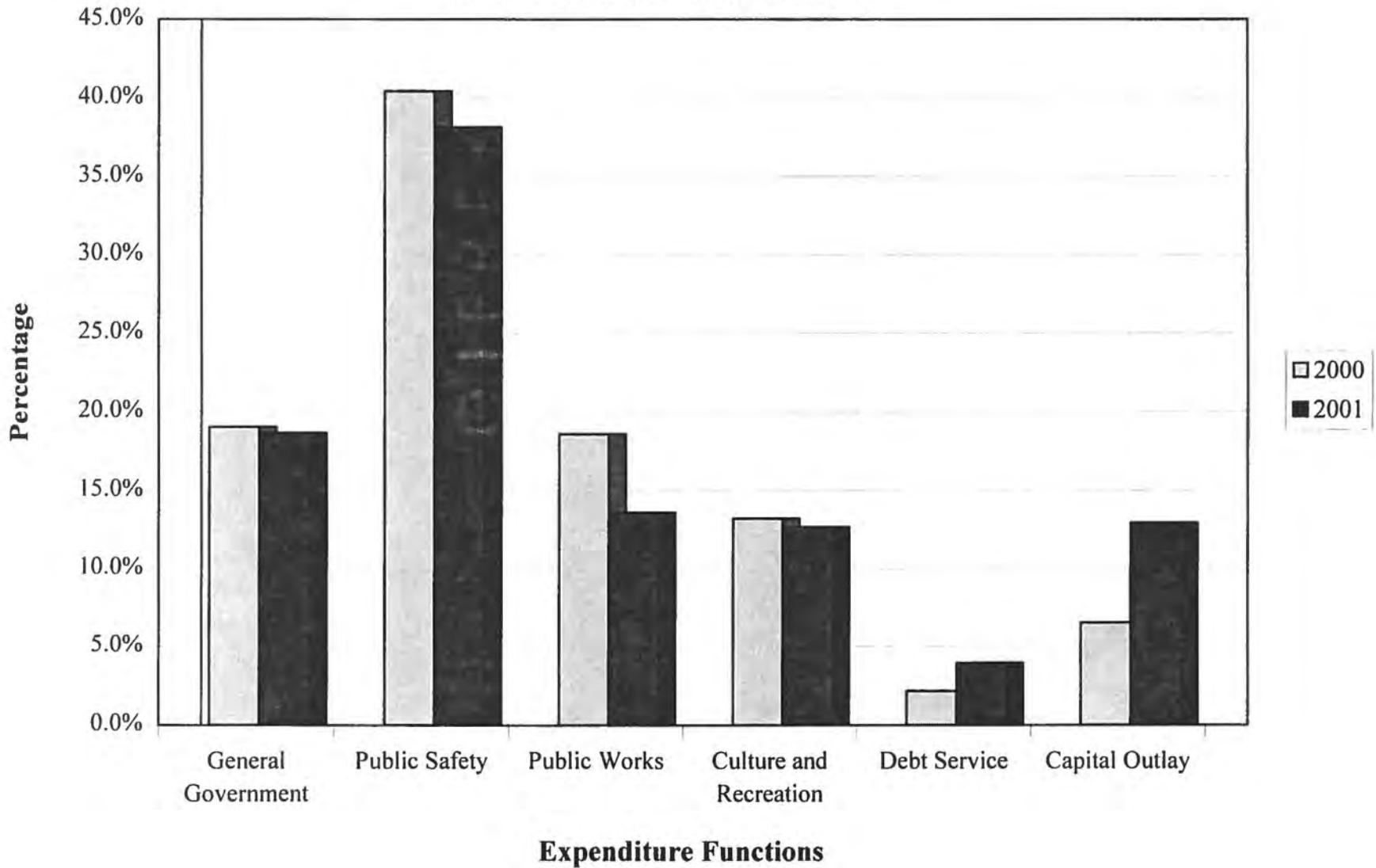


Exhibit i

City of Aurora, Colorado

**GOVERNMENTAL EXPENDITURES BY FUNCTION  
AS A PERCENTAGE OF TOTAL EXPENDITURES**

For the Years Ended December 31, 2000 and 2001



Notes: See Exhibit ii

City of Aurora, Colorado

Exhibit ii

GOVERNMENTAL EXPENDITURES BY FUNCTION

Last Ten Years

Year	General Government		Public Safety		Public Works		Culture and Recreation		Debt Service		Capital Outlay		Total Governmental Expenditures
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount
1992	\$ 26,267,634	21.1%	\$ 50,270,892	40.4%	\$ 26,935,482	21.6%	\$ 12,626,157	10.1%	\$ 5,658,616	4.5%	\$ 2,762,545	2.2%	\$ 124,521,326
1993	28,090,306	21.9%	54,345,824	42.5%	18,299,539	14.3%	21,072,642	16.5%	4,502,602	3.5%	1,674,584	1.3%	127,985,497
1994	33,237,189	24.9%	56,032,921	41.9%	18,223,545	13.6%	20,652,050	15.5%	5,483,951	4.1%	(a)	-	133,629,656
1995	36,342,145	25.6%	61,910,836	43.7%	18,219,918	12.9%	21,283,480	15.0%	3,991,079	2.8%	(a)	-	141,747,458
1996	40,075,282	25.8%	66,450,153	42.7%	20,199,090	13.0%	23,184,836	14.9%	5,620,197	3.6%	10,206,710	6.6%	155,529,558
1997	34,565,012	19.8%	74,375,714	42.6%	23,670,034	13.6%	24,075,364	13.8%	4,998,315	2.9%	12,753,585	7.3%	174,438,024
1998	35,964,131	19.7%	74,457,704	40.8%	24,163,364	13.3%	25,749,696	14.1%	3,297,304	1.8%	18,657,436	10.2%	182,289,635
1999	38,568,574	20.1%	79,114,723	41.3%	31,397,331	16.4%	29,439,757	15.4%	4,252,535	2.2%	8,718,653	4.6%	191,491,573
2000	40,005,643	19.1%	84,881,154	40.4%	39,060,284	18.6%	27,746,908	13.2%	4,542,638	2.2%	13,665,305	6.5%	209,901,932
2001	43,892,333	18.7%	89,672,608	38.2%	31,961,661	13.6%	29,800,332	12.7%	9,279,923	3.9%	30,393,419	12.9%	235,000,276

Notes: This schedule includes General, Special Revenue, Debt Service and Capital Projects Funds expenditures. This schedule does not include expenditures of the ACLC.

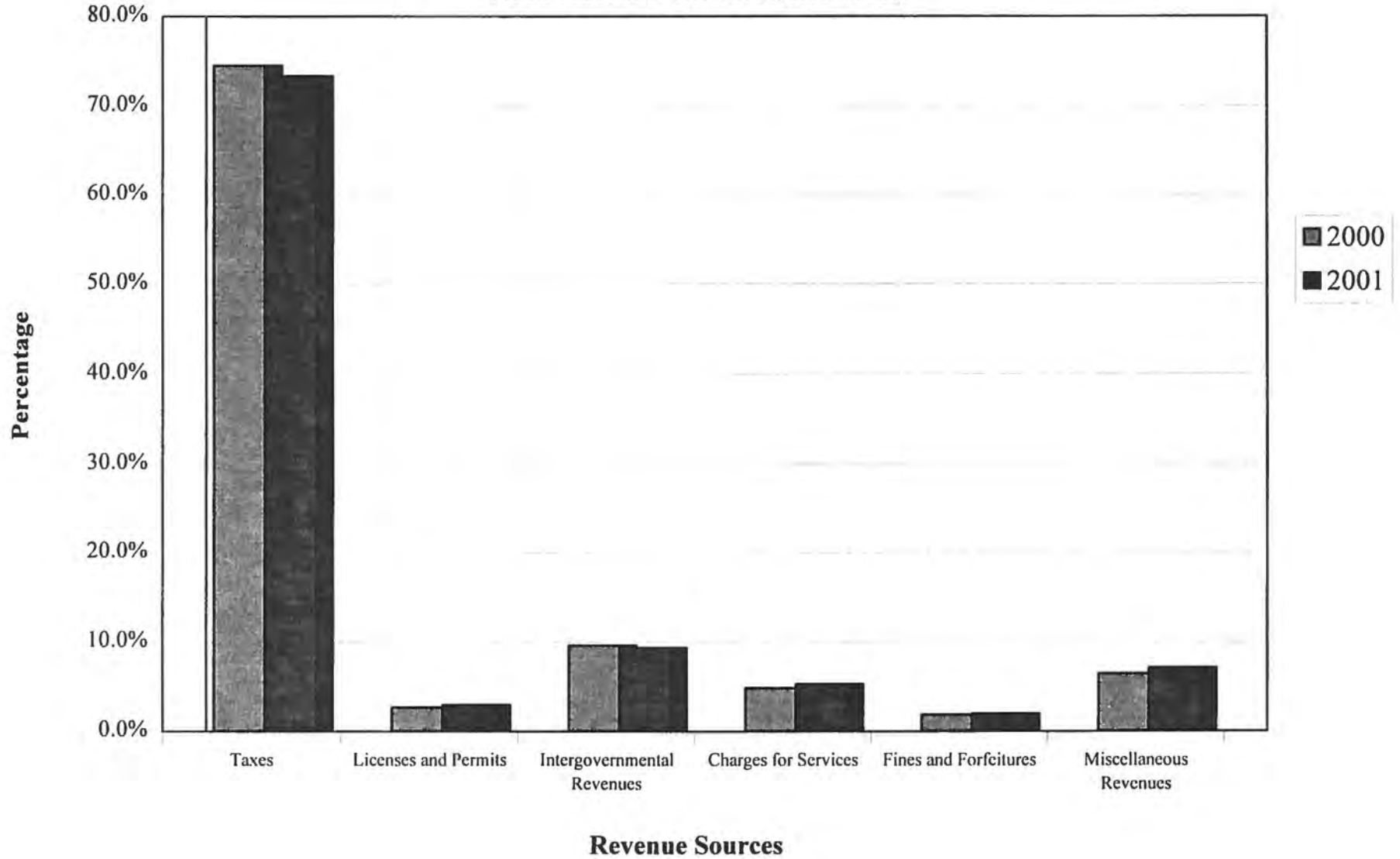
(a) For the years 1994 and 1995, Capital Outlay was included within the various functions.

City of Aurora, Colorado

Exhibit iii

**GOVERNMENTAL REVENUES BY SOURCE  
AS A PERCENTAGE OF TOTAL REVENUES**

For the Years Ended December 31, 2000 and 2001



Notes: See Exhibit iv

Exhibit iv

City of Aurora, Colorado

**GOVERNMENTAL REVENUES BY SOURCE**

Last Ten Years

Year	Taxes (a)		Licenses and Permits		Intergovernmental Revenues (b)		Charges for Services		Fines and Forfeitures		Miscellaneous Revenues (c)		Total Governmental Revenues
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount
1992	\$ 93,427,044	75.0%	\$ 2,311,798	1.9%	\$ 17,388,831	14.0%	\$ 3,895,041	3.1%	\$ 1,453,972	1.2%	\$ 6,156,396	4.9%	\$ 124,633,082
1993	99,659,416	74.6%	2,349,464	1.8%	13,268,609	9.9%	9,611,859	7.2%	1,697,634	1.3%	7,052,444	5.3%	133,639,426
1994	109,655,214	74.4%	2,975,315	2.0%	13,283,161	9.0%	9,802,087	6.6%	2,115,231	1.4%	9,622,103	6.5%	147,453,111
1995	112,905,695	73.5%	3,068,356	2.0%	16,154,790	10.5%	10,129,848	6.6%	2,590,510	1.7%	8,760,446	5.7%	153,609,645
1996	120,507,184	73.8%	3,656,516	2.2%	16,995,934	10.4%	9,679,998	5.9%	2,660,058	1.6%	9,897,200	6.1%	163,396,890
1997	127,629,403	71.8%	4,093,884	2.3%	23,172,683	13.0%	10,325,247	5.8%	3,068,732	1.7%	9,353,996	5.3%	177,643,945
1998	138,512,632	74.1%	4,703,725	2.5%	19,619,408	10.5%	11,438,078	6.1%	3,883,813	2.1%	8,847,460	4.7%	187,005,116
1999	148,878,651	73.1%	5,373,101	2.6%	21,439,172	10.5%	11,702,854	5.7%	4,038,670	2.0%	12,302,894	6.0%	203,735,342
2000	163,952,246	74.5%	6,005,710	2.7%	21,110,332	9.6%	10,662,570	4.8%	4,099,854	1.9%	14,238,307	6.5%	220,069,019
2001	175,353,161	73.3%	7,140,457	3.0%	22,258,953	9.3%	12,670,536	5.3%	4,742,280	2.0%	17,007,361	7.1%	239,172,748

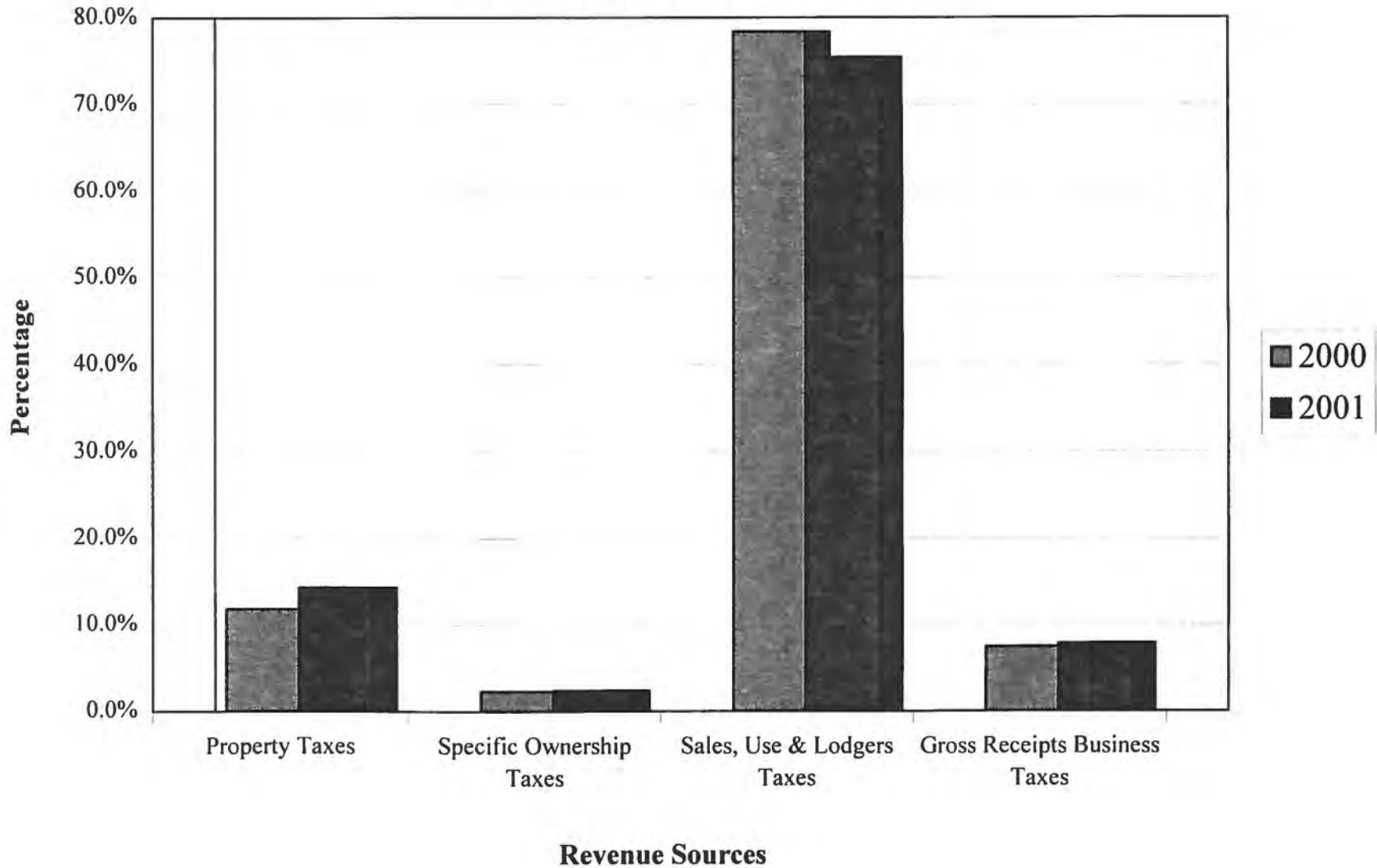
Notes: This schedule includes General, Special Revenue, Debt Service, and Capital Projects Funds revenues. This schedule does not include revenues of the ACLC.

- (a) Tax revenues are derived primarily from sales and use taxes, property taxes and gross receipts business taxes. Sales and use taxes are shown on the accrual basis for 1994-2000.
- (b) Intergovernmental revenues are primarily State shared revenues and governmental grants.
- (c) Includes special assessments, miscellaneous revenues and investment income.

Exhibit v

**GOVERNMENTAL TAX REVENUES BY SOURCE  
AS A PERCENTAGE OF TOTAL TAX REVENUES**

For the Years Ended December 31, 2000 and 2001



Notes: See Exhibit vi



City of Aurora, Colorado

Exhibit vi

GOVERNMENTAL TAX REVENUES BY SOURCE

Last Ten Years

Year	Property Taxes (a)		Specific Ownership Taxes (b)		Sales, Use & Lodgers Taxes (c)		Gross Receipts Business Taxes (d)		Total Governmental Tax Revenues
	Amount	%	Amount	%	Amount	%	Amount	%	Amount
1992	\$14,450,537	15.5%	\$1,083,113	1.2%	\$69,047,916	73.9%	\$8,845,478	9.5%	\$ 93,427,044
1993	14,614,261	14.7%	1,130,652	1.1%	74,647,638	74.9%	9,266,865	9.3%	99,659,416
1994	14,196,272	12.9%	2,525,635	2.3%	83,333,439	76.0%	9,599,868	8.8%	109,655,214
1995	14,101,767	12.5%	2,753,160	2.4%	86,330,670	76.5%	9,720,098	8.6%	112,905,695
1996	15,240,618	12.6%	2,882,584	2.4%	92,176,565	76.5%	10,207,417	8.5%	120,507,184
1997	15,636,192	12.3%	3,584,761	2.8%	97,819,715	76.6%	10,588,735	8.3%	127,629,403
1998	16,378,085	11.8%	3,782,492	2.7%	107,400,908	77.5%	10,951,147	7.9%	138,512,632
1999	18,225,450	12.2%	3,081,293	2.1%	116,093,149	78.0%	11,478,759	7.7%	148,878,651
2000	19,429,113	11.9%	3,804,755	2.3%	128,479,008	78.4%	12,239,370	7.5%	163,952,246
2001	25,138,146	14.3%	4,207,334	2.4%	132,232,796	75.4%	13,774,885	7.9%	175,353,161

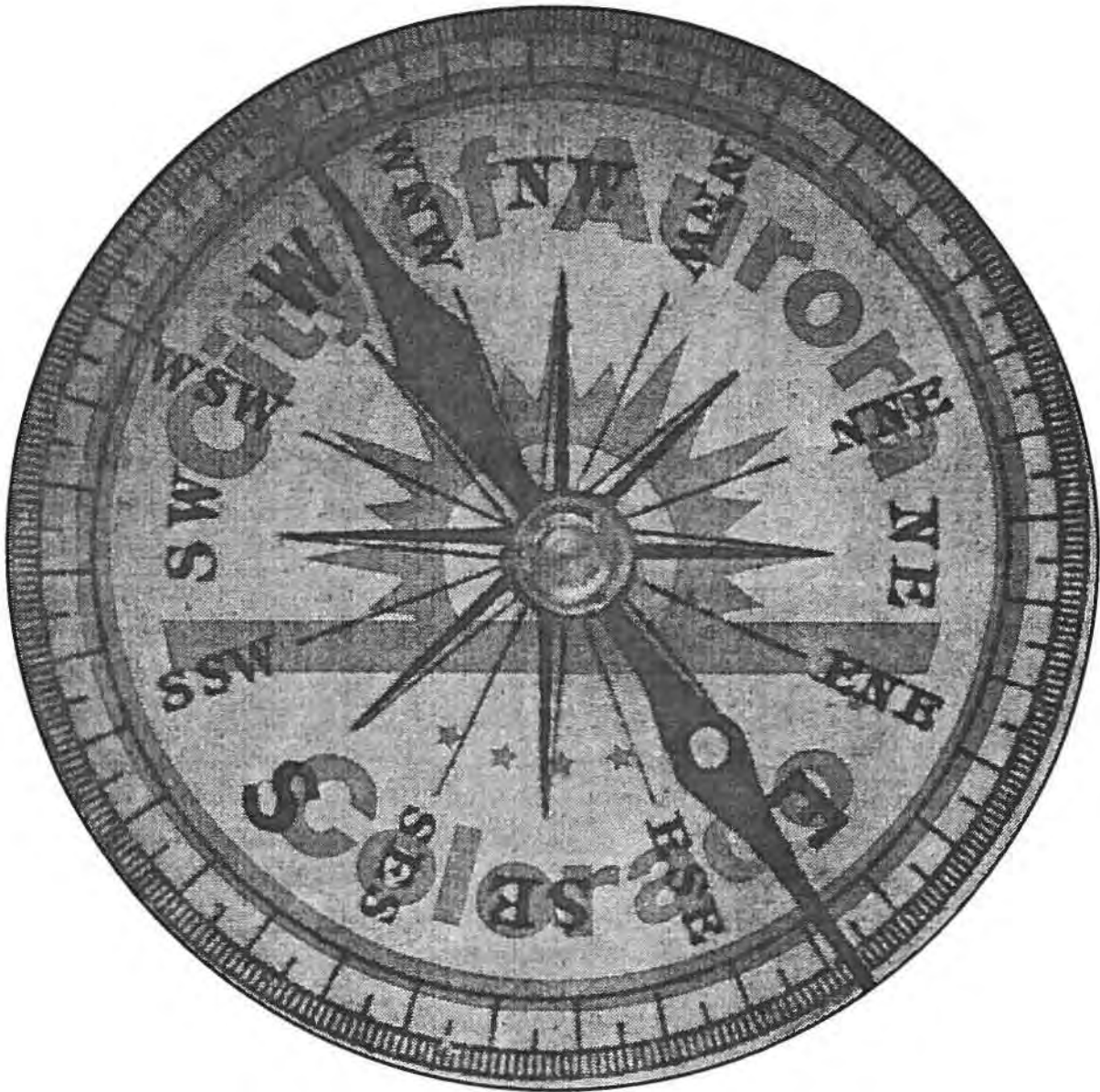
Notes: This schedule includes the General and Debt Service Funds tax revenues. Tax revenues recorded in the Special Revenue Funds are included in 1995 only.

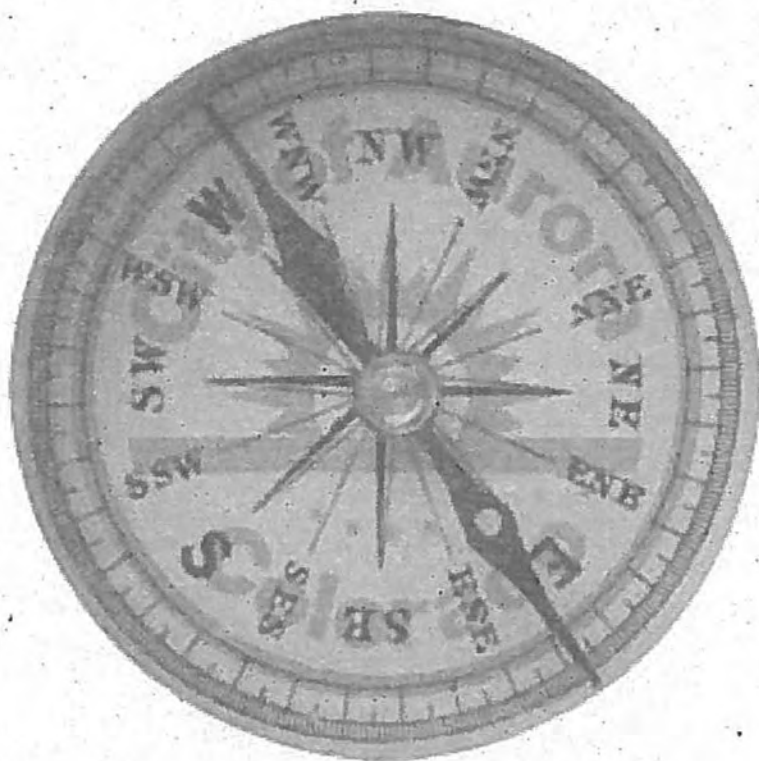
(a) From 1998 through 2000, property tax revenues were collected in excess of the limits imposed under the Taxpayer Bill of Rights (TABOR) Amendment. Amounts collected in excess of the limit were recorded as deferred revenue. Taxpayers were given a "temporary tax credit" for these excess collections in the form of a reduction in the subsequent year tax levy which reduced the amount they were required to pay.

(b) Specific Ownership Taxes include miscellaneous taxes for 1994 - 2001.

(c) Sales, Use & Lodgers Taxes include miscellaneous taxes for 1992 - 1993. Sales, Use & Lodgers Taxes for 1994 - 2001 are shown using the accrual basis.

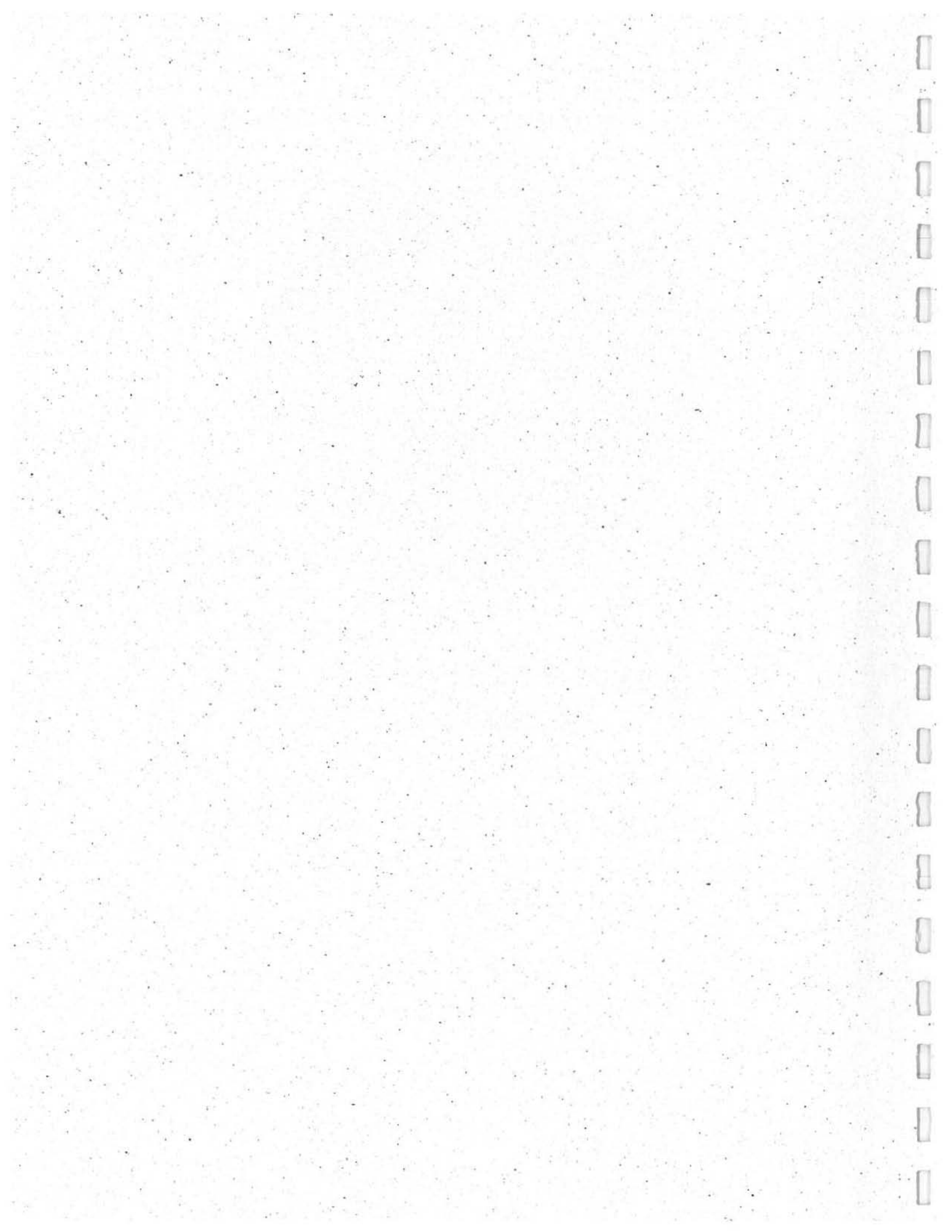
(d) Includes franchise and occupational privilege taxes.





---

## **Taxes and Assessments Statistics**



City of Aurora, Colorado

Exhibit vii

**PROPERTY TAX LEVIES AND COLLECTIONS**

Last Ten Years

Collection Year	Total Tax Levy (a)	Current Tax Collections	Percent of Levy Collected	Delinquent Collections/ (Refunds) (b)	Total Tax Collections	Collections as % of Current Tax Levy	TABOR (c)		Tax Increment Collections	Total Property Tax Revenues
							Excess Collections	Tax Credit		
1992	\$ 14,653,012	\$ 14,387,361	98.19%	\$ (113,362)	\$ 14,273,999	97.41%	\$ -	\$ -	\$ 137,706	\$ 14,411,705
1993	14,878,136	14,603,491	98.15%	(220,543)	14,382,948	96.67%	-	-	197,480	14,580,428
1994	14,127,000	13,930,669	98.61%	24,263	13,954,932	98.78%	-	-	203,244	14,158,176
1995	14,015,390	13,939,300	99.46%	(82,642)	13,856,658	98.87%	-	-	178,912	14,035,570
1996	15,085,751	15,033,843	99.66%	8,236	15,042,079	99.71%	-	-	169,455	15,211,534
1997	15,462,063	15,429,441	99.79%	(1,516)	15,427,925	99.78%	-	-	187,664	15,615,589
1998	17,974,286	17,862,322	99.38%	(3,337)	17,858,985	99.36%	(1,663,744)	-	182,844	16,378,085
1999	17,726,529	17,575,493	99.15%	(79,042)	17,496,451	98.70%	(1,235,123)	1,649,456	314,666	18,225,450
2000	22,170,875	22,041,571	99.42%	(11,747)	22,029,824	99.36%	(4,385,448)	1,154,154	630,583	19,429,113
2001	21,016,790	20,528,208	97.68%	(186,875)	20,341,333	96.79%	-	4,134,476	662,337	25,138,146

Notes:

- (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) From 1998 through 2000, 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" 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.

City of Aurora, Colorado

Exhibit viii

**SPECIAL ASSESSMENT COLLECTIONS**

Last Ten Years

(Principal Only)

Collection Year	Assessments Receivable Beginning of Year	New Assessments Levied and Adjustments	Assessments Collected	Assessments Receivable End of Year
1992	\$ 5,301,852	\$ 2,726,636	\$ 1,378,330	\$ 6,650,158
1993	6,650,158	-	1,293,149	5,357,009
1994	5,357,009	85,670	1,027,997	4,414,682
1995	4,414,682	178,070	935,144	3,657,608
1996	3,657,608	-	710,199	2,947,409
1997	2,947,409	-	706,627	2,240,782
1998	2,240,782	(8,602)	667,665	1,564,515
1999	1,564,515	-	473,694	1,090,821
2000	1,090,821	(27,056)	433,235	630,530
2001	630,530	(5,118)	318,617	306,795

City of Aurora, Colorado

Exhibit ix

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Years

Assessment Year	Real Property (a)			Total		Change in Actual Value	Percent of Total Assessed Value to Estimated Actual Value
	Assessed Value Adams County	Assessed Value Arapahoe County (b)	Assessed Value Douglas County	Assessed Value	Estimated Actual Value		
1992	\$ 182,579,100	\$ 1,099,463,890	\$ 2,360	\$ 1,282,045,350	\$ 6,996,145,034	125,114,964	18.3%
1993	164,276,490	1,053,041,090	2,480	1,217,320,060	7,251,725,211	255,580,177	16.8%
1994	166,325,210	1,041,374,990	2,480	1,207,702,680	7,283,889,539	32,164,328	16.6%
1995	170,913,640	1,087,671,790	2,360	1,258,587,790	8,548,525,681	1,264,636,142	14.7%
1996	178,329,990	1,111,893,870	2,360	1,290,226,220	8,573,889,782	25,364,101	15.0%
1997	215,086,006	1,292,289,910	2,360	1,507,378,276	10,179,360,569	1,605,470,787	14.8%
1998	237,253,350	1,306,561,110	2,480	1,543,816,940	10,420,035,339	240,674,770	14.8%
1999	292,819,650	1,594,238,220	2,480	1,887,060,350	12,500,191,290	2,080,155,951	15.1%
2000	316,583,610	1,673,391,071	2,480	1,989,977,161	12,917,885,512	417,694,222	15.4%
2001	382,141,380	1,947,164,470	2,600	2,329,308,450	16,840,511,419	3,922,625,907	13.8%

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. Assessed value is a percentage of estimated actual value. Each year's assessed value is based on the prior year's estimated actual value.

The assessed valuation percentage is established each year and was as follows: Residential: 1992 - 14.34%; 1993 and 1994 - 12.86%; 1995 and 1996 - 10.36%; 1997 through 2000 - 9.74%; 2001 - 9.15%.

All other classes of property were assessed at 29% of estimated actual value.

(a) Includes both real and some business personal property.

(b) Does not include tax increment financing district assessed valuation of: \$2,186,760 - 1992; \$2,109,750 - 1993; \$1,846,980 - 1994; \$1,756,060 - 1995; \$1,729,530 - 1996; \$2,069,310 - 1997; \$3,628,490 - 1998; \$8,090,420 - 1999; \$8,728,579 - 2000 and \$8,168,440 - 2001.

City of Aurora, Colorado

Exhibit x

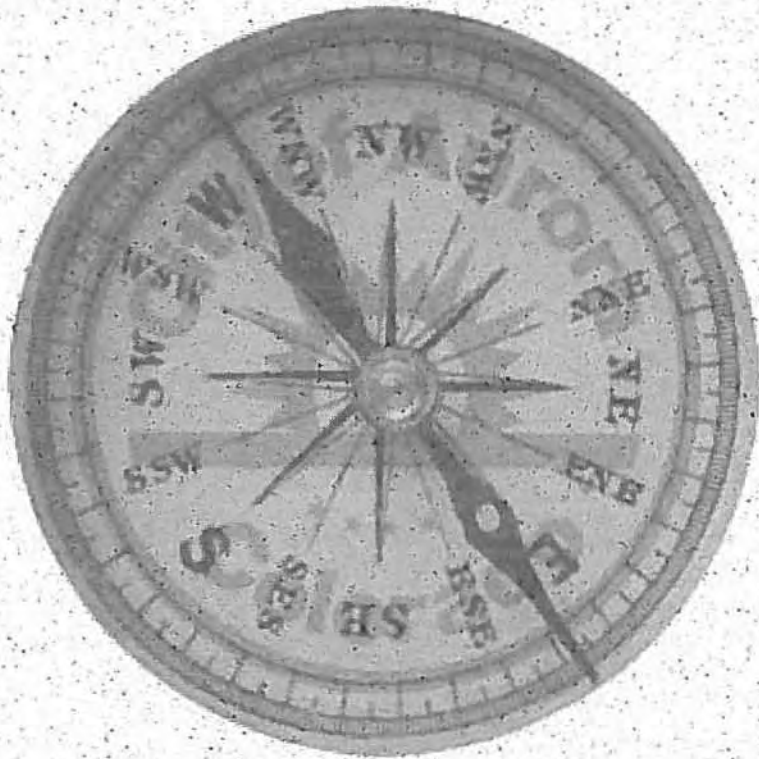
**PROPERTY TAX RATES - DIRECT AND PRIMARY OVERLAPPING GOVERNMENTS**

Last Ten Years

(Per \$1,000 of Assessed Valuation)

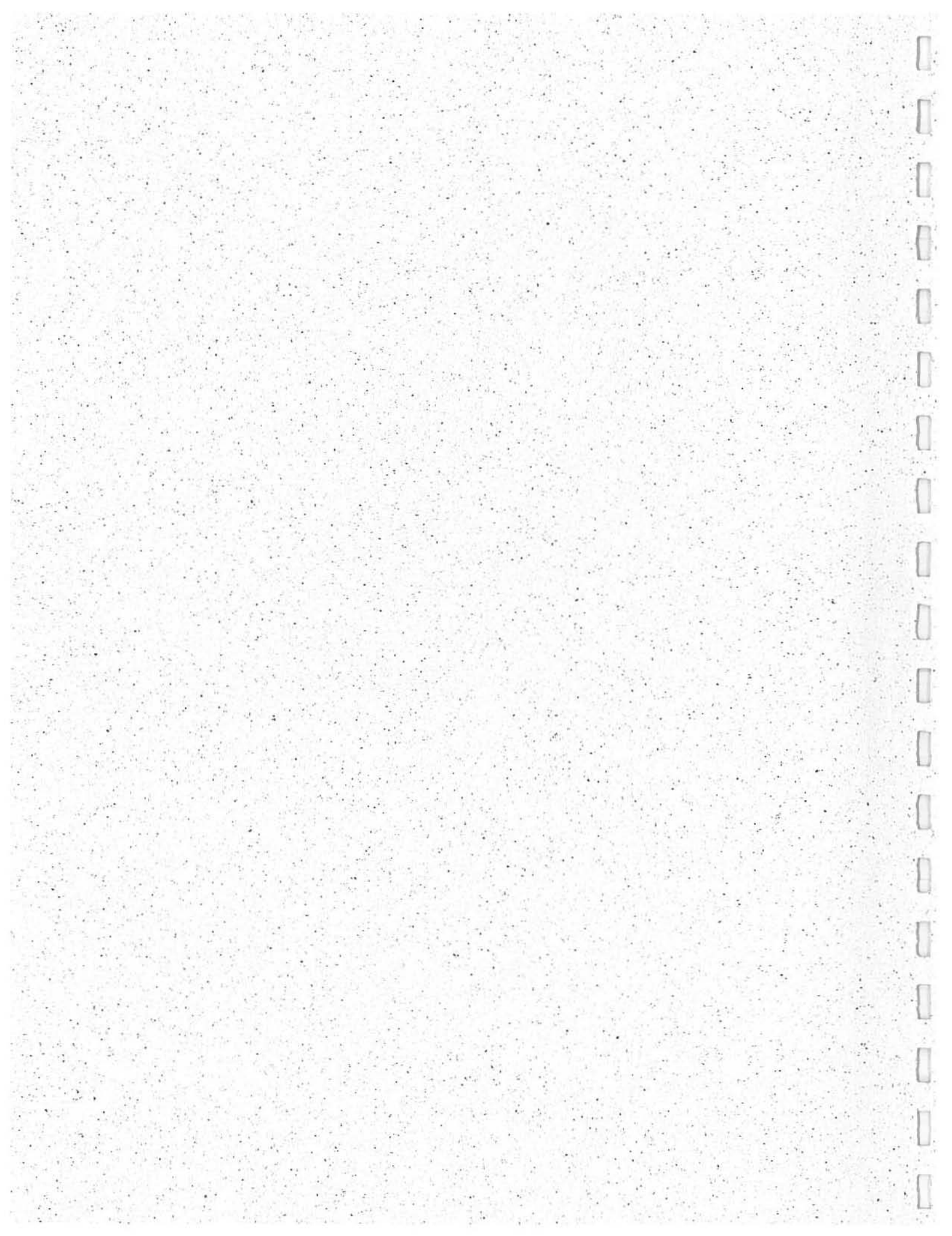
Assessment Year	Collection Year	City of Aurora	Counties		Schools		Total Tax Rate - City of Aurora and:		
			Adams	Arapahoe	Aurora 28J	Cherry Creek	Adams County and Aurora Schools 28J	Arapahoe County and Aurora Schools 28J	Arapahoe County and Cherry Creek Schools
1992	1993	11.605	26.779	16.973	64.626	71.520	103.010	93.204	100.098
1993	1994	11.605	26.779	16.973	69.518	71.482	107.902	98.096	100.060
1994	1995	11.605	26.779	16.973	69.477	70.546	107.861	98.055	99.124
1995	1996	12.003	26.779	16.973	68.172	66.217	106.954	97.148	95.193
1996	1997	12.000	26.779	16.973	67.595	63.770	106.374	96.568	92.743
1997	1998	11.940	26.528	15.960	61.203	57.444	99.671	89.103	85.344
1998	1999	11.507	26.168	15.549	60.935	61.059	98.610	87.991	88.115
1999	2000	11.796	25.273	13.706	53.799	53.093	90.868	79.301	78.595
2000	2001	10.594	25.681	14.013	53.686	52.397	89.961	78.293	77.004
2001	2002	12.193	23.541	14.028	49.978	46.889	85.712	76.199	73.110





---

## Debt Statistics



City of Aurora, Colorado

Exhibit xi

COMPUTATION OF LEGAL DEBT MARGIN

In accordance with Aurora Charter Article XI

The computation of the City's legal debt margin as of December 31, 2001 is as follows:

Assessed valuation:		
Adams County		382,141,380
Arapahoe County		1,947,164,470 (a)
Douglas County		2,600
Total		<u>\$ 2,329,308,450</u>
Debt limit - Three (3) percent of assessed valuation		
		\$ 69,879,254
Amount of debt outstanding: (a)		
Total bonded debt	\$ 204,204,735	
Other debt	<u>98,334,213</u>	
Total		\$ 302,538,948
Less:		
Net assets in debt service funds	\$ 193,193	
Other deductions allowed by law:		
General obligation bonds exempt from limit	50,955,000 (b)	
General obligation water bonds	85,615,000	
Capitalized lease obligations	1,861,724	
Certificates of participation	96,070,000	
Water notes	402,489	
Revenue bonds:		
General fund	16,800,000	
Water	13,341,591	
Sewer	22,848,144	
Golf	<u>6,120,000</u>	
Total deductions		<u>294,207,141</u>
Total amount of debt applicable to debt limit		<u>8,331,807</u>
Legal Debt Margin		<u>\$ 61,547,447 (c)</u>

(a) Computation does not include assessed valuation of tax increment financing district or related debt outstanding.

(b) These bonds are exempt from the general obligation debt limit by voter approval and per Section 11-19-1 of the City Charter.

(c) 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 whatsoever other than refinancing bonded debt at a lower interest rate or adding new employees to an existing pension plan, or when adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years. Enterprises, as defined in Article X, Section 20(2)(d) of the Colorado Constitution, are exempt from this requirement. An "enterprise" is a city-owned business authorized to issue its own revenue bonds and receiving under 10% of annual revenues in grants from all Colorado state and local governments combined.

City of Aurora

Exhibit xii

**DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT**

As of December 31, 2001

<b>Jurisdiction</b>	<b>Debt Outstanding (a)</b>	<b>Amount Applicable to City of Aurora</b>	<b>Percent Applicable to City of Aurora</b>
<i>Direct:</i>			
City of Aurora (b)	\$ 59,480,000	\$ 59,480,000	100.00%
<i>Overlapping:</i>			
Aurora School District 28J	60,102,884	56,674,464	94.30%
Cherry Creek School District	353,285,821	79,779,397	22.58%
Other (c)	232,598,311	120,176,725	51.67%
Total overlapping debt:	645,987,016	256,630,586	
<b>Total Direct and Overlapping Debt</b>	<b>\$ 705,467,016</b>	<b>\$ 316,110,586</b>	

Notes:

- (a) 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.
- (b) Includes General Fund general obligation debt only
- (c) Approximately sixty other taxing entities overlap the City in whole or in part. Twenty-one of these entities report general obligation debt outstanding, including but not limited to, Aurora Centertech Metropolitan District, Eagle Bend Metropolitan District No. 2, Himalaya Water and Sanitation District, Saddle Rock Metropolitan District, and Sand Creek Metropolitan District.

City of Aurora, Colorado

Exhibit xiii

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION (GO) BONDED DEBT  
AND CERTIFICATES OF PARTICIPATION (COP's) TO TOTAL GOVERNMENTAL EXPENDITURES**

Last Ten Years

Year	General Obligation (GO) Bonds (a)			Total Governmental Expenditures (c)	Percent of GO Debt Service to Governmental Expenditures	Certificates of Participation (COP's) (b)			Percent of GO and COP's Debt Service to Governmental Expenditures
	Principal	Interest	Total Debt Service			Principal	Interest	Total Debt Service	
1992	\$ 1,195,613	\$ 768,116	\$ 1,963,729	\$ 124,521,326	1.6%	\$ -	\$ -	\$ -	-
1993	1,705,000	699,195	2,404,195	127,985,497	1.9%	-	-	-	-
1994	2,170,000	525,218	2,695,218	133,629,656	2.0%	-	-	-	-
1995	1,355,000	513,874	1,868,874	141,747,458	1.3%	635,000	2,057,665	2,692,665	3.2%
1996	1,660,000	578,055	2,238,055	155,529,558	1.4%	2,560,000	2,028,455	4,588,455	4.4%
1997	1,735,000	505,265	2,240,265	174,438,024	1.3%	2,685,000	1,906,855	4,591,855	3.9%
1998	1,820,000	397,156	2,217,156	182,289,635	1.2%	2,910,000	1,771,263	4,681,263	3.8%
1999	2,235,000	1,023,345	3,258,345	191,491,573	1.7%	2,970,000	1,617,032	4,587,032	4.1%
2000	1,465,000	688,025	2,153,025	209,901,932	1.0%	2,925,000	1,453,683	4,378,683	3.1%
2001	3,615,000	2,829,567	6,444,567	251,073,626	2.6%	1,495,000	1,289,883	2,784,883	3.7%

Notes:

- (a) Includes general obligation bonds serviced by the Debt Service Fund. General obligation water bonds serviced by water fund revenues are excluded.
- (b) Includes Certificates of Participation issued by the ACLC in 1994. The Certificates of Participation issued by ACLC in 2000 are not included as debt service for this issuance is currently funded from capitalized interest, not the General Fund.
- (c) Total Governmental Expenditures include the General, Special Revenue, Debt Service, and Capital Projects Funds but exclude the ACLC.

City of Aurora, Colorado

Exhibit xiv

**RATIO OF NET GENERAL OBLIGATION (GO) BONDED DEBT AND CERTIFICATES OF PARTICIPATION (COP's) TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA**

Last Ten Years

Year	Population (a)	Assessed Value (b)	Gross General Obligation Bonded Debt (c)	Less: Debt Service Fund Balance	Less: Debt Payable from Water Revenues	Net General Obligation Bonded Debt	Net General Obligation Bonded Debt to Assessed Value	Net General Obligation Bonded Debt Per Capita	Outstanding COP's of Leasing Corp ACLC	GO Bonds & COP's to Assessed Value	GO Bonds & COP's Debt Per Capita
1992	230,700	\$ 1,282,045,350	\$ 179,310,000	\$ 63,630	\$ 167,025,000	\$ 12,221,370	1.0%	53	\$ -	-	-
1993	238,992	1,217,320,060	175,235,000	63,860	164,655,000	10,516,140	0.9%	44	-	-	-
1994	240,595	1,207,702,680	170,420,000	61,731	162,010,000	8,091,491	0.7%	34	-	-	-
1995	247,000	1,258,897,790	152,570,000	63,355 (d)	140,660,000	11,846,645 (d)	0.9%	48	35,240,000	3.7%	191
1996	250,000	1,290,226,220	142,905,000	65,711 (d)	132,655,000	10,184,289 (d)	0.8%	41	32,680,000	3.3%	171
1997	253,000	1,507,378,276	132,555,000	65,959 (d)	124,040,000	8,449,041 (d)	0.6%	33	29,995,000	2.6%	152
1998	256,248	1,543,816,940	131,725,000	294,476 (d)	115,030,000	16,400,524 (d)	1.1%	64	27,085,000	2.8%	170
1999	258,875	1,887,060,350	120,070,000	446,998 (d)	105,610,000	14,013,002 (d)	0.7%	54	24,115,000	2.0%	147
2000	276,393	1,989,977,161	158,845,000	564,549 (d)	95,750,000	62,530,451 (d)	3.1%	226	97,565,000	8.0%	579
2001	284,606	2,329,308,450	145,095,000	464,815 (d)	85,615,000	59,015,185 (d)	2.5%	207	96,070,000	6.7%	545

Notes:

- (a) Data was provided by the City's Planning Department. The population for 1992 - 1996 was projected based upon the 1990 Census. The population for 1997 - 1999 was provided by Clarion & Associates. The population for 2000 was taken from the 2000 U.S. Census information. The population for 2001 was provided by Clarion & Associates.
- (b) Does not include tax increment financing district assessed valuation of: \$2,186,760 - 1992; \$2,109,750 - 1993; \$1,846,980 - 1994; \$1,756,060 - 1995; \$1,729,530 - 1996; \$2,069,310 - 1997; \$3,628,490 - 1998; \$8,090,420 - 1999; \$8,728,579 - 2000 and \$8,168,440 for 2001.
- (c) Gross general obligation bonded debt includes general obligation bonds supported by General Fund revenues and general obligation water bonds which are paid from Water Fund revenues but are a contingent general obligation of the City.
- (d) Includes 1995 general obligation public safety bonds and 2000 libraries, parks and public safety bonds which are excluded from debt limit calculation per Section 11-19-1 of the City Charter.

City of Aurora, Colorado

Exhibit xv

**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 Ratio (c)
				Principal	Interest	Total	
1992	\$ 31,086,748	\$ 10,520,980	\$ 20,565,768	\$ 6,489,251	\$ 10,274,466	\$ 16,763,717	1.23
1993	35,388,817	10,722,332	24,666,485	6,874,037	9,958,686	16,832,723	1.47
1994	34,506,793	11,037,426	23,469,367	4,244,037	8,246,037	12,490,074	1.88
1995	33,623,885	11,479,948	22,143,937	21,843,546	7,997,031	29,840,577	0.74
1996	38,048,034	12,240,040	25,807,994	8,688,546	6,270,284	14,958,830	1.73
1997	39,283,694	11,707,171	27,576,523	8,979,227	5,771,898	14,751,125	1.87
1998	41,519,310	12,894,040	28,625,270	9,010,000	5,291,601	14,301,601	2.00
1999	47,529,770	15,538,521	31,991,249	9,420,000	4,844,046	14,264,046	2.24
2000	52,784,871	16,608,220	36,176,651	9,167,826	6,058,877	15,226,703	2.38
2001	66,136,497	21,843,628	44,292,869	8,498,544	5,628,648	14,127,192	3.14

Note: Includes long-term debt payable from Water revenues, including General Obligation bonds, Revenue bonds, and Water Notes Payable.

- (a) Includes charges for services and other operating revenues, tap and development fees, and interest income.
- (b) Includes operating expenses such as personal services, supplies and other services and charges.
- (c) Net Revenue Available for Debt Service divided by Total Debt Service Requirements.

City of Aurora, Colorado

Exhibit xv

**SCHEDULE OF SEWER REVENUE BOND COVERAGE**

Last Ten Years

Year	Gross Revenue (a)	Expenses (b)	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage Ratio (c)
				Principal	Interest	Total	
1992	\$ 17,502,714	\$ 11,854,582	\$ 5,648,132	\$ 1,310,000	\$ 1,355,059	\$ 2,665,059	2.12
1993	17,768,525	11,761,087	6,007,438	1,590,000	1,036,055	2,626,055	2.29
1994	19,849,918	13,773,864	6,076,054	1,810,000	796,217	2,606,217	2.33
1995	20,925,507	12,979,952	7,945,555	1,925,000	669,380	2,594,380	3.06
1996	22,784,284	14,793,644	7,990,640	1,995,000	600,345	2,595,345	3.08
1997	24,111,154	15,269,434	8,841,720	2,080,000	523,950	2,603,950	3.40
1998	24,722,245	14,678,050	10,044,195	2,170,000	439,697	2,609,697	3.85
1999	26,420,990	16,534,343	9,886,647	2,275,000	348,142	2,623,142	3.77
2000	27,764,451	16,986,157	10,778,294	4,044,451	692,984	4,737,435	2.28
2001	31,838,320	17,620,275	14,218,045	2,766,772	942,533	3,709,305	3.83

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.
- (b) Includes operating expenses such as personal services, supplies and other services and charges.
- (c) Net Revenue Available for Debt Service divided by Total Debt Service Requirements.

(Continued)



City of Aurora, Colorado

Exhibit xv

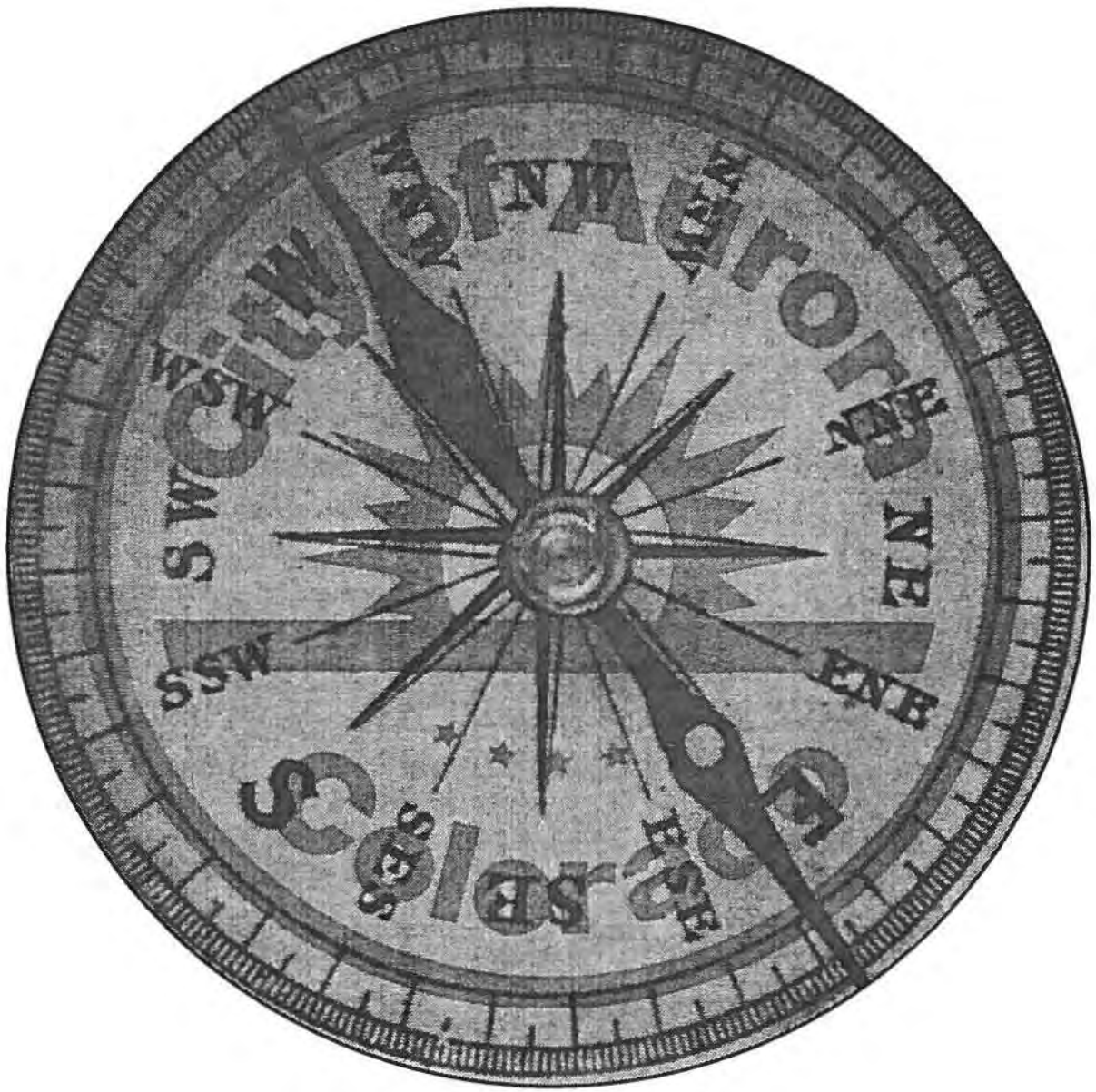
**SCHEDULE OF GOLF REVENUE BOND COVERAGE**

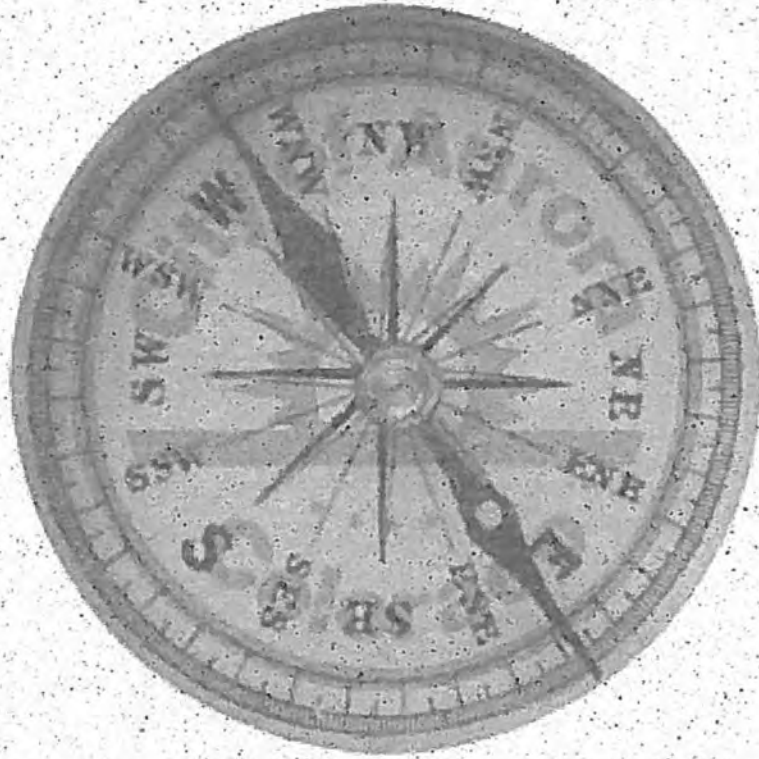
Last Five Years

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)
1997	\$ 5,253,568	\$ 4,121,295	\$ 1,132,273	\$ 230,000	\$ 425,543	\$ 655,543	1.73	n/a	n/a	n/a	n/a
1998	6,534,361	4,572,949	1,961,412	245,000	415,538	660,538	2.97	n/a	\$ 32,900	32,900	39.54
1999	8,571,543	6,065,401	2,506,142	255,000	404,268	659,268	3.80	n/a	315,688	315,688	5.85
2000	8,548,231	7,345,386	1,202,845	265,000	391,773	656,773	1.83	n/a	369,546	369,546	1.48
2001	9,635,480	7,457,920	2,177,560	280,000	378,257	658,257	3.31	256,000	368,000	624,000	2.43

Notes: Includes long-term debt payable from Golf revenues, including Revenue bonds and long-term interfund payables.

- (a) The Senior Debt Service Requirement is the 1995 Golf Revenue Bond. The Subordinate Debt Service Requirement is the 1995 Interfund Loan Payable to the Sewer Fund.
- (b) Includes operating revenues, investment income, and miscellaneous non-operating revenues.
- (c) Includes operating expenses such as personal services, supplies, other services and charges and the 2001 principal and interest on the golf cart capital leases.
- (d) Net Revenue Available for Debt Service divided by Total Senior Debt Service Requirements.
- (e) Net Revenue Available for Debt Service less Total Senior Debt Service Requirements, divided by Total Subordinate Debt Service Requirements.





---

**Economic & Demographic  
Statistics**

City of Aurora, Colorado

Exhibit xvii

**DEMOGRAPHIC STATISTICS**

Last Ten Years

Year	Population (a)	Median Family Income (b)	Unemployment Rate (c)
1992	239,531	37,325	5.4%
1993	244,498	38,900	4.5%
1994	248,104	40,619	3.8%
1995	252,806	42,366	3.6%
1996	257,340	43,541	3.5%
1997	261,089	45,021	2.6%
1998	267,685	46,102	3.0%
1999	272,642	47,441	2.5%
2000	276,393	52,551	2.2%
2001	284,606	54,547	3.5%

Notes:

- (a) Data was provided by the City's Planning Department. The population for 1992 - 1999 are intercensal estimates from the Colorado Division of Local Governments (July based estimate). The population for 2000 was taken from the 2000 U.S. Census information (April based count). The population for 2001 was provided by Clarion & Associates (October based estimate).
- (b) Data for 1992 - 2000 has been restated based upon information from the City's Planning Department. The Median Family Income is based upon 1989 Census data, and projected forward based upon the rate of inflation. Source - Bureau of Labor Statistics. Data for 2000 is from the U.S. Census Bureau's 2000 Supplementary Survey. Data for 2001 was derived from 2000 Census data, projected forward based upon the rate of inflation. Source - U.S. Census Bureau.
- (c) Data was provided by the City's Planning Department. Source - Colorado Department of Labor and Employment.

City of Aurora, Colorado

Exhibit xviii

MAJOR EMPLOYERS

December 31, 2001

Public Institutions (a)	Approximate Number of Employees	Corporations (a)	Approximate Number of Employees	Type of Industry
Buckley Air Force Base (b)	9,375	(b) Raytheon (Formerly Hughes Aircraft)	1,500	Aerospace Manufacturing
		ADT Security Systems	1,500	Security Services
Buckley Air Force Base Includes:		HealthOne Medical Center of Aurora	1,500	Health Care
Air Force, Marines and Navy Department		Kaiser Permanente	900	Health Care
of Defense (civilians), Colorado National Guard,		TRW Systems Integration Group	875	Aerospace Manufacturing
Army National Guard and Air Force Reserve		Cub Foods	850	Grocer
		Autoliv Denver Operations	725	Air Bag Manufacturer
Aurora Public Schools (Full time only)	4,000	UNIPAC Service Corporation	625	Financial
Cherry Creek Public Schools	2,700	Qwest Dex (formerly US West Dex)	600	Telephone Book Publisher
City of Aurora	2,634	Wagner Equipment Company	600	Heavy Equipment Sales & Leasing

Notes:

(a) Data was provided by the Aurora Economic Development Council and the City of Aurora

(b) Data was provided by the Department of Defense

City of Aurora, Colorado

Exhibit xix

TEN PRINCIPAL REAL PROPERTY TAXPAYERS

December 31, 2001

Taxpayer	Type of Industry	Assessed Valuation of Property	Percentage of Total Assessed Valuation
Qwest Communications (formerly US West)	Telecommunications	\$ 41,154,300	1.77%
Public Service Co of Colorado	Gas/Electric Utilities	38,864,690	1.67%
Columbia Health One, LLC	Healthcare	13,949,000	0.60%
Glenborough Properties LP	Real Estate	12,786,910	0.55%
Mountain States Video, Inc.	Cable Television	10,703,780	0.46%
Security Capital Industrial Trust (formerly ProLogis)	Real Estate	8,433,900	0.36%
Sumitomo Bank Leasing	Financial	7,018,000	0.30%
Retail Property Trust	Real Estate	6,960,000	0.30%
Qwest Wireless (formerly U.S. West Wireless)	Telecommunications	6,611,900	0.28%
Nationwide Hospitality	Hotel	6,380,010	0.27%
		<u>\$ 152,862,490</u>	<u>6.56%</u>

Notes: Property values are provided by Assessor offices of Adams and Arapahoe Counties. The Total Assessed Value in the assessment year 2001 is \$2,329,308,450.

City of Aurora, Colorado

Exhibit xx

MISCELLANEOUS STATISTICAL DATA

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

City of Aurora	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Area - Square Miles	135.48	135.48	136.83	136.83	136.83	140.15	140.15	140.15	142.57	141.16
Miles of Improved Streets	860.50	863.28	863.28	800.00	812.00	874.85	875.00	915.00	915.00	1,009.00
Miles of Sanitary Sewer	682.00	686.70	694.58	700.89	715.44	722.86	734.86	753.16	776.26	797.46
Number of Water Taps	56,064	56,760	57,588	58,187	59,204	59,771	60,393	61,366	63,406	64,842
Number of Sanitary Sewer Taps	61,365	61,598	62,298	62,869	63,884	64,599	65,455	67,011	68,840	70,777
Number of Municipal Employees (a)	1,929	1,986	2,037	2,137	2,199	2,254	2,315	2,390	2,459	2,634
Building Permits:										
Permits Issued	4,632	3,422	5,666	5,717	3,710	3,808	5,130	8,270	5,724	5,142
Value of Buildings (millions)	102.31	94.21	153.95	163.38	192.81	304.89	345.52	377.73	468.26	622.86
Fire Protection:										
Number of Fire Stations	11	11	11	11	11	11	11	11	12	12
Number of Employees (a)	291	293	293	295	297	297	313	320	327	333

(Continued)

City of Aurora, Colorado

Exhibit xx

MISCELLANEOUS STATISTICAL DATA

Last Ten Years

City of Aurora	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
<b>Police Protection:</b>										
Number of Employees (a)	574	583	599	676	724	736	745	754	763	775
Number of Law Violations (Part I Crime) (b)	20,016	20,367	20,464	16,902	16,299	16,521	14,529	14,303	15,526	17,224
Patrol Vehicles	90	91	106	111	115	126	123	127	132	138
Detention Facilities	1	1	1	1	1	1	1	1	1	1
<b>Recreation:</b>										
Parks - Number of Acres (g)	6,885	6,885	6,920	6,920	6,920	7,370	7,370	7,380	7,400	7,400
Number of Playgrounds	64	64	64	64	64	64	64	65	65	65
Number of Golf Courses	4	4	4	4	4	5	6	6	7	7
Number of Swimming Pools	9	9	9	9	9	10	10	10	10	10
<b>Education (c):</b>										
<b>Number of Schools:</b>										
Elementary	42	42	42	42	42	42	42	43	43	43
Junior High/Middle	10	10	10	10	10	10	10	10	10	10



Senior High/High	6	6	6	6	6	6	7	7	7	7
Alternative High School	2	2	2	2	2	2	2	2	2	2
Vocational/Technical	1	1	1	1	1	1	1	1	1	1
Number of Teachers/Administrative Personnel (d)	6,676	6,676	7,331	7,743	4,313	3,790	4,094	5,935	6,335	6,700
Number of Students	46,957	47,925	44,245	44,989	46,192	46,851	47,962	48,588	50,705	51,000

Elections:

Number of Registered Voters (e)	(f)	106,834	(f)	116,800	133,198	98,641	135,693	94,297	144,786	106,842
Number Voting in Last Election	(f)	38,387	(f)	38,197	64,947	43,619	65,445	41,592	82,477	40,010
% of Registered Voters Voting in Last Election	(f)	35.9%	(f)	32.7%	49.0%	44.0%	48.0%	47.0%	57.0%	37.0%

Notes:

- (a) Regular full time budgeted positions. The number of municipal employees includes police and fire personnel
- (b) The 1995 decrease is due to revision of Part I Crime definition. This revision has been made to conform with the federal government criteria for Part I Crime.
- (c) Figures include all Aurora School District 28 J schools and Cherry Creek School District schools located in the City of Aurora. Cherry Creek School District schools outside the city limits of Aurora are excluded. The number of teachers and administrative personnel reflects the total number of personnel employed at Aurora and Cherry Creek schools located in the City of Aurora.
- (d) The number of teachers and administrative personnel prior to 1996 includes part-time and full-time personnel. Beginning in 1996, this data only includes full-time personnel.
- (e) The significant decreases in the number of registered voters is due to the county record purge process.
- (f) Data not available
- (g) Includes parks, golf courses and open space.

