



2008

Comprehensive Annual Financial Report



City of Aurora, Colorado
For the year ended December 31, 2008





Aurora, Colorado

The City of Aurora is located on the eastern slope of the Rocky Mountains and lies in the six county Denver/Aurora metropolitan area (the metro area). The metro area is the economic center of the State of Colorado (the State). Aurora is the third largest city in the State, with an estimated population in 2008 of 313,144, approximately 12.7% of the metro area's population.



Front cover photos

The photos on the front cover are from *KidSpree*, an annual event put on by the City to the delight of children young and old.



Comprehensive Annual Financial Report

City of Aurora, Colorado
For the Year Ended December 31, 2008

Prepared by the Controller's Office
Finance Department



Prepared by the Controller's Office
Finance Department

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CITY OF AURORA, COLORADO

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June 13, 2009

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, 2008.

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

The City Charter requires an annual audit by independent certified public accountants selected by the City Council. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2008, are free of material misstatement. The independent accountant, BKD, LLP, concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended December 31, 2008 are fairly presented in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). The Independent Accountants' Report on the City's financial statements is included in the Financial Section of this CAFR.

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

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

GOVERNMENTAL STRUCTURE

The City of Aurora is located on the eastern slope of the Rocky Mountains and lies in the six County Denver/Aurora metropolitan areas (the metro area). The metro area is the economic

center of the State of Colorado (the State). Aurora is the third largest city in the State with an estimated population in 2008 of 313,144. This is approximately 13 percent of the metro area population. The City provides general government services including police, fire and emergency medical services, public works, water and wastewater, parks and recreation facilities, libraries and golf courses.

The City utilizes the Council-Manager form of government, adopted by the City in 1954. In 1961, the City became a Home Rule City by adopting its own Charter. In 1993, the City Charter was amended to provide for a full-time Mayor, beginning January 1, 1996. The duties of the Mayor were not changed and the Council-Manager form of government was not changed. The eleven members of the City Council (including the Mayor, who is elected specifically to that position) are chosen biennially for staggered four-year terms in non-partisan elections. Council members elected prior to November 1, 2005 are limited to two consecutive terms of office. Council members elected after November 1, 2005 are limited to three consecutive terms of office. The City Manager is responsible for the administration of City operations and for carrying out policy as set by the City Council. The City Manager serves at the pleasure of the Council. Also serving at the pleasure of the Council are three other appointees: the City Attorney, the Presiding Judge, and the Court Administrator. Each of these appointees is responsible for the administration of his or her respective operation, although the City Manager has overall responsibility for general management functions such as financial operations and personnel rules and regulations.

FINANCIAL CONDITION

The City has historically managed well through economic cycles and is strong financially. It is recognized as such by independent bond rating agencies. Aurora maintains adequate fund balances for emergencies, generally strives to have revenues exceed expenditures, and adjusts its budget during the year when necessary. Aurora's citizens have also been supportive. They have approved a number of bond issues for infrastructure and have approved two ballot questions that have changed the City's Charter to exempt City fees and its main revenue source, sales and use tax, from state constitutional "Taxpayer Bill of Rights" (TABOR) revenue limits. The City also maintains internal controls and budgetary controls to ensure adequate oversight of City assets, accounting information and expenditures.

The Aurora (and nation's) economy experienced a slowdown in the last quarter of 2007 and the downturn continued into 2008 and has now extended into 2009. Changes in the economy have had a direct impact on City revenues. Sales and use tax revenues made up 64% of total General Fund budgetary revenues, net of transfers, in 2008. Use tax (a tax related to the sales tax) collections saw the largest decrease in revenues in 2008 due to the slowdown in construction activity. However, by Council Policy, most use tax revenues are used to fund capital projects and not operations and therefore a decrease in use tax collections has much less impact on the City's operating budget than is the case with some other cities. Property tax represents an important secondary general revenue source that is less impacted than sales and use tax by changing economic conditions. Property tax was 11% of total General Fund budgetary revenues, net of transfers in 2008. In 2008, property tax revenue increased by 8% due to increases in assessed value. For 2009, property tax revenues are also expected to increase. However a small decrease is expected to occur in 2010 based on the recent biennial reassessment. A further decrease is expected in 2012 with the 2011 biennial reassessment. During 2008 substantive

reductions were made in budgeted expenditures to offset the revenue losses due to the poor economy.

The national and local economies have continued to be very slow into 2009. The 2009 budgeted General Fund revenues are not expected to be achieved and steps were taken early in 2009 to reduce expenditures and bring in additional resources to the General Fund to achieve a projected year end General Fund financial status the same as was originally budgeted. The 2009 budget status will continue to be monitored to determine if additional budget balancing actions are needed.

The City expects to maintain its financial condition through continued control over the growth of City expenditures, through evaluation of options for enhancing revenues and through the financial discipline of matching expenditures to revenues. The City maintains a Policy Reserve Fund for unanticipated major emergencies, but does not anticipate using these funds for the 2009 budget year.

The City continues to evaluate options for enhancing its revenues coupled with controlling expenditures to match revenues. The City has taken steps to increase revenues; nonetheless, the City still faces significant budget challenges with future projected expenses (at current service levels) growing faster than projected revenues. In light of these challenges, the City continues to address both revenue increase options and options to reduce expenditures. The City expects that it will continue to adjust revenues and/or expenditures to maintain a balanced budget.

GROWTH AND DEVELOPMENT

The City is currently anticipating several years of slow General Fund operating revenue growth (not including use tax, which typically is used for capital purposes), after an anticipated net decline in 2009. The slow growth is expected to impact not only operating revenues, but revenues used for capital purposes, revenues from tap fees (new construction connection to water lines), construction and growth. The City is planning for several years of slow revenue growth and much lower levels of construction and development activity. The long-term outlook remains very good because of the medical and military centers that Aurora has, along with many square miles of undeveloped land.

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

As with almost all other Colorado cities, sales tax is the City's main revenue source. In the long run, the City's retail is well positioned with several major regional retail centers, including a number on the City's borders. While Aurora does not expect any major new regional retail centers for a number of years; the City maintains a retail specialist on staff to help support, and improve the City's retail environment.

The City is continuing a major capital investment in its water system to increase the City's water supplies for both growth and the inevitable periodic drought conditions. The Prairie Waters Project continues to be the cornerstone of the City's capital improvement plan; it is ahead of schedule and under budget and will be completed by the end of 2010. The \$755 million project will recycle water extracted from the South Platte River north of the metro area, treat it and transport it to customers in Aurora. It will deliver as much as 3.3 billion gallons of water to the City, 20 percent more than is available today. The Prairie Waters Project and other capital improvement projects are being financed primarily through the issuance of revenue bonds that will be repaid in future years from revenues generated by payments from current and future customers.

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

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

The E-470 Highway – The E-470 toll highway comprises the entire eastern half of the metro area's beltway, affording easy access between Aurora and DIA, as well as all other regional employment centers. The E-470 toll highway is having a positive impact on development in the City and is expected to influence the patterns and level of growth in the area for the foreseeable future.

Fitzsimons - The 578-acre former Fitzsimons Army Medical Center, which closed in 1999, is now the site of the largest medical-related redevelopment project in the nation. This \$5 billion project has become the hub for the biotechnology industry in the Rocky Mountain Region. The site includes the Colorado Science and Technology Park at Fitzsimons, the Anschutz Medical Campus of the University of Colorado, The Children's Hospital, the Veterans Administration Hospital, and 21 Fitzsimons. The total redevelopment program for Fitzsimons calls for over 18 million square feet of new construction phased over 25-30 years. Approximately six million square feet are built out to date. Current employment at the site is approximately 16,000 and is anticipated to reach over 43,000 at build-out, with jobs in teaching, patient care, basic-science research and biotechnology research and development. While Fitzsimons is not expected to directly provide significant new revenue to the City budget due to its tax exempt and incentivized development, it is a major economic engine for Aurora and the surrounding area.

Buckley Air Force Base - Buckley Air Force Base (Buckley) is one of the key components of the United States Air Force Space Command and home to 77 different military missions. These missions are comprised of every service component and service. Due to the increasing importance of Buckley's mission, the base came under Air Force control in 2000. Buckley is expected to be an important military base into the foreseeable future. The Department of Defense employs nearly 14,000 full-time military, part-time guard and reservists, civilian and contractual personnel at Buckley. Buckley's satellite technology focus has led a number of Fortune 500 companies to increase their presence in the area. Currently, Lockheed Martin, Raytheon and Northrop Grumman each employ more than 500 workers in nearby office parks.

Light Rail - Funding has been approved for the metro area Regional Transportation District to build a light rail transit line and accompanying stations that will afford direct service to the Aurora City Center, the Fitzsimons Medical Campus, the I-225 Corridor, as well as connections to the Southeast I-25 Business Corridor and the I-70 Corridor. Rail service to DIA and Denver

Union Station will also be offered. While this project has been approved, the funding is inadequate. A new vote may be conducted in the fall of 2009 to determine if voters approve additional funding.

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

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

OTHER INFORMATION

Awards – The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the year ended December 31, 2007. The Certificate of Achievement is a prestigious national award, which recognizes conformance with the highest standards for preparation of state and local government financial reports.

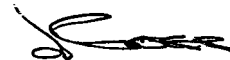
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement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

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

Respectfully submitted,



Ronald S. Miller
City Manager



John Gross
Finance Director



Ron Miller, City Manager



**City Manager and
Council Members
2008**



Mayor Ed Tauer



Molly Markert
Mayor Pro-Tem, Ward IV



Deborah Wallace
Ward I



Renie Peterson
Ward II



Larry Beer
Ward III



Sue Sandstrom
Ward V



Bob Broom
Ward VI



Bob FitzGerald
At-Large



Ryan Frazier
At-Large



Steve Hogan
At-Large



Brad Pierce
At-Large



City Council-2008

City of Aurora, Colorado

Terms of Service

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

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

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

* Last consecutive term under term limits currently in force.

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



Management Officials

City of Aurora, Colorado
As of December 31, 2008

City Manager's Office

| | |
|---|------------|
| Ron Miller, City Manager | Since 1997 |
| Nancy Freed, Deputy City Manager - Operations | Since 1995 |
| Michelle Wolfe, Deputy City Manager - Administrative Services | Since 2008 |
| Tom Nicholas, Deputy City Manager - Community Services | Since 2008 |
| Janice Napper, Assistant City Manager | Since 1998 |

Council Appointees

| | |
|--|------------|
| Zelda DeBoyes, Court Administrator | Since 1992 |
| Charlie Richardson, City Attorney | Since 1986 |
| Richard Weinberg, Presiding Judge | Since 2004 |
| Laurie Cole, Chief Public Defender (appointed by Public Defender Commission) | Since 1996 |

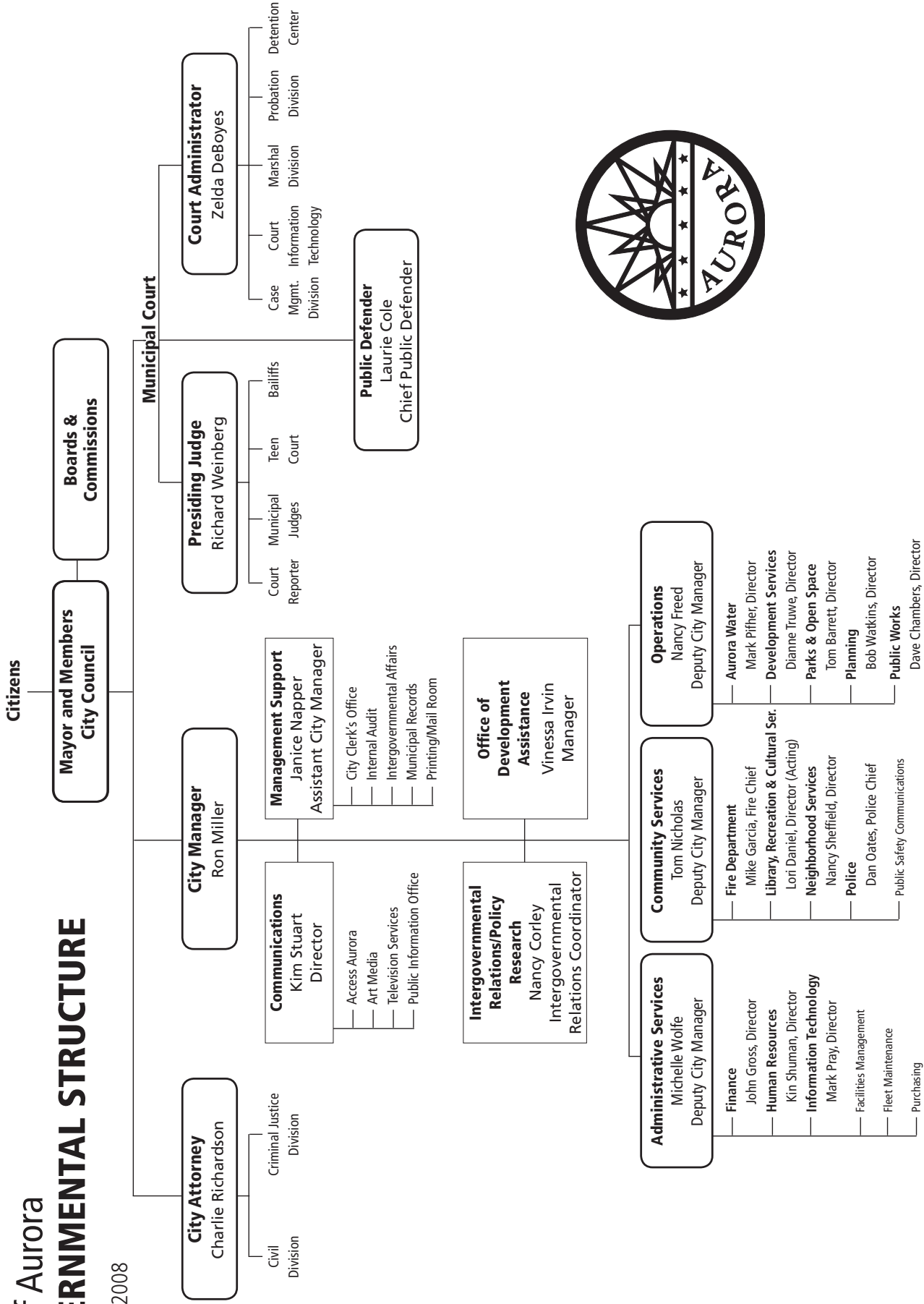
Department Directors

| | |
|---|------------|
| Mark Pifher, Aurora Water | Since 2008 |
| Dave Chambers, Public Works | Since 2006 |
| Tom Barrett, Parks & Open Space | Since 2008 |
| Mike Garcia, Fire | Since 2007 |
| John Gross, Finance | Since 1990 |
| Lori Daniel, Library, Recreation & Cultural Services (Acting) | Since 2008 |
| Dan Oates, Police | Since 2005 |
| Mark Pray, Information Technology | Since 1998 |
| Nancy Sheffield, Neighborhood Services | Since 1996 |
| Kin Shuman, Human Resources | Since 2001 |
| Kim Stuart, Communications | Since 2000 |
| Dianne Truwe, Development Services | Since 1984 |
| Bob Watkins, Planning | Since 2004 |

City of Aurora

GOVERNMENTAL STRUCTURE

December 2008





Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Aurora
Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

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



President



Executive Director

ABOUT THE CERTIFICATE

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

The City of Aurora has received the Certificate for twenty-two consecutive years, including this most recent year, 2007, and for thirty-two years in total, currently the highest number of certificates for any governmental entity in the State of Colorado. We believe that this, our 2008 comprehensive annual financial report continues to meet the requirements of the Certificate of Achievement Program and are submitting it to the GFOA for its consideration.





Independent Accountants' Report on Financial Statements and Supplementary Information

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Aurora, Colorado (the City) as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the General Employees' Retirement Plan (GERP), which represent 53% and -186%, respectively, of the assets and revenues of the aggregate remaining fund information. Those financial statements were audited by other accountants whose report has been furnished to us and our opinion, insofar as it relates to the amounts included for GERP, is based solely on the report of the other accountants. We also did not audit the financial statements of Fitzsimons Redevelopment Authority (FRA), the financial statements of Aurora Housing Authority (AHA), or the financial statements of Havana Business Improvement District (BID), which together represent 100% of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other accountants whose reports thereon have been furnished to us and our opinion, insofar as it relates to the amounts included for FRA, AHA and BID, is based solely on the reports of the other accountants.

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

In our opinion, based on our audit and the reports of other accountants, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

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

BKD, LLP

June 4, 2009



Management of the City of Aurora, Colorado (the City) offers readers of the City's financial statements this overview and analysis of the basic financial statements of the City as of and for the year ended December 31, 2008. Readers should consider the information presented in this discussion and analysis in conjunction with additional information furnished in our letter of transmittal, which can be found on pages *i-v* of this report, and the City's financial statements, which begin on page 1.

Financial Highlights

- The City's assets exceeded liabilities at the end of 2008 by \$4.2 billion (*net assets*). Of this amount, \$332.8 million, or 7.9% was unrestricted and may be used to meet the City's ongoing obligations.
- Citywide net assets increased \$102.1 million in 2008.
- At December 31, 2008, the City's governmental funds reported combined ending fund balances of \$149.0 million, a decrease of (\$1.9) million from the prior year. Approximately 76.3% of the fund balance (unreserved) is available for spending at the government's discretion or is subject to spending based on the purpose of the fund.
- The City's General Fund total revenues were under budget (\$12.0) million offset by total expenditures which were under budget (\$11.5) million during 2008.
- Capital improvement activity increased \$268.8 million during 2008.
- The City's total debt decreased (\$17.9) million during the year.

Overview of the Basic Financial Statements

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

Citywide Financial Statements

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

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

CITY OF AURORA, COLORADO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

The citywide financial statements consist of a statement of net assets and a statement of activities. These statements can be found on pages 1-3 of this report.

The *Statement of Net Assets* presents information about the City's assets and liabilities, with the difference between the two being reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that are segregated by external and internally adopted laws and agreements for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City can be divided into three categories: governmental, proprietary and fiduciary.

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

The City maintains two types of *proprietary funds*: enterprise and internal service. Enterprise funds report the same functions as presented in the business-type activities on the citywide statements. The City has two major proprietary funds: the Water Fund and the Wastewater Fund. The Golf Fund is not a major fund but is presented in a separate column because it is the only non-major proprietary fund. Internal service funds are an accounting mechanism used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for fleet maintenance, printing services, and risk management. Because these services predominantly benefit government rather than business-type functions, they have been included within governmental activities in the citywide financial statements. The proprietary fund financial statements can be found on pages 10-15 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the citywide financial statements because the resources of these funds are not available to support City programs. The fiduciary fund financial statements can be found on pages 17-18 of this report.

CITY OF AURORA, COLORADO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide postemployment benefits to its employees and a comparison of the General Fund's original and final budget to actual budgetary revenue and expenditures. Required supplementary information can be found on pages 71-76 of this report.

Citywide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$4.2 billion at the close of the fiscal year.

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

Total restricted net assets at the end of 2008 were \$79.4 million. This amount represents net resources where use is constrained by external requirements dictating how the funds may be used. Restrictions result from debt covenants, legislation, agreements, or requirements of the specific revenue source. The remaining net assets of \$332.8 million were unrestricted. While there were no outside restrictions on these funds, City policies and budget plans limit the use of these amounts. Policy and budget plan limitations include: payment of long-term liabilities, subsequent year budgets, project-length appropriations and operating designations.

As shown in Chart 1, net assets increased \$102.1 million in 2008, of which \$18.8 million (18.4%) was attributable to governmental activities and \$83.3 million (81.6%) was attributable to business-type activities. The increase in net assets attributable to governmental activities resulted from developer contributed capital assets and normal government operations including charges for services, tax receipts and operating expenditures. The majority of the increase in net assets attributed to business-type activities in the Water and Wastewater Funds, particularly, was due to the collection of \$29.6 million (35.5%) in tap and development fees and \$30.2 million (36.3%) in non-cash contributions such as water and wastewater lines constructed by developers. The remainder of the increase is due to an increase in utility sales volume and rates, increase in investment earnings, and normal operating activity.

Citywide Net Assets December 31, 2008 (in thousands)

| | Governmental Activities | | | | Business-type Activities | | | | Citywide Totals | | | |
|---|-------------------------|-------------|----------|-------|--------------------------|-------------|-------------|--------|-----------------|--------------|-------------|--------|
| | 2008 | 2007 | Change | % | 2008 | 2007 | Change | % | 2008 | 2007 | Change | % |
| Current and other assets | \$ 235,774 | \$ 235,087 | \$ 687 | 0.3 | \$ 637,883 | \$ 772,934 | \$(135,051) | (17.5) | \$ 873,657 | \$ 1,008,021 | \$(134,364) | (13.3) |
| Capital assets, net | 2,912,771 | 2,896,215 | 16,556 | 0.6 | 1,507,521 | 1,255,326 | 252,195 | 20.1 | 4,420,292 | 4,151,541 | 268,751 | 6.5 |
| Total Assets | 3,148,545 | 3,131,302 | 17,243 | 0.6 | 2,145,404 | 2,028,260 | 117,144 | 5.8 | 5,293,949 | 5,159,562 | 134,387 | 2.6 |
| Current and other liabilities | 62,069 | 62,134 | (65) | (0.1) | 63,963 | 38,865 | 25,098 | 64.6 | 126,032 | 100,999 | 25,033 | 24.8 |
| Noncurrent liabilities | 185,477 | 186,963 | (1,486) | (0.8) | 764,972 | 756,218 | 8,754 | 1.2 | 950,449 | 943,181 | 7,268 | 0.8 |
| Total Liabilities | 247,546 | 249,097 | (1,551) | (0.6) | 828,935 | 795,083 | 33,852 | 4.3 | 1,076,481 | 1,044,180 | 32,301 | 3.1 |
| Net Assets: | | | | | | | | | | | | |
| Invested in capital assets, net of related debt | 2,773,574 | 2,750,014 | 23,560 | 0.9 | 1,031,664 | 946,462 | 85,202 | 9.0 | 3,805,238 | 3,696,476 | 108,762 | 2.9 |
| Restricted | 54,767 | 51,908 | 2,859 | 5.5 | 24,650 | 6,127 | 18,523 | 302.3 | 79,417 | 58,035 | 21,382 | 36.8 |
| Unrestricted | 72,658 | 80,283 | (7,625) | (9.5) | 260,155 | 280,588 | (20,433) | (7.3) | 332,813 | 360,871 | (28,058) | (7.8) |
| Total net assets | \$2,900,999 | \$2,882,205 | \$18,794 | 0.7 | \$ 1,316,469 | \$1,233,177 | \$ 83,292 | 6.8 | \$4,217,468 | \$ 4,115,382 | \$ 102,086 | 2.5 |

Chart 1
MD&A-3

CITY OF AURORA, COLORADO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

Governmental activities

As shown on Chart 2, total combined operating and capital grants and contributions increased \$6.1 million (11.5%) due to an increase in intergovernmental revenues for new traffic lights, the services provided for the Democratic National Convention and developer contributions of streets and land while charges for services decreased (\$2.4) million (7.2%) due to a decrease in building permits and special assessments revenue. Total operating expenditures increased \$12.1 million. The major increases in operating expenditures were related to police expenditures of \$2.4 million (3.1%) for police salary and benefit increases, an increase related to community services expenditures for overtime at the Democratic National Convention of \$2.2 million (21.5%) and increases in the City's storefront renovation loan program and home ownership assistance loan program. Interest expenditures increased \$0.9 million (11.9%) primarily due to the variable rate COPs.

Citywide Changes in Net Assets Year Ended December 31, 2008 (in thousands)

| | Governmental Activities | | | | Business-type Activities | | | | Citywide Totals | | | |
|--|-------------------------|--------------|------------|--------|--------------------------|--------------|-----------|--------|-----------------|--------------|------------|--------|
| | 2008 | 2007 | Change | % | 2008 | 2007 | Change | % | 2008 | 2007 | Change | % |
| REVENUES: | | | | | | | | | | | | |
| Program Revenues: | | | | | | | | | | | | |
| Charges for services | \$ 30,885 | \$ 33,270 | \$ (2,385) | (7.2) | \$ 139,668 | \$ 131,892 | \$ 7,776 | 5.9 | \$ 170,553 | \$ 165,162 | \$ 5,391 | 3.3 |
| Operating grants and contributions | 25,711 | 24,565 | 1,146 | 4.7 | 23,559 | 23,957 | (398) | (1.7) | 49,270 | 48,522 | 748 | 1.5 |
| Capital grants and contributions | 33,198 | 28,260 | 4,938 | 17.5 | 41,224 | 97,845 | (56,621) | (57.9) | 74,422 | 126,105 | (51,683) | (41.0) |
| General Revenues: | | | | | | | | | | | | |
| Taxes | | | | | | | | | | | | |
| Sales and use | 151,024 | 152,895 | (1,871) | (1.2) | - | - | - | - | 151,024 | 152,895 | (1,871) | (1.2) |
| Property | 32,519 | 30,813 | 1,706 | 5.5 | - | - | - | - | 32,519 | 30,813 | 1,706 | 5.5 |
| Other | 27,025 | 27,561 | (536) | (1.9) | - | - | - | - | 27,025 | 11,440 | 15,585 | 136.2 |
| Grants and contributions not restricted to specific programs | 849 | 785 | 64 | 8.2 | - | - | - | - | 849 | 785 | 64 | 8.2 |
| Unrestricted investment earnings | 5,500 | 7,371 | (1,871) | (25.4) | 7,350 | 4,382 | 2,968 | 67.7 | 12,850 | 11,753 | 1,097 | 9.3 |
| Transfers | 82 | - | 82 | - | (82) | - | (82) | - | - | - | - | - |
| Total revenues | 306,793 | 305,520 | 1,273 | 0.4 | 211,719 | 258,076 | (46,357) | (18.0) | 518,512 | 563,596 | (45,084) | (8.0) |
| EXPENSES: | | | | | | | | | | | | |
| General government | 36,883 | 35,443 | 1,440 | 4.1 | - | - | - | - | 36,883 | 35,443 | 1,440 | 4.1 |
| Judicial | 8,067 | 7,745 | 322 | 4.2 | - | - | - | - | 8,067 | 7,745 | 322 | 4.2 |
| Police | 79,279 | 76,903 | 2,376 | 3.1 | - | - | - | - | 79,279 | 76,903 | 2,376 | 3.1 |
| Fire | 34,485 | 33,196 | 1,289 | 3.9 | - | - | - | - | 34,485 | 33,196 | 1,289 | 3.9 |
| Other public safety | 12,957 | 11,978 | 979 | 8.2 | - | - | - | - | 12,957 | 11,978 | 979 | 8.2 |
| Public works | 37,022 | 36,963 | 59 | 0.2 | - | - | - | - | 37,022 | 36,963 | 59 | 0.2 |
| Economic development | 16,364 | 15,266 | 1,098 | 7.2 | - | - | - | - | 16,364 | 15,266 | 1,098 | 7.2 |
| Community services | 12,627 | 10,389 | 2,238 | 21.5 | - | - | - | - | 12,627 | 10,389 | 2,238 | 21.5 |
| Culture and recreation | 38,720 | 37,471 | 1,249 | 3.3 | - | - | - | - | 38,720 | 37,471 | 1,249 | 3.3 |
| Unallocated depreciation | 3,326 | 3,187 | 139 | 4.4 | - | - | - | - | 3,326 | 3,187 | 139 | 4.4 |
| Interest on debt | 8,269 | 7,388 | 881 | 11.9 | - | - | - | - | 8,269 | 7,388 | 881 | 11.9 |
| Water | - | - | - | - | 78,139 | 72,216 | 5,923 | 8.2 | 78,139 | 72,216 | 5,923 | 8.2 |
| Wastewater | - | - | - | - | 40,627 | 37,101 | 3,526 | 9.5 | 40,627 | 37,101 | 3,526 | 9.5 |
| Golf | - | - | - | - | 9,661 | 9,320 | 341 | 3.7 | 9,661 | 9,320 | 341 | 3.7 |
| Total expenses | 287,999 | 275,929 | 12,070 | 4.4 | 128,427 | 118,637 | 9,790 | 8.3 | 416,426 | 394,566 | 21,860 | 5.5 |
| Increase in net assets | 18,794 | 29,591 | (10,797) | (36.5) | 83,292 | 139,439 | (56,147) | (40.3) | 102,086 | 169,030 | (66,944) | (39.6) |
| Net assets January 1 | 2,882,205 | 2,852,614 | 29,591 | 1.0 | 1,233,177 | 1,093,738 | 139,439 | 12.7 | 4,115,382 | 3,946,352 | 169,030 | 4.3 |
| Net assets December 31 | \$ 2,900,999 | \$ 2,882,205 | \$ 18,794 | 0.7 | \$ 1,316,469 | \$ 1,233,177 | \$ 83,292 | 6.8 | \$ 4,217,468 | \$ 4,115,382 | \$ 102,086 | 2.5 |

Chart 2

CITY OF AURORA, COLORADO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

Expenses Financed through Program Revenues – Governmental Activities

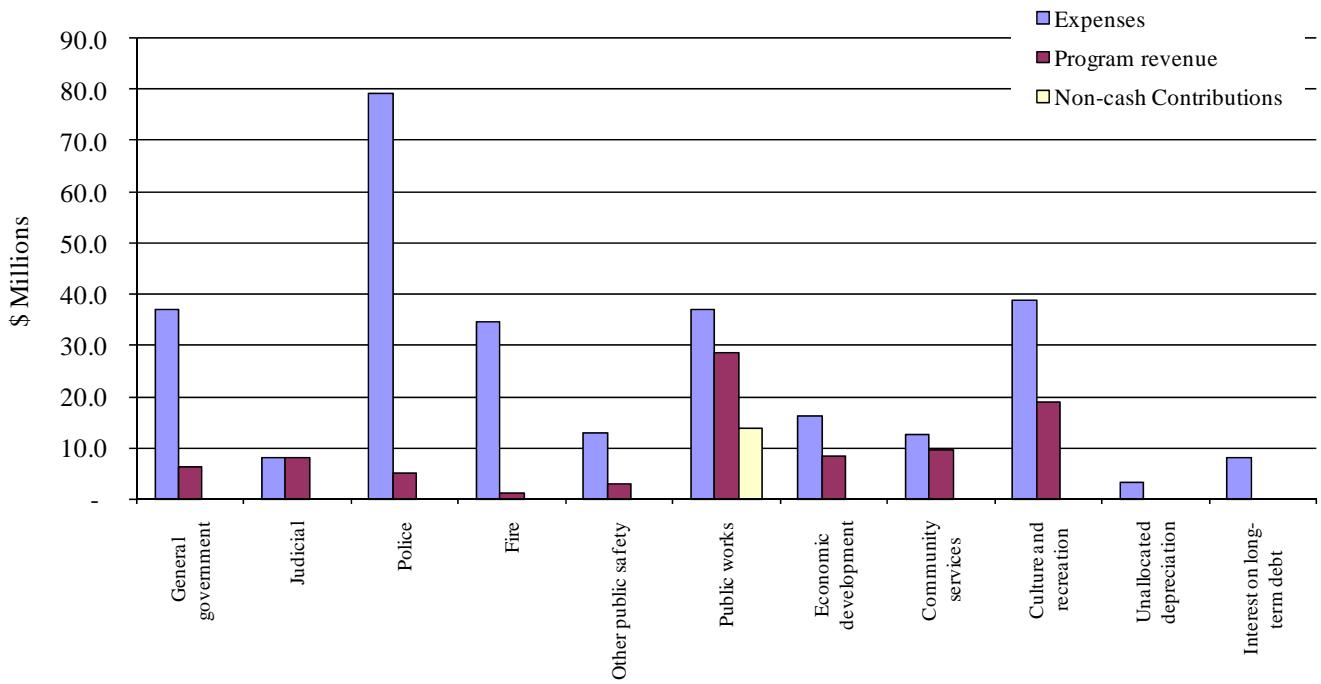


Chart 3

Revenues by Source – Governmental Activities

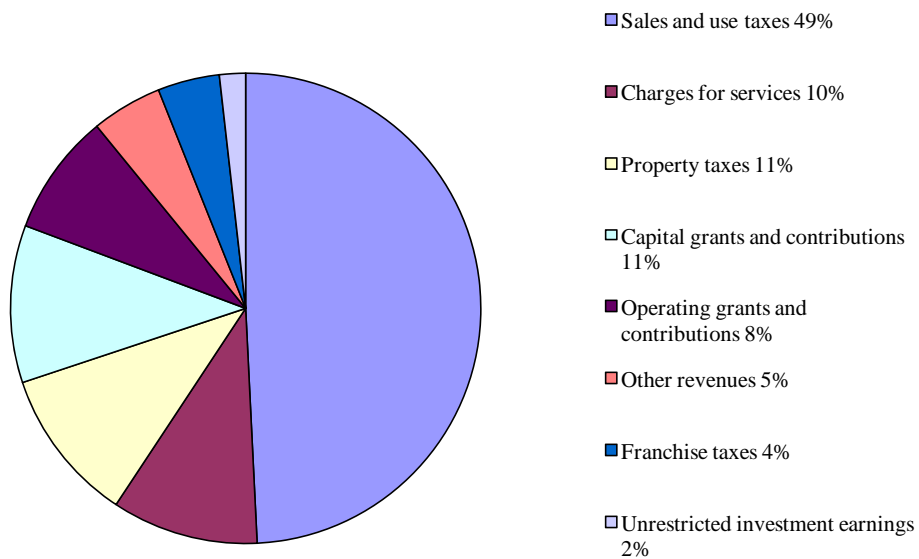


Chart 4

CITY OF AURORA, COLORADO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

Business-type activities

Total revenues for business-type activities decreased (\$46.4) million (18.0%) primarily resulting from:

- Decrease in capital grants and contributions of (\$56.6) million due principally to a decrease in water and wastewater tap and development fees of (\$21.1) million and a decrease in infrastructure deeded to the City by developers of (\$33.4) million related to a slow-down in development activity.
- Increase in charges for services of \$7.8 million due to water and wastewater volume increases and a new water rate structure that went into effect April 2008. Sewer and storm drain increased rates 10% and 12% respectively.

Total expenses for business-type activities increased \$9.8 million (8.3%) primarily as a result of an increase in water and wastewater expenses resulting from personal services, costs for the repair and maintenance of infrastructure, facilities and equipment, professional and technical services, short-term water leases, temporary storage and the overhead payment to the General Fund.

Chart 5 below compares expenses and charges for services revenue for the business-type activities. While recorded as revenue, capital grants and contributions (the primary component of other grants and contributions) and capital asset contributions are not used to fund operations.

Expenses and Charges for Services – Business-type Activities

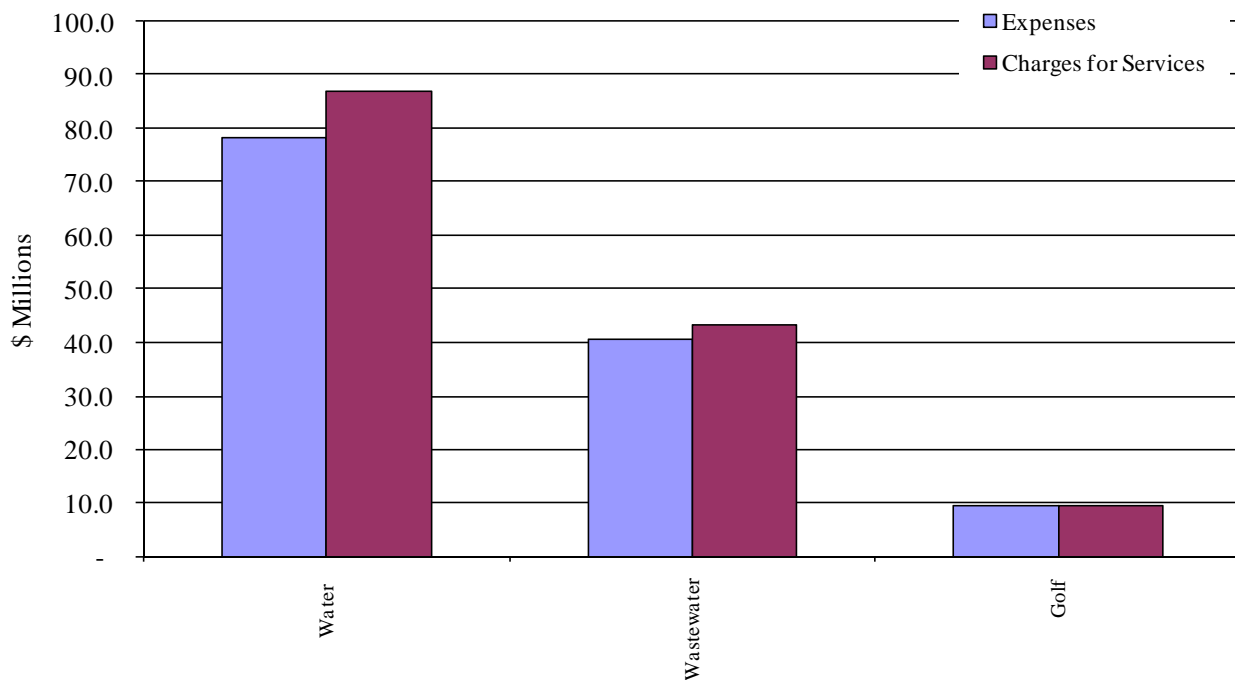


Chart 5

CITY OF AURORA, COLORADO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

Revenues by Source – Business-type Activities

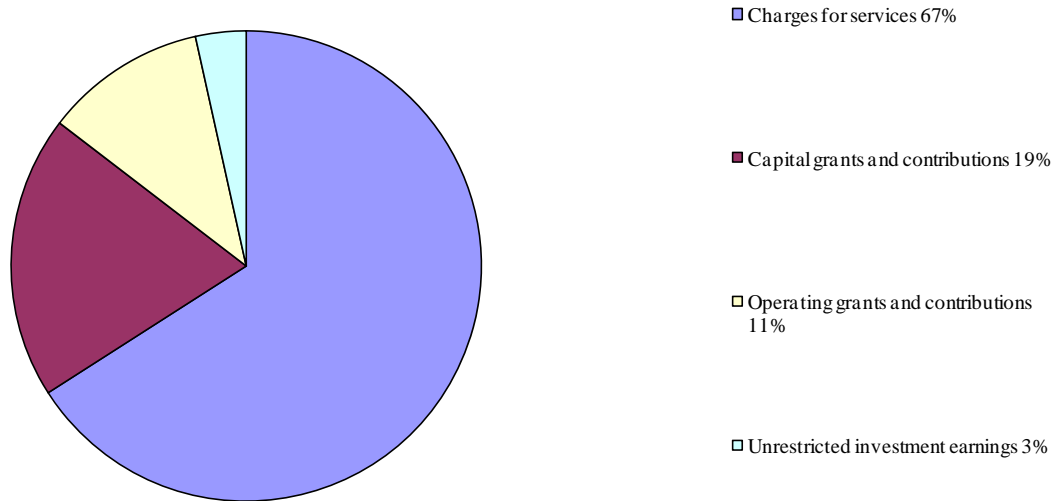


Chart 6

Financial Analysis of the Government's Funds

General Fund

The General Fund is the main operating fund of the City. At the end of 2008, total fund balance for the General Fund was \$22.8 million. This amount includes \$22.2 million unreserved fund balance of which: \$17.1 million is designated for payment of long-term liabilities; \$95.5 thousand for one time expenditures; and a \$5.0 million Operating Reserve. The remaining includes \$559.3 thousand reserved for purchase orders where the goods or services have not yet been received.

In total \$4.8 million of fund balance was used in 2008 primarily to cover a \$2.0 million onetime transfer to the Capital Projects Fund, \$0.8 million to cover the refinance of the 2006 A-2 COPs, \$0.6 million for late 2008 revenue decreases which were not projected, \$0.5 million to cover an additional payday in 2008, \$0.3 million to cover an increase in the new hire pension contribution and \$0.3 million for capital projects for the new pet crematory and parking study,

The City designates all of its unreserved and not otherwise designated General Fund fund balance as an "Operating Reserve". This Operating Reserve has a minimum target policy of 1% to 3% of annual budgetary revenues and is intended to be spendable in limited circumstances. The Operating Reserve may be spent for one-time uses that can include: unexpected revenue shortfalls; unexpected expenses; emergencies; and balancing the budget when deemed appropriate and necessary by City Council. City policy provides for restoring the Operating Reserve to minimum levels as quickly as feasible. The General Fund fund balance designated as an operating reserve was \$5.0 million at December 31, 2008 and \$6.7 million at December 31, 2007. The Operating Reserve is 2.2% of 2008 annual budgetary revenues or \$2.7 million above the 1% minimum target specified by Council. Total fund balance was 9.8% of total General Fund revenues in 2008, compared to 11.8% in 2007.

CITY OF AURORA, COLORADO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

It is the City's policy to hold a minimum 10% of the General Fund's adjusted budgetary operating expenditures for the year in the Policy Reserve Special Revenue Fund. General Fund adjusted budgetary operating expenditures, for purposes of calculating the policy reserve, exclude capital and development related expenditures and expenditures related to funding two police officers per 1,000 citizens, which are funded with voter approved sales and use taxes. At the end of 2008, the Policy Reserve Fund funds available meets the minimum 10% policy. The total of the General Fund's unreserved and undesignated funds available, the Policy Reserve Fund's funds available and the TABOR Reserve Fund's funds available was 14.0% of the General Fund's 2008 adjusted budgetary operating expenditures.

TABOR Reserve Fund

The TABOR Reserve Fund accounts for the emergency reserve required by TABOR, a State constitutional amendment (footnote 17). TABOR specifies that local governments are permitted to use reserve funds for emergencies with the requirement that the reserve funds be restored to 3% of fiscal year spending in the following fiscal year. The City management believes it is in compliance with the provisions of TABOR at December 31, 2008.

General Fund Budgetary Highlights

Revenues for 2008 were less than budget by (\$12.0) million due to the following: softening sales tax revenue growth, decreased construction activity resulting from lower than expected license and permit revenue; and lower than expected external service fees related to court services, animal care center and neighborhood services housing re-inspections. General Fund expenditures were (\$11.5) million under budget resulting primarily due to a decreased Capital Projects Fund transfer, unfilled positions and the reduction of fleet purchases. As a result, December 31 ending funds available were lower than budgeted by (\$533.1) thousand. The City expects to maintain its financial condition through continued control over the growth of City expenditures, through evaluation of options for enhancing revenues and through the financial discipline of matching expenditures to revenues.

Capital Assets and Bonded Debt Administration

Capital Assets

The City's capital assets for its governmental and business-type activities as of December 31, 2008, were \$4.4 billion (net of accumulated depreciation) and include: land and water rights, buildings and improvements, infrastructure, machinery and equipment and construction in progress. The City uses these assets to provide services to its citizens. Additional information on the City's capital assets can be found in the notes to the basic financial statements, footnote 6.

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

| | Governmental Activities | | | Business-type Activities | | | Citywide Totals | | |
|----------------------------|-------------------------|---------------------|------------------|--------------------------|---------------------|-------------------|---------------------|---------------------|-------------------|
| | 2008 | 2007 | Change | 2008 | 2007 | Change | 2008 | 2007 | Change |
| Land and water rights | \$ 240,673 | \$ 237,706 | \$ 2,967 | \$ 311,328 | \$ 298,718 | \$ 12,610 | \$ 552,001 | \$ 536,424 | \$ 15,577 |
| Buildings and improvements | 155,543 | 161,183 | (5,640) | 102,202 | 104,885 | (2,683) | 257,745 | 266,068 | (8,323) |
| Infrastructure | 2,470,269 | 2,453,684 | 16,585 | 697,379 | 679,626 | 17,753 | 3,167,648 | 3,133,310 | 34,338 |
| Machinery and equipment | 33,386 | 33,550 | (164) | 15,165 | 15,304 | (139) | 48,551 | 48,854 | (303) |
| Construction in progress | 12,900 | 10,092 | 2,808 | 381,447 | 156,793 | 224,654 | 394,347 | 166,885 | 227,462 |
| Totals | \$ 2,912,771 | \$ 2,896,215 | \$ 16,556 | \$ 1,507,521 | \$ 1,255,326 | \$ 252,195 | \$ 4,420,292 | \$ 4,151,541 | \$ 268,751 |

Chart 7
MD&A-8

CITY OF AURORA, COLORADO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

Major capital asset activity, not including depreciation expense for the year ended December 31, 2008 included the following:

Governmental Activities Capital Assets

- Developers donated streets to the City valued at \$13.2 million while the City constructed \$13.8 million in street overlays and improvements.
- Developer-donated streets included land valued at \$0.6 million and DIA Noise Mitigation and Court Approved Noise Plan land acquisition costs of \$2.3 million from the Designated Revenues Fund.

Business-type Activities Capital Assets

- The Water Fund purchased land and water rights valued at \$12.5 million for the Prairie Waters Project and for future expansion of the water system.
- Developers constructed and contributed water lines, valued at \$7.6 million, and wastewater lines, valued at \$5.4 million.
- Prairie Waters Project construction in progress increased \$206.8 million.

Bonded Debt Administration

At the end of 2008, the City had total bonded debt of \$756.2 million and approximately \$110.9 million in certificates of participation (COPs). COPs represent rights to receive revenues through a capital lease and are similar to a bondholder's right to receive debt service on bonds. Aurora Capital Leasing Corporation (ACLC), a blended component unit that provides financing for City capital assets, issues the COPs. Outstanding debt by activity at December 31, 2008, and 2007 was as follows:

Comparative Schedule of Non-current Liabilities (in thousands)

| | Primary Government | | | | | | | | |
|-------------------------------|-------------------------|---------------------|------------------------|--------------------------|---------------------|------------------------|---------------------|---------------------|------------------------|
| | Governmental Activities | | | Business-type Activities | | | Citywide Totals | | |
| | December 31 2008 | December 31 2007 | Increase (Decrease) | December 31 2008 | December 31 2007 | Increase (Decrease) | December 31 2008 | December 31 2007 | Increase (Decrease) |
| General obligation bonds | \$ 32,045 | \$ 36,545 | \$ (4,500) | \$ 30,435 | \$ 37,275 | \$ (6,840) | \$ 62,480 | \$ 73,820 | \$ (11,340) |
| Revenue bonds | 9,105 | 10,375 | (1,270) | 684,567 | 691,291 | (6,724) | 693,672 | 701,666 | (7,994) |
| Total bonded debt | 41,150 | 46,920 | (5,770) | 715,002 | 728,566 | (13,564) | 756,152 | 775,486 | (19,334) |
| Certificates of participation | 110,900 | 109,495 | 1,405 | - | - | - | 110,900 | 109,495 | 1,405 |
| Totals | \$ 152,050 | \$ 156,415 | \$ (4,365) | \$ 715,002 | \$ 728,566 | \$ (13,564) | \$ 867,052 | \$ 884,981 | \$ (17,929) |

Chart 8

Citywide net bonded and COP debt decreased (\$17.9) million during 2008 primarily due to \$25.5 million in debt payments. In addition, during 2008 the City refunded two variable rate bonds as the bond insurers were adversely impacted by the bond issuance and auction rate security issues. The 2008A First Lien Water Revenue Bond with an issue of \$40.0 million refunded the 2004A Second-Lien Water Improvement Bonds. The 2006 A-2 COPs were refunded by the 2008A Aurora Capital Leasing Corporation (ACLC) COPs with an issue of \$68.5 million.

The City's underlying general obligation debt rating is A2 by Moody's Investors Service and AA by Standard & Poor's.

The City Charter imposes a limit upon general obligation debt (other than debt issued for water purposes) of 3% of the assessed value of property subject to City general property tax. Additional information on the City's

CITY OF AURORA, COLORADO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

Economic Factors and Rate Increases

- The unemployment rate for the City is currently 9.4%. The City's rate is unfavorable to the state's average unemployment rate of 7.2% and the national rate of 8.1%.
- Housing starts for the metro area are currently down 70%, which is unfavorable to the state and national decrease over last year of 63% and 48%, respectively.
- Water, wastewater, and storm drain user rates will increase 8%, 7% and 6%, respectively in 2009 to fund operating, debt service and system improvement needs.

Requests for Information

This financial report is designed to provide a general overview of the City's finances. Questions concerning the information provided in this report or other financial information should be addressed to the Controller's Office, City of Aurora, Colorado, 15151 East Alameda Parkway, Suite 5700, Aurora, Colorado 80012-1555 or telephone 303-739-7800.

* * * * *



Basic Financial Statements

**CITYWIDE
FINANCIAL STATEMENTS**

CITY OF AURORA, COLORADO

**CITYWIDE
STATEMENT OF NET ASSETS
DECEMBER 31, 2008**

| | Primary Government | | | Component Units |
|---|------------------------------------|-------------------------------------|-------------------------|----------------------------|
| | Governmental Activities | Business-Type Activities | Total | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 15,840,760 | \$ 27,399,578 | \$ 43,240,338 | \$ 14,236,193 |
| Investments | 68,636,681 | 281,958,955 | 350,595,636 | 4,404,738 |
| Receivables (net of allowance) | | | | |
| Taxes receivable | 47,019,628 | — | 47,019,628 | 325,050 |
| Accounts receivable | 1,446,707 | 12,509,472 | 13,956,179 | — |
| Interest receivable | 1,544,806 | 2,838,984 | 4,383,790 | 866,566 |
| Due from other governments | 967,848 | — | 967,848 | — |
| Other receivables | 4,216,692 | — | 4,216,692 | 6,941,468 |
| Internal balances | 172,523 | (172,523) | — | — |
| Inventories | 615,703 | 230,813 | 846,516 | — |
| Deferred charges | 1,082,056 | 5,544,972 | 6,627,028 | 78,498 |
| Restricted assets | | | | |
| Cash and cash equivalents | 20,304,021 | 24,000 | 20,328,021 | — |
| Investments | 45,173,001 | 293,539,604 | 338,712,605 | — |
| Taxes receivable | 6,364,129 | — | 6,364,129 | — |
| Accounts receivable | 1,179,923 | 6,579,810 | 7,759,733 | — |
| Interest receivable | 97,755 | 1,706,787 | 1,804,542 | — |
| Due from other governments | 4,614,454 | — | 4,614,454 | — |
| Other receivables | 244,240 | 3,110,062 | 3,354,302 | — |
| Notes receivable | 16,253,328 | 139,481 | 16,392,809 | 36,572,303 |
| Equity in joint venture | — | 2,472,429 | 2,472,429 | 4,348,894 |
| <i>Capital assets (net of accumulated depreciation)</i> | | | | |
| Land and water rights | 240,673,353 | 311,328,269 | 552,001,622 | 8,809,696 |
| Buildings and improvements | 155,543,091 | 102,202,305 | 257,745,396 | 15,030,790 |
| Infrastructure | 2,470,268,590 | 697,378,380 | 3,167,646,970 | — |
| Machinery and equipment | 33,385,652 | 15,165,304 | 48,550,956 | 204,051 |
| Construction in progress | 12,899,729 | 381,446,855 | 394,346,584 | — |
| Total assets | <u>3,148,544,670</u> | <u>2,145,403,537</u> | <u>5,293,948,207</u> | <u>91,818,247</u> |
| LIABILITIES | | | | |
| Accounts payable | 11,047,501 | 49,401,057 | 60,448,558 | 729,688 |
| Accrued interest | 791,018 | 14,030,938 | 14,821,956 | 45,078 |
| Other payables | 900,249 | 85,449 | 985,698 | 414,389 |
| Unearned revenues | 49,330,045 | 445,670 | 49,775,715 | 337,168 |
| <i>Noncurrent liabilities</i> | | | | |
| Due within one year | 20,020,128 | 13,482,931 | 33,503,059 | 3,571,567 |
| Due beyond one year | 165,456,522 | 751,488,462 | 916,944,984 | 24,930,288 |
| Total liabilities | <u>247,545,463</u> | <u>828,934,507</u> | <u>1,076,479,970</u> | <u>30,028,178</u> |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | 2,773,573,410 | 1,031,664,879 | 3,805,238,289 | 18,548,520 |
| <i>Restricted for</i> | | | | |
| Construction | 4,621,770 | 5,114,062 | 9,735,832 | — |
| Police | 938,179 | — | 938,179 | — |
| E-911 equipment and services | 6,365,253 | — | 6,365,253 | — |
| Parks and recreation | 19,591,164 | — | 19,591,164 | — |
| Emergencies | 8,188,738 | — | 8,188,738 | 11,800 |
| Gifts and grants | 5,712,156 | — | 5,712,156 | — |
| Debt related | — | 19,535,272 | 19,535,272 | — |
| Agreements | 9,338,401 | — | 9,338,401 | — |
| Urban renewal | 11,682 | — | 11,682 | — |
| Unrestricted | 72,658,454 | 260,154,817 | 332,813,271 | 43,229,749 |
| Total net assets | <u>\$ 2,900,999,207</u> | <u>\$ 1,316,469,030</u> | <u>\$ 4,217,468,237</u> | <u>\$ 61,790,069</u> |

CITY OF AURORA, COLORADO
CITYWIDE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets | | | Component Units |
|---|----------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|-----------------|-----------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | Total | |
| | | | | | Governmental Activities | Business-type Activities | | |
| Primary government | | | | | | | | |
| <i>Governmental activities</i> | | | | | | | | |
| General government | \$ 36,882,880 | \$ 3,841,779 | \$ 2,571,967 | \$ 10,719 | \$ (30,458,415) | \$ — | \$ (30,458,415) | |
| Judicial | 8,067,017 | 8,112,024 | 47,154 | — | 92,161 | — | 92,161 | |
| Police | 79,278,710 | 2,298,015 | 2,722,799 | — | (74,257,896) | — | (74,257,896) | |
| Fire | 34,484,884 | 608,065 | 508,038 | — | (33,368,781) | — | (33,368,781) | |
| Other public safety | 12,956,565 | 153,938 | 2,957,631 | 18,935 | (9,826,061) | — | (9,826,061) | |
| Public works | 37,022,337 | 223,148 | 1,544,651 | 26,948,735 | (8,305,803) | — | (8,305,803) | |
| Economic development | 16,364,134 | 8,486,228 | 80,340 | (281) | (7,797,847) | — | (7,797,847) | |
| Community services | 12,626,972 | 1,175,549 | 8,468,666 | — | (2,982,757) | — | (2,982,757) | |
| Culture and recreation | 38,720,494 | 5,986,101 | 6,809,583 | 6,220,168 | (19,704,642) | — | (19,704,642) | |
| Unallocated depreciation, excluding direct program depreciation | 3,325,541 | — | — | — | (3,325,541) | — | (3,325,541) | |
| Interest on long-term debt | 8,268,795 | — | — | — | (8,268,795) | — | (8,268,795) | |
| Total governmental activities | 287,998,329 | 30,884,847 | 25,710,829 | 33,198,276 | (198,204,377) | — | (198,204,377) | |
| <i>Business-type activities</i> | | | | | | | | |
| Water | 78,139,181 | 86,804,628 | 20,959,101 | 31,773,577 | — | 61,398,125 | 61,398,125 | |
| Sewer | 40,627,123 | 43,334,647 | 2,545,142 | 9,401,094 | — | 14,653,760 | 14,653,760 | |
| Golf | 9,661,133 | 9,528,713 | 104,804 | — | — | (27,616) | (27,616) | |
| Total business-type activities | 128,427,437 | 139,667,988 | 23,609,047 | 41,174,671 | — | 76,024,269 | 76,024,269 | |
| Total primary government | \$ 416,425,766 | \$ 170,552,835 | \$ 49,319,876 | \$ 74,372,947 | (198,204,377) | 76,024,269 | (122,180,108) | |
| Component units | \$ 28,044,440 | \$ 7,066,603 | \$ 22,169,487 | \$ 305,291 | | | | \$ 1,496,941 |

| | Primary Government | | | Component Units |
|--|------------------------------------|-------------------------------------|-------------------------|----------------------------|
| | Governmental Activities | Business-Type Activities | Total | |
| General Revenues | | | | |
| <i>Taxes</i> | | | | |
| Sales and use taxes | 151,023,488 | — | 151,023,488 | — |
| Property taxes | 32,519,051 | — | 32,519,051 | 328,035 |
| Franchise taxes | 13,037,994 | — | 13,037,994 | — |
| Lodgers taxes | 4,688,562 | — | 4,688,562 | — |
| Occupational privilege taxes | 4,295,911 | — | 4,295,911 | — |
| Other taxes | 5,001,847 | — | 5,001,847 | 25,565 |
| Grants and contributions not restricted to specific programs | 848,779 | — | 848,779 | — |
| Unrestricted investment earnings | 5,500,036 | 7,350,152 | 12,850,188 | 208,506 |
| Transfers | 82,588 | (82,588) | — | — |
| Total general revenues and transfers | <u>216,998,256</u> | <u>7,267,564</u> | <u>224,265,820</u> | <u>562,106</u> |
| INCREASE IN NET ASSETS | 18,793,879 | 83,291,833 | 102,085,712 | 2,059,047 |
| NET ASSETS - January 1 | <u>2,882,205,328</u> | <u>1,233,177,197</u> | <u>4,115,382,525</u> | <u>59,731,022</u> |
| NET ASSETS - December 31 | <u>\$ 2,900,999,207</u> | <u>\$ 1,316,469,030</u> | <u>\$ 4,217,468,237</u> | <u>\$ 61,790,069</u> |



FUND
FINANCIAL STATEMENTS

MAJOR GOVERNMENTAL FUNDS

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

General Fund

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

OTHER (NON-MAJOR) GOVERNMENTAL FUNDS

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

CITY OF AURORA, COLORADO
GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2008

| | <u>General</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--------------------------------------|----------------------|---|---|
| ASSETS | | | |
| Cash and cash equivalents | \$ 1,690,016 | \$ 18,280,015 | \$ 19,970,031 |
| Investments | 4,948,398 | 77,181,492 | 82,129,890 |
| Receivables (net of allowance) | | | |
| Taxes receivable | 47,019,628 | — | 47,019,628 |
| Accounts receivable | 182,185 | 1,839,939 | 2,022,124 |
| Interest receivable | 1,035,754 | 438,637 | 1,474,391 |
| Due from other governments | 897,972 | 3,818,149 | 4,716,121 |
| Other receivables | 304,224 | 2,510,886 | 2,815,110 |
| Due from other funds | 1,623,752 | — | 1,623,752 |
| Restricted assets | | | |
| Cash and cash equivalents | — | 11,694,056 | 11,694,056 |
| Investments | — | 17,699,814 | 17,699,814 |
| Taxes receivable | — | 6,364,129 | 6,364,129 |
| Accounts receivable | — | 604,506 | 604,506 |
| Interest receivable | — | 23,761 | 23,761 |
| Due from other governments | — | 866,183 | 866,183 |
| Other receivables | — | 40,684 | 40,684 |
| Notes receivable | 90,000 | 16,163,328 | 16,253,328 |
| Total assets | <u>\$ 57,791,929</u> | <u>\$ 157,525,579</u> | <u>\$ 215,317,508</u> |
| LIABILITIES AND FUND BALANCES | | | |
| <i>Liabilities</i> | | | |
| Accounts payable | \$ 7,171,698 | \$ 3,895,881 | \$ 11,067,579 |
| Other payables | 457,025 | 55,627 | 512,652 |
| Due to other funds | — | 1,623,752 | 1,623,752 |
| Deferred revenues | 27,370,888 | 25,710,536 | 53,081,424 |
| Total liabilities | <u>34,999,611</u> | <u>31,285,796</u> | <u>66,285,407</u> |
| <i>Fund balances</i> | | | |
| <i>Reserved for</i> | | | |
| Encumbrances | 559,347 | 4,343,856 | 4,903,203 |
| Construction | — | 6,597,952 | 6,597,952 |
| Police | — | 938,179 | 938,179 |
| Gifts and grants | — | 1,262,600 | 1,262,600 |
| Debt related | — | 12,187,882 | 12,187,882 |
| Arbitrage | — | 113,808 | 113,808 |
| Agreements | — | 9,338,401 | 9,338,401 |
| <i>Unreserved</i> | | | |
| Designated, reported in | | | |
| General Fund | 22,232,971 | — | 22,232,971 |
| Special revenue funds | — | 20,262,976 | 20,262,976 |
| Debt service funds | — | 253,315 | 253,315 |
| Capital project funds | — | 20,538,207 | 20,538,207 |
| Undesignated, reported in | | | |
| General Fund | — | — | — |
| Special revenue funds | — | 48,346,270 | 48,346,270 |
| Debt service funds | — | 1,681,426 | 1,681,426 |
| Capital project funds | — | 374,911 | 374,911 |
| Total fund balances | <u>22,792,318</u> | <u>126,239,783</u> | <u>149,032,101</u> |
| Total liabilities and fund balances | <u>\$ 57,791,929</u> | <u>\$ 157,525,579</u> | <u>\$ 215,317,508</u> |

See notes to the basic financial statements.

CITY OF AURORA, COLORADO

GOVERNMENTAL FUNDS

**RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS ON THE GOVERNMENTAL FUNDS BALANCE SHEET TO GOVERNMENTAL ACTIVITIES ON THE CITYWIDE STATEMENT OF NET ASSETS
DECEMBER 31, 2008**

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

| | |
|---|-------------------------|
| Total fund balance - governmental funds (see page 5) | \$ 149,032,101 |
| Deferred charges represent unamortized bond issue costs. These costs are expenses in governmental funds but are deferred and amortized at citywide. | 1,082,056 |
| Due to / due from amounts are eliminated for citywide reporting. | |
| Due to other funds | 1,623,752 |
| Due from other funds | (1,623,752) |
| The net pension asset is not available to pay current period expenditures and , therefore, is not recorded in the funds. | 1,603,333 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. | 2,912,271,081 |
| Accounts payable and other current liabilities are adjusted for interest payable on bonds and the net pension obligation which will not be paid in the current period and, therefore, is not recorded in the funds. | |
| Interest payable on bonds | (791,018) |
| Net pension obligation | (387,596) |
| Deferred revenue / unearned revenue from special assessments, tax audits and notes receivable have been recognized as revenue at citywide. | 3,751,379 |
| The arbitrage liability will not be paid in the current period and, therefore, in not recorded in the funds. | (113,809) |
| Noncurrent liabilities including, bonds, certificates of participation and accrued compensated absences, are not due and payable in the current period and, therefore, are not recorded in the funds. | |
| Due within one year (includes \$1,533,311 for accrued compensated absences) | (15,587,033) |
| Due beyond one year | (162,249,691) |
| Internal service funds are used by the City to accumulate and allocate fleet management, printing, and risk management costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the citywide statement of net assets as they predominately benefit governmental activities. | |
| Governmental - type | 12,215,881 |
| Business - type | 172,523 |
| Net assets of governmental activities (see page 1) | <u>\$ 2,900,999,207</u> |

CITY OF AURORA, COLORADO

GOVERNMENTAL FUNDS

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2008**

| | <u>General</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|----------------------|---|---|
| REVENUES | | | |
| <i>Taxes</i> | | | |
| Sales and use | \$ 149,350,298 | \$ 1,266,761 | \$ 150,617,059 |
| Property | 26,007,344 | 6,511,707 | 32,519,051 |
| Franchise | 13,037,994 | — | 13,037,994 |
| Lodgers | 4,688,562 | — | 4,688,562 |
| Occupational privilege | 3,975,791 | 320,120 | 4,295,911 |
| Other | 5,001,847 | — | 5,001,847 |
| Charges for services | 7,601,310 | 8,395,572 | 15,996,882 |
| Licenses and permits | 2,508,560 | 6,308,613 | 8,817,173 |
| Fines and forfeitures | 6,406,220 | 1,803,333 | 8,209,553 |
| Special assessments | — | 346,447 | 346,447 |
| Intergovernmental | 10,722,674 | 23,008,622 | 33,731,296 |
| Surcharges | — | 3,139,083 | 3,139,083 |
| Miscellaneous | 1,042,271 | 6,140,315 | 7,182,586 |
| Investment earnings | 1,032,097 | 5,424,747 | 6,456,844 |
| Total revenues | <u>231,374,968</u> | <u>62,665,320</u> | <u>294,040,288</u> |
| EXPENDITURES | | | |
| <i>Current</i> | | | |
| General government | 29,897,477 | 4,108,723 | 34,006,200 |
| Judicial | 7,957,745 | 111,898 | 8,069,643 |
| Police | 75,319,036 | 3,327,576 | 78,646,612 |
| Fire | 33,183,680 | 581,134 | 33,764,814 |
| Other public safety | 10,149,377 | 2,592,995 | 12,742,372 |
| Public works | 21,091,830 | 3,265,847 | 24,357,677 |
| Economic development | 3,552,855 | 12,775,839 | 16,328,694 |
| Community services | 3,783,371 | 8,689,709 | 12,473,080 |
| Culture and recreation | 19,901,753 | 16,262,912 | 36,164,665 |
| <i>Debt service</i> | | | |
| Principal | 987,802 | 12,200,000 | 13,187,802 |
| Interest | 114,434 | 7,856,584 | 7,971,018 |
| <i>Capital outlay</i> | | | |
| | 3,850,423 | 24,623,265 | 28,473,688 |
| Total expenditures | <u>209,789,783</u> | <u>96,396,482</u> | <u>306,186,265</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>21,585,185</u> | <u>(33,731,162)</u> | <u>(12,145,977)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 2,848,379 | 41,372,818 | 44,221,197 |
| Transfers out | (31,565,255) | (12,715,942) | (44,281,197) |
| Refunded COPS issued | — | 68,540,000 | 68,540,000 |
| Payment to escrow agent | — | (60,635,390) | (60,635,390) |
| Capital leases | 2,093,601 | — | 2,093,601 |
| Sale of capital assets | 255,622 | 5,264 | 260,886 |
| Total other financing sources (uses) | <u>(26,367,653)</u> | <u>36,566,750</u> | <u>10,199,097</u> |
| NET CHANGE IN FUND BALANCES | (4,782,468) | 2,835,588 | (1,946,880) |
| FUND BALANCES - January 1 | <u>27,574,786</u> | <u>123,404,195</u> | <u>150,978,981</u> |
| FUND BALANCES - December 31 | <u>\$ 22,792,318</u> | <u>\$ 126,239,783</u> | <u>\$ 149,032,101</u> |

See notes to the basic financial statements.

CITY OF AURORA, COLORADO

GOVERNMENTAL FUNDS

RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS ON THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO GOVERNMENTAL ACTIVITIES ON THE CITYWIDE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2008

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

| | |
|--|----------------------|
| Net change in fund balances - total governmental funds (see page 7) | \$ (1,946,880) |
| Sales and use tax audit revenue is recorded at citywide since the receivable amount is known, however it does not provide current financial resources and, therefore, is not reported as revenue in the funds until collected. | 406,429 |
| Charges for services generated internally are eliminated at citywide. The change in special assessment revenue, abatement and aid to agencies, deferred in the funds, is recognized at citywide. | |
| Charges for services - revenue | (3,393,442) |
| Charges for services - expenditures | 3,393,442 |
| Change in due to/from enterprise funds | 1,557,854 |
| Change in deferred revenue | (763,876) |
| Miscellaneous revenues from street infrastructure donated by developers is recorded as revenue at citywide, however, it is not a current financial source and, therefore, is not recorded in the funds. | 13,833,634 |
| Certain expenses in the citywide statement of activities do not require the use of current financial resources and, therefore, are not recorded in the funds. | |
| Arbitrage rebate | 63,191 |
| Net pension asset / obligation | (1,635,996) |
| Accrued compensated absences | (1,861,448) |
| Debt service payments consume current financial resources and are included as expenditures in the funds. At citywide the payments are recorded as a reduction to long-term liabilities. The accrual adjustment for debt service interest and the amortization of debt issue costs, discounts, premiums and the loss on the 2006 COP's refunding are made at citywide only. | |
| Repayment of principal | 13,187,802 |
| Accrued interest | 32,119 |
| Amortization | (329,892) |
| Issuance costs and underwriters discount - 2008 COP's Refunding | 682,884 |
| Capital outlay is reported in the funds as expenditures but are capitalized at citywide. Depreciation does not require the use of current financial resources and, therefore, is not reported in the funds. | |
| Capital outlay | 28,473,688 |
| Capital contributions | |
| Enterprise Funds | 132,588 |
| Internal Service Funds | (58,908) |
| Depreciation | (24,137,264) |
| Capital lease proceeds are recorded in the funds but have no effect on net assets. | (2,093,601) |
| Refunding of certificates of participation proceeds and the payment to refunded debt escrow agent are recorded in the funds but have no effect on net assets. | |
| Payment to refunded debt escrow agent | 60,635,390 |
| Refunding certificates of participation | (68,540,000) |
| Disposal of capital assets proceeds are recorded in the funds while the loss from the disposal is recorded at citywide and includes the write-off of the carrying value of the related capital asset. | (1,676,647) |
| Internal service funds are used by the City to accumulate and allocate fleet management, printing, and risk management costs to individual funds. The increase in net assets of the internal service funds are included in governmental activities in the citywide statement of net assets as they predominately benefit governmental activities. | |
| Governmental - type | 3,140,682 |
| Business - type | (307,870) |
| Increase in net assets of governmental activities (see page 3) | <u>\$ 18,793,879</u> |

PROPRIETARY FUNDS

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

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

MAJOR PROPRIETARY FUNDS

Water Fund

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

Wastewater Fund

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

NON-MAJOR PROPRIETARY FUND

Golf Fund

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



CITY OF AURORA, COLORADO

PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
DECEMBER 31, 2008

| | Business-type Activities - Enterprise Funds | | | | Governmental |
|--|---|-----------------------|----------------------|-------------------------|----------------------|
| | Major Funds | | Non-major | Total | Activities |
| | Water | Wastewater | Fund | Enterprise | Internal |
| | | Golf | Funds | Service Funds | |
| ASSETS | | | | | |
| <i>Current Assets</i> | | | | | |
| Cash and cash equivalents | \$ 16,737,127 | \$ 10,181,444 | \$ 481,007 | \$ 27,399,578 | \$ 4,480,692 |
| Investments | 215,954,881 | 64,853,921 | 1,150,153 | 281,958,955 | 13,979,980 |
| Receivables (net of allowance) | | | | | |
| Accounts receivable | 7,709,899 | 4,799,573 | — | 12,509,472 | — |
| Interest receivable | 2,264,248 | 574,286 | 450 | 2,838,984 | 144,409 |
| Other receivable | — | — | — | — | 1,800 |
| Restricted assets | | | | | |
| Investments | 14,052,736 | 2,899,127 | — | 16,951,863 | — |
| Current portion of notes receivable | — | — | 24,922 | 24,922 | — |
| Current portion of interfund loan | — | 56,000 | — | 56,000 | — |
| Inventories | — | — | 230,813 | 230,813 | 615,703 |
| Total current assets | 256,718,891 | 83,364,351 | 1,887,345 | 341,970,587 | 19,222,584 |
| <i>Noncurrent assets</i> | | | | | |
| Deferred charges | 5,155,770 | 335,218 | 53,984 | 5,544,972 | — |
| Restricted assets | | | | | |
| Cash and cash equivalents | 24,000 | — | — | 24,000 | — |
| Investments | 242,433,690 | 33,650,279 | 503,772 | 276,587,741 | — |
| Accounts receivable | 6,579,810 | — | — | 6,579,810 | — |
| Interest receivable | 1,183,326 | 522,350 | 1,111 | 1,706,787 | — |
| Other receivables | — | 3,110,062 | — | 3,110,062 | — |
| Notes receivable | 4,495 | — | 110,064 | 114,559 | — |
| Interfund loan | — | 4,496,000 | — | 4,496,000 | — |
| Equity in joint venture | 2,472,429 | — | — | 2,472,429 | — |
| Capital assets (net of accumulated depreciation) | | | | | |
| Land and water rights | 288,390,670 | 7,645,996 | 15,291,603 | 311,328,269 | — |
| Buildings and improvements | 67,415,162 | 32,143,712 | 2,643,431 | 102,202,305 | — |
| Infrastructure | 396,845,427 | 287,452,309 | 13,080,644 | 697,378,380 | 348,859 |
| Machinery and equipment | 10,728,158 | 3,266,431 | 1,170,715 | 15,165,304 | 150,475 |
| Construction in progress | 348,596,421 | 32,850,434 | — | 381,446,855 | — |
| Total capital assets | 1,111,975,838 | 363,358,882 | 32,186,393 | 1,507,521,113 | 499,334 |
| Total noncurrent assets | 1,369,829,358 | 405,472,791 | 32,855,324 | 1,808,157,473 | 499,334 |
| Total assets | 1,626,548,249 | 488,837,142 | 34,742,669 | 2,150,128,060 | 19,721,918 |
| LIABILITIES | | | | | |
| <i>Current liabilities</i> | | | | | |
| Accounts payable | 41,235,638 | 8,004,948 | 160,471 | 49,401,057 | 662,089 |
| Accrued interest | 12,654,409 | 1,332,394 | 44,135 | 14,030,938 | — |
| Other payables | 79,732 | — | 5,717 | 85,449 | — |
| Unearned revenues | — | — | 445,670 | 445,670 | — |
| Current portion - interfund loan | — | — | 56,000 | 56,000 | — |
| Current portion - long-term liabilities | 9,958,396 | 2,785,893 | 738,642 | 13,482,931 | 3,750,928 |
| Total current liabilities | 63,928,175 | 12,123,235 | 1,450,635 | 77,502,045 | 4,413,017 |
| <i>Noncurrent liabilities</i> | | | | | |
| Interfund loan | — | — | 4,496,000 | 4,496,000 | — |
| Due beyond one year | 681,093,565 | 66,745,517 | 3,649,380 | 751,488,462 | 3,093,020 |
| Total noncurrent liabilities | 681,093,565 | 66,745,517 | 8,145,380 | 755,984,462 | 3,093,020 |
| Total liabilities | 745,021,740 | 78,868,752 | 9,596,015 | 833,486,507 | 7,506,037 |
| NET ASSETS | | | | | |
| Invested in capital assets, net of related debt | 679,642,043 | 327,555,377 | 24,467,459 | 1,031,664,879 | 499,334 |
| <i>Restricted</i> | | | | | |
| Construction | 2,004,000 | 3,110,062 | — | 5,114,062 | — |
| Debt related | 1,250,000 | 1,250,000 | — | 2,500,000 | — |
| Unrestricted | 198,630,466 | 78,052,951 | 679,195 | 277,362,612 | 11,716,547 |
| Total net assets | \$ 881,526,509 | \$ 409,968,390 | \$ 25,146,654 | \$ 1,316,641,553 | \$ 12,215,881 |

See notes to the basic financial statements.

CITY OF AURORA, COLORADO

PROPRIETARY FUNDS

**RECONCILIATION OF TOTAL ENTERPRISE FUNDS ON THE PROPRIETARY FUNDS STATEMENT OF
NET ASSETS TO THE BUSINESS-TYPE ACTIVITIES ON THE CITYWIDE STATEMENT OF NET ASSETS
DECEMBER 31, 2008**

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

| | |
|---|--------------------------------|
| Total net assets - proprietary funds (see page 10) | \$ 1,316,641,553 |
| The current and long-term portions of the interfund loan between the Wastewater Fund and the Golf Fund are eliminated. | |
| Wastewater Fund - asset | (4,552,000) |
| Golf Fund - liability | 4,552,000 |
| The internal balances due to the governmental activities from the business-type activities result from the allocation of the cumulative internal service fund loss. | (172,523) |
| Net assets of business-type activities (see page 1) | <u><u>\$ 1,316,469,030</u></u> |

CITY OF AURORA, COLORADO

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2008

| | Business-type Activities - Enterprise Funds | | | | Governmental |
|---|---|----------------|---------------|------------------|---------------|
| | Major Funds | | Non-major | Total | Activities |
| | Water | Wastewater | Fund | Enterprise | Internal |
| | | Golf | Funds | Service Funds | |
| OPERATING REVENUES | | | | | |
| <i>Charges for services</i> | | | | | |
| Customers | \$ 86,803,419 | \$ 43,334,347 | \$ 9,511,487 | \$ 139,649,253 | \$ 16,031,042 |
| Total operating revenues | 86,803,419 | 43,334,347 | 9,511,487 | 139,649,253 | 16,031,042 |
| OPERATING EXPENSES | | | | | |
| Cost of sales and services | 40,632,915 | 31,170,143 | 7,250,362 | 79,053,420 | 10,795,295 |
| Claims losses | — | — | — | — | 3,013,793 |
| Administrative expenses | 5,034,253 | 1,420,857 | 1,207,345 | 7,662,455 | 131,211 |
| Depreciation | 10,169,576 | 6,745,580 | 1,011,962 | 17,927,118 | 70,636 |
| Total operating expenses | 55,836,744 | 39,336,580 | 9,469,669 | 104,642,993 | 14,010,935 |
| Operating income | 30,966,675 | 3,997,767 | 41,818 | 35,006,260 | 2,020,107 |
| NONOPERATING REVENUES (EXPENSES) | | | | | |
| Investment earnings | 26,606,820 | 4,719,791 | 131,688 | 31,458,299 | 678,554 |
| Intergovernmental revenue | 34,322 | — | — | 34,322 | — |
| Miscellaneous revenues/expenses | 141,183 | 96,325 | 122,031 | 359,539 | 373,113 |
| Interest expense | (21,809,027) | (616,127) | (399,234) | (22,824,388) | — |
| Amortization | 551,052 | 24,312 | (13,412) | 561,952 | — |
| Loss on sale of capital assets | (242,800) | (804,634) | (3,936) | (1,051,370) | — |
| Equity in joint venture | (32,008) | — | — | (32,008) | — |
| Net nonoperating revenues (expenses) | 5,249,542 | 3,419,667 | (162,863) | 8,506,346 | 1,051,667 |
| Income (loss) before capital contributions and transfers | 36,216,217 | 7,417,434 | (121,045) | 43,512,606 | 3,071,774 |
| Capital contributions | 31,628,255 | 9,350,956 | — | 40,979,211 | 58,908 |
| Transfers in | — | — | 50,000 | 50,000 | 10,000 |
| CHANGE IN NET ASSETS | 67,844,472 | 16,768,390 | (71,045) | 84,541,817 | 3,140,682 |
| NET ASSETS - January 1 | 813,682,037 | 393,200,000 | 25,217,699 | 1,232,099,736 | 9,075,199 |
| NET ASSETS - December 31 | \$ 881,526,509 | \$ 409,968,390 | \$ 25,146,654 | \$ 1,316,641,553 | \$ 12,215,881 |

CITY OF AURORA, COLORADO

PROPRIETARY FUNDS

**RECONCILIATION OF TOTAL ENTERPRISE FUNDS ON THE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS TO BUSINESS-TYPE ACTIVITIES ON THE CITYWIDE STATEMENT
OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

| | |
|---|----------------------|
| Net change in net assets - total enterprise funds (see page 12) | \$ 84,541,817 |
| The current year internal service fund operating profit is eliminated for Citywide reporting. | 307,870 |
| Change in due to/from governmental funds | (1,557,854) |
| Increase in net assets of business-type activities (see page 3) | <u>\$ 83,291,833</u> |

CITY OF AURORA, COLORADO

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2008

| | Business-type Activities - Enterprise Funds | | | | Governmental |
|---|---|---------------|--------------|----------------|--------------|
| | Major Funds | | Non-major | Total | Activities |
| | Water | Wastewater | Fund | Enterprise | Internal |
| | | Golf | Funds | Service Funds | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| <i>Cash received from:</i> | | | | | |
| Customers and others | \$ 80,385,771 | \$ 42,097,359 | \$ 9,637,088 | \$ 132,120,218 | \$ 446,927 |
| Interfund services provided | — | — | — | — | 16,005,960 |
| <i>Cash payments to:</i> | | | | | |
| Employees | (16,672,823) | (9,893,030) | (4,670,615) | (31,236,468) | (3,235,584) |
| Suppliers for goods and services | (1,600,921) | (18,735,687) | (3,765,991) | (24,102,599) | (11,369,505) |
| Net cash provided by operating activities | 62,112,027 | 13,468,642 | 1,200,482 | 76,781,151 | 1,847,798 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | |
| Cash transfers in | — | 56,000 | 50,000 | 106,000 | 10,000 |
| Net cash provided by noncapital financing activities | — | 56,000 | 50,000 | 106,000 | 10,000 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| <i>Proceeds from:</i> | | | | | |
| Capital debt | 58,774,018 | — | — | 58,774,018 | — |
| Capital contributions | 24,196,888 | 4,000,608 | — | 28,197,496 | — |
| Sale of capital assets | 55,095 | 16,229 | 1,225 | 72,549 | — |
| <i>Payments for:</i> | | | | | |
| Capital assets | (228,083,426) | (17,996,552) | (374,943) | (246,454,921) | — |
| Principal on capital debt | (51,945,908) | (2,625,133) | (870,601) | (55,441,642) | — |
| Interest on capital debt | (31,963,708) | (3,517,803) | (387,648) | (35,869,159) | — |
| Debt issue and discount costs | (363,336) | — | — | (363,336) | — |
| Net cash used in capital and related financing activities | (229,330,377) | (20,122,651) | (1,631,968) | (251,084,995) | — |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Increase in equity in pooled investments | (26,211,756) | (16,565,706) | (197,461) | (42,974,923) | (5,576,736) |
| Decrease in investments | 151,038,940 | 13,946,724 | — | 164,985,664 | — |
| Payments received on notes receivable | — | — | 23,964 | 23,964 | — |
| Interest received | 32,160,985 | 3,793,929 | 86,313 | 36,041,227 | 563,154 |
| Net cash provided by (used in) investing activities | 156,988,169 | 1,174,947 | (87,184) | 158,075,933 | (5,013,582) |

| | Business-type Activities - Enterprise Funds | | | Total Enterprise Funds | Governmental |
|---|---|----------------------|---------------------|------------------------------|---------------------------|
| | Major Funds | | Non-major Fund | | Activities |
| | Water | Wastewater | Golf | | Internal Service Funds |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (10,230,181) | (5,423,061) | (468,669) | (16,121,911) | (3,155,784) |
| TOTAL CASH AND CASH EQUIVALENTS, January 1 (including \$365,364 for the Water fund reported as restricted cash) | 26,991,308 | 15,604,505 | 949,676 | 43,545,489 | 7,636,476 |
| TOTAL CASH AND CASH EQUIVALENTS, December 31 (including \$24,000 for the Water fund reported as restricted cash) | <u>\$ 16,761,127</u> | <u>\$ 10,181,444</u> | <u>\$ 481,007</u> | <u>\$ 27,423,578</u> | <u>\$ 4,480,692</u> |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | | | | |
| OPERATING INCOME | <u>\$ 30,966,675</u> | <u>\$ 3,997,767</u> | <u>\$ 41,818</u> | <u>\$ 35,006,260</u> | <u>\$ 2,020,107</u> |
| ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | | | | |
| Depreciation | 10,169,576 | 6,745,580 | 1,011,962 | 17,927,118 | 70,636 |
| Miscellaneous nonoperating revenues | 175,504 | 96,324 | 122,130 | 393,958 | 373,111 |
| <i>Changes in operating assets and liabilities</i> | | | | | |
| Receivables | (6,593,152) | (1,333,313) | — | (7,926,465) | 48,732 |
| Inventories | — | — | 38,054 | 38,054 | 30,943 |
| Accounts payable and other current liabilities | 27,393,424 | 3,962,284 | (17,052) | 31,338,656 | (695,731) |
| Unearned revenues | — | — | 3,570 | 3,570 | — |
| Total adjustments | <u>31,145,352</u> | <u>9,470,875</u> | <u>1,158,664</u> | <u>41,774,891</u> | <u>(172,309)</u> |
| Net cash provided by operating activities | <u>\$ 62,112,027</u> | <u>\$ 13,468,642</u> | <u>\$ 1,200,482</u> | <u>\$ 76,781,151</u> | <u>\$ 1,847,798</u> |
| NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES | | | | | |
| Borrowing under capital lease | — | — | 220,535 | 220,535 | — |
| Contribution of capital assets | 16,931,335 | 13,320,197 | — | 30,251,532 | 58,908 |
| Transfer of capital assets to other funds | (9,499,967) | (7,969,849) | — | (17,469,816) | — |
| Increase in fair value of investments | 1,537,980 | 335,272 | 45,457 | 1,918,709 | 73,987 |
| Amortization of issuance, discount and premium | 551,052 | 24,312 | (13,412) | 561,952 | — |



FIDUCIARY FUNDS

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

Pension Trust Funds

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

Agency Fund

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

CITY OF AURORA, COLORADO

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET ASSETS

DECEMBER 31, 2008

| | Pension Trust Funds | Agency Fund |
|---|------------------------------------|-----------------------------|
| | <u> </u> | <u> </u> |
| ASSETS | | |
| <i>Current assets</i> | | |
| Cash and equivalents | \$ 4,981,385 | \$ 311,159 |
| Investments | | |
| Equity securities and funds | 109,969,449 | — |
| U.S. government and U.S. government agency obligations | 31,954,393 | — |
| Corporate bonds and funds | 65,709,455 | — |
| Real estate funds | 20,804,106 | — |
| Alternative investments | 15,369,675 | — |
| Receivables (net of allowance) | | |
| Interest receivable | 957,761 | — |
| Due from other governments | 363,250 | — |
| Other receivables | 1,880 | — |
| | <u> </u> | <u> </u> |
| Total assets | <u>250,111,354</u> | <u>\$ 311,159</u> |
| LIABILITIES | | |
| <i>Current liabilities</i> | | |
| Accounts payable and other current liabilities | 485,988 | \$ 311,159 |
| | <u> </u> | <u> </u> |
| Total liabilities | <u>485,988</u> | <u>\$ 311,159</u> |
| NET ASSETS | | |
| Held in trust for pension benefits | <u>249,625,366</u> | |
| | <u> </u> | |
| Total net assets | <u>\$ 249,625,366</u> | |

CITY OF AURORA, COLORADO
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2008

| | Pension Trust Funds |
|----------------------------|------------------------------------|
| | <hr/> |
| ADDITIONS | |
| <i>Contributions</i> | |
| City | \$ 5,178,328 |
| Plan members | 4,831,706 |
| | <hr/> |
| Total contributions | 10,010,034 |
| | <hr/> |
| <i>Investment activity</i> | |
| Investment loss | (67,667,524) |
| Investment expense | (631,449) |
| | <hr/> |
| Net investment loss | (68,298,973) |
| | <hr/> |
| Other income | 11,621 |
| | <hr/> |
| Total additions, net | (58,277,318) |
| | <hr/> |
| DEDUCTIONS | |
| Benefits | 11,892,316 |
| Administrative expenses | 549,746 |
| | <hr/> |
| Total deductions | 12,442,062 |
| | <hr/> |
| CHANGE IN NET ASSETS | (70,719,380) |
| NET ASSETS - January 1 | 320,344,746 |
| | <hr/> |
| NET ASSETS - December 31 | \$ 249,625,366 |
| | <hr/> <hr/> |

DISCRETELY PRESENTED COMPONENT UNITS

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

Fitzsimons Redevelopment Authority (FRA)

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

Aurora Housing Authority (AHA)

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

Havana Business Improvement District (Havana BID)

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

CITY OF AURORA, COLORADO

**COMPONENT UNITS
STATEMENT OF NET ASSETS
DECEMBER 31, 2008**

| | Fitzsimons Redevelopment Authority | Aurora Housing Authority | Havana Business Improvement District | Total |
|---|---|---|---|----------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 8,101,491 | \$ 5,929,711 | \$ 204,991 | \$ 14,236,193 |
| Investments | — | 4,404,738 | — | 4,404,738 |
| Receivables (net of allowance) | | | | |
| Taxes receivable | — | — | 325,050 | 325,050 |
| Intrest receivable | — | 866,566 | — | 866,566 |
| Other receivables | 425,116 | 6,511,352 | 5,000 | 6,941,468 |
| Deferred charges | 78,498 | — | — | 78,498 |
| Notes receivable | 10,441,249 | 26,131,054 | — | 36,572,303 |
| Equity in joint venture | — | 4,348,894 | — | 4,348,894 |
| <i>Capital assets (net of accumulated depreciation)</i> | | | | |
| Land and water rights | 6,428,211 | 2,381,485 | — | 8,809,696 |
| Buildings and improvements | 9,874,367 | 5,156,423 | — | 15,030,790 |
| Machinery and equipment | 103,845 | 100,206 | — | 204,051 |
| Total assets | <u>35,452,777</u> | <u>55,830,429</u> | <u>535,041</u> | <u>91,818,247</u> |
| LIABILITIES | | | | |
| Accounts payable | 178,296 | 544,921 | 6,471 | 729,688 |
| Accrued interest | 22,637 | 22,441 | — | 45,078 |
| Other payables | 361,916 | 52,473 | — | 414,389 |
| Unearned revenues | 3,257 | 8,861 | 325,050 | 337,168 |
| <i>Noncurrent liabilities</i> | | | | |
| Due within one year | 162,111 | 3,409,456 | — | 3,571,567 |
| Due beyond one year | 4,123,558 | 20,806,730 | — | 24,930,288 |
| Total liabilities | <u>4,851,775</u> | <u>24,844,882</u> | <u>331,521</u> | <u>30,028,178</u> |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | 13,605,327 | 4,943,193 | — | 18,548,520 |
| <i>Restricted</i> | | | | |
| Emergencies | — | — | 11,800 | 11,800 |
| Gifts and grants | — | 3,774,909 | — | 3,774,909 |
| Unrestricted | 16,995,675 | 22,267,445 | 191,720 | 39,454,840 |
| Total net assets | <u>\$ 30,601,002</u> | <u>\$ 30,985,547</u> | <u>\$ 203,520</u> | <u>\$ 61,790,069</u> |

CITY OF AURORA, COLORADO
 COMPONENT UNITS
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2008

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets | | | |
|--------------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|--------------------------------------|----------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Fitzsimons Redevelopment Authority | Aurora Housing Authority | Havana Business Improvement District | Component Units |
| Component unit | | | | | | | | |
| Fitzsimons Redevelopment Authority | \$ 3,304,005 | \$ 2,330,102 | \$ 4,616,095 | \$ — | \$ 3,642,192 | \$ — | \$ — | \$ 3,642,192 |
| Aurora Housing Authority | 24,551,959 | 4,710,302 | 17,542,392 | 305,291 | — | (1,993,974) | — | (1,993,974) |
| Havana Business Improvement District | 188,476 | 26,199 | 11,000 | — | — | — | (151,277) | (151,277) |
| Total Component Units | <u>\$ 28,044,440</u> | <u>\$ 7,066,603</u> | <u>\$ 22,169,487</u> | <u>\$ 305,291</u> | <u>3,642,192</u> | <u>(1,993,974)</u> | <u>(151,277)</u> | <u>1,496,941</u> |
| General Revenues | | | | | | | | |
| <i>Taxes</i> | | | | | | | | |
| Property taxes | | | | | — | — | 328,035 | 328,035 |
| Other taxes | | | | | — | — | 25,565 | 25,565 |
| Unrestricted investment earnings | | | | | 207,309 | — | 1,197 | 208,506 |
| Total general revenues and transfers | | | | | <u>207,309</u> | <u>—</u> | <u>354,797</u> | <u>562,106</u> |
| INCREASE (DECREASE) IN NET ASSETS | | | | | 3,849,501 | (1,993,974) | 203,520 | 2,059,047 |
| NET ASSETS - January 1 | | | | | <u>26,751,501</u> | <u>32,979,521</u> | <u>—</u> | <u>59,731,022</u> |
| NET ASSETS - December 31 | | | | | <u>\$ 30,601,002</u> | <u>\$ 30,985,547</u> | <u>\$ 203,520</u> | <u>\$ 61,790,069</u> |

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Effective January 1, 2008, the City implemented the provisions of GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* and Statement No. 50, *Pension Disclosures - an amendment of GASB Statements No. 25 and No. 27*. Statement No. 49 addresses accounting and financial reporting standards for pollution remediation obligations. Statement No. 50 more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and enhances note disclosures and required supplementary information (RSI). Adoption of GASB 49 and GASB 50 had no effect on net assets or fund balance as of January 1, 2008 or on the increase in net assets or change in fund balances for the year ended December 31, 2008.

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

A. Financial Reporting Entity

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

1. Discretely Presented Component Units

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

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

Aurora Housing Authority (AHA) – AHA is supported largely by the United States Department of

CITY OF AURORA, COLORADO
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Housing and Urban Development and provides decent, safe and affordable housing to the low-income and special needs population. AHA is a component unit of the City because in 2007 the City provided a moral obligation pledge to assist the AHA in securing a five million dollar line of credit. Separately issued, audited financial statements for AHA are available by contacting AHA at 10745 East Kentucky Avenue, Aurora, Colorado 80012.

Havana Business Improvement District (Havana BID) – The Havana BID was organized by the City Council on July 21, 2007 under Colorado Revised Statutes, for the purpose of enhancing the economic vitality of the Havana Street corridor. The Havana BID is a quasi-municipal corporation and political subdivision of the State of Colorado with all associated powers and responsibilities. The City Council appointed all the initial members of the Havana BID Board of Directors, which are not substantially the same as the City Council and the BID does not primarily benefit the City government. The City is able to impose its will on the BID as its operating plan and budget are approved by City Council. The Havana BID is a discretely presented component unit of the City. An election was held in November 2007, authorizing the Havana BID to levy property taxes in the years 2007 for collection in 2008, and thereafter. Separately issued, audited financial statements are available by contacting the Havana BID at 337 Oswego Street, Aurora, Colorado 80010 or telephone (303) 364-2044.

2. Blended Component Units

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

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

3. Fiduciary Component Units

City of Aurora General Employees' Retirement Plan (GERP) – GERP was created to provide retirement benefits to career service and executive personnel. It has a separate, independent board that administers the plan. Three of the seven board members are appointed by City Council. GERP is a component unit because it is funded by contributions from the City and City employees, and its exclusion would make the City's financial statements misleading. GERP is a blended component unit because it provides services solely to the City. GERP is included in this report as a pension trust fund in the fiduciary fund statements. GERP is not included in the citywide statements because its assets are not available to finance City programs. Separately issued, audited financial statements are

CITY OF AURORA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS

available by contacting GERP at 12200 East Iliff Avenue, Suite 108, Aurora, Colorado 80014 or telephone (303) 368-9160.

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

4. Joint Venture

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

The City's share of the ACSJWA is accounted for in the Water Fund using the equity method. The Water Fund is a major proprietary fund and business-type activity. Separately issued, audited financial statements for ACSJWA are available at Colorado Springs Utilities, P.O. Box 1103, MC930, Colorado Springs, Colorado 80947 or telephone (719) 668-8712 or (719) 668-4052.

B. Fund Accounting

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

1. Governmental Funds

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

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

Special Revenue Funds account for revenues that are restricted or designated for a specific purpose.

CITY OF AURORA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS

The City has fifteen special revenue funds: Gifts and Grants, Development Review, Abatement, Community Development, Enhanced E-911, Conservation Trust, Emergency Contingency, Parks Development, Arapahoe County Open Space, Recreation Services, Cultural Services, Designated Revenues, Policy Reserve, TABOR Reserve and AURA General Fund.

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

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

2. Proprietary Funds

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

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

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

3. Fiduciary Funds

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

Pension Trust Funds are accounted for in essentially the same manner as proprietary funds. The pension trust funds include the City of Aurora General Employees' Retirement Plan (GERP) and the

CITY OF AURORA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS

City of Aurora Elected Officials' and Executive Personnel Defined Benefit Plan (EOEP).

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

C. Measurement Focus and Basis of Accounting

1. Measurement Focus

The measurement focus identifies the resources to be measured and the effects of transactions or events involving those resources. Two measurement focuses are used in producing this report: economic resources and current financial resources. Although the Agency Fund is a fiduciary fund, it only reports assets and liabilities and, therefore, does not have a measurement focus.

Economic Resources Focus

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

Current Financial Resources Focus

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

2. Basis of Accounting

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

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

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

CITY OF AURORA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS

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

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

D. Regulatory Accounting

The City is subject to the provisions of Statement of Financial Accounting Standards (SFAS) No. 71, *Accounting for the Effects of Certain Types of Regulation*, which requires the effects of the rate-making process to be recorded in the financial statements. Accordingly, certain expenses normally reflected in the statement of revenues, expenses and changes in net assets as incurred are recognized when they are included in water rates set by the City. The City has recorded a liability to reflect the rate-making process (Footnote 7).

E. Financial Statement Presentation

1. Application of Private Sector Standards

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

2. Citywide Financial Statements

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

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

Business-type Activities include functions that are intended to recover all or a significant portion of the

CITY OF AURORA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS

costs through user fees and charges. Business-type activities of the City include the water, wastewater and golf course operations.

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

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

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

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

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

3. Fund Financial Statements

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

CITY OF AURORA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Major governmental funds include the General Fund and any governmental fund that comprises 10% or more of total governmental fund classification (assets, liabilities, revenues or expenditures) and at least 5% of the combined governmental and enterprise fund totals for the same classification. Other than the General Fund, no governmental fund met both the 10% and 5% test for the year 2008. The remaining governmental funds are aggregated into the column labeled “other governmental funds.”

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

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

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

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

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

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

The proprietary fund statement of revenues, expenses and changes in net assets separately presents revenues and expenses that are directly related to the service provided by the fund as “operating.” Operating revenues are primarily charges for services (exchange or exchange-like transactions for

CITY OF AURORA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS

water, wastewater and golf services). Golf operating revenues also include sales of merchandise. Operating revenues for internal service funds are charges for services provided to other funds and departments. All other revenues in the proprietary funds are reported as nonoperating. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, claims losses, and depreciation on capital assets. All other expenses are reported as nonoperating.

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

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

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

F. Cash and Investments

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

G. Interfund Transactions

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

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

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

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 NOTES TO THE BASIC FINANCIAL STATEMENTS

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

H. Deferred Charges and Inventories

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

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

I. Capital Assets

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

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

Depreciable Lives Assigned by Individual Items

| Description | Estimated Useful Life Years |
|---------------------------------|------------------------------------|
| Buildings and improvements | 40 |
| Infrastructure | |
| Street overlay and improvements | 10 |
| Other utility improvements | 20-65 |
| Mains and conduits | 65-95 |
| Reservoirs/Park improvements | 99 |
| Machinery and equipment | 13-15 |

1. Governmental Activities and Governmental Funds

The accounting and reporting treatment applied to a fund’s capital assets is determined by its measurement focus. Governmental funds are accounted for on a current financial resources measurement focus, whereby only current assets and current liabilities are recorded on the balance sheet. Capital assets purchased by governmental funds are not included in the governmental fund but are recorded as expenditures in the fund. These expenditures are reclassified through the governmental

CITY OF AURORA, COLORADO
 NOTES TO THE BASIC FINANCIAL STATEMENTS

activities adjustments and are shown as increases in capital assets in the governmental activities column in the citywide financial statements. Interest incurred during construction is not capitalized.

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

2. Business-type Activities, Proprietary and Pension Trust Funds

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

Interest cost on debt issued for the construction of capital assets is capitalized during construction of assets in accordance with FASB 34, *Capitalization of Interest Cost* and FASB 62, *Capitalization of Interest Cost in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants - an amendment of FASB Statement No. 34*.

J. Accounts Payable

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

| | Governmental Activities | Business-type Activities |
|-----------------------|----------------------------|-----------------------------|
| Vendors | \$ 5,832,066 | \$ 48,463,546 |
| Salaries and Benefits | 5,215,435 | 937,511 |
| Total | <u>\$ 11,047,501</u> | <u>\$ 49,401,057</u> |

K. Unearned and Deferred Revenues (Liabilities)

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

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

L. Noncurrent Liabilities

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

1. Governmental Activities and Governmental Funds

For governmental funds, only the portion of noncurrent liabilities to be financed from “expendable

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

2. Business-type Activities, Proprietary and Pension Trust Funds

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

M. Bond Premiums, Discounts and Issue Costs

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

N. Compensated Absences

1. Annual Leave

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

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

2. Sick Leave

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

| <u>Employees</u> | <u>Minimum Accrual Hours</u> | <u>Maximum Payment Hours</u> |
|----------------------------------|----------------------------------|----------------------------------|
| Council Appointees | 520 | 120 |
| Police and Career Service | 720 | 120 |
| Fire Civil Service 8-hour shift | 684 | 120 |
| Fire Civil Service 24-hour shift | 960 | 180 |

3. Accrued Liabilities for Compensated Absences

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

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

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

O. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

P. Fund Balances and Net Assets

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

Net assets - Net assets are assets minus liabilities using the economic resources measurement focus and the accrual basis of accounting. Net assets are reported in three classifications. Invested in capital assets, net of related debt reflects capital assets (net of accumulated depreciation) reduced by the outstanding amount of debt, which was issued to acquire or construct the capital assets. Restricted net assets report amounts legally segregated for a specific future use. Remaining net assets are reported as unrestricted. Certain special revenue and debt service funds have been established for restricted purposes. These funds may report unreserved/undesignated fund balances in the fund statements. The assets of these funds are reclassified to report restricted net assets, amounts payable from restricted assets and restricted net assets for the citywide statement of net assets.

Q. Budgets

On or before September 1 of each year, a proposed budget is provided by the City Manager to the City Council for review. The City Council holds public hearings and may add to, subtract from, or change the proposed appropriations and associated revenues and reserves. The City Council is required to adopt the

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budget for the upcoming year by November 30, but typically does so before every November election.

Budgets are legally adopted for all funds except the Payroll Clearing Agency Fund, which is not subject to the budgetary requirements of the Colorado Revised Statutes (C.R.S.). Budgets for the component units: ACLC, AURA, GERP, EOEP, FRA, AHA and Havana BID may be subject to the budgetary requirements of the C.R.S but are not required to be legally adopted by the City, although the City may approve a component unit's budget.

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

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

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

Since expenditures may not legally exceed budgeted appropriations, appropriation amendments are approved as necessary. Budget amendments require City Council approval by ordinance. The final budget does not always include budget reductions in expenditures or changes in revenues for amounts approved subsequent to the original budget when legal compliance is already demonstrated.

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

Basis of Budgeting

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

The City's budget disclosure presents funds available net of 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.

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS

1. Governmental Funds

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

2. Proprietary Funds

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

CITY OF AURORA, COLORADO
 NOTES TO THE BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS

Cash and investments as of December 31, 2008 are classified in the accompanying financial statements as follows:

**Summary of Cash and Investments by Fund and Type
 December 31, 2008**

| Fund | Petty cash | Deposits | Investments | Equity in City pool | Totals |
|--|-------------------|-------------------|--------------------|----------------------------|--------------------|
| Governmental Activities | | | | | |
| General Fund | | | | | |
| Cash and equivalents | \$ 33,170 | \$ 190,173 | \$ — | \$ 1,466,673 | \$ 1,690,016 |
| Investments | — | — | — | 4,948,398 | 4,948,398 |
| Other Governmental Funds | | | | | |
| Cash and equivalents | 4,040 | 27,989 | — | 18,247,986 | 18,280,015 |
| Investments | — | — | — | 77,181,492 | 77,181,492 |
| Restricted assets | — | — | 12,246,701 | 17,147,169 | 29,393,870 |
| Internal Service Funds | | | | | |
| Cash and equivalents | — | — | — | 4,480,692 | 4,480,692 |
| Investments | — | — | — | 13,979,980 | 13,979,980 |
| Governmental activities adjustments | | | | | |
| Cash and equivalents | — | — | — | (8,609,965) | (8,609,965) |
| Investments | — | — | — | (27,473,187) | (27,473,187) |
| Restricted assets | — | — | — | 36,083,152 | 36,083,152 |
| Total governmental activities | <u>37,210</u> | <u>218,162</u> | <u>12,246,701</u> | <u>137,452,390</u> | <u>149,954,463</u> |
| Business-type Activities | | | | | |
| Water Fund | | | | | |
| Cash and equivalents | 200 | — | — | 16,736,927 | 16,737,127 |
| Investments | — | — | — | 215,954,881 | 215,954,881 |
| Restricted assets | — | — | 241,199,690 | 15,310,736 | 256,510,426 |
| Wastewater Fund | | | | | |
| Cash and equivalents | — | — | — | 10,181,444 | 10,181,444 |
| Investments | — | — | — | 64,853,921 | 64,853,921 |
| Restricted assets | — | — | 32,400,278 | 4,149,128 | 36,549,406 |
| Golf Fund | | | | | |
| Cash and equivalents | 14,100 | — | — | 466,907 | 481,007 |
| Investments | — | — | — | 1,150,153 | 1,150,153 |
| Restricted assets | — | — | 503,772 | — | 503,772 |
| Total business-type | <u>14,300</u> | <u>—</u> | <u>274,103,740</u> | <u>328,804,097</u> | <u>602,922,137</u> |
| Component Units | | | | | |
| Fitzsimons Redevelopment Authority | | | | | |
| Cash and equivalents | — | 8,101,491 | — | — | 8,101,491 |
| Restricted assets | — | — | — | — | — |
| Aurora Housing Authority | | | | | |
| Cash and equivalents | — | 5,929,711 | — | — | 5,929,711 |
| Investments | — | — | 4,404,738 | — | 4,404,738 |
| Havana BID | | | | | |
| Cash and equivalents | — | 204,991 | — | — | 204,991 |
| Total component units | <u>—</u> | <u>14,236,193</u> | <u>4,404,738</u> | <u>—</u> | <u>18,640,931</u> |

(continued)

CITY OF AURORA, COLORADO
 NOTES TO THE BASIC FINANCIAL STATEMENTS

Summary of Cash and Investments by Fund and Type
 December 31, 2008

| Pension Trust and Agency | | | | | | |
|-------------------------------------|----|---------------|----------------------|-----------------------|---------------|------------------|
| Payroll Clearing Agency Fund | | | | | | |
| Cash and equivalents | \$ | — | \$ | — | \$ 311,159 | \$ 311,159 |
| Pension Trust Funds | | | | | | |
| Cash and equivalents | | — | 55,340 | 4,926,045 | — | 4,981,385 |
| Investments | | — | — | 243,807,078 | — | 243,807,078 |
| Total Pension Trust and Agency | | — | 55,340 | 248,733,123 | 311,159 | 249,099,622 |
| Total Cash and Investments | | | | | | |
| Total All Funds | | 51,510 | 14,509,695 | 539,488,302 | 466,567,646 | \$ 1,020,617,153 |
| City Pool Deposits | | — | 14,353,662 | — | (14,353,662) | |
| City Pool Investments | | — | — | 452,213,984 | (452,213,984) | |
| Total Cash and Investments | \$ | <u>51,510</u> | <u>\$ 28,863,357</u> | <u>\$ 991,702,286</u> | <u>\$ —</u> | |

(concluded)

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

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

A. Non-Pension Plan Investments

1. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

At December 31, 2008, the City owned a corporate note that was downgraded by the rating agencies to a level at which the City's investment policy requires it to be sold within four months of such downgrade. Council may authorize a one-time waiver to the investment policy to retain ownership. A waiver of the sale requirement was passed by Council on January 12, 2009.

2. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to interest rate risk, it is the City's policy to invest in a manner that securities can normally be held to maturity, or close to maturity, and to limit the types and maturities of permitted securities. The City manages its exposure by limiting the weighted average maturities of the portfolio to less than 2.5 years, unless the investments are funded by specifically identified sources such as bond indentures. The weighted average maturity for investments in the City pool is 1.01 years. Non-pooled investments, having a weighted average maturity exceeding 2.5 years,

CITY OF AURORA, COLORADO
 NOTES TO THE BASIC FINANCIAL STATEMENTS

are invested in accordance with state statute, terms of the bond indenture or to meet bond insurer requirements.

3. Concentration Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of the City’s investment in a single issuer. Concentration risk disclosure is required by the Governmental Accounting Standards Board for any investment that represents 5% or more of the total investments in any one issuer, except certain specific investment types. The City pooled fund investments are in compliance with City policy which limits unsecured investments with any single issuer other than the federal government to no more than 5%.

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

**Applicable Risk on City Pooled and Non-Pooled Investments
 December 31, 2008**

| Security | Fair Value | Interest Rate Risk | | | Credit Risk | | |
|-------------------------|-----------------------|-----------------------------------|----------------------|---------------------|---|-------------------------------------|-----------------|
| | | Weighted Average Maturity (Years) | % of Total Portfolio | % Allowed by Policy | Credit Risk Allowed by City Policy | Current Ratings on City Investments | |
| | | | | | | Moody's | S & P |
| <i>City Pool</i> | | | | | | | |
| US Agency Notes | \$ 149,977,035 | 1.34 | 33.17% | 50% | Rating not limited by City policy. | Aaa | AAA |
| US Treasury Notes | 5,279,900 | 1.38 | 1.17% | Not limited | Rating not limited by City policy. | Aaa | AAA |
| Commercial paper | 17,941,583 | 0.10 | 3.97% | 50% | A rating of A-1, P-1 or their equivalent by any two nationally recognized credit rating agencies. | P1, A1+ | P1, A-1, A1+ |
| Corporate notes | 159,161,962 | 1.38 | 35.20% | 40% | Rating AAA, 40% maximum, 5 year maturity Rating AA, 35% maximum, 5 year maturity | A1-A3, Aaa, Aa1-Aa3, Baa2 | A-AAA, A-, BBB+ |
| Municipal bonds | 31,710,689 | 1.59 | 7.00% | 50% | Rating A1 or A+, 15% maximum, 3 year Rated in one of the three highest rating categories by a nationally recognized organization which regularly rates such obligations. | A1, Aaa, Aa1-Aa3, Baa1 | A-AAA |
| MMA - Colostrust Plus+ | 19,030,052 | - | 4.21% | 10% | Must be registered with the SEC or rated AAA by any nationally recognized credit rating agency. | Aaa | AAA |
| MMA - Wells Fargo | 27,112,763 | - | 6.00% | Not limited | City policy does not limit accounts. The account is covered by the collateralized requirement of Colorado's Public Deposit Protection Act and by FDIC insurance. | N/A | N/A |
| Certificates of deposit | 42,000,000 | - | 9.28% | Not limited | City policy mirrors State statute, which does not limit certificates of deposit. Certificates of deposit are covered by the Public Deposit Protection Act. City practice is to require asset and equity ratios be met as well as limiting amounts invested in any single institution. | N/A | N/A |
| Total City Pool | \$ 452,213,984 | 1.10 | 100.00% | | | | (continued) |

CITY OF AURORA, COLORADO
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Applicable Risk on City Pooled and Non-Pooled Investments
 (excluding discretely presented component units)
 December 31, 2008

| <i>Non-pooled investments</i> | Fair Value | Interest Rate Risk | Concentration Risk | Credit Risk | | |
|---|-----------------------|-------------------------------|-----------------------------|---------------------------|-------|---|
| | | Weighted Avg Maturity (Years) | % of Total Fund Investments | Moody's | S & P | Purpose of Investment |
| Governmental Activities | | | | | | |
| <i>Other Governmental Funds</i> | | | | | | |
| <i>ACLIC Debt Service</i> | | | | | | |
| Money market funds | \$ 6,774,148 | — | N/A | Aaa | AAA | 2002, 2004, 2005, 2006 and 2008 COPs issues held by trustee for debt service. |
| US Treasury Notes | 3,547,989 | 4.95 | N/A | Aaa | AAA | 2004 and 2005 COPs issues held by trustee for reserve requirement. |
| <i>ACLIC Capital Projects</i> | | | | | | |
| Money market funds | 1,924,564 | — | N/A | Aaa | AAA | 2002 and 2005 COPs proceeds held by trustee for ACLIC capital projects. |
| Total Other Governmental Funds | <u>12,246,701</u> | | | | | |
| Total Governmental Activities | <u>12,246,701</u> | 4.95 | | | | |
| Business-type Activities | | | | | | |
| <i>Water Fund</i> | | | | | | |
| US Treasury Notes | 5,732,502 | 4.63 | N/A | Aaa | AAA | 2003 bond issue held by trustee for bond reserve requirement. |
| Money market funds | 2,004,000 | — | N/A | Aaa | AAA | Owner controlled insurance policy for Prairie Water Project. |
| Repurchase Agreement | | | | Aaa | AAA | 2007 bond issue held for Water capital projects and reserve requirement. |
| US Agency Notes | 229,508,879 | 5.06 | 50.20% | | | |
| Money market funds | 3,954,309 | — | N/A | Aaa | AAA | 2007 bond issue held for Water capital projects and reserve requirement. |
| Total Water Fund | <u>241,199,690</u> | | | | | |
| <i>Wastewater Fund</i> | | | | | | |
| Repurchase Agreement | 32,400,278 | 4.08 | 33.32% | Aaa* | | 2006 bond issue held for Wastewater capital projects and reserve requirement. |
| US Agency Notes | | | | | | |
| Total Wastewater Fund | <u>32,400,278</u> | | | | | |
| <i>Golf Fund</i> | | | | | | |
| US Agency Notes | 503,772 | 6.45 | 30.46% | Aaa | AAA | 2005 refunding bond issue held for bond reserve requirement. |
| Total business-type activities | <u>274,103,740</u> | 4.93 | | | | |
| Fiduciary Funds | | | | | | |
| <i>General Employee's Retirement Plan (GERP)</i> | 245,790,127 | | | See following disclosures | | |
| <i>Elected Officials' and Executive Personnel Defined Benefit Plan (EOEP)</i> | 2,942,996 | | | See following disclosures | | |
| Total Fiduciary Funds | <u>248,733,123</u> | | | | | |
| Total All Investments | <u>\$ 987,297,548</u> | | | | | |

(concluded)

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

B. Pension Plan Investments

1. General Employees' Retirement Plan

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

CITY OF AURORA, COLORADO
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The *core* portfolio will include the following:

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

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

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

At December 31, 2008, the Plan held the following fixed income investments with respective quality ratings, excluding those obligations of the U.S. government or obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government, which are not considered to have credit risk.

| Description | Credit Quality Rating | Fair Value | % of Total |
|--------------------------------|-----------------------|---------------------|----------------|
| Corporate Bonds | AAA | \$14,339,975 | 22.3% |
| | AA | 4,142,102 | 6.4% |
| | A | 7,507,787 | 11.7% |
| | BBB | 10,481,291 | 16.3% |
| Bond Fund | AA | 27,930,915 | 43.3% |
| Total Corporate Bond and Funds | | <u>\$64,402,070</u> | <u>100.00%</u> |

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

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

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

CITY OF AURORA, COLORADO
 NOTES TO THE BASIC FINANCIAL STATEMENTS

The Plan had the following investments and maturities at December 31, 2008:

| Investment Type | Fair Value | Investment Maturities (in years) | | | |
|------------------------------|----------------------|----------------------------------|---------------------|---------------------|---------------------|
| | | Less than 1 | 1-5 | 6-10 | >10 |
| Industrial Bonds | \$9,659,480 | \$ — | \$5,566,799 | \$3,122,112 | \$970,569 |
| Transportation Bonds | 334,127 | — | — | — | 334,127 |
| Utility Bonds | 4,016,678 | — | 1,158,419 | 1,823,216 | 1,035,043 |
| Finance Bonds | 4,711,526 | 530,813 | 2,999,272 | 1,181,411 | — |
| REIT Bonds | 423,141 | 423,141 | — | — | — |
| Non-Corp Bonds | 1,883,893 | — | 1,039,886 | 844,007 | — |
| Asset Backed Bonds | 3,328,754 | — | 1,524,411 | 1,716,298 | 88,045 |
| Govt Mtg Backed | 10,289,391 | 2,399 | — | — | 10,286,992 |
| Coll Mtg Backed | 1,824,165 | 10,755 | — | 467,500 | 1,345,910 |
| U.S. Agency Bonds | 5,950,533 | 1,198,500 | 3,646,204 | 1,105,829 | — |
| U.S. Treasury Bonds | 26,003,860 | — | 2,327,662 | 13,230,447 | 10,445,781 |
| Corporate Bond Fund | 27,930,915 | — | 27,930,915 * | — | — |
| Money Market Funds | 4,874,458 | 4,874,458 | — | — | — |
| Equity Investments | | | | | |
| Equity Securities | 108,645,736 | 108,645,736 | — | — | — |
| Real Estate Funds | 20,543,795 | 20,543,795 | — | — | — |
| Alternative Invest. | 15,369,675 | 15,369,675 | — | — | — |
| Total All Investments | \$245,790,127 | \$151,599,272 | \$46,193,568 | \$23,490,820 | \$24,506,467 |

*Average maturity for the Corporate Bond Fund is 3.70 years.

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

At December 31, 2008 the Plan did not have investments in any one organization representing 5% or more of the Plan’s assets other than the following indexed and commingled Funds:

| Investment | Fair Value | % of Investments |
|----------------------------------|--------------|------------------|
| Barclays Global Investors Equity | | |
| Index Fund A | \$69,224,046 | 28% |
| Pimco Total Return Fund | 27,930,915 | 11% |
| Blackrock Granite Fund | 14,677,742 | 6% |

Foreign Currency Risk – Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment or deposit. The Plan’s currency risk exposure resides entirely within investments in international equity mutual funds. The plan has no formal policy regarding foreign currency risk. The Plan’s exposure to foreign currency risk in U.S. dollars as of December 31, 2008 is \$22,916,992, which is entirely composed of investments in international equity mutual funds.

CITY OF AURORA, COLORADO
 NOTES TO THE BASIC FINANCIAL STATEMENTS

2. Elected Officials’ and Executive Personnel Defined Benefit Plan

Credit Risk – Credit risk exposure is dictated by each manager’s agreement with the Plan or in the fund’s prospectus. At December 31, 2008 the Plan held the following fixed income investments:

| Description | Credit Quality Rating | Fair Value | % of Total |
|--------------------------------|-----------------------|---------------------|-------------|
| PIMCO Total Return Fund | AA | \$ 554,772 | 42% |
| Westcore Bond Fund | AA | 752,613 | 58% |
| Total Corporate Bond and Funds | | <u>\$ 1,307,385</u> | <u>100%</u> |

Interest Rate Risk – Colorado revised statutes limit investment maturities to five years or less unless formally approved by the trustee(s). The EOEP trustee has determined that it is appropriate for the Plan to follow the investment guidelines developed by the City of Aurora General Employees’ Retirement Plan. Those guidelines allow investment maturities greater than five years. The Plan had the following investments at December 31, 2008:

| Investment Type | Average Maturity (years) | Fair Value |
|-----------------------|--------------------------|---------------------|
| Debt | | |
| Corporate Bond Funds | 6.15 | \$ 1,307,385 |
| Money Market Funds | 0.08 | 51,587 |
| Equities | | |
| Equity Securities | | 1,323,713 |
| Real Estate Funds | | 260,311 |
| Total All Investments | | <u>\$ 2,942,996</u> |

Concentration of Credit Risk – The Plan does not have a formal policy regarding the concentration of credit risk. At December 31, 2008, the Plan did not have investments in any one organization representing 5% or more of the Plan assets, other than indexed and commingled funds listed below:

| Investment | Fair Value | % of Investments |
|---|------------|------------------|
| iShares Trust - S&P 500 Index Fund | \$ 707,241 | 27.2% |
| Westcore Plus Bond Fund | 752,613 | 28.9% |
| Pimco Total Return Fund | 554,772 | 21.3% |
| Ark Asset Management Small Cap Value Fund I | 251,946 | 9.7% |
| Black Rock Granite Fund | 190,918 | 7.3% |
| State Street Global Advisors International Alpha Select SL Fund | 146,838 | 5.6% |

3. RECEIVABLES

A. Taxes

1. Property Tax

Property tax is levied on December 15 and attaches as a lien on property the following January 1. The tax is payable in full by April 30 or in two equal installments due February 28 and June 15. Each county bills and collects property tax for all taxing entities within the county. Property tax collected by

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Arapahoe, Adams and Douglas counties for the City are remitted in the subsequent month. Property tax is reported as a receivable and as deferred revenue when levied in both the funds and for citywide reporting. Revenue is recognized when collected in the following year. Collection begins on January 1 of the following year. Total Property Tax receivable at December 31, 2008 is \$26,865,974. Based upon experience, one percent of outstanding receivables is recorded in an allowance account and is deducted from the deferred revenue and the receivable for reporting purposes. Total allowance at December 31, 2008 is \$268,659.

2. Sales, Use and Lodgers Taxes

Sales, use and lodgers taxes are recognized as revenue when earned. Sales tax collected and use tax incurred are due to the City by the 20th day of the following month. Total Sales, Use and Lodgers Tax receivable at December 31, 2008 is \$17,045,414.

3. Franchise Taxes

Franchise taxes such as telephone, cable television, gas and electric, due to the City but not received at year-end, are recorded as receivables. Total Franchise Tax receivable at December 31, 2008 is \$2,693,325.

4. Tax Audits

Amounts calculated as owed during sales and use tax compliance audits are recorded as receivables and deferred revenues in the General Fund. Tax audit revenue is recognized in subsequent periods when payment is received. For citywide reporting, revenue is recognized when earned. Total Tax Audits receivable at December 31, 2008 is \$683,574.

B. Accounts

1. City Services

Amounts billed for weed cutting, trash removal, demolition, tree trimming and removal, overtime inspection fees, recreation registrations and reimbursement for property damages are recorded as receivables and the revenue is recognized when services have been performed. Total Accounts receivable for City Services at December 31, 2008 is \$1,446,707.

2. Utility Billings

Utility charges, which include water and wastewater usage and storm drainage fees, are billed monthly and are due and payable within 25 days from the billing date. Total billed utility charges at December 31, 2008 is \$7,903,693. Earned but unbilled utility charges at December 31, 2008 is \$4,662,861. Billed and unbilled charges are recorded as revenue when earned. Estimates of uncollectible utility charges, based upon a percentage of aged outstanding receivables, are established in allowance accounts which are deducted from utility receivables for reporting purposes. Total allowance at December 31, 2008 is \$57,082.

C. Interest

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

D. Due from Other Governments

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

CITY OF AURORA, COLORADO
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months of the following year.

E. Other

Other receivables include liens for uncollected weed cutting, E-911 surcharges, PEG access fees, photo red light fees, vehicle auction proceeds, special improvement district receivables, case management fines, forfeitures and fees, the net pension asset and rent receivable for FRA.

F. Notes

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

1. Economic Development

The City has a participation interest in loans made by Aurora Economic Development Council to various commercial and industrial enterprises. These loans are incentives for the relocation or expansion of these enterprises within the boundaries of the City. There are a total of 11 loans; 1 Brownsfield loan with a 2% interest rate and due to be repaid when property changes title and 10 economic development loans with interest rates ranging between 2% - 8.25% and maturity dates between 2012 – 2016 with real and business property as collateral. The balance outstanding as of December 31, 2008 is \$791,044, which is not expected to be collected within one year.

In 2000, the City created an Art District Loan Fund by ordinance, the purpose of which was to promote and establish art uses in the downtown Aurora Arts District. There are a total of 5 loans to non-profit organizations with interest rates ranging between 2% - 4.25% and maturity dates between 2013-2039. The balance outstanding as of December 31, 2008 is \$410,777, which is not expected to be collected within one year.

2. Community Services

To assist in the redevelopment of low-income areas, the City makes loans from federal funds to assist in the renovation of housing and businesses. There are a total of 1,220 loans with various maturity dates and interest rates. The balance outstanding as of December 31, 2008 is \$14,127,898, which is not expected to be collected within one year.

In 2008, the City entered into a payment plan with a customer in the amount of \$11,495 for the deferral of water connection fees. The balance outstanding as of December 31, 2008 is \$4,495.

In 2007, the City advanced \$90,000 to the Colfax Marathon Partnership, Inc. to assist with the costs associated with the organizing, planning, advertising and producing of the marathon. The balance outstanding at December 31, 2008 is \$90,000.

In November of 2006, the City entered into an agreement with the Mission Aurora Colorado Swimming and the Aurora Masters Swim Club for use of City pools. The note is interest free and has a maturity date of November 1, 2011. The balance outstanding as of December 31, 2008 is \$17,500, which is not expected to be collected within one year.

3. FRA

The City entered into an agreement to assist FRA with required matching funds in conjunction with two grants it received from the U.S. Department of Commerce, Economic Development Administration (EDA) for the purpose of designing and constructing a bioscience incubation facility at Fitzsimmons. The loan of \$1,371,888 is repayable in ten equal annual installments beginning June 1,

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2005. The interest rate is variable and the maturity date is June 1, 2014. FRA also paid \$7,023 on the City's behalf per a separate agreement, reducing the principal balance owed. The principal balance outstanding and accrued interest as of December 31, 2008 are \$816,109 and \$22,637, respectively, which \$678,920 is not expected to be collected within one year.

In January 2004, the City entered into a note agreement for \$245,935 to assist FRA with the initial purchase of equipment and startup costs of the Fitzsimons Golf Course. This note is being paid to the City in ten equal annual installments of principal and interest beginning December 1, 2004. The note has a 4% interest rate and the final payment is due December 1, 2013. The balance outstanding as of December 31, 2008 is \$134,986, which \$110,064 is not expected to be collected within one year.

G. Component Units

1. FRA

The FRA has three receivables, one of which is related to a dispute claim against the United States Army, another one related to a bankruptcy filing by the tenant at the Bioscience Park Center and the last an amount owed by an individual who caused damage to property of the Authority. These amounts outstanding at December 31, 2008 totaled \$425,116.

In 2004, the FRA entered into a note receivable with The Children's Hospital (TCH) for \$2,645,967 for the transfer of land from FRA to TCH for construction of its new hospital. The note is payable to FRA in quarterly installments through July 30, 2009. The note does not have a stated interest rate but the imputed interest rate on the note is 2.5%. The balance outstanding as of December 31, 2008 is \$441,249 which is expected to be collected within one year.

In January 2008, the FRA closed on a loan to BWAB-Fitzsimmons, LLC (BWAB) in the amount of \$10 million pursuant to a Promissory Note and other loan documents from BWAB to the Authority. The loan provides partial funding for the construction of a conference center hotel adjacent to Fitzsimons in the Fitzsimons Village project. The Note bears interest at 5% per annum and matures at the earlier of a sale or refinancing of the Hotel or 61 months after the opening of the Hotel to the Public. The balance outstanding as of December 31, 2008 is \$10,000,000.

2. AHA

The AHA has four types of receivables. The first type is receivable for HUD vouchers and landlord over payments. The second type of receivable is for various related entities for the start up of operations. The third type of receivables is administrative fees earned on related parties. The last type of receivable is tenant receivables for residents that live at various Authority sites. The total of these four types of receivable at December 31, 2008 is \$2,153,132.

The AHA has various other receivables related to development fees and construction management fees. The total of other receivables and prepaid expenses at December 31, 2008 is \$4,261,915 and \$96,305, respectively.

The AHA has twenty outstanding notes receivable relating to real property. The total at December 31, 2008 is \$26,131,054, which is not expected to be collected within one year. Interest accrued on these notes at December 31, 2008 is \$866,566.

3. Havana BID

Property owners within the boundaries of the Havana Business Improvement District have been assessed \$325,050 in property taxes for 2008 to be collected in 2009.

4. RESTRICTED, RESERVED AND DESIGNATED

A. Restricted and Reserved

Restricted net assets are restricted assets less the liabilities related to those assets. Restricted net assets are those legally segregated for a specific future use. All restricted net assets of the City are expendable.

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

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

1. Restricted for Construction

City Capital Projects Fund - In 2000, the City issued general obligation bonds to finance a program of improvements outlined in the Facilities Master Plan (FMP) including: libraries, parks and open space and public safety facilities. The City Capital Projects Fund has unexpended bond proceeds and accumulated earnings on those proceeds of \$50,849 that are restricted for the completion of these projects.

Adams County Road and Bridge tax is a 0.5% sales tax collected by Adams County and allocated back to the City for the purpose of constructing roads and bridges located within both jurisdictions has \$2,124,663 in total restricted assets for capital improvements.

Assets relating to transportation improvement program (TIP) grants and the City's matching portion required by the various grant agreements are shown as restricted as gifts and grants of \$1,262,600 in the City Capital Projects Fund.

Arapahoe County Open Space Fund - In late 2004, the citizens in Arapahoe County voted and passed a use tax increase of .25%, the proceeds of which are remitted to the City to be used for parks and open space construction and maintenance in Arapahoe County. A portion of the remitted funds have been sent to the Urban Drainage and Flood Control District to fund construction of storm drain infrastructure in the parks. City funds not needed to complete the project will be returned to the City for use on other City parks projects within Arapahoe County. Total restricted assets for the purpose of Urban Drainage are \$40,684.

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Designated Revenues Fund - Amounts restricted for construction were remitted to the City as settlement of a judgment against another jurisdiction for noise violations at Denver International Airport. Amounts remitted are to be used to acquire land and improvements in the airport vicinity in an effort to mitigate noise in the surrounding communities. Total restricted assets for the purpose of capital improvements are \$2,456,423.

ACLCL Capital Projects Fund - In 2002, ACLCL issued COPs to finance the acquisition and construction of communications equipment and vehicles for use by the police and fire departments. The ACLCL Capital Projects Fund has unexpended COPs proceeds and accumulated earnings on those proceeds of \$907,623 that are restricted for the completion of the project.

In 2005, ACLCL issued COPs to finance public improvement projects and to acquire property in the City dedicated to water, wildlife, open space, trails and neighborhood parks. The ACLCL Capital Projects Fund has unexpended COPs proceeds and accumulated earnings on those proceeds of \$1,017,710 that are restricted for the completion of the project.

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

Wastewater Fund - Urban Drainage projects restrictions represent City funds held in trust by the Urban Drainage and Flood Control District in the amount of \$3,110,062 to fund construction of storm drain infrastructure in the City. City funds not needed to complete the project will be returned to the City or transferred to other Urban Drainage projects as directed by the City.

2. Restricted for Arbitrage

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

Arbitrage amounts anticipated to be paid with funds held in the City Debt Service Fund \$42,814 and ACLCL Debt Service Fund \$70,994.

3. Restricted for Debt Service

Restricted amounts held in funds for Debt Service payments and required reserves include City Debt Service \$1,892,149, SID Debt Service Fund \$36,800 and ACLCL Debt Service Fund \$10,258,932.

Water Fund - The 1999 Water Revenue Bonds require the City to maintain \$1,250,000 in operations and maintenance reserve, which is held in the Water Fund as restricted investments. The Prairie Waters project has an Owner Controlled Insurance Program which includes an escrow account for \$1,980,000 and an insurance deposit for \$24,000.

Wastewater Fund - The 1999 Wastewater Revenue Bonds require the City to maintain \$1,250,000 in operations and maintenance reserve, which is held in the Wastewater Fund as restricted investments.

4. Other Restrictions

Gifts and Grants Fund - The City receives seizure funds from forfeiture actions in state and federal

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 NOTES TO THE BASIC FINANCIAL STATEMENTS

courts. State law restricts the use of seizure funds to specific activities of the City Police Department. Seizure funds consist of \$938,179.

Designated Revenues Fund - Amounts of \$9,338,401 represent funds that have specific purposes under various agreements with outside parties.

B. Reserved for Encumbrances

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

C. Designated Fund Balances

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

Designations by Fund and Type
 December 31, 2008

| Fund | Payment of Long-term Liabilities | Subsequent Year Budgets | Project-length Appropriations | Operating Designation | Total |
|--------------------------------|----------------------------------|-------------------------|-------------------------------|-----------------------|---------------|
| General Fund | \$ 17,045,414 | \$ 95,460 | \$ — | \$ 5,092,097 | \$ 22,232,971 |
| Other Governmental | | | | | |
| Gifts and Grants | — | 154,947 | 1,584,166 | — | 1,739,113 |
| Development Review | — | 1,086,975 | — | — | 1,086,975 |
| Abatement | — | 254,151 | — | — | 254,151 |
| Enhanced E-911 | — | 1,211,937 | 1,191,520 | — | 2,403,457 |
| Conservation Trust | — | 201,513 | 2,978,031 | — | 3,179,544 |
| Parks Development | — | 441,039 | 1,914,762 | — | 2,355,801 |
| Arapahoe County Open Space | — | 1,228,439 | 5,250,866 | — | 6,479,305 |
| Cultural Services | — | 105,809 | — | — | 105,809 |
| Designated Revenues | — | 115,840 | 2,542,981 | — | 2,658,821 |
| SID Debt Service | — | 26,565 | — | — | 26,565 |
| Surplus & Deficiency | — | 226,750 | — | — | 226,750 |
| City Capital Projects Fund | — | 3,673,089 | 15,927,921 | — | 19,601,010 |
| Bond Proceeds Capital Projects | — | 126,980 | 73,566 | — | 200,546 |
| Building Repair | — | — | 736,651 | — | 736,651 |
| Total designations | \$ 17,045,414 | \$ 8,949,494 | \$ 32,200,464 | \$ 5,092,097 | \$ 63,287,469 |

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

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

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

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

5. JOINT VENTURE

The Aurora – Colorado Springs Joint Water Authority (ACSJWA) was formed between the City of

CITY OF AURORA, COLORADO
 NOTES TO THE BASIC FINANCIAL STATEMENTS

Aurora and the City of Colorado Springs. ACSJWA is reported in the Water Fund using the equity interest method. ACSJWA charges both cities transmission service fees to pay current expenses incurred in the operation and maintenance of the project.

2008 Changes in City's Equity Interest in ACSJWA

| Investment at January 1 | Transmission Service Fees | City's Share of Change in Net Assets | City Contributions | Investment at December 31 |
|-------------------------|---------------------------|--------------------------------------|--------------------|---------------------------|
| \$ 2,504,437 | \$ - | \$ (32,008) | \$ - | \$ 2,472,429 |

6. CAPITAL ASSETS

Summary of Changes in Capital Assets
 For the Year Ended December 31, 2008

| | Balance January 1 | Additions | Disposals | Transfers | Balance December 31 | Accumulated Depreciation | Capital Assets net of Accumulated Depreciation |
|---|-------------------|----------------|----------------|--------------|---------------------|--------------------------|--|
| Governmental Activities | | | | | | | |
| <i>Capital assets not depreciated</i> | | | | | | | |
| Land | \$ 237,706,354 | \$ 2,976,804 | \$ (4,805) | \$ (5,000) | \$ 240,673,353 | \$ - | \$ 240,673,353 |
| Construction in progress | 10,091,483 | 20,930,007 | (950,868) | (17,170,893) | 12,899,729 | - | 12,899,729 |
| Total capital assets not depreciated | 247,797,837 | 23,906,811 | (955,673) | (17,175,893) | 253,573,082 | - | 253,573,082 |
| <i>Capital assets being depreciated</i> | | | | | | | |
| Building and improvements | 202,732,903 | 24,253 | (918,483) | 212,841 | 202,051,514 | (46,508,423) | 155,543,091 |
| Infrastructure | 2,531,324,553 | 13,330,434 | (653,925) | 16,628,073 | 2,560,629,135 | (90,360,545) | 2,470,268,590 |
| Machinery and equipment | 73,209,028 | 5,050,821 | (4,832,186) | 608,913 | 74,036,576 | (40,650,924) | 33,385,652 |
| Total capital assets being depreciated | 2,807,266,484 | 18,405,508 | (6,404,594) | 17,449,827 | 2,836,717,225 | (177,519,892) | 2,659,197,333 |
| <i>Accumulated depreciation</i> | | | | | | | |
| Building and improvements | (41,549,923) | (5,534,205) | 575,705 | - | (46,508,423) | | |
| Infrastructure | (77,640,345) | (13,274,718) | 554,518 | - | (90,360,545) | | |
| Machinery and equipment | (39,658,997) | (5,398,977) | 4,553,397 | (146,347) | (40,650,924) | | |
| Total accumulated depreciation | (158,849,265) | (24,207,900) | 5,683,620 | (146,347) | (177,519,892) | | |
| Total governmental activities | \$ 2,896,215,056 | \$ 18,104,419 | \$ (1,676,647) | \$ 127,587 | \$ 2,912,770,415 | | \$ 2,912,770,415 |
| Business-type Activities | | | | | | | |
| <i>Capital assets not depreciated</i> | | | | | | | |
| Land and water rights | \$ 298,717,756 | \$ 12,605,513 | \$ - | \$ 5,000 | \$ 311,328,269 | \$ - | \$ 311,328,269 |
| Construction in progress | 156,793,388 | 243,384,335 | (1,070,272) | (17,660,596) | 381,446,855 | - | 381,446,855 |
| Total capital assets not depreciated | 455,511,144 | 255,989,848 | (1,070,272) | (17,655,596) | 692,775,124 | - | 692,775,124 |
| <i>Capital assets being depreciated</i> | | | | | | | |
| Building and improvements | 131,238,568 | - | (14,348) | 708,675 | 131,932,895 | (29,730,590) | 102,202,305 |
| Infrastructure | 829,111,243 | 12,923,041 | (88,448) | 16,810,633 | 858,756,469 | (161,378,089) | 697,378,380 |
| Machinery and equipment | 39,079,306 | 2,460,673 | (796,865) | (137,646) | 40,605,468 | (25,440,164) | 15,165,304 |
| Total capital assets being depreciated | 999,429,117 | 15,383,714 | (899,661) | 17,381,662 | 1,031,294,832 | (216,548,843) | 814,745,989 |
| <i>Accumulated depreciation</i> | | | | | | | |
| Building and improvements | (26,353,487) | (3,387,983) | 10,880 | - | (29,730,590) | | |
| Infrastructure | (149,485,451) | (11,936,068) | 43,430 | - | (161,378,089) | | |
| Machinery and equipment | (23,775,150) | (2,603,067) | 791,706 | 146,347 | (25,440,164) | | |
| Total accumulated depreciation | (199,614,088) | (17,927,118) | 846,016 | 146,347 | (216,548,843) | | |
| Total business-type activities | \$ 1,255,326,173 | \$ 253,446,444 | \$ (1,123,917) | \$ (127,587) | \$ 1,507,521,113 | | \$ 1,507,521,113 |

continued

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 NOTES TO THE BASIC FINANCIAL STATEMENTS

| | Balance January 1 | Additions | Disposals | Transfers | Balance December 31 | Accumulated Depreciation | Capital Assets net of Accumulated Depreciation |
|---|----------------------|---------------------|-----------------------|------------------|------------------------|-----------------------------|--|
| Component Unit | | | | | | | |
| <i>Capital assets not depreciated</i> | | | | | | | |
| Land | \$ 7,715,139 | \$ 2,300,000 | \$ (1,374,876) | \$ 169,433 | \$ 8,809,696 | \$ - | \$ 8,809,696 |
| Construction in progress | 607,689 | 185,149 | (792,838) | - | - | - | - |
| Total capital assets not depreciated | <u>8,322,828</u> | <u>2,485,149</u> | <u>(2,167,714)</u> | <u>169,433</u> | <u>8,809,696</u> | <u>-</u> | <u>8,809,696</u> |
| <i>Capital assets being depreciated</i> | | | | | | | |
| Building and improvements | 24,000,181 | 673,216 | (3,225,574) | (156,968) | 21,290,855 | (6,260,065) | 15,030,790 |
| Machinery and equipment | 714,356 | 84,834 | (28,198) | (12,465) | 758,527 | (554,476) | 204,051 |
| Total capital assets being depreciated | <u>24,714,537</u> | <u>758,050</u> | <u>(3,253,772)</u> | <u>(169,433)</u> | <u>22,049,382</u> | <u>(6,814,541)</u> | <u>15,234,841</u> |
| <i>Accumulated depreciation</i> | | | | | | | |
| Building and improvements | (6,176,363) | (790,473) | 706,771 | - | (6,260,065) | | |
| Machinery and equipment | (516,748) | (37,728) | - | - | (554,476) | | |
| Total accumulated depreciation | <u>(6,693,111)</u> | <u>(828,201)</u> | <u>706,771</u> | <u>-</u> | <u>(6,814,541)</u> | | |
| Total component unit | <u>\$ 26,344,254</u> | <u>\$ 2,414,998</u> | <u>\$ (4,714,715)</u> | <u>\$ -</u> | <u>\$ 24,044,537</u> | | <u>\$ 24,044,537</u> |

2008 Depreciation Expense by Function

| Function | Depreciation |
|--|----------------------|
| Governmental Activities | |
| General government | \$ 1,576,658 |
| Judicial | 54,798 |
| Police | 1,627,352 |
| Fire | 895,159 |
| Other public safety | 211,983 |
| Public works | 13,326,146 |
| Economic development | 103,714 |
| Community services | 165,233 |
| Culture and recreation | 2,909,116 |
| Unallocated* | <u>3,325,541</u> |
| Depreciation expense governmental activities | 24,195,700 |
| Depreciation of internal service fund capital assets attributable to business-type activities | <u>12,200</u> |
| Total depreciation expense governmental activities | <u>24,207,900</u> |
| Business-type Activities | |
| Water | 10,176,614 |
| Wastewater | 6,750,240 |
| Golf | <u>1,012,464</u> |
| Depreciation business-type activities | 17,939,318 |
| Depreciation of internal service fund capital assets attributable to business-type activities | <u>(12,200)</u> |
| Total depreciation business-type activities | <u>17,927,118</u> |
| Component Unit | |
| AHA | 292,639 |
| FRA | <u>535,562</u> |
| Total depreciation component units | <u>828,201</u> |
| Total All Funds | |
| Total depreciation expense all funds | <u>\$ 42,963,219</u> |

* Unallocated depreciation represents depreciation on multi-use City office buildings such as the Aurora Municipal Center.

Concluded

CITY OF AURORA, COLORADO
 NOTES TO THE BASIC FINANCIAL STATEMENTS

Interest Expensed and Capitalized on Construction Projects 2008

| Fund | Capitalized | Expensed | Totals |
|-------------------------------|----------------------|----------------------|----------------------|
| Water Fund | \$ 10,910,126 | \$ 21,809,027 | \$ 32,719,153 |
| Wastewater Fund | 2,403,948 | 616,127 | 3,020,075 |
| Golf Fund | - | 399,234 | 399,234 |
| Total Enterprise Funds | \$ 13,314,074 | \$ 22,824,388 | \$ 36,138,462 |

7. NONCURRENT LIABILITIES

A. General Obligation Bonds

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

Governmental Activities - The City has three outstanding issuances of general obligation bonds. Amounts originally issued and amounts outstanding at December 31, 2008, respectively were: 1998 Alameda and I-225 Interchange \$10,000,000 and \$3,595,000; 2000 Facility Master Plan \$50,100,000 and \$28,000,000; and 2003 Public Safety Refunding \$2,530,000 and \$450,000.

Business-type Activities - The City has one outstanding issuance of general obligation water bonds. Amounts originally issued and amounts outstanding at December 31, 2008, respectively were: 2003 Refunding \$62,775,000 and \$30,435,000.

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

| Year Ending December 31 | <u>Governmental Activities</u> 2.00-5.00% | | | <u>Business-type Activities</u> 2.00-4.00% | | |
|----------------------------|--|---------------------|----------------------|---|---------------------|----------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2009 | \$ 4,715,000 | \$ 1,516,783 | \$ 6,231,783 | \$ 5,905,000 | \$ 1,157,813 | \$ 7,062,813 |
| 2010 | 4,480,000 | 1,307,933 | 5,787,933 | 6,120,000 | 965,900 | 7,085,900 |
| 2011 | 4,705,000 | 1,101,853 | 5,806,853 | 6,365,000 | 736,400 | 7,101,400 |
| 2012 | 4,940,000 | 882,610 | 5,822,610 | 6,640,000 | 481,800 | 7,121,800 |
| 2013 | 4,185,000 | 647,480 | 4,832,480 | 2,640,000 | 216,200 | 2,856,200 |
| 2014-2018 | 9,020,000 | 677,600 | 9,697,600 | 2,765,000 | 110,600 | 2,875,600 |
| Total | <u>\$ 32,045,000</u> | <u>\$ 6,134,259</u> | <u>\$ 38,179,259</u> | <u>\$ 30,435,000</u> | <u>\$ 3,668,713</u> | <u>\$ 34,103,713</u> |

B. Revenue Bonds

Governmental Activities – The City has one outstanding issuance of revenue bonds. Amounts originally issued and amounts outstanding at December 31, 2008, respectively were: 1999 Sports Park \$17,470,000 and \$9,105,000.

Business-type Activities – Aurora Water has six outstanding issuances of revenue bonds. Amounts originally issued and amounts outstanding at December 31, 2008, respectively were: 1999 Colorado Water Resources and Power Development Authority (CWR&PDA) \$14,999,889 and \$6,804,963; 2003A First Lien Water Improvement \$55,860,000 and \$45,440,000; 2004A Second Lien Water Improvement \$40,000,000 which were refunded in 2008; 2005D CWR&PDA \$100,000,000 and \$100,000,000; 2007A First Lien Water Improvement \$421,495,000 and \$421,495,000; and 2008A First Lien Water Improvement Refunding \$39,995,000 and \$39,995,000.

CITY OF AURORA, COLORADO
 NOTES TO THE BASIC FINANCIAL STATEMENTS

Aurora Water currently refunded its variable rate Second-Lien Water Improvement Revenue Bonds, Series 2004A with fixed rate First-Lien Water Improvement Revenue Bonds Series 2008A. The principal balance of the refunded bonds was \$40,000,000 and the principal balance of the new bonds is \$39,995,000. Total remaining debt service at year-end on the refunded variable rate bonds was projected at \$69,689,613 and total debt service on the refunding bonds is \$78,727,618. The reacquisition price was lower than the carrying amount of the refunded debt by \$5,000; due to an issue premium and cash contributed by the Water fund in excess of issuance costs, required debt service reserve and accrued interest. The economic loss on the refunding was \$4,316,162.

Wastewater has two outstanding issuances of revenue bonds. Amounts originally issued and amounts outstanding at December 31, 2008, respectively were: 1999 Colorado Water Resources and Power Development Authority (CWR&PDA) \$24,124,366 and \$10,861,885; and 2006 First Lien Wastewater Improvement \$57,790,000 and \$56,785,000.

Golf has one outstanding issuance of revenue bonds. Amounts originally issued and amounts outstanding at December 31, 2008, respectively were: 2005 Golf Course Enterprise System Refunding \$4,625,000 and \$3,185,000.

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

| Year Ending December 31 | <u>Governmental Activities</u> 4.75-5.80% | | | <u>Business-type Activities</u> 2.00-5.125% | | |
|----------------------------|--|---------------------|----------------------|--|-----------------------|-------------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2009 | \$ 1,335,000 | \$ 425,649 | \$ 1,760,649 | \$ 6,923,597 | \$ 33,302,628 | \$ 40,226,225 |
| 2010 | 1,400,000 | 357,274 | 1,757,274 | 7,178,873 | 33,004,958 | 40,183,831 |
| 2011 | 1,475,000 | 285,399 | 1,760,399 | 9,740,648 | 32,713,715 | 42,454,363 |
| 2012 | 1,550,000 | 209,774 | 1,759,774 | 10,106,657 | 32,352,183 | 42,458,840 |
| 2013 | 1,630,000 | 129,459 | 1,759,459 | 10,540,248 | 31,915,363 | 42,455,611 |
| 2014-2018 | 1,715,000 | 43,947 | 1,758,947 | 44,441,825 | 152,238,778 | 196,680,603 |
| 2019-2023 | - | - | - | 97,275,000 | 137,781,563 | 235,056,563 |
| 2024-2028 | - | - | - | 134,195,000 | 109,429,613 | 243,624,613 |
| 2029-2033 | - | - | - | 169,955,000 | 73,684,581 | 243,639,581 |
| 2034-2038 | - | - | - | 162,060,000 | 31,425,613 | 193,485,613 |
| 2039-2042 | - | - | - | 32,150,000 | 1,607,500 | 33,757,500 |
| Total | <u>\$ 9,105,000</u> | <u>\$ 1,451,502</u> | <u>\$ 10,556,502</u> | <u>\$ 684,566,848</u> | <u>\$ 669,456,495</u> | <u>\$ 1,354,023,343</u> |

C. Certificates of Participation

Certificates of Participation (COPs) are issued by ACLC and represent participation in a capital lease financing. The COPs are payable from the City's lease payments to ACLC, which are assigned to the trustee for the COPS debt service. There are five outstanding COPs issues. Amounts originally issued and amounts outstanding at December 31, 2008, respectively were: 2002 Public Safety \$15,380,000 and \$7,695,000; 2004 Refunding of the 1994 \$8,750,000 and \$2,550,000; 2005 Public Improvements and Open Space \$23,395,000 and \$15,620,000; 2006A-1 Refunding of the 2000 (fixed-rate) \$20,290,000 and \$16,495,000; 2006A-2 (variable-rate) \$60,915,000 which were refunded in 2008; and 2008A Refunding of the 2006A-2 \$68,540,000 and \$68,540,000.

ACLC issued the Series 2008A certificates for \$68,540,000 in variable rate bonds to currently refund \$60,915,000 Refunding Certificates of Participation, Series 2006 A-2, which were also variable rate bonds. Total remaining debt service at year-end on the refunded variable rate bonds was projected at \$102,885,037 and total debt service on the refunding bonds is projected at \$113,957,716. The bonds are

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 NOTES TO THE BASIC FINANCIAL STATEMENTS

hedged with an Interest Rate Swap agreement, footnote 8. The economic loss on the refunding was \$3,437,683.

The adjustable rate refunding certificates of participation Series 2008A demand bonds, maturing in the years 2016 through 2030, are backed by annual rental payments from the City of Aurora. The Certificates were issued pursuant to a Trust Indenture dated as of June 1, 1994 between aurora Capital Leasing Corporation (ACLC) and Wells Fargo Bank, National Association as trustee (Trustee), as amended and supplemented, with the Fifth Supplemental Indenture dated as of May 1, 2008, being the latest one. The proceeds of the bonds were used to (a) refund all of the outstanding Certificates of Participation, (b) provide for accrued interest, (c) pay issuance costs, and (d) to fund a required debt service reserve. The redemption schedule for these bonds is included in schedule below.

The bonds are remarketed weekly and the City’s remarketing agent is Morgan Stanley & Co., Incorporated. The remarketing agent is authorized to use its best efforts to sell the repurchased bonds at a price equal to 100 percent of the principal amount by adjusting the interest rate. The remarketing fee is 7 basis points.

If the remarketing agent is unable to resell any bonds that are “put” on any “put” date, the remarketing agent shall notify ACLC, the Tender Agent and the Trustee of the amount of Series 2008A Certificates that were successfully and not successfully remarketed. The Trustee shall then submit a request for Purchase to the Liquidity Facility Provider based on the notice provided by the Remarketing Agent, for any bonds not successfully remarketed. Liquidity is provided by JP Morgan Chase Bank, National Association via a Standby Purchase Agreement. Under this agreement, the Trustee or the Remarketing Agent is entitled to draw an amount sufficient to pay the purchase price of bonds delivered to it. The Standby Purchase Agreement is valid through May 14, 2009 and may be extended by ACLC and the City of Aurora. Subsequent to December 31, 2008 the Standby Purchase Agreement was extended through May 2010. If there is a draw on the liquidity facility, after 180 days the minimum interest rate would be 12%. Principal would be payable in equal quarterly payments starting 180 days after purchase through December 2030. No amounts are outstanding as of December 31, 2008 under the Standby Purchase Agreement. The cost of this liquidity facility is 35 basis points.

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

| Year Ending December 31 | <u>Governmental Activities</u> | | |
|----------------------------|--------------------------------|----------------------|-----------------------|
| | 2.50-5.00% | | |
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2009 | \$ 7,340,000 | \$ 4,331,593 | \$ 11,671,593 |
| 2010 | 6,170,000 | 4,078,818 | 10,248,818 |
| 2011 | 6,430,000 | 3,850,727 | 10,280,727 |
| 2012 | 6,705,000 | 3,607,943 | 10,312,943 |
| 2013 | 8,305,000 | 3,346,237 | 11,651,237 |
| 2014-2018 | 16,975,000 | 13,555,379 | 30,530,379 |
| 2019-2023 | 18,900,000 | 10,162,948 | 29,062,948 |
| 2024-2028 | 23,335,000 | 6,116,667 | 29,451,667 |
| 2029-2033 | 16,740,000 | 1,107,782 | 17,847,782 |
| Total | <u>\$ 110,900,000</u> | <u>\$ 50,158,094</u> | <u>\$ 161,058,094</u> |

D. Notes Payable

Governmental Activities – The City has two Special Improvement District Revenue Notes for expenditures made by the City to construct certain masonry fences in the District (payable from special

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assessments levied on the neighborhoods). Amounts originally issued and amounts outstanding at December 31, 2008, respectively were: Dam West Neighborhood \$1,140,000 and \$735,000; and Ptarmigan Park Neighborhood \$1,075,000 and \$1,010,000.

Business-type Activities – Aurora Water has three outstanding notes payable. Amounts originally issued and amounts outstanding at December 31, 2008, respectively were: 1999 \$503,112 and \$50,311; and 2004 \$8,280,091 and \$3,821,886. In addition, the City issued \$75,750,000 Colorado Water Conservation Board note for the purpose of financing the Prairie Waters Project and will be repaid by revenue of the Water fund. The City, through its utility enterprise, will draw on this note until the project is substantially complete or December 31, 2011. Repayment of the loan will begin one year from project completion or December 31, 2012, whichever is earlier, at an interest rate of 3.75% per annum over a term of 30 years. At December 31, 2008, the outstanding balance was \$18,406,377, which includes accrued interest of \$153,156.

Golf has one outstanding issuance of notes payable. Amounts originally issued and amounts outstanding at December 31, 2008, respectively were: 2004 Golf Course Enterprise System Revenue Note \$1,125,000 and \$124,199.

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

| Year Ending December 31 | <u>Governmental Activities</u> 4.89-5.00% | | | <u>Business-type Activities**</u> 4.54-5.00% | | |
|----------------------------|--|-------------------|---------------------|---|-------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2009 | \$ 20,000 | \$ 86,194 | \$ 106,194 | \$ 174,510 | \$ 5,335 | \$ 179,845 * |
| 2010 | 20,000 | 85,205 | 105,205 | 587,494 | 191,094 | 778,588 |
| 2011 | 20,000 | 84,216 | 104,216 | 587,494 | 161,720 | 749,214 |
| 2012 | 20,000 | 83,227 | 103,227 | 587,494 | 132,345 | 719,839 |
| 2013 | 20,000 | 82,238 | 102,238 | 587,494 | 102,970 | 690,464 |
| 2014-2018 | 1,645,000 | 254,760 | 1,899,760 | 1,295,026 | 197,414 | 1,492,440 |
| 2019-2023 | - | - | - | 176,884 | 8,844 | 185,728 |
| 2024-2028 | - | - | - | - | - | - |
| Total | <u>\$ 1,745,000</u> | <u>\$ 675,841</u> | <u>\$ 2,420,841</u> | <u>\$ 3,996,396</u> | <u>\$ 799,721</u> | <u>\$ 4,796,118</u> |

*A principal and interest payment of \$891,641 and \$235,676, respectively, was made on the 2004 note payable on December 31, 2008 due January 1, 2009.

** Excludes the Colorado Water Conservation Board note.

E. Regulatory Liability

As allowed under SFAS No. 71, an accrual has been recorded for the City’s estimated share of future operation and maintenance costs related to the cleanup of excess sediment in the Strontia Springs Reservoir that resulted from rain events that followed two major forest fires earlier this century. The estimated future costs of \$3,869,575 were accrued as a noncurrent liability as of December 31, 2008 and were charged to operating expenses for the year then ended.

F. Component Units

The FRA entered into an agreement with the United States Army for the conveyance of 332 acres of land along with associated improvements and equipment at Fitzsimons. The purchase price for the conveyance is \$1,850,000. The note is payable in ten equal annual installments of \$555,956 beginning December 31, 2012 through December 31, 2021. Since payments of principal and interest are not required until 2012,

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accumulated unpaid interest at December 31, 2008 is \$1,484,573. The principal amount outstanding as of December 31, 2008 is \$1,850,000.

The FRA entered into a loan agreement with the City whereby the FRA could draw up to \$1,150,000. The FRA was permitted to draw the funds to provide partial matching for two grants the FRA received from the U.S. Department of Commerce Economic Development Administration, for the purpose of designing and constructing a bioscience incubator facility at Fitzsimons. The loan is payable in ten equal installments of \$137,189 beginning June 1, 2005 through June 1, 2014. Interest accrued from the time of draw through June 1, 2005 is rolled into the balance of the loan. At December 31, 2008 the balance of the loan is \$816,109.

The FRA entered into a note obligation with the City to enable the FRA to operate the eighteen-hole Fitzsimons Golf Course and to purchase necessary equipment and make improvements to the clubhouse. The note is payable in ten equal installments of principal and interest of \$30,322 beginning December 1, 2004 and ending December 1, 2013. Any net income from the operation of the Golf Course in excess of \$150,000 shall also be applied to the outstanding balance of the note until paid in full. The current balance of the note at December 31, 2008 is \$134,987.

The AHA has three mortgages payable with \$2,438,721 outstanding at December 31, 2008 with interest rates varying from 3.75% to 5.48% with one maturing in 2009, one maturing in 2019 and the last one maturing in 2024. All mortgages are secured by building and land.

The AHA has a \$5,000,000 revolving line of credit payable with a balance of \$1,444,356 at December 31, 2008. The rate for the line of credit is 3.0%. The note is for the development of affordable housing. The City has a moral obligation pledge on this line of credit.

The AHA has two HOME Funds payable to the State of Colorado for the acquisition of East Park Villages and Trolley Park. Total outstanding at December 31, 2008 is \$428,000. If AHA stays in compliance with the terms of the loan agreement for 15 years, the loans will be forgiven. If the loan agreement terms are violated, the loan is due immediately upon the default of non-compliance.

The AHA has four bond issues outstanding at December 31, 2008 for a total of \$19,905,109. All issues are Multifamily Housing Revenue Bonds with varying maturity dates.

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

| Year Ending December 31 | Component Units | | Total |
|----------------------------|----------------------|----------------------|----------------------|
| | Principal | Interest | |
| 2009 | \$ 3,571,567 | \$ 1,217,398 | \$ 4,788,965 |
| 2010 | 483,496 | 1,191,747 | 1,675,243 |
| 2011 | 501,639 | 1,164,716 | 1,666,355 |
| 2012 | 526,514 | 1,692,856 | 2,219,370 |
| 2013 | 550,161 | 1,664,644 | 2,214,805 |
| 2014-2018 | 6,129,656 | 7,545,341 | 13,674,997 |
| 2019-2023 | 15,234,347 | 3,008,123 | 18,242,470 |
| 2024-2028 | 19,902 | 276 | 20,178 |
| Total | <u>\$ 27,017,282</u> | <u>\$ 17,485,101</u> | <u>\$ 44,502,383</u> |

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G. Capitalized Leases

Governmental Activities - The City has entered into leases for fourteen dump trucks, two motor graders, seven fire trucks, two street sweepers, police equipment and twenty five heart rate monitors which are funded from the General Fund. The leases have been capitalized for financial statement purposes. The City has the option to purchase the equipment at the end of the lease period. The gross amount of the machinery and equipment acquired under each lease is \$1,881,640, \$421,664, \$1,666,700, \$486,924, \$207,280 and \$426,901, respectively. Accumulated depreciation on these leases is \$2,713,829 as of December 31, 2008.

Business-type Activities - The City has entered into golf cart leases that have been capitalized for financial statement purposes. The City has the option to purchase the equipment at the end of the lease period. The gross amount of the machinery and equipment acquired under the leases is \$854,653. Accumulated depreciation on these leases is \$255,341 as of December 31, 2008.

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

| Year Ending December 31 | <u>Governmental Activities</u> 2.97-4.15% | | | <u>Business-type Activities</u> 4.55-5.25% | | |
|----------------------------|--|-------------------|---------------------|---|------------------|-------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2009 | \$ 1,325,889 | \$ 150,008 | \$ 1,475,897 | \$ 183,019 | \$ 25,289 | \$ 208,308 |
| 2010 | 1,115,015 | 100,318 | 1,215,333 | 167,738 | 16,668 | 184,406 |
| 2011 | 851,500 | 57,540 | 909,040 | 118,826 | 8,620 | 127,446 |
| 2012 | 436,484 | 29,704 | 466,188 | 72,060 | 2,896 | 74,956 |
| 2013 | 407,284 | 12,062 | 419,347 | - | - | - |
| Total | <u>\$ 4,136,172</u> | <u>\$ 349,632</u> | <u>\$ 4,485,804</u> | <u>\$ 541,643</u> | <u>\$ 53,473</u> | <u>\$ 595,116</u> |

H. Pledged Revenue

Governmental Activities - The City has pledged any legally available funds or revenues from the General Fund to repay the revenue bonds issued in 1999. Proceeds from the bonds provided for the creation of a youth sports complex. The bonds are payable solely from legally available General Fund funds and revenues and are payable through 2014. Annual principal and interest payments on the bonds are expected to require approximately 6.6% of legally available funds or revenues from the General Fund. The total principal and interest remaining to be paid on the bonds is \$10,556,502. Principal and interest paid for the current year and total legally available funds or revenues were \$1,760,774 and \$21,585,185, respectively.

The City has pledged any special assessments levied and collected on the respective neighborhoods to repay \$1,745,000 in a Special Improvement District Revenue Notes issued in 2005 and 2007. Proceeds from the notes provided for the construction of two masonry fences. The notes are payable solely from special assessments levied and collected on the respective neighborhoods and are payable through 2015 and 2017.

- *Dam West Neighborhood* - Annual principal and interest payments on the note are expected to require approximately 97.6% of net revenues. The total principal and interest remaining to be paid on the note is \$975,466. Principal and interest paid for the current year and total special assessments levied and collected on the neighborhood was \$186,443 and \$191,073, respectively.
- *Ptarmigan Park Neighborhood* - Annual principal and interest payments on the note are expected to require approximately 56.0% of net revenues. The total principal and interest remaining to be paid on the note is \$1,445,375. Principal and interest paid for the current year and total special assessments levied and collected on the neighborhood was \$103,372 and \$184,535, respectively.

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Business-type Activities - The City has pledged future water system revenues, net of specified operating expenses, to repay \$613,734,963 in water system revenue bonds issued in 1999, 2003, 2005, 2007 and 2008 and \$22,125,418 in utility enterprise water resources revenue notes issued in 1999, 2004 and 2007. Proceeds from the bonds provided financing for the acquisition of water rights, the acquisition and construction of water facilities and additions and improvements to the water system. The bonds are payable solely from water system net revenues and are payable through 2014, 2021, 2035, 2039, and 2033. Proceeds from the notes provided for the acquisition of certain water rights and for construction on the Prairie Waters Project. The notes are payable solely from water system revenues and are payable through 2009, 2019 and 2041. Annual principal and interest payments on the bonds and notes are expected to require approximately 34.9% of net revenues. The total principal and interest remaining to be paid on the bonds and notes is \$1,237,256,266. Principal and interest paid for the current year and total water system net revenues were \$34,748,132 and \$99,482,324, respectively.

The City has pledged future wastewater system revenues, net of specified operating expenses, to repay \$67,646,885 in wastewater system revenue bonds issued in 1999 and 2006. Proceeds from the bonds provided financing for the refurbishment of the Griswold Water Plant and the acquisition and construction of additions and improvements to the wastewater utility system. The bonds are payable solely from wastewater system net revenues and are payable through 2014 and 2036. Annual principal and interest payments on the bonds are expected to require approximately 23.8% of net revenues. The total principal and interest remaining to be paid on the bonds is \$117,698,303. Principal and interest paid for the current year and total system net revenues were \$5,912,807 and \$24,885,683, respectively.

The City has pledged future golf system revenues, net of specified operating expenses, to repay the golf course enterprise system refunding revenue bonds issued in 2005 and the golf course enterprise system revenue note issued in 2004. Proceeds from the bonds provided for the refinancing of obligations originally incurred in 1995 to finance the construction of the Saddle Rock Golf Course. The bonds are payable solely from golf system net revenues and are payable through 2015. Proceeds from the note provided for the financing of irrigation system improvements to the golf course system. The note is payable solely from golf system net revenues and is payable through 2009. Annual principal and interest payments on the bonds and note are expected to require approximately 66.3% of net revenues. The total principal and interest remaining to be paid on the bonds and note is \$3,864,893. Principal and interest paid for the current year and total golf system net revenues were \$785,562 and \$1,185,468, respectively.

I. Accrued Compensated Absences

Accrued compensated absences recorded in governmental activities are generally paid from the General Fund. Amounts outstanding at December 31, 2008 are \$24,457,361 for governmental activities and \$3,507,247 for business-type activities.

J. 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, 2008 is \$91,986,756. In 1992, Colorado voters approved an amendment to the state constitution (TABOR), which requires multiple-fiscal year debt and certain other financial obligations to be authorized by voters, regardless of whether or not the City is at its legal debt margin. Voter approval of additional debt typically includes a provision exempting the new debt from the debt margin. Consequently, the computation of the City's legal debt margin has little real significance.

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 NOTES TO THE BASIC FINANCIAL STATEMENTS

K. Changes in Long Term Liabilities

Long-term liability activity for the year ended December 31, 2008, was as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|----------------------------------|------------------------------|----------------------|------------------------|---------------------------|--------------------------------|
| Governmental Activities: | | | | | |
| Bonds payable: | | | | | |
| General obligation bonds | \$ 36,545,000 | \$ - | \$ (4,500,000) | \$ 32,045,000 | \$ 4,715,000 |
| Revenue bonds | 10,375,000 | - | (1,270,000) | 9,105,000 | 1,335,000 |
| Certificates of participation | 109,495,000 | 68,540,000 | (67,135,000) | 110,900,000 | 7,340,000 |
| Less deferred amounts: | | | | | |
| Unamortized discounts | (5,909,570) | (449,770) | 296,601 | (6,062,739) | - |
| Unamortized premium | 826,786 | - | (76,849) | 749,937 | - |
| Total bonds and COPs | 151,332,216 | 68,090,230 | (72,685,248) | 146,737,198 | 13,390,000 |
| SID Notes payable | 1,955,000 | - | (210,000) | 1,745,000 | 20,000 |
| Capitalized leases | 3,030,374 | 2,093,600 | (987,802) | 4,136,172 | 1,325,889 |
| Accrued compensated absences | 22,560,721 | 1,906,573 | (9,933) | 24,457,361 | 1,555,365 |
| Accrued claims payable | 7,169,365 | 3,012,141 | (3,720,750) | 6,460,756 | 3,728,874 |
| Arbitrage liability | 177,000 | - | (63,192) | 113,808 | - |
| Net OPEB obligation | 915,050 | 911,305 | - | 1,826,355 | - |
| Total Governmental Activities | <u>\$ 187,139,726</u> | <u>\$ 76,013,849</u> | <u>\$ (77,676,925)</u> | <u>\$ 185,476,650</u> | <u>\$ 20,020,128</u> |
| Business-type Activities: | | | | | |
| Bonds payable: | | | | | |
| General obligation bonds | \$ 37,275,000 | \$ - | \$ (6,840,000) | \$ 30,435,000 | \$ 5,905,000 |
| Revenue bonds | 691,290,919 | 39,995,000 | (46,719,070) | 684,566,848 | 6,923,597 |
| Less deferred amounts: | | | | | |
| Unamortized discounts | (837,329) | (430,026) | 89,353 | (1,178,002) | - |
| Unamortized premium | 18,771,539 | 372,643 | (911,098) | 18,233,084 | - |
| Total bonds | 746,500,129 | 39,937,617 | (54,380,815) | 732,056,931 | 12,828,597 |
| Notes payable | 5,633,555 | 18,406,377 | (1,637,159) | 22,402,773 | 174,510 |
| Regulatory liability | - | 3,869,575 | - | 3,869,575 | - |
| Capitalized leases | 510,521 | 220,535 | (189,413) | 541,643 | 183,019 |
| Accrued compensated absences | 3,419,567 | 94,927 | (7,247) | 3,507,247 | 296,805 |
| Arbitrage liability | 1,156,822 | 1,114,104 | - | 2,270,926 | - |
| Net OPEB obligation | 153,950 | 168,348 | - | 322,298 | - |
| Total Business-type Activities | <u>\$ 757,374,544</u> | <u>\$ 63,811,483</u> | <u>\$ (56,214,634)</u> | <u>\$ 764,971,393</u> | <u>\$ 13,482,931</u> |
| Component Units*: | | | | | |
| Bonds payable | \$ 23,201,596 | \$ - | \$ (3,296,487) | \$ 19,905,109 | \$ 256,200 |
| Notes payable | 7,386,956 | - | (274,783) | 7,112,173 | 3,315,367 |
| Interest payable | 1,284,056 | 200,517 | - | 1,484,573 | - |
| Total Component Units | <u>\$ 31,872,608</u> | <u>\$ 200,517</u> | <u>\$ (3,571,270)</u> | <u>\$ 28,501,855</u> | <u>\$ 3,571,567</u> |

8. INTEREST RATE SWAP AGREEMENTS

A. Objective

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

B. Terms

The City entered into two agreements on May 14, 2008, one with Morgan Stanley Capital Services, Inc. (counterparty) and one with JP Morgan Chase Bank, N.A. (counterparty), that are scheduled to end on December 1, 2030 and required no initial net cash receipt or payment by the City. The City entered into an

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agreement with the two counterparties, each with a notional value of \$34,270,000, for a combined notional value of \$68,540,000. The agreements provide for the City to receive interest from the counterparties at 70% of the London Interbank Offering Rate (LIBOR) and to pay interest to the counterparties at a fixed rate of 3.929%. The combined notional amount outstanding as of December 31, 2008 was \$68,540,000. The notional amount of the swaps and the principal amount of the associated debt were equal at inception of the swaps, and the notional amount declines by a corresponding amount each time a principal payment becomes due on the associated debt. Under the agreement, the City receives the floating interest amount monthly, and on the semi-annual fixed payment date pays the net interest amount with the net amounts included in interest expense.

C. Fair Value

As of December 31, 2008, the Morgan Stanley agreement had a fair value of negative \$(4,963,224) and the JP Morgan agreement had a fair value of negative \$(4,639,929), calculated using the par-value method, which compares the fixed rate on the swaps with the current fixed rates that could be achieved in the marketplace should the swaps be unwound. The fixed-rate component was valued by discounting the fixed-rate cash flows using the current yield to maturity of a comparable bond. The variable-rate component was assumed to be at par value because the interest rate resets to the market rate at every reset date. The fair value was then calculated by subtracting the estimated market value of the fixed component from the established market value of the variable component. The fair value of the agreement is not recognized in the City's financial statements.

D. Credit Risk

The swap's fair value represented the City's credit exposure to the counterparties as of December 31, 2008. Should the counterparties to this transaction fail to perform according to the terms of the swap agreement, the City has a maximum possible credit risk loss equivalent to the swap's fair value at that date. As of December 31, 2008, the City was not exposed to credit risk because the swap had a negative fair value. The swap counterparties, Morgan Stanley and JP Morgan respectively, were rated A2 and Aa1 by Moody's Investors Services, A and AA- by and Standard & Poor's, and A and AA- by Fitch Ratings as of December 31, 2008. To mitigate the potential for credit risk, if the counterparty's credit quality rating falls below A or A2 by Standard & Poor's and Moody's, respectively, the fair value of the swap, if positive, is to be collateralized by the counterparties subject to certain threshold limits.

E. Basis Risk

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

F. Termination Risk

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

G. Swap Payments and Associated Debt

Using rates as of December 31, 2008, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

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| Certificates of Participation (COP) 2008A Issue | | | | |
|---|----------------------|----------------------|----------------------|-----------------------|
| Year Due | Variable-Rate Note | | Interest Rate | |
| | Principal | Interest | Swap, Net | Total |
| 2009 | \$ - | \$ 719,670 | \$ 2,478,235 | \$ 3,197,905 |
| 2010 | - | 719,670 | 2,478,235 | 3,197,905 |
| 2011 | - | 719,670 | 2,478,235 | 3,197,905 |
| 2012 | - | 719,670 | 2,478,235 | 3,197,905 |
| 2013 | - | 719,670 | 2,478,235 | 3,197,905 |
| 2014-2018 | 9,565,000 | 3,500,753 | 12,055,091 | 25,120,844 |
| 2019-2023 | 14,795,000 | 2,252,093 | 7,755,241 | 24,802,334 |
| 2024-2028 | 22,370,000 | 1,869,525 | 6,437,843 | 30,677,368 |
| 2029-2030 | 21,810,000 | 525,053 | 1,808,056 | 24,143,108 |
| | <u>\$ 68,540,000</u> | <u>\$ 11,745,773</u> | <u>\$ 40,447,407</u> | <u>\$ 120,733,179</u> |

9. INTERFUND TRANSACTIONS

| Receivable Fund | Interfund Receivables and Payables | |
|-----------------|------------------------------------|---------------------|
| | Payable Fund | |
| | Non - Major Funds | Totals |
| General Fund | \$ 1,623,752 | \$ 1,623,752 |
| Wastewater Fund | 4,552,000 | 4,552,000 |
| Total | <u>\$ 6,175,752</u> | <u>\$ 6,175,752</u> |

The balances between the General Fund and the Non-Major Funds result from the timing difference between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made. In addition, some balances result from the overdraft of cash balances in the payable funds. The balances between the Wastewater Fund and the Non-Major Proprietary Funds result from the interfund loan between Wastewater and Golf for the construction of Murphy Creek Golf Course.

| Transfers In | Interfund Transfers | | |
|-------------------|----------------------|----------------------|----------------------|
| | Transfers Out | | |
| | General Fund | Non - Major Funds | Total |
| General Fund | \$ - | \$ 2,848,379 | \$ 2,848,379 |
| Non - Major Funds | 31,565,255 | 9,867,563 | 41,432,818 |
| Total | <u>\$ 31,565,255</u> | <u>\$ 12,715,942</u> | <u>\$ 44,281,197</u> |

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

10. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

A. Continuing Appropriations

The City stipulates that appropriations for capital projects do not lapse until the purpose for which the appropriation was made has been accomplished or abandoned. Additionally, any project is deemed abandoned if three years have elapsed without expenditure or encumbrance to the project. As of December 31, 2008, the City had various commitments for the acquisition and construction of projects which totaled \$286,673,201.

B. Tax Incentive Agreements

The City enters into tax incentive agreements to encourage retail development, commercial expansion and public infrastructure within its borders. At December 31, 2008, the City had development incentive agreements with the developers of Heritage at Eagle Bend, Town Center at Aurora, Gander Mountain, Amazing Jake's, Buckingham – Havana Gardens and Hampden Town Center. In addition, the City had industrial enterprise expansion incentive agreements with Raytheon Company, Merrick and Company, Corporate Express, Furniture Row, Whirlpool Corporation and Kwal Paint. The commercial expansion incentive agreements rebate City levied taxes to the enterprise. Incentive agreement commitments total \$32,509,000 as of December 31, 2008.

C. Tax Increment Financing

At December 31, 2008, the Aurora Urban Renewal Authority had retail and science and technology agreements with Cornerstar, The Shops at Fitzsimons, Fitzsimons Village, Fitzsimons Promenade and the Fitzsimons Colorado Science and Technology Park. Tax incentives commitments for Aurora Urban Renewal Authority total \$62,760,000. The Fitzsimons Colorado Science and Technology Park does not have a funding obligation limit but is subject to a 25 year term.

D. Fitzsimons Golf Course Operations

FRA has retained the City under contract to manage the operation, maintenance and repair of the Fitzsimons Golf Course. The agreement is for the period from January 1, 2004 through December 31, 2013. FRA compensates the City for such services with a management fee payable solely from revenues of the golf course. In return, the City pays FRA a minimum of \$150,000 per year as FRA's share of the proceeds from the operations of the golf course. Any additional net income above the management fee will be applied to the note balance between FRA and Fitzsimons Golf Course until such time the note is paid in full. Once the note is paid in full any additional net income will be split equally between FRA and the City. The maximum remaining commitment to FRA is \$750,000 as of December 31, 2008.

11. DEFERRED COMPENSATION PLANS

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

12. PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS

The City of Aurora provides the following plans:

- General Employees' Retirement Plan (GERP)
- Elected Officials' and Executive Personnel Defined Benefit Plan (EOEP)
- Fire Pension Plan (Old Hire-Fire)
- Police Pension Plan (Old Hire-Police)
- Other Postemployment Benefits (OPEB)
- 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)

A. Defined Benefit Plans

1. General Employees' Retirement Plan

Plan Description. The City of Aurora General Employees' Retirement Plan (GERP) is a contributory single employer defined benefit pension plan covering all full-time and part-time City employees except police officers, firefighters, elected officials, temporary employees and executives who have elected to participate in the Executive Retirement Plan. The plan's administrator is selected by the Plan Board of Trustees and provides retirement, death and disability, and supplement benefits. The City currently has 514 retirees and others receiving benefits with 1751 active plan members. There are 191 former employees that are deferred vested and entitled to receive benefits in the future. Chapter 102, Article V of the City Code assigns the authority to establish and amend benefit provisions to City Council. Separately issued audited financial statements are available by contacting GERP at 12200 E. Iliff Avenue, Suite 108, Aurora, Colorado 80014 or telephone (303) 368-9160.

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

Funding Policy. City Code establishes contribution requirements for the employees and the employer. Contribution requirements may only be changed by a majority vote of participating employees. Actuarial studies are considered in establishing funding policies. However, contributions are not actuarially determined. Employee contributions are required as a condition of employment at 5.5% and are matched dollar for dollar by the City. Plan administrative costs are financed using contributions and earnings of the plan.

2. Elected Officials' and Executive Personnel Defined Benefit Plan

Plan Description. The City has a non-contributory single employer defined benefit pension plan that became effective January 1, 2001. The plan is administered by a City executive and provides base and supplemental retirement benefits to members of the City Council and a standard retirement benefit to executive personnel who are also members of the Executive Retirement Plan (ERP). The City currently has 29 retirees and others receiving benefits with 38 active plan members. There are ten former employees that are deferred vested and entitled to receive benefits in the future. Chapter 102, Article VIII of the City Code assigns the authority to establish and amend benefit provisions to City Council. No stand-alone financial report is issued for EOEP.

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

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

| EOEP Statement of Fiduciary Net Assets December 31, 2008 | EOEP Statement of Changes in Fiduciary Net Assets For the Year Ended December 31, 2008 |
|---|---|
| ASSETS | ADDITIONS |
| <i>Current Assets</i> | <i>Contributions</i> |
| Investments | City |
| Cash equivalents and short term investments | \$ 351,991 |
| \$ 51,587 | Total contributions |
| 1,323,713 | <u>351,991</u> |
| 1,307,385 | <i>Investment activity</i> |
| 260,311 | Investment loss |
| 2,087 | (832,281) |
| 1,880 | Investment expense |
| <u>2,946,963</u> | (12,259) |
| LIABILITIES | Net investment loss |
| <i>Current Liabilities</i> | <u>(844,540)</u> |
| Accounts payable and other current liabilities | Total additions |
| 6,435 | <u>(492,549)</u> |
| <u>6,435</u> | DEDUCTIONS |
| NET ASSETS | Benefits |
| Held in trust for pension benefits | 162,740 |
| 2,940,528 | Administrative expenses |
| <u>\$ 2,940,528</u> | 11,169 |
| | Total deductions |
| | <u>173,909</u> |
| | CHANGE IN NET ASSETS |
| | (666,458) |
| | NET ASSETS - January 1 |
| | 3,606,986 |
| | NET ASSETS - December 31 |
| | <u>\$ 2,940,528</u> |

3. Fire and Police Pension Plans – Old Hire

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

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

4. Post-Retirement Benefits Other than Pensions

Plan Description. In addition to pension benefits, the City acts in a single-employer capacity in providing medical benefits to eligible retirees and their qualifying dependents through the City’s group health insurance plan. Based on City practice, eligible retirees are allowed to participate in the health benefit program up to Medicare age. Police and Fire employees are eligible at any age following 20 years of service. All other employees are eligible at a minimum age of 50 with 10 or more years of service. Currently, there are 2,420 active employees covered under the City’s health

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insurance plan. Of these, 592 are fully eligible for the plan. In addition, there are 289 retired employees who are receiving medical coverage under this program. No stand-alone financial report is issued for the OPEB plan and it is not included in the report of GERP.

Funding Policy. Retirees pay 100% of the blended premium cost of their participation for health insurance coverage. Since current and retired employees participate in the same group plan, the City in effect is providing an “implicit subsidy” for the retirees in the plan. The required contribution will be annual premiums based on projected pay-as-you-go financing requirements. This expense is the net expected cost of providing retiree benefits including all expected claims and related expenses offset by retiree contributions. The expected pay-as-you-go expense for the year ended December 31, 2008 is \$776,000. Below is a summary of the Net OPEB obligation at the end of 2008 by Business-type and Governmental activities:

| <u>Fund</u> | <u>Amount</u> |
|---------------------------------------|---------------------|
| Water Fund | \$ 174,041 |
| Wastewater Fund | 109,581 |
| Golf Fund | 38,676 |
| Total Business-type Activities | 322,298 |
| Total Governmental Activities | 1,826,355 |
| Total Net OPEB Obligation December 31 | <u>\$ 2,148,653</u> |

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

| | <u>GERP</u> | <u>EOEP</u> | <u>Old Hire - Fire</u> | <u>Old Hire - Police</u> | <u>OPEB</u> |
|--|-----------------------|-------------|------------------------|--------------------------|---------------------|
| Annual required contribution (ARC) | \$ 5,596,076 | \$ 351,991 | \$ 626,929 | \$ 1,730,595 | \$ 1,843,000 |
| Interest on net pension obligation (NPO) / NPA | (162,221) | - | (25,206) | 32,193 | 53,450 |
| Adjustment to ARC | 120,389 | - | 36,809 | (47,012) | (40,797) |
| Annual pension cost | 5,554,244 | 351,991 | 638,532 | 1,715,776 | 1,855,653 |
| Contributions made | (4,826,337) | (351,991) | (626,929) | (1,730,595) | (776,000) |
| Increase (decrease) in (NPO) / NPA | 727,907 | - | 11,603 | (14,819) | 1,079,653 |
| (NPO) / NPA - beginning of year | (2,027,762) | - | (315,081) | 402,415 | 1,069,000 |
| (NPO) / NPA - end of year | <u>\$ (1,299,855)</u> | <u>\$ -</u> | <u>\$ (303,478)</u> | <u>\$ 387,596</u> | <u>\$ 2,148,653</u> |

Funded Status and Funding Progress. The City’s funded status for the year ended December 31, 2008 can be seen below. The schedule of progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

| Plan | Date | Actuarial Value | Actuarial Accrued | Unfunded AAL (UAAL) | Funded Ratio | Covered Payroll | UAAL as a Percent of Covered Payroll |
|-------------------|--------|-----------------|---------------------------|---------------------|--------------|-----------------|--------------------------------------|
| | | of Assets | Liability (AAL) Entry Age | | | | |
| | | (a) | (b) | (b - a) | (a / b) | (c) | (b - a) / (c) |
| GERP | 1/1/08 | 316,567,579 | 294,142,225 | (22,425,354) | 107.62% | 87,742,224 | (25.56)% |
| EOEP | 1/1/07 | 3,241,175 | 4,462,141 | 1,220,966 | 72.64% | - | 0.00% |
| Old Hire - Fire | 1/1/08 | 103,965,149 | 102,757,130 | (1,208,019) | 101.18% | 277,349 | (435.56)% |
| Old Hire - Police | 1/1/08 | 111,931,255 | 125,162,192 | 13,230,937 | 89.43% | 93,795 | 14106.23% |
| OPEB | 1/1/07 | - | 20,441,000 | 20,441,000 | 0.00% | 168,468,721 | 12.13% |

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Three Year Trend Information

| Year Ended | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation (Asset) |
|--------------------------|----------------------------------|--------------------------------------|---------------------------------------|
| <i>GERP</i> | | | |
| 12/31/06 | 5,171,133 | 80.18% | (2,959,408) |
| 12/31/07 | 5,470,966 | 82.97% | (2,027,762) |
| 12/31/08 | 5,554,244 | 86.89% | (1,299,855) |
| <i>EOEP</i> | | | |
| 12/31/06 | 375,669 | 100.00% | - |
| 12/31/07 | 375,669 | 100.00% | - |
| 12/31/08 | 351,991 | 100.00% | - |
| <i>Old Hire - Fire</i> | | | |
| 12/31/06 | 1,449,967 | 99.45% | (325,666) |
| 12/31/07 | 637,514 | 98.34% | (315,081) |
| 12/31/08 | 638,532 | 98.18% | (303,478) |
| <i>Old Hire - Police</i> | | | |
| 12/31/06 | 3,124,037 | 100.32% | 415,934 |
| 12/31/07 | 1,717,076 | 100.79% | 402,415 |
| 12/31/08 | 1,715,776 | 100.86% | 387,596 |
| <i>OPEB</i> | | | |
| 12/31/07 | 1,751,000 | 38.95% | 1,069,000 |
| 12/31/08 | 1,855,653 | 41.82% | 2,148,653 |

Actuarial Methods and Assumptions. The following chart shows the actuarial methods and assumptions used. Actuarial valuations of an on-going plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future.

| | GERP | EOEP | Old Hire - Fire | Old Hire - Police | OPEB |
|-------------------------------|--------------------------------|--------------------------------|------------------------------------|------------------------------------|----------------------|
| Actuarial valuation date | 1/1/08 | 1/1/07 | 1/1/08 | 1/1/08 | 1/1/07 |
| Actuarial cost method | Entry age normal | Entry age normal | Entry age normal | Entry age normal | Unit credit cost |
| Amortization method | Level percent - open | Level dollar - open | Level dollar - open | Level dollar - open | Level percent - open |
| Remaining amortization period | 20 years | 30 years | 14 years | 14 years | 30 years |
| Asset valuation method | 3-year smoothing | Market | 3 -year smoothed fair market value | 3 -year smoothed fair market value | Market |
| Actuarial assumptions: | | | | | |
| Investment rate of return * | 8.0% | 8.0% | 8.0% | 8.0% | 5.0% |
| Payroll growth rate | 6.0% | n/a | n/a | n/a | 4.0% |
| Projected salary increases * | 4.50 to 7.50% | n/a | 4.75% | 4.75% | n/a |
| Cost of living adjustment | 3.50% base, 5.00% supplemental | 3.75% base, 5.00% supplemental | 4.00% | 4.00% | n/a |
| Health care cost trend | n/a | n/a | n/a | n/a | 11% to 6% |
| *Includes inflation at | n/a | n/a | 3.50% | 3.50% | n/a |

B. Defined Contribution Plans

1. Fire and Police Pension Plans – New Hire

The New Hire Plans are defined contribution money purchase plans established by City Ordinance to provide benefits at retirement for full time fire and police hired on or after April 8, 1978. The plan is administered by a committee established by each of the agreements. For plan provisions and contribution requirements to be amended an affirmative vote of 65% of the members as well as a City Council Resolution would be required. At December 31, 2008, there were 930 plan members. Plan members are required to contribute 10.5%. The City is required to contribute 10.5%. Contributions for 2008 were:

| | <u>Employee</u> | <u>Employer</u> |
|-----------------|-----------------|-----------------|
| New Hire Fire | \$2,109,360 | \$2,109,360 |
| New Hire Police | \$4,623,428 | \$4,623,428 |

2. Executive Retirement Plan (ERP)

ERP is a defined contribution money purchase plan established by City Ordinance to provide retirement and death benefits for City executive personnel that is administered by ICMA-RC. Plan provisions and contribution requirements are established and may be amended by City Council. At December 31, 2008, there were 28 plan members. Plan members are required to contribute 10.0%, \$370,304 for 2008. The City is required to contribute 10.0%, \$370,304 for 2008.

13. 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. Total costs for such leases were \$1,754,007 for the year ended December 31, 2008. The future minimum lease payments for these leases are as follows:

| <u>Year Ending December 31,</u> | <u>Amount</u> |
|---------------------------------|---------------------|
| 2009 | \$ 1,310,595 |
| 2010 | 951,995 |
| 2011 | 604,651 |
| 2012 | 321,293 |
| 2013 | 167,982 |
| 2014-2018 | 30,400 |
| Total | <u>\$ 3,386,916</u> |

14. RISK MANAGEMENT

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

The City retains risk up to the levels where it has been determined that commercial insurance is more cost beneficial. The insurance companies promise payments of claims in excess of stated deductibles, with variable limits depending upon the specific line of coverage. For payment to be made by the insurance company the claim must fall under the insuring agreements and coverage, the insured must meet the insurer’s conditions, and certain claims are excluded under certain conditions. The Colorado

CITY OF AURORA, COLORADO
 NOTES TO THE BASIC FINANCIAL STATEMENTS

Governmental Immunity Act establishes limits for claims made against governmental entities. These limits are \$150,000 per person up to a maximum of \$600,000 per occurrence. These stated limitations do not apply to federal claims. There were no significant reductions in insurance coverage from the prior year. There have been no claim settlements in excess of insurance coverage in the last three years.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Amounts estimated to be paid on known cases are reported as case reserves. Case reserves are estimated through in-house methods and do include incremental claims adjustment expenses. Total self-insurance reserves are actuarially determined and include estimated costs for incurred but not reported claims (IBNR). The total liability has been recorded using the discounted method with an expected 3.25% interest return over the life of the liabilities. The City reports the current and noncurrent portions of the accrued claims liability and related claim settlements and judgments within the Risk Management Fund.

**Summary of the Accrued Claims Liability
 December 31, 2008**

| Self-Insured Program | Case Reserves | IBNR | Total | Discounted |
|-----------------------|------------------|--------------|--------------|--------------|
| Worker's compensation | \$ 1,563,922 | \$ 3,084,159 | \$ 4,648,081 | \$ 4,090,152 |
| Multi-line liability | 862,105 | 1,728,372 | 2,590,477 | 2,370,604 |
| Totals | \$ 2,426,027 | \$ 4,812,531 | \$ 7,238,558 | \$ 6,460,756 |

**Reconciliation of Claims Payable
 December 31, 2008**

| Year | Balance January 1 | Current Year Accrued Claims | Claim Payments | Recoveries | Balance December 31 |
|------|----------------------|-----------------------------------|-------------------|------------|------------------------|
| 2007 | \$ 7,155,914 | \$ 3,145,427 | \$ (3,566,018) | \$ 432,368 | \$ 7,167,691 |
| 2008 | 7,167,691 | 2,666,478 | (3,728,873) | 355,460 | 6,460,756 |

15. CONTINGENT LIABILITIES

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

Proceeds of refunded debt were placed in irrevocable refunding escrow accounts. The funds deposited in these accounts are invested in U.S. Treasury obligations that, together with interest earned thereon, are expected to provide amounts sufficient to pay all principal and interest on the following debt issues as they become due. Should these funds be insufficient to pay the maturing bonds and interest, the City

CITY OF AURORA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS

would be liable for the deficiency. The likelihood of the earnings and principal maturities of the U.S. Treasury obligations not being sufficient to pay the refunded bond issues is remote. Accordingly, the escrow accounts and the refunded bonds are not included in the City's financial statements.

| Issue Description | Date of Issue | Series | Balance December 31, 2008 |
|--|----------------------|---------------|--------------------------------------|
| Aurora Capital Leasing Corporation (ACLC) Certificates of Participation | 8/8/00 | 2000 | \$ 72,880,000 |

16. CONDUIT DEBT OBLIGATIONS

From time to time, the City has issued revenue bonds to provide financial assistance to private sector and non-profit entities for the acquisition and construction of industrial, commercial and residential properties deemed to be in the public interest. The bonds are payable solely from payments received on the underlying funding source. The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2008, there were sixteen series of revenue bonds outstanding, which included five Hospital Revenue Bonds payable from operating revenues, one Educational Development Bond payable from lease payments, three Multi-Family Mortgage Bonds, payable from rental and mortgage payments, and two Single Family Mortgage Bonds payable from mortgage payments. The total aggregate principal amount payable was \$353,095,000.

17. 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 2008, property tax revenue and general revenue collections were below the limits imposed by the TABOR Amendment.

TABOR further requires emergency reserves of at least 3% of fiscal year revenue as defined by TABOR (excluding bonded debt service). The City maintains the required reserves in the TABOR Reserve Fund, a Special Revenue fund. TABOR specifies that local governments are permitted to use reserve funds for "emergencies" with the requirement that the reserve funds be restored to 3% of fiscal year spending in the following fiscal year. The amount recorded in the TABOR Reserve Fund at December 31, 2008, was \$8,188,738 or 3% of fiscal year spending. The City's management believes the City is in compliance with the provisions of TABOR at December 31, 2008.

18. CURRENT ECONOMIC CONDITIONS

The current economic environment presents cities with unprecedented circumstances and challenges. A significant decline in both sales and use tax revenue could have an adverse impact on the City's future operating results. The City expects to maintain its financial condition through continued control over the growth of City expenditures, through evaluation of options for enhancing revenues and through the financial discipline of matching expenditures to revenues. Steps were taken early in 2009 to reduce

CITY OF AURORA, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS

expenditure and bring in additional resources to achieve a projected year end General Fund financial status the same as was originally budgeted.

Due to the heightened risks posed by the recession and the credit market crisis, the City suspended purchase of corporate securities in the 3rd quarter of 2008. The City intends to maintain this suspension until it is able to augment its investment risk management resources.

Additionally, the City owned two corporate notes and one municipal bond that were downgraded, subsequent to December 31, 2008, by the rating agencies to a level at which the City's investment policy requires them to be sold within four months of such downgrade. Council may authorize a one-time waiver to the investment policy to retain ownership. Waivers for the three investments were passed by Council on May 18, 2009.



Required Supplementary Information

CITY OF AURORA, COLORADO
DEFINED BENEFIT PENSION PLANS
AND OTHER POST EMPLOYMENT BENEFITS (OPEB)
SCHEDULE OF FUNDING PROGRESS
DECEMBER 31, 2008

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) Entry Age (b) | Unfunded AAL (UAAL) (b - a) | Funded Ratio (a / b) | Covered Payroll (c) | UAAL as a Percent of Covered Payroll (b - a) / (c) |
|--------------------------------|-------------------------------------|--|-----------------------------------|----------------------------|---------------------------|---|
| GERP | | | | | | |
| 1/1/03 | \$ 214,320,251 | \$ 203,999,260 | \$ (10,320,991) | 105.06% | \$ 68,337,782 | (15.10)% |
| 1/1/04 | 223,140,793 | 223,126,549 | (14,244) | 100.01% | 71,415,709 | (0.02)% |
| 1/1/05 | 241,818,542 | 243,234,592 | 1,416,050 | 99.42% | 72,821,091 | 1.94% |
| 1/1/06 | 268,566,265 | 255,005,107 | (13,561,158) | 105.32% | 75,385,673 | (17.99)% |
| 1/1/07 | 292,889,736 | 277,052,492 | (15,837,244) | 105.72% | 82,531,926 | (19.19)% |
| 1/1/08 | 316,567,579 | 294,142,225 | (22,425,354) | 107.62% | 87,742,224 | (25.56)% |
| EOEP | | | | | | |
| 1/1/03 | 2,342,205 | 3,772,442 | 1,430,237 | 62.09% | - | 0.00% |
| 1/1/05 | 2,182,694 | 3,793,673 | 1,610,979 | 57.54% | - | 0.00% |
| 1/1/07 | 3,241,175 | 4,462,141 | 1,220,966 | 72.64% | - | 0.00% |
| Old Hire - Fire | | | | | | |
| 1/1/04 | 85,014,289 | 99,587,091 | 14,572,802 | 85.37% | 1,330,722 | 1095.10% |
| 1/1/06 | 92,918,056 | 99,466,498 | 6,548,442 | 93.42% | 647,157 | 1011.88% |
| 1/1/08 | 103,965,149 | 102,757,130 | (1,208,019) | 101.18% | 277,349 | (435.56)% |
| Old Hire - Police | | | | | | |
| 1/1/04 | 89,956,249 | 121,678,839 | 31,722,590 | 73.93% | 859,811 | 3689.48% |
| 1/1/06 | 98,845,438 | 116,106,755 | 17,261,317 | 85.13% | 241,569 | 7145.50% |
| 1/1/08 | 111,931,255 | 125,162,192 | 13,230,937 | 89.43% | 93,795 | 14106.23% |
| OPEB | | | | | | |
| 1/1/07 | - | 20,441,000 | 20,441,000 | 0.00% | 168,468,721 | 12.13% |

CITY OF AURORA, COLORADO

**DEFINED BENEFIT PLANS
AND OTHER POST EMPLOYMENT BENEFITS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
DECEMBER 31, 2008**

| Year | | Annual Required Contribution (ARC) | Percentage Contributed |
|--------------------|----|---|-----------------------------------|
| <i>GERP</i> | | | |
| 2003 | \$ | 3,953,744 | 95% |
| 2004 | | 5,115,536 | 77% |
| 2005 | | 7,245,072 | 55% |
| 2006 | | 5,253,328 | 79% |
| 2007 | | 5,532,018 | 82% |
| 2008 | | 5,596,076 | 81% |
| <i>EOEP</i> | | | |
| 2003 | \$ | 397,307 | 123% |
| 2004 | | 419,304 | 100% |
| 2005 | | 422,000 | 101% |
| 2006 | | 375,669 | 100% |
| 2007 | | 375,669 | 100% |
| 2008 | | 351,991 | 100% |
| <i>OPEB</i> | | | |
| 2007 | \$ | 1,751,000 | 39% |
| 2008 | | 1,843,000 | 42% |

Actuarial studies were performed for this plan beginning in 2007.



CITY OF AURORA, COLORADO

GENERAL FUND

SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2008

| | Budgets | | Budgetary Actual | Variance with Final |
|---------------------------------|---------------|---------------|---------------------|------------------------|
| | Original | Final | | |
| SOURCES | | | | |
| Taxes | | | | |
| Property | \$ 25,747,372 | \$ 25,747,372 | \$ 26,007,344 | \$ 259,972 |
| Sales | 129,337,084 | 129,337,084 | 125,895,660 | (3,441,424) |
| Use | 28,774,406 | 28,774,406 | 22,700,521 | (6,073,885) |
| Lodgers | 4,570,118 | 4,570,118 | 4,677,825 | 107,707 |
| Franchise | 12,084,819 | 12,084,819 | 13,037,994 | 953,175 |
| Other | 10,970,989 | 10,970,989 | 8,977,638 | (1,993,351) |
| Total taxes | 211,484,788 | 211,484,788 | 201,296,982 | (10,187,806) |
| Intergovernmental | 10,606,925 | 10,606,925 | 10,722,674 | 115,749 |
| Licenses and permits | 3,006,765 | 3,006,765 | 2,508,560 | (498,205) |
| Charges for services | 8,003,023 | 8,003,023 | 7,601,310 | (401,713) |
| Fines and forfeitures | 6,696,024 | 6,696,024 | 6,406,220 | (289,804) |
| Investment income | 1,559,856 | 1,559,856 | 1,018,719 | (541,137) |
| Other revenues | 1,011,580 | 1,011,580 | 1,042,271 | 30,691 |
| Proceeds from sales of assets | 210,000 | 210,000 | 255,622 | 45,622 |
| Transfers in | 3,266,123 | 3,127,144 | 2,848,379 | (278,765) |
| TOTAL SOURCES | 245,845,084 | 245,706,105 | 233,700,737 | (12,005,368) |
| USES | | | | |
| <i>Municipal Court</i> | | | | |
| Judicial | 2,100,970 | 2,146,565 | 1,932,944 | 213,621 |
| Court Administration | 6,905,041 | 7,152,984 | 7,152,978 | 6 |
| Public Defender | 611,277 | 630,214 | 627,212 | 3,002 |
| Total municipal court | 9,617,288 | 9,929,763 | 9,713,134 | 216,629 |
| <i>City Attorney</i> | 4,800,914 | 4,935,696 | 4,873,897 | 61,799 |
| <i>General Management Group</i> | | | | |
| City Council | 1,016,862 | 1,030,187 | 901,210 | 128,977 |
| Civil Service | 549,699 | 601,135 | 601,134 | 1 |
| General Management | 1,393,587 | 1,419,279 | 1,372,791 | 46,488 |
| Communications | 832,175 | 851,704 | 795,886 | 55,818 |
| Management Support | 1,049,555 | 1,073,954 | 1,039,726 | 34,228 |
| Development Services | 961,953 | 970,851 | 790,329 | 180,522 |
| Total general management group | 5,803,831 | 5,947,110 | 5,501,076 | 446,034 |

| | Budgets | | Budgetary Actual | Variance with Final |
|--|--------------|--------------|---------------------|------------------------|
| | Original | Final | | |
| <i>Administrative Services Group</i> | | | | |
| Management Support | \$ 431,421 | \$ 448,756 | \$ 397,586 | \$ 51,170 |
| Human Resources | 1,555,496 | 1,528,443 | 1,434,168 | 94,275 |
| Finance | 5,432,576 | 5,539,456 | 5,182,880 | 356,576 |
| Information Technology | 7,107,310 | 7,207,585 | 6,936,938 | 270,647 |
| Internal Services | 10,161,710 | 10,244,361 | 8,486,217 | 1,758,144 |
| Total administrative services group | 24,688,513 | 24,968,601 | 22,437,789 | 2,530,812 |
| <i>Operations Group</i> | | | | |
| Public Works | 19,892,074 | 20,171,589 | 20,120,579 | 51,010 |
| Parks and Open Space | 13,968,740 | 13,966,494 | 13,489,395 | 477,099 |
| Planning | 1,312,523 | 1,341,031 | 1,173,075 | 167,956 |
| Total operations group | 35,173,337 | 35,479,114 | 34,783,049 | 696,065 |
| <i>Community Services Group</i> | | | | |
| Library, Recreation and Cultural Services | 13,067,228 | 13,173,719 | 12,783,535 | 390,184 |
| Police | 75,542,247 | 75,603,513 | 75,256,741 | 346,772 |
| Public Safety Communications | 5,586,950 | 5,718,595 | 5,410,272 | 308,323 |
| Fire | 33,328,454 | 33,347,840 | 33,196,170 | 151,670 |
| Neighborhood Services | 3,658,730 | 3,678,521 | 3,557,432 | 121,089 |
| Total community services group | 131,183,609 | 131,522,188 | 130,204,150 | 1,318,038 |
| <i>Non-departmental</i> | 37,425,430 | 36,822,646 | 30,619,823 | 6,202,823 |
| TOTAL USES | 248,692,922 | 249,605,118 | 238,132,918 | 11,472,200 |
| CHANGE IN FUNDS AVAILABLE | (2,847,838) | (3,899,013) | (4,432,181) | (533,168) |
| FUNDS AVAILABLE - January 1 | 8,468,484 | 9,585,220 | 9,585,220 | — |
| FUNDS AVAILABLE - December 31 | \$ 5,620,646 | \$ 5,686,207 | 5,153,039 | \$ (533,168) |
| Less: Designations | | | (5,153,039) | |
| FUNDS AVAILABLE FOR APPROPRIATION AFTER RESERVATIONS AND COUNCIL DESIGNATIONS - December 31 | | | \$ — | |
| RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE | | | | |
| FUNDS AVAILABLE (BUDGETARY BASIS) - December 31 | | | \$ 5,153,039 | |
| Add: Sales, use and lodgers tax accrual | | | 17,045,414 | |
| Current year encumbrances | | | 559,347 | |
| Less: Adjustment of investments to fair value | | | 34,518 | |
| FUND BALANCE (U.S. GAAP BASIS) - DECEMBER 31 | | | \$ 22,792,318 | |

CITY OF AURORA, COLORADO
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

1. PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS

The schedules of funding progress and employer contributions is intended to help users assess the funding status on a going-concern basis and to assess progress made in accumulating assets to pay benefits when due. For defined benefit pension plans included as trust funds in the financial statements, GERP and EOEP, information is provided for six years. For defined benefit pension plans not included as trust funds in the financial statements, Old Hire Fire and Police and OPEB, information is provided for three years. The information presenting in these schedules was determined based upon the actuarial valuations at the dates indicated. Additional information as of the latest actuarial evaluation follows:

| | GERP | EOEP | Old Hire - Fire | Old Hire - Police | OPEB |
|-------------------------------|--------------------------------|--------------------------------|------------------------------------|------------------------------------|----------------------|
| Actuarial valuation date | 1/1/08 | 1/1/07 | 1/1/08 | 1/1/08 | 1/1/07 |
| Actuarial cost method | Entry age normal | Entry age normal | Entry age normal | Entry age normal | Unit credit cost |
| Amortization method | Level percent - open | Level dollar - open | Level dollar - open | Level dollar - open | Level percent - open |
| Remaining amortization period | 20 years | 30 years | 14 years | 14 years | 30 years |
| Asset valuation method | 3-year smoothing | Market | 3 -year smoothed fair market value | 3 -year smoothed fair market value | Market |
| Actuarial assumptions: | | | | | |
| Investment rate of return * | 8.0% | 8.0% | 8.0% | 8.0% | 5.0% |
| Payroll growth rate | 6.0% | n/a | n/a | n/a | 4.0% |
| Projected salary increases * | 4.50% to 7.50% | n/a | 4.75% | 4.75% | n/a |
| Cost of living adjustment | 3.50% base, 5.00% supplemental | 3.75% base, 5.00% supplemental | 4.00% | 4.00% | n/a |
| Health care cost trend | n/a | n/a | n/a | n/a | 11% to 6% |
| *Includes inflation at | n/a | n/a | 3.50% | 3.50% | n/a |

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

2. GENERAL FUND BUDGETARY INFORMATION

The City adopts annual operating appropriations each year. Operating costs are controlled at the fund and department level for the General Fund. Expenditures may not exceed appropriations at those levels. Annual operating appropriations lapse at year-end except for amounts that are encumbered (reserves for encumbrances are commitments on purchase orders that remain open at year-end). Since expenditures may not legally exceed budgeted appropriations, appropriation amendments require City Council approval by ordinance. Budget transfers within a department may be made with administrative approval. Transfers between departments require City Council approval by resolution or ordinance.

The City budgets on a “funds available” basis. Budgetary basis revenues and other financing sources are considered increases in funds available and budgetary basis expenditures and other financing uses are considered uses of funds available. In general, funds available are defined as current assets minus current liabilities. The City’s budget disclosure presents funds available, net of reservations and designations, which are available for general purposes. Budgets for the General Fund are reported on the same basis as described above, except as follows:

- a) Encumbrances are treated as expenditures in the year they are encumbered, not when the expenditure occurs.
- b) Grants are considered revenue when awarded, not when earned.
- c) Sales, use and lodgers taxes are considered revenue when received rather than when earned.
- d) Proceeds from capital leases and related capital expenditures are not budgeted.
- e) The value received on the trade-in of fixed assets and the related capital expenditures are not budgeted.
- f) Changes in investment income due to recording investments at fair value are not budgeted.



Combining and Individual Fund Statements and Schedules

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

CITY OF AURORA, COLORADO
OTHER GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2008

| | Total Non-major Special Revenue | Total Non-major Debt Service | Total Non-major Capital Projects | Total Other Governmental |
|--------------------------------------|--|---|---|---|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 11,920,643 | \$ 503,293 | \$ 5,856,079 | \$ 18,280,015 |
| Investments | 57,471,212 | 1,533,497 | 18,176,783 | 77,181,492 |
| Receivables (net of allowance) | | | | |
| Accounts receivable | 1,301,022 | — | 538,917 | 1,839,939 |
| Interest receivable | 272,564 | — | 166,073 | 438,637 |
| Due from other governments | 3,818,149 | — | — | 3,818,149 |
| Other receivables | 366,690 | 2,144,196 | — | 2,510,886 |
| Restricted assets | | | | |
| Cash and equivalents | 7,316,936 | 1,653,973 | 2,723,147 | 11,694,056 |
| Investments | 5,713,479 | 10,659,332 | 1,327,003 | 17,699,814 |
| Taxes receivable | — | 6,364,129 | — | 6,364,129 |
| Accounts receivable | — | — | 604,506 | 604,506 |
| Interest receivable | — | 22,992 | 769 | 23,761 |
| Due from other governments | — | — | 866,183 | 866,183 |
| Other receivables | 40,684 | — | — | 40,684 |
| Notes receivable | 15,347,219 | — | 816,109 | 16,163,328 |
| Total assets | <u>\$ 103,568,598</u> | <u>\$ 22,881,412</u> | <u>\$ 31,075,569</u> | <u>\$ 157,525,579</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| <i>Liabilities</i> | | | | |
| Accounts payable | \$ 1,982,210 | \$ 136,656 | \$ 1,777,015 | \$ 3,895,881 |
| Other payables | 55,627 | — | — | 55,627 |
| Due to other funds | 1,623,752 | — | — | 1,623,752 |
| Deferred revenues | 16,386,102 | 8,508,325 | 816,109 | 25,710,536 |
| Total liabilities | <u>20,047,691</u> | <u>8,644,981</u> | <u>2,593,124</u> | <u>31,285,796</u> |
| <i>Fund balances</i> | | | | |
| <i>Reserved for</i> | | | | |
| Encumbrances | 2,137,974 | — | 2,205,882 | 4,343,856 |
| Construction | 2,497,107 | — | 4,100,845 | 6,597,952 |
| Police | 938,179 | — | — | 938,179 |
| Gifts and grants | — | — | 1,262,600 | 1,262,600 |
| Debt related | — | 12,187,882 | — | 12,187,882 |
| Arbitrage | — | 113,808 | — | 113,808 |
| Agreements | 9,338,401 | — | — | 9,338,401 |
| <i>Unreserved</i> | | | | |
| Designated | 20,262,976 | 253,315 | 20,538,207 | 41,054,498 |
| Undesignated | 48,346,270 | 1,681,426 | 374,911 | 50,402,607 |
| Total fund balances | <u>83,520,907</u> | <u>14,236,431</u> | <u>28,482,445</u> | <u>126,239,783</u> |
| Total liabilities and fund balances | <u>\$ 103,568,598</u> | <u>\$ 22,881,412</u> | <u>\$ 31,075,569</u> | <u>\$ 157,525,579</u> |

CITY OF AURORA, COLORADO

OTHER GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2008

| | Total Non-major Special Revenue | Total Non-major Debt Service | Total Non-major Capital Projects | Total Other Governmental |
|--|--|---|---|---|
| REVENUES | | | | |
| Taxes | | | | |
| Sales | \$ 326,606 | \$ 940,155 | \$ — | \$ 1,266,761 |
| Property | — | 6,511,707 | — | 6,511,707 |
| Occupational privilege | — | 320,120 | — | 320,120 |
| Charges for services | 8,350,572 | — | 45,000 | 8,395,572 |
| Licenses and permits | 6,308,613 | — | — | 6,308,613 |
| Fines and forfeitures | 1,803,033 | — | 300 | 1,803,333 |
| Special assessments | — | 346,447 | — | 346,447 |
| Intergovernmental | 19,793,311 | — | 3,215,311 | 23,008,622 |
| Surcharges | 3,139,083 | — | — | 3,139,083 |
| Miscellaneous | 4,776,611 | — | 1,363,704 | 6,140,315 |
| Investment earnings | 3,313,591 | 963,915 | 1,147,241 | 5,424,747 |
| | <u>47,811,420</u> | <u>9,082,344</u> | <u>5,771,556</u> | <u>62,665,320</u> |
| Total revenues | | | | |
| EXPENDITURES | | | | |
| <i>Current</i> | | | | |
| General government | 735,429 | 1,034,409 | 2,338,885 | 4,108,723 |
| Judicial | 111,898 | — | — | 111,898 |
| Police | 3,291,936 | — | 35,640 | 3,327,576 |
| Fire | 579,299 | — | 1,835 | 581,134 |
| Other public safety | 2,517,995 | — | 75,000 | 2,592,995 |
| Public works | 332,224 | — | 2,933,623 | 3,265,847 |
| Economic development | 11,846,257 | 851,596 | 77,986 | 12,775,839 |
| Community services | 8,689,709 | — | — | 8,689,709 |
| Culture and recreation | 15,939,558 | — | 323,354 | 16,262,912 |
| <i>Debt service</i> | | | | |
| Principal | — | 12,200,000 | — | 12,200,000 |
| Interest | — | 7,856,584 | — | 7,856,584 |
| <i>Capital outlay</i> | | | | |
| | 7,613,329 | — | 17,009,936 | 24,623,265 |
| | <u>51,657,634</u> | <u>21,942,589</u> | <u>22,796,259</u> | <u>96,396,482</u> |
| Total expenditures | | | | |
| Deficiency of revenues under expenditures | (3,846,214) | (12,860,245) | (17,024,703) | (33,731,162) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 12,352,300 | 12,734,643 | 16,285,875 | 41,372,818 |
| Transfers out | (8,636,922) | (95,750) | (3,983,270) | (12,715,942) |
| Refunded COPS issued | — | 68,540,000 | — | 68,540,000 |
| Payment to escrow agent | — | (60,635,390) | — | (60,635,390) |
| Sale of capital assets | 5,264 | — | — | 5,264 |
| | <u>3,720,642</u> | <u>20,543,503</u> | <u>12,302,605</u> | <u>36,566,750</u> |
| Total other financing sources (uses) | | | | |
| NET CHANGE IN FUND BALANCES | (125,572) | 7,683,258 | (4,722,098) | 2,835,588 |
| FUND BALANCES - January 1 | 83,646,479 | 6,553,173 | 33,204,543 | 123,404,195 |
| FUND BALANCES - December 31 | <u>\$ 83,520,907</u> | <u>\$ 14,236,431</u> | <u>\$ 28,482,445</u> | <u>\$ 126,239,783</u> |

OTHER (NON-MAJOR) GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS

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

Gifts and Grants Fund

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

Development Review Fund

The Development Review Fund accounts for revenues from development related fees for various plan reviews, permits/inspections and similar services. Expenditures are made to cover the costs of the development review process and to fund organizations that promote economic growth and development within the City.

Abatement Fund

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

Community Development Fund

The Community Development Fund accounts for revenues and expenditures from grants and other monies received from the United States Department of Housing and Urban Development.

Enhanced E-911 Fund

The Enhanced E-911 Fund accounts for revenues derived from special telephone surcharges. Monies are used to purchase and maintain enhanced E-911 equipment and related activities.

Conservation Trust Fund

The Conservation Trust Fund accounts for lottery proceeds that are received from the State of Colorado. These monies are used for the development and renovation of qualifying parks and recreation facilities and infrastructure.

Emergency Contingency Fund

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

Parks Development Fund

The Parks Development Fund accounts for annexation fees and payments from developers that are required to be used for the creation of City parks.

**OTHER (NON-MAJOR) GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS (Continued)**

Arapahoe County Open Space Fund

The Arapahoe County Open Space Fund accounts for dedicated use tax revenues received from Arapahoe County that are required to be used for parks construction and maintenance and the acquisition of open space within that portion of the City of Aurora located in Arapahoe County.

Recreation Services Fund

The Recreation Services Fund accounts for recreational services provided to citizens. Funding for these services are from user fees and General Fund transfers.

Cultural Services Fund

The Cultural Services Fund accounts for revenues from fees, donations, grant funds from the Scientific and Cultural Facilities District (SCFD) and other grantors, proceeds from the Art in Public Places (AIPP) ordinance and General Fund transfers. Expenditures are made to provide cultural-related services to citizens.

Designated Revenues Fund

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

Policy Reserve Fund

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

TABOR Reserve Fund

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

Aurora Urban Renewal Authority (AURA) General Fund

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

CITY OF AURORA, COLORADO
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2008

| | Gifts and Grants | Development Review | Abatement | Community Development | Enhanced E-911 |
|--|-----------------------------|-------------------------------|---------------------|----------------------------------|---------------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 1,398,516 | \$ 632,848 | \$ 435,856 | \$ — | \$ 1,525,334 |
| Investments | — | 1,974,519 | — | — | 4,759,118 |
| Receivables (net of allowance) | | | | | |
| Accounts receivable | 505,540 | — | 665,903 | — | — |
| Interest receivable | — | — | — | — | — |
| Due from other governments | 1,063,515 | — | — | 1,958,681 | — |
| Other receivables | — | — | — | — | 202,520 |
| Restricted assets | | | | | |
| Cash and cash equivalents | 938,179 | — | — | 177,648 | — |
| Investments | — | — | — | — | — |
| Other receivables | — | — | — | — | — |
| Notes receivable | 791,044 | — | — | 14,127,898 | — |
| Total assets | \$ 4,696,794 | \$ 2,607,367 | \$ 1,101,759 | \$ 16,264,227 | \$ 6,486,972 |
| LIABILITIES AND FUND BALANCES | | | | | |
| <i>Liabilities</i> | | | | | |
| Accounts payable | \$ 388,346 | \$ 242,404 | \$ 23,646 | \$ 334,930 | \$ 68,704 |
| Other Payables | 100 | — | — | — | — |
| Due to other funds | — | — | — | 1,623,752 | — |
| Deferred revenues | 1,434,198 | — | — | 14,305,545 | — |
| Total liabilities | 1,822,644 | 242,404 | 23,646 | 16,264,227 | 68,704 |
| <i>Fund balances</i> | | | | | |
| <i>Reserved for</i> | | | | | |
| Encumbrances | 196,858 | — | 22,131 | 10,600 | 101,726 |
| Construction | — | — | — | — | — |
| Police | 938,179 | — | — | — | — |
| Agreements | — | — | — | — | — |
| <i>Unreserved</i> | | | | | |
| Designated | 1,739,113 | 1,086,975 | 254,151 | — | 2,403,457 |
| Undesignated | — | 1,277,988 | 801,831 | (10,600) | 3,913,085 |
| Total fund balances | 2,874,150 | 2,364,963 | 1,078,113 | — | 6,418,268 |
| Total liabilities and fund balances | \$ 4,696,794 | \$ 2,607,367 | \$ 1,101,759 | \$ 16,264,227 | \$ 6,486,972 |

(continued)

CITY OF AURORA, COLORADO
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2008

| | <u>Conservation Trust</u> | <u>Emergency Contingency</u> | <u>Parks Development</u> | <u>Arapahoe County Open Space</u> |
|--|-------------------------------|----------------------------------|------------------------------|---------------------------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 1,404,050 | \$ 196,339 | \$ 1,155,877 | \$ 1,810,590 |
| Investments | 5,641,013 | 612,589 | 3,606,393 | 5,649,130 |
| Receivables (net of allowance) | | | | |
| Accounts receivable | — | — | — | — |
| Interest receivable | — | — | — | — |
| Due from other governments | 726,076 | — | — | — |
| Other receivables | — | — | — | — |
| Restricted assets | | | | |
| Cash and cash equivalents | — | — | — | — |
| Investments | — | — | — | — |
| Other receivables | — | — | — | 40,684 |
| Notes receivable | — | — | — | — |
| Total assets | <u><u>\$ 7,771,139</u></u> | <u><u>\$ 808,928</u></u> | <u><u>\$ 4,762,270</u></u> | <u><u>\$ 7,500,404</u></u> |
| LIABILITIES AND FUND BALANCES | | | | |
| <i>Liabilities</i> | | | | |
| Accounts payable | \$ 46,845 | \$ — | \$ 121,810 | \$ 70,687 |
| Other Payables | — | — | — | — |
| Due to other funds | — | — | — | — |
| Deferred revenues | — | — | — | — |
| Total liabilities | <u>46,845</u> | <u>—</u> | <u>121,810</u> | <u>70,687</u> |
| <i>Fund balances</i> | | | | |
| <i>Reserved for</i> | | | | |
| Encumbrances | 385,045 | — | 527,613 | 618,296 |
| Construction | — | — | — | 40,684 |
| Police | — | — | — | — |
| Agreements | — | — | — | — |
| <i>Unreserved</i> | | | | |
| Designated | 3,179,544 | — | 2,355,801 | 6,479,305 |
| Undesignated | 4,159,705 | 808,928 | 1,757,046 | 291,432 |
| Total fund balances | <u>7,724,294</u> | <u>808,928</u> | <u>4,640,460</u> | <u>7,429,717</u> |
| Total liabilities and fund balances | <u><u>\$ 7,771,139</u></u> | <u><u>\$ 808,928</u></u> | <u><u>\$ 4,762,270</u></u> | <u><u>\$ 7,500,404</u></u> |

(continued)

| Recreation Services | Cultural Services | Designated Revenues | Policy Reserve | TABOR Reserve | AURA General | Total Non-major Special Revenue |
|----------------------------|--------------------------|----------------------------|-----------------------|----------------------|---------------------|--|
| \$ 539,174 | \$ 932,286 | \$ 1,886,913 | \$ — | \$ — | \$ 2,860 | \$ 11,920,643 |
| — | — | 5,877,126 | 21,227,658 | 8,114,744 | 8,922 | 57,471,212 |
| 69,458 | — | 60,121 | — | — | — | 1,301,022 |
| — | — | — | 198,570 | 73,994 | — | 272,564 |
| — | 69,877 | — | — | — | — | 3,818,149 |
| — | 1,037 | 163,133 | — | — | — | 366,690 |
| — | — | 6,201,109 | — | — | — | 7,316,936 |
| — | — | 5,713,479 | — | — | — | 5,713,479 |
| — | — | — | — | — | — | 40,684 |
| 17,500 | — | 410,777 | — | — | — | 15,347,219 |
| <u>\$ 626,132</u> | <u>\$ 1,003,200</u> | <u>\$ 20,312,658</u> | <u>\$ 21,426,228</u> | <u>\$ 8,188,738</u> | <u>\$ 11,782</u> | <u>\$ 103,568,598</u> |
| \$ 293,089 | \$ 85,480 | \$ 306,269 | \$ — | \$ — | \$ — | \$ 1,982,210 |
| 149 | — | 55,378 | — | — | — | 55,627 |
| — | — | — | — | — | — | 1,623,752 |
| 207,696 | 27,886 | 410,777 | — | — | — | 16,386,102 |
| <u>500,934</u> | <u>113,366</u> | <u>772,424</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>20,047,691</u> |
| — | — | 275,705 | — | — | — | 2,137,974 |
| — | — | 2,456,423 | — | — | — | 2,497,107 |
| — | — | — | — | — | — | 938,179 |
| — | — | 9,338,401 | — | — | — | 9,338,401 |
| — | 105,809 | 2,658,821 | — | — | — | 20,262,976 |
| 125,198 | 784,025 | 4,810,884 | 21,426,228 | 8,188,738 | 11,782 | 48,346,270 |
| <u>125,198</u> | <u>889,834</u> | <u>19,540,234</u> | <u>21,426,228</u> | <u>8,188,738</u> | <u>11,782</u> | <u>83,520,907</u> |
| <u>\$ 626,132</u> | <u>\$ 1,003,200</u> | <u>\$ 20,312,658</u> | <u>\$ 21,426,228</u> | <u>\$ 8,188,738</u> | <u>\$ 11,782</u> | <u>\$ 103,568,598</u> |

(concluded)

CITY OF AURORA, COLORADO

NON-MAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2008

| | Gifts and Grants | Development Review | Abatement | Community Development | Enhanced E-911 |
|--|---------------------|-----------------------|---------------------|--------------------------|---------------------|
| REVENUES | | | | | |
| Sales and Use Tax | \$ — | \$ — | \$ — | \$ — | \$ — |
| Charges for services | 213,930 | 958,378 | 869,478 | 859,886 | — |
| Licenses and permits | — | 6,245,855 | — | — | — |
| Fines and forfeitures | 945 | — | — | — | — |
| Intergovernmental | 4,492,453 | — | — | 5,568,690 | — |
| Surcharges | — | — | — | — | 2,783,717 |
| Miscellaneous | 854,967 | 41,441 | — | — | — |
| Investment earnings | 101,605 | 164,472 | 22,720 | — | 217,475 |
| | <u>5,663,900</u> | <u>7,410,146</u> | <u>892,198</u> | <u>6,428,576</u> | <u>3,001,192</u> |
| Total revenues | 5,663,900 | 7,410,146 | 892,198 | 6,428,576 | 3,001,192 |
| EXPENDITURES | | | | | |
| <i>Current</i> | | | | | |
| General government | 13,990 | — | — | — | — |
| Judicial | 7,406 | — | — | — | — |
| Police | 2,142,461 | — | — | — | — |
| Fire | 468,055 | — | — | — | — |
| Other public safety | — | — | — | — | 2,410,939 |
| Public works | 315,722 | — | — | — | — |
| Economic development | 97,207 | 8,468,462 | — | 1,254,972 | — |
| Community services | 668,425 | — | 826,787 | 5,362,750 | — |
| Culture and recreation | 1,057,909 | — | — | — | — |
| <i>Capital outlay</i> | <u>774,347</u> | <u>—</u> | <u>51,128</u> | <u>77,140</u> | <u>186,656</u> |
| Total expenditures | 5,545,522 | 8,468,462 | 877,915 | 6,694,862 | 2,597,595 |
| Excess (deficiency) of revenues over (under) expenditures | 118,378 | (1,058,316) | 14,283 | (266,286) | 403,597 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 14,400 | — | — | 266,286 | 1,710,000 |
| Transfers out | — | (1,697,417) | — | — | (1,707,181) |
| Sale of capital assets | 5,264 | — | — | — | — |
| Total other financing sources (uses) | <u>19,664</u> | <u>(1,697,417)</u> | <u>—</u> | <u>266,286</u> | <u>2,819</u> |
| NET CHANGE IN FUND BALANCES | 138,042 | (2,755,733) | 14,283 | — | 406,416 |
| FUND BALANCES - January 1 | <u>2,736,108</u> | <u>5,120,696</u> | <u>1,063,830</u> | <u>—</u> | <u>6,011,852</u> |
| FUND BALANCES - December 31 | <u>\$ 2,874,150</u> | <u>\$ 2,364,963</u> | <u>\$ 1,078,113</u> | <u>\$ —</u> | <u>\$ 6,418,268</u> |

| <u>Conservation Trust</u> | <u>Emergency Contingency</u> | <u>Parks Development</u> | <u>Arapahoe County Open Space</u> | <u>Recreation Services</u> | <u>Cultural Services</u> |
|---------------------------|------------------------------|--------------------------|-----------------------------------|----------------------------|--------------------------|
| \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| 5 | — | — | — | 4,153,524 | 541,906 |
| — | — | — | — | — | — |
| — | — | — | — | — | — |
| 3,100,329 | — | — | 5,784,497 | — | 308,189 |
| — | — | — | — | — | — |
| — | — | (106,095) * | 7,116 | 82,863 | 186,209 |
| 270,742 | 35,204 | 220,830 | 331,650 | — | 36,796 |
| <u>3,371,076</u> | <u>35,204</u> | <u>114,735</u> | <u>6,123,263</u> | <u>4,236,387</u> | <u>1,073,100</u> |
| — | — | — | — | — | — |
| — | — | — | — | — | — |
| — | — | — | — | — | — |
| — | — | — | — | — | — |
| — | — | — | — | — | — |
| — | — | — | — | — | — |
| — | — | — | — | — | — |
| 691,585 | — | 1,700 | 1,659,954 | 8,402,782 | 2,679,323 |
| 1,320,270 | — | 625,157 | 1,888,362 | — | — |
| <u>2,011,855</u> | <u>—</u> | <u>626,857</u> | <u>3,548,316</u> | <u>8,402,782</u> | <u>2,679,323</u> |
| 1,359,221 | 35,204 | (512,122) | 2,574,947 | (4,166,395) | (1,606,223) |
| — | — | — | — | 5,287,852 | 1,387,058 |
| — | (38,378) | — | (1,233,613) | (1,140,000) | — |
| — | — | — | — | — | — |
| <u>—</u> | <u>(38,378)</u> | <u>—</u> | <u>(1,233,613)</u> | <u>4,147,852</u> | <u>1,387,058</u> |
| 1,359,221 | (3,174) | (512,122) | 1,341,334 | (18,543) | (219,165) |
| <u>6,365,073</u> | <u>812,102</u> | <u>5,152,582</u> | <u>6,088,383</u> | <u>143,741</u> | <u>1,108,999</u> |
| <u>\$ 7,724,294</u> | <u>\$ 808,928</u> | <u>\$ 4,640,460</u> | <u>\$ 7,429,717</u> | <u>\$ 125,198</u> | <u>\$ 889,834</u> |

* During 2007 park development contributions of \$635,375 were collected and then later refunded to the developer in 2008 resulting in a negative revenue amount.

(continued)

CITY OF AURORA, COLORADO

NON-MAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2008

| | Designated Revenues | Policy Reserve | TABOR Reserve | AURA General | Total Non-major Special Revenue |
|--|------------------------|----------------------|---------------------|------------------|--|
| REVENUES | | | | | |
| Sales and Use Tax | \$ 326,606 | \$ — | \$ — | \$ — | \$ 326,606 |
| Charges for services | 753,465 | — | — | — | 8,350,572 |
| Licenses and permits | 62,758 | — | — | — | 6,308,613 |
| Fines and forfeitures | 1,802,088 | — | — | — | 1,803,033 |
| Intergovernmental | 539,153 | — | — | — | 19,793,311 |
| Surcharges | 355,366 | — | — | — | 3,139,083 |
| Miscellaneous | 3,710,110 | — | — | — | 4,776,611 |
| Investment earnings | 659,405 | 911,974 | 340,318 | 400 | 3,313,591 |
| Total revenues | <u>8,208,951</u> | <u>911,974</u> | <u>340,318</u> | <u>400</u> | <u>47,811,420</u> |
| EXPENDITURES | | | | | |
| <i>Current</i> | | | | | |
| General government | 721,439 | — | — | — | 735,429 |
| Judicial | 104,492 | — | — | — | 111,898 |
| Police | 1,149,475 | — | — | — | 3,291,936 |
| Fire | 111,244 | — | — | — | 579,299 |
| Other public safety | 107,056 | — | — | — | 2,517,995 |
| Public works | 16,502 | — | — | — | 332,224 |
| Economic development | 2,025,616 | — | — | — | 11,846,257 |
| Community services | 1,831,747 | — | — | — | 8,689,709 |
| Culture and recreation | 1,446,305 | — | — | — | 15,939,558 |
| <i>Capital outlay</i> | <u>2,690,269</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>7,613,329</u> |
| Total expenditures | <u>10,204,145</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>51,657,634</u> |
| Excess (deficiency) of revenues over (under) expenditures | (1,995,194) | 911,974 | 340,318 | 400 | (3,846,214) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 3,583,583 | — | 103,121 | — | 12,352,300 |
| Transfers out | (2,424,212) | (396,121) | — | — | (8,636,922) |
| Sale of capital assets | — | — | — | — | 5,264 |
| Total other financing sources (uses) | <u>1,159,371</u> | <u>(396,121)</u> | <u>103,121</u> | <u>—</u> | <u>3,720,642</u> |
| NET CHANGE IN | | | | | |
| FUND BALANCES | (835,823) | 515,853 | 443,439 | 400 | (125,572) |
| FUND BALANCES - January 1 | <u>20,376,057</u> | <u>20,910,375</u> | <u>7,745,299</u> | <u>11,382</u> | <u>83,646,479</u> |
| FUND BALANCES - December 31 | <u>\$ 19,540,234</u> | <u>\$ 21,426,228</u> | <u>\$ 8,188,738</u> | <u>\$ 11,782</u> | <u>\$ 83,520,907</u> |

(concluded)

OTHER (NON-MAJOR) GOVERNMENTAL FUNDS DEBT SERVICE FUNDS

Debt service funds account for the accumulation of resources to pay principal, interest and agency fees on governmental long-term debt.

City Debt Service Fund

The City Debt Service Fund accounts for the payment of principal and interest on general obligation bonds and General Fund revenue bonds. Revenues are from General Fund transfers and property taxes assessed for the repayment of debt.

Special Improvement District (SID) Debt Service Fund

The Special Improvement District Debt Service Fund accounts for debt service related to special improvements. Funding is from special assessments on the related properties.

Surplus and Deficiency Fund

The Surplus and Deficiency Fund accounts for special assessments from property owners where the associated bonded debt has been defeased. These monies are used to repay other special assessment bonds if sufficient funds from special assessments are not available in the City Debt Service Fund to make regularly scheduled debt service payments and to pay City administrative costs associated with special improvement districts. After all special assessment debt secured by this fund is paid, the City may also transfer monies to the City Capital Projects Fund or other improvement districts to finance, acquire, or construct other public improvements.

Aurora Urban Renewal Authority (AURA) Debt Service Fund

The City created AURA to redevelop and support areas within the City that are considered blighted. This fund accounts for the payment of principal, interest, and agency fees for the AURA tax increment revenue bonds. Monies in excess of those needed for the repayment of the revenue bonds may be used to pay other obligations of AURA.

Aurora Capital Leasing Corporation (ACLCL) Debt Service Fund

ACLCL is a non-profit corporation established to finance City capital projects, primarily buildings. This fund accounts for the principal and interest payments on certificates of participation issued by ACLCL. Revenues are from lease payments (transfers) from the General Fund.

CITY OF AURORA, COLORADO
NON-MAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2008

| | <u>City Debt</u> | <u>SID Debt</u> | <u>Surplus and</u> | <u>AURA Debt</u> | <u>ACLC Debt</u> | <u>Total</u> |
|--------------------------------------|---------------------|---------------------|--------------------|---------------------|----------------------|----------------------|
| | <u>Service</u> | <u>Service</u> | <u>Deficiency</u> | <u>Service</u> | <u>Service</u> | <u>Non-major</u> |
| | | | | | | <u>Debt</u> |
| | | | | | | <u>Service</u> |
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ — | \$ 62,218 | \$ 196,848 | \$ 244,227 | \$ — | \$ 503,293 |
| Investments | — | 157,324 | 614,174 | 761,999 | — | 1,533,497 |
| Receivables (net of allowance) | | | | | | — |
| Other receivable | — | 2,069,376 | 74,820 | — | — | 2,144,196 |
| Restricted assets | | | | | | |
| Cash & Equivalent | 469,646 | — | — | — | 1,184,327 | 1,653,973 |
| Investments | 1,465,317 | 36,800 | — | — | 9,157,215 | 10,659,332 |
| Tax receivable | 6,364,129 | — | — | — | — | 6,364,129 |
| Interest receivable | — | — | — | — | 22,992 | 22,992 |
| Total assets | <u>\$ 8,299,092</u> | <u>\$ 2,325,718</u> | <u>\$ 885,842</u> | <u>\$ 1,006,226</u> | <u>\$ 10,364,534</u> | <u>\$ 22,881,412</u> |
| LIABILITIES AND FUND BALANCES | | | | | | |
| <i>Liabilities</i> | | | | | | |
| Accounts payable | \$ — | \$ — | \$ — | \$ 102,049 | \$ 34,607 | \$ 136,656 |
| Deferred revenues | 6,364,129 | 2,069,376 | 74,820 | — | — | 8,508,325 |
| Total liabilities | <u>6,364,129</u> | <u>2,069,376</u> | <u>74,820</u> | <u>102,049</u> | <u>34,607</u> | <u>8,644,981</u> |
| <i>Fund balances</i> | | | | | | |
| <i>Reserved for</i> | | | | | | |
| Debt service | 1,892,149 | 36,800 | — | — | 10,258,933 | 12,187,882 |
| Arbitrage | 42,814 | — | — | — | 70,994 | 113,808 |
| <i>Unreserved</i> | | | | | | |
| Designated | — | 26,565 | 226,750 | — | — | 253,315 |
| Undesignated | — | 192,977 | 584,272 | 904,177 | — | 1,681,426 |
| Total fund balances | <u>1,934,963</u> | <u>256,342</u> | <u>811,022</u> | <u>904,177</u> | <u>10,329,927</u> | <u>14,236,431</u> |
| Total liabilities and fund balances | <u>\$ 8,299,092</u> | <u>\$ 2,325,718</u> | <u>\$ 885,842</u> | <u>\$ 1,006,226</u> | <u>\$ 10,364,534</u> | <u>\$ 22,881,412</u> |

CITY OF AURORA, COLORADO

NON-MAJOR DEBT SERVICE FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2008**

| | City Debt Service | SID Debt Service | Surplus and Deficiency | AURA Debt Service | ACLIC Debt Service | Total Non-major Debt Service |
|--|------------------------------|-----------------------------|-----------------------------------|------------------------------|-------------------------------|---|
| REVENUES | | | | | | |
| <i>Taxes</i> | | | | | | |
| Sales | \$ — | \$ — | \$ — | \$ 940,155 | \$ — | \$ 940,155 |
| Property | 6,388,039 | — | — | 123,668 | — | 6,511,707 |
| Occupational privilege | — | — | — | 320,120 | — | 320,120 |
| Total taxes | 6,388,039 | — | — | 1,383,943 | — | 7,771,982 |
| Special assessments | — | 330,100 | 16,347 | — | — | 346,447 |
| Investment earnings | 173,615 | 132,621 | 39,466 | 37,686 | 580,527 | 963,915 |
| Total revenues | 6,561,654 | 462,721 | 55,813 | 1,421,629 | 580,527 | 9,082,344 |
| EXPENDITURES | | | | | | |
| <i>Current</i> | | | | | | |
| General government | 82,080 | 40,154 | 3,266 | — | 908,909 | 1,034,409 |
| Economic development | — | — | — | 851,596 | — | 851,596 |
| Principal | 5,770,000 | 210,000 | — | — | 6,220,000 | 12,200,000 |
| Interest and fiscal charges | 2,205,274 | 79,814 | — | — | 5,571,496 | 7,856,584 |
| Total expenditures | 8,057,354 | 329,968 | 3,266 | 851,596 | 12,700,405 | 21,942,589 |
| Excess (deficiency) of revenues over (under) expenditures | (1,495,700) | 132,753 | 52,547 | 570,033 | (12,119,878) | (12,860,245) |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 1,761,100 | — | — | — | 10,973,543 | 12,734,643 |
| Transfers out | — | — | (20,750) | (75,000) | — | (95,750) |
| Refunded COPs issued | — | — | — | — | 68,540,000 | 68,540,000 |
| Payment to escrow agent | — | — | — | — | (60,635,390) | (60,635,390) |
| Total other financing sources (uses) | 1,761,100 | — | (20,750) | (75,000) | 18,878,153 | 20,543,503 |
| NET CHANGE IN FUND BALANCES | 265,400 | 132,753 | 31,797 | 495,033 | 6,758,275 | 7,683,258 |
| FUND BALANCES - January 1 | 1,669,563 | 123,589 | 779,225 | 409,144 | 3,571,652 | 6,553,173 |
| FUND BALANCES - December 31 | \$ 1,934,963 | \$ 256,342 | \$ 811,022 | \$ 904,177 | \$ 10,329,927 | \$ 14,236,431 |

OTHER (NON-MAJOR) GOVERNMENTAL FUNDS CAPITAL PROJECTS FUNDS

City Capital Projects Fund

The City Capital Projects Fund accounts for the financial resources used for the construction and acquisition of major capital projects such as streets, parks, information systems and City facilities. Funding sources include: General Fund transfers and participation revenue from outside sources. In 2005 the Bond Proceeds Fund was created to account for new projects financed from bond proceeds. Ongoing bond projects from previous years will continue to be recorded in the City Capital Projects Fund until completed.

Bond Proceeds Fund

The Bond Proceeds Fund accounts for proceeds from the issuance of bonds and the accumulated earnings on those proceeds. These monies will be used to finance improvements as outlined in the related bond documents and are restricted for those purposes. Ongoing bond projects from previous years will continue to be accounted for in the City Capital Projects Fund until completed.

Building Repair Fund

The Building Repair Fund accounts for monies of the City used for major repairs and maintenance, renovations, remodeling and expansion of City-operated buildings and other similar facilities, whether owned or leased. Revenues are from operating transfers from the City Capital Projects Fund.

Aurora Capital Leasing Corporation (ACLC) Capital Projects Fund

The ACLC Capital Projects Fund accounts for financial resources used by ACLC for the construction of City facilities and certain public safety vehicles and communication systems. Funding for these projects is provided by proceeds of certificates of participation issued by ACLC.

CITY OF AURORA, COLORADO
NON-MAJOR CAPITAL PROJECTS
COMBINING BALANCE SHEET
DECEMBER 31, 2008

| | <u>City Capital Projects</u> | <u>Bond Proceeds</u> | <u>Building Repair</u> | <u>ACLC Capital Projects</u> | <u>Total Non-major Capital Projects</u> |
|--------------------------------------|----------------------------------|--------------------------|----------------------------|----------------------------------|---|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 5,217,607 | \$ 380,453 | \$ 258,019 | \$ — | \$ 5,856,079 |
| Investments | 17,371,750 | — | 805,033 | — | 18,176,783 |
| Receivables (net of allowance) | | | | | |
| Accounts receivable | 538,917 | — | — | — | 538,917 |
| Interest receivable | 166,073 | — | — | — | 166,073 |
| Restricted assets | | | | | |
| Cash & equivalents | 798,583 | — | — | 1,924,564 | 2,723,147 |
| Investments | 1,327,003 | — | — | — | 1,327,003 |
| Accounts receivable | 604,506 | — | — | — | 604,506 |
| Interest receivable | — | — | — | 769 | 769 |
| Due from other governments | 866,183 | — | — | — | 866,183 |
| Notes receivable | 816,109 | — | — | — | 816,109 |
| Total assets | <u>\$ 27,706,731</u> | <u>\$ 380,453</u> | <u>\$ 1,063,052</u> | <u>\$ 1,925,333</u> | <u>\$ 31,075,569</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| <i>Liabilities</i> | | | | | |
| Accounts payable | \$ 1,477,053 | \$ 147,939 | \$ 152,023 | \$ — | \$ 1,777,015 |
| Due to other funds | — | — | — | — | — |
| Deferred revenues | 816,109 | — | — | — | 816,109 |
| Total liabilities | <u>2,293,162</u> | <u>147,939</u> | <u>152,023</u> | <u>—</u> | <u>2,593,124</u> |
| <i>Fund balances</i> | | | | | |
| <i>Reserved for</i> | | | | | |
| Encumbrances | 2,112,759 | — | 93,123 | — | 2,205,882 |
| Construction | 2,175,512 | — | — | 1,925,333 | 4,100,845 |
| Gifts and grants | 1,262,600 | — | — | — | 1,262,600 |
| <i>Unreserved</i> | | | | | |
| Designated | 19,601,010 | 200,546 | 736,651 | — | 20,538,207 |
| Undesignated | 261,688 | 31,968 | 81,255 | — | 374,911 |
| Total fund balances | <u>25,413,569</u> | <u>232,514</u> | <u>911,029</u> | <u>1,925,333</u> | <u>28,482,445</u> |
| Total liabilities and fund balances | <u>\$ 27,706,731</u> | <u>\$ 380,453</u> | <u>\$ 1,063,052</u> | <u>\$ 1,925,333</u> | <u>\$ 31,075,569</u> |

CITY OF AURORA, COLORADO

NON-MAJOR CAPITAL PROJECTS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2008**

| | City Capital Projects | Bond Proceeds | Building Repair | ACLC Capital Projects | Total Non-major Capital Projects |
|---|----------------------------------|--------------------------|----------------------------|----------------------------------|---|
| REVENUES | | | | | |
| Charges for services | \$ — | \$ — | \$ 45,000 | \$ — | \$ 45,000 |
| Fines and forfeitures | 300 | — | — | — | 300 |
| Intergovernmental | 3,215,311 | — | — | — | 3,215,311 |
| Miscellaneous | 1,363,704 | — | — | — | 1,363,704 |
| Investment earnings | 1,069,029 | 17,555 | 23,044 | 37,613 | 1,147,241 |
| | <u>5,648,344</u> | <u>17,555</u> | <u>68,044</u> | <u>37,613</u> | <u>5,771,556</u> |
| Total revenues | | | | | |
| EXPENDITURES | | | | | |
| <i>Current</i> | | | | | |
| General government | 880,394 | — | 1,458,491 | — | 2,338,885 |
| Police | — | 35,640 | — | — | 35,640 |
| Fire | 1,835 | — | — | — | 1,835 |
| Other public safety | 75,000 | — | — | — | 75,000 |
| Public works | 2,933,623 | — | — | — | 2,933,623 |
| Economic development | 77,986 | — | — | — | 77,986 |
| Culture and recreation | 245,660 | 77,694 | — | — | 323,354 |
| Capital outlay | 16,159,612 | 176,773 | 463,503 | 210,048 | 17,009,936 |
| | <u>20,374,110</u> | <u>290,107</u> | <u>1,921,994</u> | <u>210,048</u> | <u>22,796,259</u> |
| Total expenditures | | | | | |
| Deficiency of revenues under expenditures | (14,725,766) | (272,552) | (1,853,950) | (172,435) | (17,024,703) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 14,427,075 | — | 1,858,800 | — | 16,285,875 |
| Transfers out | (3,983,270) | — | — | — | (3,983,270) |
| | <u>10,443,805</u> | <u>—</u> | <u>1,858,800</u> | <u>—</u> | <u>12,302,605</u> |
| Total other financing sources (uses) | | | | | |
| NET CHANGE IN FUND BALANCES | (4,281,961) | (272,552) | 4,850 | (172,435) | (4,722,098) |
| FUND BALANCES - January 1 | 29,695,530 | 505,066 | 906,179 | 2,097,768 | 33,204,543 |
| FUND BALANCES - December 31 | <u>\$ 25,413,569</u> | <u>\$ 232,514</u> | <u>\$ 911,029</u> | <u>\$ 1,925,333</u> | <u>\$ 28,482,445</u> |

INTERNAL SERVICE FUNDS

Internal Service Funds account for centralized acquisition of supplies and services. Revenues are from user charges to funds and departments, which are calculated on a cost-reimbursement basis.

Fleet Management Fund

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

Print Shop Fund

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

Risk Management Fund

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

CITY OF AURORA, COLORADO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
DECEMBER 31, 2008

| | Fleet Management | Print Shop | Risk Management | Total Internal Service |
|--|-----------------------------|-----------------------|----------------------------|---------------------------------------|
| ASSETS | | | | |
| <i>Current assets</i> | | | | |
| Cash and cash equivalents | \$ 298,790 | \$ 94,804 | \$ 4,087,098 | \$ 4,480,692 |
| Investments | 932,240 | 295,793 | 12,751,947 | 13,979,980 |
| Receivables (net of allowance) | | | | |
| Interest receivable | — | — | 144,409 | 144,409 |
| Other receivables | — | 1,800 | — | 1,800 |
| Inventories | 592,563 | 23,140 | — | 615,703 |
| Total current assets | 1,823,593 | 415,537 | 16,983,454 | 19,222,584 |
| <i>Capital assets, (net of accumulated depreciation)</i> | | | | |
| Infrastructure | 348,859 | — | — | 348,859 |
| Machinery and equipment | 93,836 | 56,639 | — | 150,475 |
| Total capital assets | 442,695 | 56,639 | — | 499,334 |
| Total assets | 2,266,288 | 472,176 | 16,983,454 | 19,721,918 |
| LIABILITIES | | | | |
| <i>Current liabilities</i> | | | | |
| Accounts payable | 482,578 | 89,692 | 89,819 | 662,089 |
| Current portion long-term liabilities | 6,832 | 282 | 3,743,814 | 3,750,928 |
| Total current liabilities | 489,410 | 89,974 | 3,833,633 | 4,413,017 |
| <i>Noncurrent liabilities</i> | | | | |
| Due beyond one year | 310,118 | 12,069 | 2,770,833 | 3,093,020 |
| Total liabilities | 799,528 | 102,043 | 6,604,466 | 7,506,037 |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | 442,695 | 56,639 | — | 499,334 |
| Unrestricted | 1,024,065 | 313,494 | 10,378,988 | 11,716,547 |
| Total net assets | \$ 1,466,760 | \$ 370,133 | \$ 10,378,988 | \$ 12,215,881 |

CITY OF AURORA, COLORADO

INTERNAL SERVICE FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2008**

| | Fleet Management | Print Shop | Risk Management | Total Internal Service |
|--|-----------------------------|-----------------------|----------------------------|---------------------------------------|
| OPERATING REVENUES | | | | |
| Charges for services | \$ 8,156,961 | \$ 575,335 | \$ 7,298,746 | \$ 16,031,042 |
| OPERATING EXPENSES | | | | |
| Cost of sales and service | 7,738,287 | 628,233 | 2,428,775 | 10,795,295 |
| Claims losses | — | — | 3,013,793 | 3,013,793 |
| Administrative expenses | 55,605 | 29,875 | 45,731 | 131,211 |
| Depreciation | 56,954 | 13,682 | — | 70,636 |
| Total operating expenses | <u>7,850,846</u> | <u>671,790</u> | <u>5,488,299</u> | <u>14,010,935</u> |
| Operating income (loss) | <u>306,115</u> | <u>(96,455)</u> | <u>1,810,447</u> | <u>2,020,107</u> |
| NON-OPERATING REVENUES (EXPENSES) | | | | |
| Investment earnings | 24,047 | 15,352 | 639,155 | 678,554 |
| Miscellaneous revenues | 8,929 | — | 364,184 | 373,113 |
| Net nonoperating revenues | <u>32,976</u> | <u>15,352</u> | <u>1,003,339</u> | <u>1,051,667</u> |
| Income (loss) before transfers | 339,091 | (81,103) | 2,813,786 | 3,071,774 |
| Capital contributions | — | 58,908 | — | 58,908 |
| Transfers in | 10,000 | — | — | 10,000 |
| CHANGE IN NET ASSETS | 349,091 | (22,195) | 2,813,786 | 3,140,682 |
| NET ASSETS - January 1 | <u>1,117,669</u> | <u>392,328</u> | <u>7,565,202</u> | <u>9,075,199</u> |
| NET ASSETS - December 31 | <u>\$ 1,466,760</u> | <u>\$ 370,133</u> | <u>\$ 10,378,988</u> | <u>\$ 12,215,881</u> |

CITY OF AURORA, COLORADO

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2008**

| | Fleet Management | Print Shop | Risk Management | Total Internal Service |
|---|-----------------------------|-----------------------|----------------------------|---------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| <i>Cash received from:</i> | | | | |
| Customers and others | \$ 78,916 | \$ 3,827 | \$ 364,184 | \$ 446,927 |
| Interfund services provided and used | 8,135,706 | 571,508 | 7,298,746 | 16,005,960 |
| <i>Cash payments to:</i> | | | | |
| Employees | (2,360,903) | (203,036) | (671,645) | (3,235,584) |
| Suppliers of goods and services | (5,375,767) | (443,941) | (5,549,797) | (11,369,505) |
| Net cash provided by (used in) operating activities | <u>477,952</u> | <u>(71,642)</u> | <u>1,441,488</u> | <u>1,847,798</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Cash transfers in | 10,000 | — | — | 10,000 |
| Net cash provided by financing activities | <u>10,000</u> | <u>—</u> | <u>—</u> | <u>10,000</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Increase in equity in pooled investments | (551,689) | (61,246) | (4,963,801) | (5,576,736) |
| Interest received | 18,612 | 13,944 | 530,598 | 563,154 |
| Net cash provided by investing activities | <u>(533,077)</u> | <u>(47,302)</u> | <u>(4,433,203)</u> | <u>(5,013,582)</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | (45,125) | (118,944) | (2,991,715) | (3,155,784) |
| TOTAL CASH AND CASH EQUIVALENTS, January 1 | <u>343,915</u> | <u>213,748</u> | <u>7,078,813</u> | <u>7,636,476</u> |
| TOTAL CASH AND CASH EQUIVALENTS, December 31 | <u>\$ 298,790</u> | <u>\$ 94,804</u> | <u>\$ 4,087,098</u> | <u>\$ 4,480,692</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | | | | |
| Operating income (loss) | \$ 306,115 | \$ (96,455) | \$ 1,810,447 | \$ 2,020,107 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities | | | | |
| Depreciation | 56,954 | 13,682 | — | 70,636 |
| Miscellaneous nonoperating revenues | 8,928 | — | 364,184 | 373,112 |
| <i>Changes in operating assets and liabilities</i> | | | | |
| Receivables | 48,732 | — | — | 48,732 |
| Inventories | 24,626 | 6,317 | — | 30,943 |
| Accounts payable other current liabilities | 32,597 | 4,814 | (733,142) | (695,731) |
| Total adjustments | <u>171,837</u> | <u>24,813</u> | <u>(368,958)</u> | <u>(172,308)</u> |
| Net cash provided by (used in) operating activities | <u>\$ 477,952</u> | <u>\$ (71,642)</u> | <u>\$ 1,441,489</u> | <u>\$ 1,847,799</u> |
| NONCASH INVESTING, CAPITAL AND AND FINANCING ACTIVITIES | | | | |
| Contribution of capital assets | \$ — | \$ 58,908 | \$ — | \$ 58,908 |
| Increase in fair value of investments | 5,436 | 1,407 | 67,144 | 73,987 |



PENSION TRUST FUNDS

Pension trust funds account for the activities and accumulation of resources to pay retirement benefits for elected officials, council appointees and employees.

General Employees' Retirement Plan Fund (GERP)

The GERP Fund (component unit) accounts for the accumulation of resources and the payment of retirement benefits to qualified City employees.

Elected Officials' and Executive Personnel Defined Benefit Plan Fund (EOEP)

The EOEP Fund (component unit) accounts for the accumulation of resources and the payment of retirement benefits to qualified elected officials and executive personnel of the City.

CITY OF AURORA, COLORADO
PENSION TRUST FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
DECEMBER 31, 2008

| | GERP | EOEP | Total Pension Trust |
|---|-----------------------|---------------------|--------------------------------|
| ASSETS | | | |
| <i>Current assets</i> | | | |
| Cash and cash equivalents | \$ 4,929,798 | \$ 51,587 | \$ 4,981,385 |
| Investments | | | |
| Equity securities and funds | 108,645,736 | 1,323,713 | 109,969,449 |
| U.S. government and U.S. government agency obligations | 31,954,393 | — | 31,954,393 |
| Corporate bonds and funds | 64,402,070 | 1,307,385 | 65,709,455 |
| Real estate funds | 20,543,795 | 260,311 | 20,804,106 |
| Alternative investments | 15,369,675 | — | 15,369,675 |
| Receivables (net of allowance) | | | |
| Interest receivable | 955,674 | 2,087 | 957,761 |
| Due from other governments | 363,250 | — | 363,250 |
| Other receivables | — | 1,880 | 1,880 |
| Total assets | 247,164,391 | 2,946,963 | 250,111,354 |
| LIABILITIES | | | |
| <i>Current Liabilities</i> | | | |
| Accounts payable | 479,553 | 6,435 | 485,988 |
| Total liabilities | 479,553 | 6,435 | 485,988 |
| NET ASSETS | | | |
| Held in trust for pension benefits | 246,684,838 | 2,940,528 | 249,625,366 |
| Total net assets | \$ 246,684,838 | \$ 2,940,528 | \$ 249,625,366 |

CITY OF AURORA, COLORADO

PENSION TRUST FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2008

| | GERP | EOEP | Total Pension Trust |
|----------------------------|----------------|--------------|--------------------------------|
| ADDITIONS | | | |
| <i>Contributions</i> | | | |
| City | \$ 4,826,337 | \$ 351,991 | \$ 5,178,328 |
| Plan members | 4,831,706 | — | 4,831,706 |
| Total contributions | 9,658,043 | 351,991 | 10,010,034 |
| <i>Investment activity</i> | | | |
| Investment loss | (66,835,243) | (832,281) | (67,667,524) |
| Investment expense | (619,190) | (12,259) | (631,449) |
| Net investment loss | (67,454,433) | (844,540) | (68,298,973) |
| Other income | 11,621 | — | 11,621 |
| Total additions | (57,784,769) | (492,549) | (58,277,318) |
| DEDUCTIONS | | | |
| Benefits | 11,729,576 | 162,740 | 11,892,316 |
| Administrative expenses | 538,577 | 11,169 | 549,746 |
| Total deductions | 12,268,153 | 173,909 | 12,442,062 |
| CHANGE IN NET ASSETS | (70,052,922) | (666,458) | (70,719,380) |
| NET ASSETS - January 1 | 316,737,760 | 3,606,986 | 320,344,746 |
| NET ASSETS - December 31 | \$ 246,684,838 | \$ 2,940,528 | \$ 249,625,366 |

AGENCY FUND

Payroll Clearing Fund

The City has one agency fund, the Payroll Clearing Fund, which provides for the consolidation of all payroll liabilities after the recording of related payroll expenditures/expenses into the appropriate funds.

CITY OF AURORA, COLORADO

AGENCY FUND

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2008**

| | Payroll Clearing Fund | | | |
|---|------------------------------|-----------------------|-------------------------|--------------------------------|
| | Balance January 1 | Additions | Deductions | Balance December 31 |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 334,664 | \$ 226,840,580 | \$ (226,864,085) | \$ 311,159 |
| Total assets | <u>\$ 334,664</u> | <u>\$ 226,840,580</u> | <u>\$ (226,864,085)</u> | <u>\$ 311,159</u> |
| LIABILITIES | | | | |
| Accounts payable and other current liabilities | \$ 334,664 | \$ 451,555,641 | \$ (451,579,146) | \$ 311,159 |
| Total liabilities | <u>\$ 334,664</u> | <u>\$ 451,555,641</u> | <u>\$ (451,579,146)</u> | <u>\$ 311,159</u> |



**SCHEDULES OF SOURCES, USES AND CHANGES
IN FUNDS AVAILABLE –BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)**



CITY OF AURORA, COLORADO

GENERAL FUND

SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2008

| | Budgets | | Budgetary Actual | Variance with Final |
|---------------------------------|---------------|---------------|---------------------|------------------------|
| | Original | Final | | |
| SOURCES | | | | |
| Taxes | | | | |
| Property | \$ 25,747,372 | \$ 25,747,372 | \$ 26,007,344 | \$ 259,972 |
| Sales | 129,337,084 | 129,337,084 | 125,895,660 | (3,441,424) |
| Use | 28,774,406 | 28,774,406 | 22,700,521 | (6,073,885) |
| Lodgers | 4,570,118 | 4,570,118 | 4,677,825 | 107,707 |
| Franchise | 12,084,819 | 12,084,819 | 13,037,994 | 953,175 |
| Other | 10,970,989 | 10,970,989 | 8,977,638 | (1,993,351) |
| | | | | |
| Total taxes | 211,484,788 | 211,484,788 | 201,296,982 | (10,187,806) |
| | | | | |
| Intergovernmental | 10,606,925 | 10,606,925 | 10,722,674 | 115,749 |
| Licenses and permits | 3,006,765 | 3,006,765 | 2,508,560 | (498,205) |
| Charges for services | 8,003,023 | 8,003,023 | 7,601,310 | (401,713) |
| Fines and forfeitures | 6,696,024 | 6,696,024 | 6,406,220 | (289,804) |
| Investment income | 1,559,856 | 1,559,856 | 1,018,719 | (541,137) |
| Other revenues | 1,011,580 | 1,011,580 | 1,042,271 | 30,691 |
| Proceeds from sales of assets | 210,000 | 210,000 | 255,622 | 45,622 |
| Transfers in | 3,266,123 | 3,127,144 | 2,848,379 | (278,765) |
| | | | | |
| TOTAL SOURCES | 245,845,084 | 245,706,105 | 233,700,737 | (12,005,368) |
| USES | | | | |
| <i>Municipal Court</i> | | | | |
| Judicial | 2,100,970 | 2,146,565 | 1,932,944 | 213,621 |
| Court Administration | 6,905,041 | 7,152,984 | 7,152,978 | 6 |
| Public Defender | 611,277 | 630,214 | 627,212 | 3,002 |
| | | | | |
| Total municipal court | 9,617,288 | 9,929,763 | 9,713,134 | 216,629 |
| | | | | |
| <i>City Attorney</i> | 4,800,914 | 4,935,696 | 4,873,897 | 61,799 |
| | | | | |
| <i>General Management Group</i> | | | | |
| City Council | 1,016,862 | 1,030,187 | 901,210 | 128,977 |
| Civil Service | 549,699 | 601,135 | 601,134 | 1 |
| General Management | 1,393,587 | 1,419,279 | 1,372,791 | 46,488 |
| Communications | 832,175 | 851,704 | 795,886 | 55,818 |
| Management Support | 1,049,555 | 1,073,954 | 1,039,726 | 34,228 |
| Development Services | 961,953 | 970,851 | 790,329 | 180,522 |
| | | | | |
| Total general management group | 5,803,831 | 5,947,110 | 5,501,076 | 446,034 |

| | Budgets | | Budgetary Actual | Variance with Final |
|--|-----------------|--------------|-----------------------------|--------------------------------|
| | Original | Final | | |
| <i>Administrative Services Group</i> | | | | |
| Management Support | \$ 431,421 | \$ 448,756 | \$ 397,586 | \$ 51,170 |
| Human Resources | 1,555,496 | 1,528,443 | 1,434,168 | 94,275 |
| Finance | 5,432,576 | 5,539,456 | 5,182,880 | 356,576 |
| Information Technology | 7,107,310 | 7,207,585 | 6,936,938 | 270,647 |
| Internal Services | 10,161,710 | 10,244,361 | 8,486,217 | 1,758,144 |
| Total administrative services group | 24,688,513 | 24,968,601 | 22,437,789 | 2,530,812 |
| <i>Operations Group</i> | | | | |
| Public Works | 19,892,074 | 20,171,589 | 20,120,579 | 51,010 |
| Parks and Open Space | 13,968,740 | 13,966,494 | 13,489,395 | 477,099 |
| Planning | 1,312,523 | 1,341,031 | 1,173,075 | 167,956 |
| Total operations group | 35,173,337 | 35,479,114 | 34,783,049 | 696,065 |
| <i>Community Services Group</i> | | | | |
| Library, Recreation and Cultural Services | 13,067,228 | 13,173,719 | 12,783,535 | 390,184 |
| Police | 75,542,247 | 75,603,513 | 75,256,741 | 346,772 |
| Public Safety Communications | 5,586,950 | 5,718,595 | 5,410,272 | 308,323 |
| Fire | 33,328,454 | 33,347,840 | 33,196,170 | 151,670 |
| Neighborhood Services | 3,658,730 | 3,678,521 | 3,557,432 | 121,089 |
| Total community services group | 131,183,609 | 131,522,188 | 130,204,150 | 1,318,038 |
| <i>Non-departmental</i> | 37,425,430 | 36,822,646 | 30,619,823 | 6,202,823 |
| TOTAL USES | 248,692,922 | 249,605,118 | 238,132,918 | 11,472,200 |
| CHANGE IN FUNDS AVAILABLE | (2,847,838) | (3,899,013) | (4,432,181) | (533,168) |
| FUNDS AVAILABLE - January 1 | 8,468,484 | 9,585,220 | 9,585,220 | — |
| FUNDS AVAILABLE - December 31 | \$ 5,620,646 | \$ 5,686,207 | 5,153,039 | \$ (533,168) |
| Less: Designations | | | (5,153,039) | |
| FUNDS AVAILABLE FOR APPROPRIATION AFTER RESERVATIONS AND COUNCIL DESIGNATIONS - December 31 | | | \$ — | |
| RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE | | | | |
| FUNDS AVAILABLE (BUDGETARY BASIS) - December 31 | | | \$ 5,153,039 | |
| Add: Sales, use and lodgers tax accrual | | | 17,045,414 | |
| Current year encumbrances | | | 559,347 | |
| Less: Adjustment of investments to fair value | | | 34,518 | |
| FUND BALANCE (U.S. GAAP BASIS) - DECEMBER 31 | | | \$ 22,792,318 | |

CITY OF AURORA, COLORADO

SPECIAL REVENUE FUNDS

SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2008

| | Gifts and Grants | | | |
|--|---------------------|---------------------|---------------------|-------------------|
| | Budgets | | Budgetary | Variance |
| | Original | Final | Actual | with Final |
| SOURCES | | | | |
| Property taxes | \$ — | \$ — | \$ — | \$ — |
| Sales and Use taxes | — | — | — | — |
| Intergovernmental revenues | 3,073,010 | 3,803,847 | 4,232,933 | 429,086 |
| Licenses and permits | — | — | — | — |
| Charges for services | — | 45,000 | 127,474 | 82,474 |
| Fines and forfeitures | — | — | 945 | 945 |
| Investment income | 1,100 | 78,532 | 66,829 | (11,703) |
| Miscellaneous revenues | 1,999,807 | 1,845,687 | 446,506 | (1,399,181) |
| Proceeds from sale of assets | — | — | 5,264 | 5,264 |
| Transfers in | — | 14,400 | 14,400 | — |
| TOTAL SOURCES | 5,073,917 | 5,787,466 | 4,894,351 | (893,115) |
| USES | | | | |
| <i>Operating Costs</i> | | | | |
| Municipal Court | 14,000 | 14,000 | 7,406 | 6,594 |
| General Management Group | 171,500 | 171,500 | 97,019 | 74,481 |
| Administrative Services Group | — | — | — | — |
| Operations Group | 510,000 | 539,967 | 72,096 | 467,871 |
| Community Services Group | 4,067,617 | 4,825,087 | 3,923,585 | 901,502 |
| Non-Departmental | 842 | 122 | (6,101) | 6,223 |
| <i>Continuing Appropriations</i> | | | | |
| General Management Group | — | — | — | — |
| Administrative Services Group | — | — | — | — |
| Community Services Group | — | — | — | — |
| Operations Group | 1,211,062 | 1,652,545 | 1,652,545 | — |
| Non-Departmental | — | — | — | — |
| TOTAL USES | 5,975,021 | 7,203,221 | 5,746,550 | 1,456,671 |
| CHANGE IN FUNDS AVAILABLE | (901,104) | (1,415,755) | (852,199) | 563,556 |
| FUNDS AVAILABLE - January 1 | 3,663,125 | 3,828,716 | 3,828,716 | — |
| FUNDS AVAILABLE - December 31 | \$ 2,762,021 | \$ 2,412,961 | 2,976,517 | \$ 563,556 |
| Less: Reservations | | | (2,976,517) | |
| Designations | | | — | |
| FUNDS AVAILABLE FOR APPROPRIATION AFTER RESERVATIONS AND COUNCIL DESIGNATIONS - December 31 | | | \$ — | |
| RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE | | | | |
| FUNDS AVAILABLE (BUDGETARY BASIS) - December 31 | | | \$ 2,976,517 | |
| Add: Current year operating encumbrances | | | 172,955 | |
| Carryforward of continuing appropriations | | | 1,808,068 | |
| Seizure funds | | | 898,184 | |
| Adjust investments to fair value | | | — | |
| Assets not available for appropriations | | | — | |
| Less: Deferred revenue - Federal grants | | | (2,981,574) | |
| FUND BALANCE (U.S. GAAP BASIS) - December 31 | | | \$ 2,874,150 | |

| Development Review | | | | Abatement | | | |
|---------------------|---------------------|---------------------|-----------------------|-------------------|-------------------|---------------------|-------------------|
| Budgets | | Budgetary | Variance | Budgets | | Budgetary | Variance |
| Original | Final | Actual | with Final | Original | Final | Actual | with Final |
| \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — |
| 7,938,977 | 7,938,977 | 6,245,855 | (1,693,122) | — | — | — | — |
| 1,707,651 | 1,707,651 | 958,378 | (749,273) | 709,225 | 1,056,625 | 869,478 | (187,147) |
| — | — | — | — | — | — | — | — |
| 226,940 | 226,940 | 155,409 | (71,531) | 18,000 | 14,000 | 22,720 | 8,720 |
| 560 | 560 | 41,441 | 40,881 | — | — | — | — |
| — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — |
| <u>9,874,128</u> | <u>9,874,128</u> | <u>7,401,083</u> | <u>(2,473,045)</u> | <u>727,225</u> | <u>1,070,625</u> | <u>892,198</u> | <u>(178,427)</u> |
| — | — | — | — | — | — | — | — |
| 5,291,823 | 5,439,068 | 5,310,457 | 128,611 | — | — | — | — |
| — | — | — | — | — | — | — | — |
| 3,354,116 | 3,451,645 | 3,158,005 | 293,640 | 80,000 | 80,000 | 68,873 | 11,127 |
| — | — | — | — | 749,039 | 1,137,986 | 789,854 | 348,132 |
| 2,122,460 | 1,716,307 | 1,697,417 | 18,890 | 1,342 | — | — | — |
| — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — |
| <u>10,768,399</u> | <u>10,607,020</u> | <u>10,165,879</u> | <u>441,141</u> | <u>830,381</u> | <u>1,217,986</u> | <u>858,727</u> | <u>359,259</u> |
| (894,271) | (732,892) | (2,764,796) | (2,031,904) | (103,156) | (147,361) | 33,471 | 180,832 |
| <u>3,682,342</u> | <u>5,116,034</u> | <u>5,116,034</u> | <u>—</u> | <u>824,826</u> | <u>1,022,512</u> | <u>1,022,512</u> | <u>—</u> |
| <u>\$ 2,788,071</u> | <u>\$ 4,383,142</u> | <u>2,351,238</u> | <u>\$ (2,031,904)</u> | <u>\$ 721,670</u> | <u>\$ 875,151</u> | <u>1,055,983</u> | <u>\$ 180,832</u> |
| | | — | | | | — | |
| | | <u>(1,086,975)</u> | | | | <u>(254,151)</u> | |
| | | <u>\$ 1,264,263</u> | | | | <u>\$ 801,832</u> | |
| | | \$ 2,351,238 | | | | \$ 1,055,983 | |
| | | — | | | | 22,130 | |
| | | — | | | | — | |
| | | — | | | | — | |
| | | 13,725 | | | | — | |
| | | — | | | | — | |
| | | — | | | | — | |
| | | <u>\$ 2,364,963</u> | | | | <u>\$ 1,078,113</u> | |

CITY OF AURORA, COLORADO

SPECIAL REVENUE FUNDS

SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2008

| | Community Development | | | |
|--|-----------------------|------------------|------------------|------------------|
| | Budgets | | Budgetary | Variance |
| | Original | Final | Actual | with Final |
| SOURCES | | | | |
| Property taxes | \$ — | \$ — | \$ — | \$ — |
| Sales and Use taxes | — | — | — | — |
| Intergovernmental revenues | 3,756,353 | 3,756,353 | 3,614,701 | (141,652) |
| Licenses and permits | — | — | — | — |
| Charges for services | — | — | 3,235 | 3,235 |
| Fines and forfeitures | — | — | — | — |
| Investment income | — | — | — | — |
| Miscellaneous revenues | 825,000 | 825,000 | 215,118 | (609,882) |
| Proceeds from sale of assets | — | — | — | — |
| Transfers in | 273,324 | 266,286 | 266,286 | — |
| TOTAL SOURCES | 4,854,677 | 4,847,639 | 4,099,340 | (748,299) |
| USES | | | | |
| <i>Operating Costs</i> | | | | |
| Municipal Court | — | — | — | — |
| General Management Group | — | — | — | — |
| Administrative Services Group | — | — | — | — |
| Operations Group | — | — | — | — |
| Community Services Group | — | — | — | — |
| Non-Departmental | — | — | — | — |
| <i>Continuing Appropriations</i> | | | | |
| General Management Group | — | — | — | — |
| Administrative Services Group | — | — | — | — |
| Community Services Group | 4,854,677 | 4,099,340 | 4,099,340 | — |
| Operations Group | — | — | — | — |
| Non-Departmental | — | — | — | — |
| TOTAL USES | 4,854,677 | 4,099,340 | 4,099,340 | — |
| CHANGE IN FUNDS AVAILABLE | — | 748,299 | — | (748,299) |
| FUNDS AVAILABLE - January 1 | — | — | — | — |
| FUNDS AVAILABLE - December 31 | \$ — | \$ 748,299 | — | \$ (748,299) |
| Less: Reservations | | | — | |
| Designations | | | — | |
| FUNDS AVAILABLE FOR APPROPRIATION AFTER RESERVATIONS AND COUNCIL DESIGNATIONS - December 31 | | | \$ — | |
| RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE | | | | |
| FUNDS AVAILABLE (BUDGETARY BASIS) - December 31 | | | \$ — | |
| Add: Current year operating encumbrances | | | — | |
| Carryforward of continuing appropriations | | | 3,571,974 | |
| Seizure funds | | | — | |
| Adjust investments to fair value | | | — | |
| Assets not available for appropriations | | | — | |
| Less: Deferred revenue - Federal grants | | | (3,571,974) | |
| FUND BALANCE (U.S. GAAP BASIS) - December 31 | | | \$ — | |

| Enhanced E-911 | | | | Conservation Trust | | | |
|----------------|--------------|--------------|------------|--------------------|--------------|--------------|------------|
| Budgets | | Budgetary | Variance | Budgets | | Budgetary | Variance |
| Original | Final | Actual | with Final | Original | Final | Actual | with Final |
| \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| — | — | — | — | — | — | — | — |
| — | — | — | — | 2,845,300 | 2,845,300 | 3,100,329 | 255,029 |
| — | — | — | — | — | — | — | — |
| 2,461,000 | 2,461,000 | 2,783,717 | 322,717 | — | — | 5 | 5 |
| — | — | — | — | — | — | — | — |
| 114,366 | 114,366 | 193,227 | 78,861 | 180,000 | 180,000 | 242,046 | 62,046 |
| — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — |
| 1,710,000 | 1,710,000 | 1,710,000 | — | — | — | — | — |
| 4,285,366 | 4,285,366 | 4,686,944 | 401,578 | 3,025,300 | 3,025,300 | 3,342,380 | 317,080 |
| — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — |
| 2,192,718 | 2,201,846 | 1,744,611 | 457,235 | — | — | — | — |
| — | — | — | — | 537,867 | 607,734 | 534,543 | 73,191 |
| — | — | — | — | 32,438 | 32,438 | — | 32,438 |
| 11,058 | 1,930 | — | 1,930 | 8,930 | — | — | — |
| — | — | — | — | — | — | — | — |
| 2,431,492 | 2,431,492 | 2,431,492 | — | — | — | — | — |
| — | — | — | — | 660,717 | 132,257 | 132,257 | — |
| — | — | — | — | 1,190,000 | 1,190,000 | 1,190,000 | — |
| — | — | — | — | — | — | — | — |
| 4,635,268 | 4,635,268 | 4,176,103 | 459,165 | 2,429,952 | 1,962,429 | 1,856,800 | 105,629 |
| (349,902) | (349,902) | 510,841 | 860,743 | 595,348 | 1,062,871 | 1,485,580 | 422,709 |
| 4,220,343 | 4,581,099 | 4,581,099 | — | 2,443,872 | 2,838,497 | 2,838,497 | — |
| \$ 3,870,441 | \$ 4,231,197 | 5,091,940 | \$ 860,743 | \$ 3,039,220 | \$ 3,901,368 | 4,324,077 | \$ 422,709 |
| | | — | | | | — | |
| | | (1,211,937) | | | | (201,513) | |
| | | \$ 3,880,003 | | | | \$ 4,122,564 | |
| | | \$ 5,091,940 | | | | \$ 4,324,077 | |
| | | 101,726 | | | | — | |
| | | 1,191,520 | | | | 3,363,077 | |
| | | — | | | | — | |
| | | 33,082 | | | | 37,140 | |
| | | — | | | | — | |
| | | — | | | | — | |
| | | \$ 6,418,268 | | | | \$ 7,724,294 | |

CITY OF AURORA, COLORADO

SPECIAL REVENUE FUNDS

SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2008

| | Emergency Contingency | | | |
|--|-----------------------|-------------------|-------------------|-------------------|
| | Budgets | | Budgetary | Variance |
| | Original | Final | Actual | with Final |
| SOURCES | | | | |
| Property taxes | \$ — | \$ — | \$ — | \$ — |
| Sales and Use taxes | — | — | — | — |
| Intergovernmental revenues | — | — | — | — |
| Licenses and permits | — | — | — | — |
| Charges for services | — | — | — | — |
| Fines and forfeitures | — | — | — | — |
| Investment income | 38,378 | 38,378 | 32,125 | (6,253) |
| Miscellaneous revenues | — | — | — | — |
| Proceeds from sale of assets | — | — | — | — |
| Transfers in | — | — | — | — |
| TOTAL SOURCES | 38,378 | 38,378 | 32,125 | (6,253) |
| USES | | | | |
| <i>Operating Costs</i> | | | | |
| Municipal Court | — | — | — | — |
| General Management Group | — | — | — | — |
| Administrative Services Group | — | — | — | — |
| Operations Group | — | — | — | — |
| Community Services Group | — | — | — | — |
| Non-Departmental | 38,378 | 38,378 | 38,378 | — |
| <i>Continuing Appropriations</i> | | | | |
| General Management Group | — | — | — | — |
| Administrative Services Group | — | — | — | — |
| Community Services Group | — | — | — | — |
| Operations Group | — | — | — | — |
| Non-Departmental | — | — | — | — |
| TOTAL USES | 38,378 | 38,378 | 38,378 | — |
| CHANGE IN FUNDS AVAILABLE | — | — | (6,253) | (6,253) |
| FUNDS AVAILABLE - January 1 | 807,960 | 810,922 | 810,922 | — |
| FUNDS AVAILABLE - December 31 | <u>\$ 807,960</u> | <u>\$ 810,922</u> | 804,669 | <u>\$ (6,253)</u> |
| Less: Reservations | | | — | |
| Designations | | | — | |
| FUNDS AVAILABLE FOR APPROPRIATION AFTER RESERVATIONS AND COUNCIL DESIGNATIONS - December 31 | | | <u>\$ 804,669</u> | |
| RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE | | | | |
| FUNDS AVAILABLE (BUDGETARY BASIS) - December 31 | | | \$ 804,669 | |
| Add: Current year operating encumbrances | | | — | |
| Carryforward of continuing appropriations | | | — | |
| Seizure funds | | | — | |
| Adjust investments to fair value | | | 4,259 | |
| Assets not available for appropriations | | | — | |
| Less: Deferred revenue - Federal grants | | | — | |
| FUND BALANCE (U.S. GAAP BASIS) - December 31 | | | <u>\$ 808,928</u> | |

| Parks Development | | | | Arapahoe County Open Space | | | |
|---------------------|---------------------|---------------------|-----------------------|----------------------------|---------------------|---------------------|-------------------|
| Budgets | | Budgetary | Variance | Budgets | | Budgetary | Variance |
| Original | Final | Actual | with Final | Original | Final | Actual | with Final |
| \$ | — | \$ | — | \$ | — | \$ | — |
| — | — | — | — | — | — | — | — |
| — | — | — | — | 5,552,261 | 5,552,261 | 5,784,497 | 232,236 |
| — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — |
| 150,000 | 150,000 | 203,246 | 53,246 | 207,000 | 207,000 | 274,820 | 67,820 |
| 600,000 | 1,330,895 | (106,095) | (1,436,990) | — | — | — | — |
| — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — |
| 750,000 | 1,480,895 | 97,151 | (1,383,744) | 5,759,261 | 5,759,261 | 6,059,317 | 300,056 |
| — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — |
| 971,610 | 1,702,505 | 1,702,505 | — | 2,718,421 | 2,824,050 | 2,787,314 | 36,736 |
| — | — | — | — | 25,469 | 4,063 | — | 4,063 |
| — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — |
| — | — | — | — | 2,265,913 | 2,265,913 | 2,265,913 | — |
| — | — | — | — | — | — | — | — |
| 971,610 | 1,702,505 | 1,702,505 | — | 5,009,803 | 5,094,026 | 5,053,227 | 40,799 |
| (221,610) | (221,610) | (1,605,354) | (1,383,744) | 749,458 | 665,235 | 1,006,090 | 340,855 |
| 3,004,788 | 3,778,370 | 3,778,370 | — | 290,218 | 474,511 | 474,511 | — |
| <u>\$ 2,783,178</u> | <u>\$ 3,556,760</u> | 2,173,016 | <u>\$ (1,383,744)</u> | <u>\$ 1,039,676</u> | <u>\$ 1,139,746</u> | 1,480,601 | <u>\$ 340,855</u> |
| | | — | | | | — | |
| | | (441,039) | | | | (1,228,439) | |
| | | <u>\$ 1,731,977</u> | | | | <u>\$ 252,162</u> | |
| | | \$ 2,173,016 | | | | \$ 1,480,601 | |
| | | — | | | | — | |
| | | 2,442,375 | | | | 5,869,163 | |
| | | — | | | | — | |
| | | 25,069 | | | | 39,269 | |
| | | — | | | | 40,684 | |
| | | — | | | | — | |
| | | <u>\$ 4,640,460</u> | | | | <u>\$ 7,429,717</u> | |

CITY OF AURORA, COLORADO

SPECIAL REVENUE FUNDS

SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2008

| | Recreation Services | | | |
|--|---------------------|-------------------|-------------------|------------------|
| | Budgets | | Budgetary | Variance |
| | Original | Final | Actual | with Final |
| SOURCES | | | | |
| Property taxes | \$ — | \$ — | \$ — | \$ — |
| Sales and Use taxes | — | — | — | — |
| Intergovernmental revenues | — | — | — | — |
| Licenses and permits | — | — | — | — |
| Charges for services | 4,072,282 | 4,072,282 | 4,153,524 | 81,242 |
| Fines and forfeitures | — | — | — | — |
| Investment income | — | — | — | — |
| Miscellaneous revenues | 77,444 | 77,444 | 82,863 | 5,419 |
| Proceeds from sale of assets | — | — | — | — |
| Transfers in | 5,503,647 | 5,503,647 | 5,287,852 | (215,795) |
| TOTAL SOURCES | 9,653,373 | 9,653,373 | 9,524,239 | (129,134) |
| USES | | | | |
| <i>Operating Costs</i> | | | | |
| Municipal Court | — | — | — | — |
| General Management Group | — | — | — | — |
| Administrative Services Group | — | — | — | — |
| Operations Group | — | — | — | — |
| Community Services Group | 9,535,971 | 9,646,211 | 9,524,216 | 121,995 |
| Non-Departmental | 117,402 | 7,162 | — | 7,162 |
| <i>Continuing Appropriations</i> | | | | |
| General Management Group | — | — | — | — |
| Administrative Services Group | — | — | — | — |
| Community Services Group | — | — | — | — |
| Operations Group | — | — | — | — |
| Non-Departmental | — | — | — | — |
| TOTAL USES | 9,653,373 | 9,653,373 | 9,524,216 | 129,157 |
| CHANGE IN FUNDS AVAILABLE | — | — | 23 | 23 |
| FUNDS AVAILABLE - January 1 | 92,206 | 125,175 | 125,175 | — |
| FUNDS AVAILABLE - December 31 | <u>\$ 92,206</u> | <u>\$ 125,175</u> | 125,198 | <u>\$ 23</u> |
| Less: Reservations | | | — | |
| Designations | | | — | |
| FUNDS AVAILABLE FOR APPROPRIATION AFTER RESERVATIONS AND COUNCIL DESIGNATIONS - December 31 | | | <u>\$ 125,198</u> | |
| RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE | | | | |
| FUNDS AVAILABLE (BUDGETARY BASIS) - December 31 | | | \$ 125,198 | |
| Add: Current year operating encumbrances | | | — | |
| Carryforward of continuing appropriations | | | — | |
| Seizure funds | | | — | |
| Adjust investments to fair value | | | — | |
| Assets not available for appropriations | | | — | |
| Less: Deferred revenue - Federal grants | | | — | |
| FUND BALANCE (U.S. GAAP BASIS) - December 31 | | | <u>\$ 125,198</u> | |

| Cultural Services | | | | Designated Revenues | | | |
|-------------------|------------|------------|------------|---------------------|---------------|---------------|--------------|
| Budgets | | Budgetary | Variance | Budgets | | Budgetary | Variance |
| Original | Final | Actual | with Final | Original | Final | Actual | with Final |
| \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| — | — | — | — | — | — | 326,606 | — |
| 231,980 | 231,980 | 310,589 | 78,609 | 496,200 | 636,200 | 542,832 | (93,368) |
| — | — | — | — | 53,410 | 53,410 | 62,758 | 9,348 |
| 566,180 | 566,180 | 541,906 | (24,274) | 1,224,668 | 1,255,174 | 1,102,685 | (152,489) |
| — | — | — | — | 1,795,385 | 1,795,385 | 1,802,088 | 6,703 |
| 32,600 | 32,600 | 36,868 | 4,268 | 93,062 | 93,062 | 601,474 | 508,412 |
| 164,520 | 249,520 | 180,992 | (68,528) | 1,130,142 | 1,630,142 | 3,712,578 | 2,082,436 |
| — | — | — | — | — | — | — | — |
| 1,382,588 | 1,387,058 | 1,387,058 | — | 4,141,618 | 4,164,368 | 3,583,583 | (580,785) |
| 2,377,868 | 2,467,338 | 2,457,413 | (9,925) | 8,934,485 | 9,627,741 | 11,734,604 | 1,780,257 |
| — | — | — | — | 129,693 | 131,376 | 104,491 | 26,885 |
| — | — | — | — | 1,472,784 | 1,671,670 | 1,414,951 | 256,719 |
| — | — | — | — | 189,907 | 248,979 | 236,005 | 12,974 |
| — | — | — | — | 1,038,061 | 722,428 | 453,511 | 268,917 |
| 2,487,570 | 2,706,347 | 2,675,198 | 31,149 | 3,263,409 | 3,393,195 | 4,051,091 | (657,896) |
| — | — | — | — | 5,178,547 | 4,880,957 | 3,123,375 | 1,757,582 |
| — | — | — | — | 775,000 | 775,000 | 775,000 | — |
| — | — | — | — | 250,000 | 250,000 | 250,000 | — |
| — | — | — | — | — | 150,000 | 150,000 | — |
| — | — | — | — | 855,000 | 641,125 | 641,125 | — |
| — | — | — | — | — | 2,322,400 | 2,322,400 | — |
| 2,487,570 | 2,706,347 | 2,675,198 | 31,149 | 13,152,401 | 15,187,130 | 13,521,949 | 1,665,181 |
| (109,702) | (239,009) | (217,785) | 21,224 | (4,217,916) | (5,559,389) | (1,787,345) | 3,445,438 |
| 747,119 | 1,168,068 | 1,168,068 | — | 14,197,108 | 15,969,825 | 15,969,825 | — |
| \$ 637,417 | \$ 929,059 | 950,283 | \$ 21,224 | \$ 9,979,192 | \$ 10,410,436 | 14,182,480 | \$ 3,445,438 |
| | | — | | | | (9,296,612) | |
| | | (105,809) | | | | (115,840) | |
| | | \$ 844,474 | | | | \$ 4,770,028 | |
| | | \$ 950,283 | | | | \$ 14,182,480 | |
| | | — | | | | — | |
| | | — | | | | 5,275,109 | |
| | | — | | | | — | |
| | | — | | | | 82,645 | |
| | | — | | | | — | |
| | | (60,449) | | | | — | |
| | | \$ 889,834 | | | | \$ 19,540,234 | |

CITY OF AURORA, COLORADO

SPECIAL REVENUE FUNDS

SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2008

| | Policy Reserve | | | |
|--|----------------------|----------------------|----------------------|---------------------|
| | Budgets | | Budgetary | Variance |
| | Original | Final | Actual | with Final |
| SOURCES | | | | |
| Property taxes | \$ — | \$ — | \$ — | \$ — |
| Sales and Use taxes | — | — | — | — |
| Intergovernmental revenues | — | — | — | — |
| Licenses and permits | — | — | — | — |
| Charges for services | — | — | — | — |
| Fines and forfeitures | — | — | — | — |
| Investment income | 990,708 | 990,708 | 822,217 | (168,491) |
| Miscellaneous revenues | — | — | — | — |
| Proceeds from sale of assets | — | — | — | — |
| Transfers in | — | — | — | — |
| TOTAL SOURCES | 990,708 | 990,708 | 822,217 | (168,491) |
| USES | | | | |
| <i>Operating Costs</i> | | | | |
| Municipal Court | — | — | — | — |
| General Management Group | — | — | — | — |
| Administrative Services Group | — | — | — | — |
| Operations Group | — | — | — | — |
| Community Services Group | — | — | — | — |
| Non-Departmental | 339,338 | 396,121 | 396,121 | — |
| <i>Continuing Appropriations</i> | | | | |
| General Management | — | — | — | — |
| Administrative Services Group | — | — | — | — |
| Community Services Group | — | — | — | — |
| Operations Group | — | — | — | — |
| Non-Departmental | — | — | — | — |
| TOTAL USES | 339,338 | 396,121 | 396,121 | — |
| CHANGE IN FUNDS AVAILABLE | 651,370 | 594,587 | 426,096 | (168,491) |
| FUNDS AVAILABLE - January 1 | 20,856,987 | 20,852,571 | 20,852,571 | — |
| FUNDS AVAILABLE - December 31 | \$ 21,508,357 | \$ 21,447,158 | 21,278,667 | \$ (168,491) |
| Less: Reservations | | | — | |
| Designations | | | — | |
| FUNDS AVAILABLE FOR APPROPRIATION AFTER RESERVATIONS AND COUNCIL DESIGNATIONS - December 31 | | | \$ 21,278,667 | |
| RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE | | | | |
| FUNDS AVAILABLE (BUDGETARY BASIS) - December 31 | | | \$ 21,278,667 | |
| Add: Current year operating encumbrances | | | — | |
| Carryforward of continuing appropriations | | | — | |
| Seizure funds | | | — | |
| Adjust investments to fair value | | | 147,561 | |
| Assets not available for appropriations | | | — | |
| Less: Deferred revenue - Federal grants | | | — | |
| FUND BALANCE (U.S. GAAP BASIS) - December 31 | | | \$ 21,426,228 | |

CITY OF AURORA, COLORADO

**DEBT SERVICE FUNDS
SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2008**

| | City Debt Service | | | |
|--|--------------------------|---------------------|---------------------|-------------------|
| | Budgets | | Budgetary | Variance |
| | Original | Final | Actual | with Final |
| SOURCES | | | | |
| Property taxes | \$ 6,280,501 | \$ 6,280,501 | \$ 6,388,039 | \$ 107,538 |
| Special assessment taxes | — | — | — | — |
| Investment income | 104,300 | 104,300 | 165,855 | 61,555 |
| Funds from restricted assets | — | — | 45,106 | 45,106 |
| Transfers in | 1,761,100 | 1,761,100 | 1,761,100 | — |
| TOTAL SOURCES | 8,145,901 | 8,145,901 | 8,360,100 | 214,199 |
| USES | | | | |
| <i>Operating Costs</i> | | | | |
| Administrative Services Group | — | — | — | — |
| Non-Departmental | 8,041,275 | 8,041,275 | 8,041,275 | — |
| TOTAL USES | 8,041,275 | 8,041,275 | 8,041,275 | — |
| CHANGE IN FUNDS AVAILABLE | 104,626 | 104,626 | 318,825 | 214,199 |
| FUNDS AVAILABLE - January 1 | 1,299,403 | 1,563,138 | 1,563,138 | — |
| FUNDS AVAILABLE - December 31 | \$ 1,404,029 | \$ 1,667,764 | 1,881,963 | \$ 214,199 |
| Less: Reservations | | | (1,836,857) | |
| Designations | | | — | |
| FUNDS AVAILABLE FOR APPROPRIATION AFTER RESERVATIONS AND COUNCIL DESIGNATIONS - December 31 | | | \$ 45,106 | |
| RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE | | | | |
| FUNDS AVAILABLE (BUDGETARY BASIS) - December 31 | | | \$ 1,881,963 | |
| Add: Assets not available for appropriation | | | 42,814 | |
| Less: Adjust investments to fair value | | | 10,186 | |
| FUND BALANCE (U.S. GAAP BASIS) - December 31 | | | \$ 1,934,963 | |

| SID Debt Service | | | | Surplus and Deficiency | | | |
|-------------------|------------------|-------------------|-------------------|------------------------|-------------------|-------------------|------------------|
| Budgets | | Budgetary | Variance | Budgets | | Budgetary | Variance |
| Original | Final | Actual | with Final | Original | Final | Actual | with Final |
| \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| 240,043 | 300,043 | 330,100 | 30,057 | — | — | 16,347 | 16,347 |
| 33,517 | 35,517 | 131,683 | 96,166 | 30,888 | 30,888 | 36,365 | 5,477 |
| — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — |
| <u>273,560</u> | <u>335,560</u> | <u>461,783</u> | <u>126,223</u> | <u>30,888</u> | <u>30,888</u> | <u>52,712</u> | <u>21,824</u> |
| — | — | — | — | 20,750 | 20,750 | 20,750 | — |
| <u>270,025</u> | <u>330,025</u> | <u>329,969</u> | <u>56</u> | <u>—</u> | <u>—</u> | <u>3,266</u> | <u>(3,266)</u> |
| <u>270,025</u> | <u>330,025</u> | <u>329,969</u> | <u>56</u> | <u>20,750</u> | <u>20,750</u> | <u>24,016</u> | <u>(3,266)</u> |
| 3,535 | 5,535 | 131,814 | 126,279 | 10,138 | 10,138 | 28,696 | 18,558 |
| <u>190,845</u> | <u>86,379</u> | <u>86,379</u> | <u>—</u> | <u>776,904</u> | <u>778,055</u> | <u>778,055</u> | <u>—</u> |
| <u>\$ 194,380</u> | <u>\$ 91,914</u> | 218,193 | <u>\$ 126,279</u> | <u>\$ 787,042</u> | <u>\$ 788,193</u> | 806,751 | <u>\$ 18,558</u> |
| | | (36,800) | | | | — | |
| | | <u>(26,565)</u> | | | | <u>(226,750)</u> | |
| | | <u>\$ 154,828</u> | | | | <u>\$ 580,001</u> | |
| | | \$ 218,193 | | | | \$ 806,751 | |
| | | 36,800 | | | | — | |
| | | <u>1,349</u> | | | | <u>4,271</u> | |
| | | <u>\$ 256,342</u> | | | | <u>\$ 811,022</u> | |

CITY OF AURORA, COLORADO

CAPITAL PROJECTS FUNDS

SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2008

| | City Capital Projects | | | |
|--|-----------------------|----------------------|----------------------|-----------------------|
| | Budgets | | Budgetary | Variance |
| | Original | Final | Actual | with Final |
| SOURCES | | | | |
| Special assessments | \$ — | \$ 706,000 | \$ — | \$ (706,000) |
| Intergovernmental revenues | 6,330,940 | 6,612,627 | 3,640,292 | (2,972,335) |
| Charges for services | — | — | — | — |
| Investment income | 1,000,000 | 1,000,000 | 981,494 | (18,506) |
| Miscellaneous revenues | 918,171 | 126,955 | 1,364,004 | 1,237,049 |
| Proceeds from long term borrowing | — | — | — | — |
| Transfers in | 19,128,130 | 19,678,130 | 14,427,075 | (5,251,055) |
| TOTAL SOURCES | 27,377,241 | 28,123,712 | 20,412,865 | (7,710,847) |
| USES | | | | |
| <i>Operating Costs</i> | | | | |
| Administrative Services Group | 2,242,227 | 2,242,227 | 2,242,228 | (1) |
| Non-Departmental | 2,308,800 | 2,273,270 | 2,273,563 | (293) |
| <i>Continuing Appropriations</i> | | | | |
| General Management | 132,580 | 132,580 | 132,580 | — |
| Administrative Services Group | 545,000 | 319,189 | 319,189 | — |
| Operations Group | 25,009,190 | 24,557,493 | 24,557,493 | — |
| Community Services Group | 3,450,000 | 512,000 | 512,000 | — |
| TOTAL USES | 33,687,797 | 30,036,759 | 30,037,053 | (294) |
| CHANGE IN FUNDS AVAILABLE | (6,310,556) | (1,913,047) | (9,624,188) | (7,711,141) |
| FUNDS AVAILABLE - January 1 | 17,725,984 | 16,271,319 | 16,271,319 | — |
| FUNDS AVAILABLE - December 31 | <u>\$ 11,415,428</u> | <u>\$ 14,358,272</u> | 6,647,131 | <u>\$ (7,711,141)</u> |
| Less: Reservations | | | (2,183,029) | |
| Designations | | | <u>(3,673,089)</u> | |
| FUNDS AVAILABLE FOR APPROPRIATION AFTER RESERVATIONS AND COUNCIL DESIGNATIONS - December 31 | | | <u>\$ 791,013</u> | |
| RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE | | | | |
| FUNDS AVAILABLE (BUDGETARY BASIS) - December 31 | | | \$ 6,647,131 | |
| Add: Carry forward of continuing appropriations | | | 19,388,838 | |
| Assets not available for appropriations | | | — | |
| Less: Deferred revenue - Federal grants | | | (752,382) | |
| Adjust investments to fair value | | | <u>129,982</u> | |
| FUND BALANCE (U.S. GAAP BASIS) - December 31 | | | <u>\$ 25,413,569</u> | |

| Bond Proceeds | | | | Building Repair | | | |
|-------------------|-------------------|-------------------|------------------|------------------|------------------|-------------------|-----------------|
| Budgets | | Budgetary | Variance | Budgets | | Budgetary | Variance |
| Original | Final | Actual | with Final | Original | Final | Actual | with Final |
| \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| — | — | — | — | — | — | — | — |
| — | — | — | — | 45,000 | 45,000 | 45,000 | — |
| — | — | 17,555 | 17,555 | 20,000 | 20,000 | 19,632 | (368) |
| — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — |
| — | — | — | — | 1,858,800 | 1,858,800 | 1,858,800 | — |
| — | — | 17,555 | 17,555 | 1,923,800 | 1,923,800 | 1,923,432 | (368) |
| — | — | — | — | 121,386 | 121,386 | 121,386 | — |
| — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — |
| — | — | — | — | 1,811,200 | 1,811,200 | 1,811,200 | — |
| — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — |
| — | — | — | — | 1,932,586 | 1,932,586 | 1,932,586 | — |
| — | — | 17,555 | 17,555 | (8,786) | (8,786) | (9,154) | (368) |
| 116,214 | 141,393 | 141,393 | — | 104,352 | 107,890 | 107,890 | — |
| <u>\$ 116,214</u> | <u>\$ 141,393</u> | 158,948 | <u>\$ 17,555</u> | <u>\$ 95,566</u> | <u>\$ 99,104</u> | 98,736 | <u>\$ (368)</u> |
| | | — | | | | — | |
| | | (126,980) | | | | — | |
| | | <u>\$ 31,968</u> | | | | <u>\$ 98,736</u> | |
| | | \$ 158,948 | | | | \$ 98,736 | |
| | | 73,566 | | | | 806,697 | |
| | | — | | | | — | |
| | | — | | | | — | |
| | | — | | | | 5,596 | |
| | | <u>\$ 232,514</u> | | | | <u>\$ 911,029</u> | |

CITY OF AURORA, COLORADO

ENTERPRISE FUNDS

SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2008

| | Water | | | |
|--|----------------|----------------|----------------|----------------|
| | Budgets | | Budgetary | Variance |
| | Original | Final | Actual | with Final |
| SOURCES | | | | |
| Charges for services | \$ 94,106,141 | \$ 94,106,141 | \$ 86,688,316 | \$ (7,417,825) |
| Intergovernmental | — | — | 35,906 | 35,906 |
| Licenses and permits | 146,394 | 146,394 | 115,395 | (30,999) |
| Fines and forfeitures | — | — | 917 | 917 |
| Investment income | 9,045,901 | 9,045,901 | 25,068,840 | 16,022,939 |
| Miscellaneous revenues | 33,433,776 | 33,433,776 | 24,335,277 | (9,098,499) |
| Proceeds from sale of assets | 57,728 | 57,728 | 55,095 | (2,633) |
| Proceeds from long-term borrowings | 25,000,000 | 25,000,000 | 58,620,865 | 33,620,865 |
| Transfers in | — | — | — | — |
| Funds from restricted assets | — | — | (3,958,773) | (3,958,773) |
| Release of prior year designation | — | — | — | — |
| TOTAL SOURCES | 161,789,940 | 161,789,940 | 190,961,838 | 29,171,898 |
| USES | | | | |
| <i>Operating Costs</i> | | | | |
| Operations Group | 100,765,236 | 140,387,140 | 128,906,693 | 11,480,447 |
| Non-Departmental | 447,288 | 50,156 | — | 50,156 |
| <i>Continuing Appropriations</i> | | | | |
| Operations Group | 305,521,695 | 232,988,828 | 232,988,828 | — |
| TOTAL USES | 406,734,219 | 373,426,124 | 361,895,521 | 11,530,603 |
| CHANGE IN FUNDS AVAILABLE | (244,944,279) | (211,636,184) | (170,933,683) | 40,702,501 |
| FUNDS AVAILABLE - January 1 | 355,062,318 | 365,774,148 | 365,774,148 | — |
| FUNDS AVAILABLE - December 31 | \$ 110,118,039 | \$ 154,137,964 | 194,840,465 | \$ 40,702,501 |
| Less: Reservations | | | (14,136,145) | |
| Designations | | | (92,063,473) | |
| FUNDS AVAILABLE FOR APPROPRIATION AFTER RESERVATIONS AND COUNCIL DESIGNATIONS - December 31 | | | \$ 88,640,847 | |
| RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE | | | | |
| FUNDS AVAILABLE (BUDGETARY BASIS) - December 31 | | | \$ 194,840,465 | |
| Add: Current year operating encumbrances | | | 907,903 | |
| Carryforward of continuing appropriations | | | 202,780,959 | |
| Deferred charges | | | 5,155,769 | |
| Assets not available for appropriation | | | 48,245,900 | |
| Long-term interfund receivables | | | — | |
| Equity in joint venture | | | 2,472,429 | |
| Capital assets net of depreciation | | | 1,111,975,838 | |
| Inventories | | | — | |
| Less: Current portion of long-term debt | | | (9,958,396) | |
| Long-term debt | | | (677,223,991) | |
| Adjust investments to fair value | | | 2,329,633 | |
| NET ASSETS (U.S. GAAP BASIS) - December 31 | | | \$ 881,526,509 | |

| Wastewater | | | | Golf | | | |
|----------------------|----------------------|-----------------------|---------------------|-------------------|-------------------|----------------------|-------------------|
| Budgets | | Budgetary | Variance | Budgets | | Budgetary | Variance |
| Original | Final | Actual | with Final | Original | Final | Actual | with Final |
| \$ 45,300,982 | \$ 45,300,982 | \$ 43,334,597 | \$ (1,966,385) | \$ 9,936,200 | \$ 9,936,200 | \$ 9,511,487 | \$ (424,713) |
| — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | 17,227 | 17,227 |
| 1,253,815 | 1,253,815 | 4,300,273 | 3,046,458 | 115,000 | 115,000 | 86,233 | (28,767) |
| 8,493,742 | 8,493,742 | 3,352,633 | (5,141,109) | 324,600 | 324,600 | 128,768 | (195,832) |
| 11,835 | 11,835 | 16,279 | 4,444 | — | — | 1,225 | 1,225 |
| — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | 50,000 | 50,000 |
| — | — | — | — | — | — | — | — |
| <u>55,060,374</u> | <u>55,060,374</u> | <u>51,003,782</u> | <u>(4,056,592)</u> | <u>10,375,800</u> | <u>10,375,800</u> | <u>9,794,940</u> | <u>(580,860)</u> |
| 40,009,479 | 42,671,513 | 38,827,660 | 3,843,853 | 10,401,470 | 10,495,357 | 9,654,161 | 841,196 |
| 249,993 | 30,969 | — | 30,969 | 95,339 | 1,452 | — | 1,452 |
| 41,334,463 | 1,504,828 | 1,504,828 | — | 110,000 | (74,232) | (74,232) | — |
| <u>81,593,935</u> | <u>44,207,310</u> | <u>40,332,488</u> | <u>3,874,822</u> | <u>10,606,809</u> | <u>10,422,577</u> | <u>9,579,929</u> | <u>842,648</u> |
| (26,533,561) | 10,853,064 | 10,671,294 | (181,770) | (231,009) | (46,777) | 215,011 | 261,788 |
| 45,911,058 | 53,778,244 | 53,778,244 | — | 727,675 | 808,406 | 808,406 | — |
| <u>\$ 19,377,497</u> | <u>\$ 64,631,308</u> | 64,449,538 | <u>\$ (181,770)</u> | <u>\$ 496,666</u> | <u>\$ 761,629</u> | 1,023,417 | <u>\$ 261,788</u> |
| | | (2,899,127) | | | | — | |
| | | <u>(25,306,231)</u> | | | | — | |
| | | <u>\$ 36,244,180</u> | | | | <u>\$ 1,023,417</u> | |
| | | \$ 64,449,538 | | | | \$ 1,023,417 | |
| | | 394,955 | | | | 13,534 | |
| | | 37,820,229 | | | | 65,657 | |
| | | 335,218 | | | | 53,984 | |
| | | 8,109,312 | | | | 456,473 | |
| | | 4,552,000 | | | | — | |
| | | — | | | | — | |
| | | 363,358,883 | | | | 32,186,394 | |
| | | — | | | | 230,813 | |
| | | (2,785,893) | | | | (794,642) | |
| | | (66,745,517) | | | | (8,145,380) | |
| | | 479,665 | | | | 56,404 | |
| | | <u>\$ 409,968,390</u> | | | | <u>\$ 25,146,654</u> | |

CITY OF AURORA, COLORADO

INTERNAL SERVICE FUNDS

SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2008

| | Fleet Management | | | |
|--|-------------------------|-------------------|---------------------|--------------------|
| | Budgets | | Budgetary | Variance |
| | Original | Final | Actual | with Final |
| SOURCES | | | | |
| Charges for services | \$ 8,265,478 | \$ 9,045,478 | \$ 8,156,961 | \$ (888,517) |
| Investment income | — | — | 18,611 | 18,611 |
| Miscellaneous revenues | 5,000 | 5,000 | 8,929 | 3,929 |
| Proceeds from sale of assets | — | — | — | — |
| Transfers in | 210,000 | 210,000 | 10,000 | (200,000) |
| TOTAL SOURCES | 8,480,478 | 9,260,478 | 8,194,501 | (1,065,977) |
| USES | | | | |
| <i>Operating Costs</i> | | | | |
| Administrative Services Group | 8,241,242 | 9,080,794 | 7,711,668 | 1,369,126 |
| Non-departmental | 69,150 | 9,598 | — | 9,598 |
| TOTAL USES | 8,310,392 | 9,090,392 | 7,711,668 | 1,378,724 |
| CHANGE IN FUNDS AVAILABLE | 170,086 | 170,086 | 482,833 | 312,747 |
| FUNDS AVAILABLE - January 1 | 453,345 | 248,264 | 248,264 | — |
| FUNDS AVAILABLE - December 31 | <u>\$ 623,431</u> | <u>\$ 418,350</u> | 731,097 | <u>\$ 312,747</u> |
| Less: Designations | | | <u>—</u> | |
| FUNDS AVAILABLE FOR APPROPRIATION AFTER RESERVATIONS AND COUNCIL DESIGNATIONS - December 31 | | | <u>\$ 731,097</u> | |
| RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE | | | | |
| FUNDS AVAILABLE (BUDGETARY BASIS) - December 31 | | | \$ 731,097 | |
| Add: Capital assets net of depreciation | | | 442,695 | |
| Inventories | | | 592,563 | |
| Current year operating encumbrances | | | 10,875 | |
| Less: Current portion of long-term debt | | | (6,832) | |
| Long-term debt | | | (310,118) | |
| Adjust investments to fair value | | | <u>6,480</u> | |
| NET ASSETS - (U.S. GAAP BASIS) - December 31 | | | <u>\$ 1,466,760</u> | |

| Print Shop | | | | Risk Management | | | |
|-------------------|-------------------|-------------------|---------------------|------------------------|---------------------|----------------------|---------------------|
| Budgets | | Budgetary | Variance | Budgets | | Budgetary | Variance |
| Original | Final | Actual | with Final | Original | Final | Actual | with Final |
| \$ 732,500 | \$ 797,300 | \$ 575,335 | \$ (221,965) | \$ 7,588,747 | \$ 7,588,747 | \$ 7,298,746 | \$ (290,001) |
| 8,500 | 8,500 | 13,944 | 5,444 | 579,584 | 579,584 | 572,012 | (7,572) |
| — | — | — | — | 216,000 | 216,000 | 364,184 | 148,184 |
| — | — | — | — | — | — | — | — |
| — | — | — | — | — | — | — | — |
| <u>741,000</u> | <u>805,800</u> | <u>589,279</u> | <u>(216,521)</u> | <u>8,384,331</u> | <u>8,384,331</u> | <u>8,234,942</u> | <u>(149,389)</u> |
| 620,259 | 709,542 | 617,652 | 91,890 | 8,411,041 | 8,429,694 | 5,439,079 | 2,990,615 |
| 5,717 | 1,794 | — | 1,794 | 18,659 | 6 | — | 6 |
| <u>625,976</u> | <u>711,336</u> | <u>617,652</u> | <u>93,684</u> | <u>8,429,700</u> | <u>8,429,700</u> | <u>5,439,079</u> | <u>2,990,621</u> |
| 115,024 | 94,464 | (28,373) | (122,837) | (45,369) | (45,369) | 2,795,863 | 2,841,232 |
| <u>407,876</u> | <u>329,021</u> | <u>329,021</u> | <u>—</u> | <u>5,839,213</u> | <u>7,490,328</u> | <u>7,490,328</u> | <u>—</u> |
| <u>\$ 522,900</u> | <u>\$ 423,485</u> | 300,648 | <u>\$ (122,837)</u> | <u>\$ 5,793,844</u> | <u>\$ 7,444,959</u> | 10,286,191 | <u>\$ 2,841,232</u> |
| | | — | | | | (3,496,795) | |
| | | <u>\$ 300,648</u> | | | | <u>\$ 6,789,396</u> | |
| | | \$ 300,648 | | | | \$ 10,286,191 | |
| | | 56,639 | | | | — | |
| | | 23,140 | | | | — | |
| | | — | | | | 58,045 | |
| | | (282) | | | | (14,940) | |
| | | (12,069) | | | | (38,951) | |
| | | <u>2,057</u> | | | | <u>88,643</u> | |
| | | <u>\$ 370,133</u> | | | | <u>\$ 10,378,988</u> | |





Statistical Section

Financial Trends

Revenue Capacity

Debt Capacity

Demographic and Economic Information

Operating Information

FINANCIAL TRENDS STATISTICS

These schedules provide financial trend information, which shows how the City's financial performance has changed over time.

Exhibit A-1 **Net Assets by Component**

Exhibit A-2 **Changes in Net Assets**

Exhibit A-3 **Fund Balances, Governmental Funds**

Exhibit A-4 **Changes in Fund Balances, Governmental Funds**

Exhibit A-5 **Total Sales and Use Tax Revenues**

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



City of Aurora, Colorado

Net Assets by Component

Last Seven Years

| | Fiscal Year | | | | | | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> |
| Governmental activities | | | | | | | |
| Invested in capital assets, net of related debt | \$ 2,275,203,538 | \$ 2,333,052,302 | \$ 2,479,755,028 | \$ 2,564,482,012 | \$ 2,711,545,994 | \$ 2,750,014,460 | \$ 2,773,573,410 |
| Restricted | | | | | | | |
| Construction (a) | 1,464,086 | 3,310,450 | - | 11,624,224 | 15,432,018 | 4,687,349 | 4,621,770 |
| Police (b) | 6,901,872 | 1,040,402 | 840,769 | 441,853 | 649,829 | 930,688 | 938,179 |
| E-911 equipment & services | 3,996,089 | 3,227,306 | 4,181,097 | 4,730,191 | 5,289,905 | 6,011,852 | 6,365,253 |
| Parks and Recreation (c) | 5,545,882 | 6,948,069 | 9,792,734 | 13,679,692 | 13,537,324 | 16,297,932 | 19,591,164 |
| Emergencies | 6,134,321 | 6,339,676 | 6,587,427 | 6,784,149 | 6,189,980 | 7,745,299 | 8,188,738 |
| Gifts and grants | 4,422,877 | 8,655,457 | 7,345,087 | 6,754,529 | 4,706,420 | 5,184,456 | 5,712,156 |
| Agreements (d) | 4,750,398 | 5,325,373 | 5,251,278 | 4,442,130 | 9,587,071 | 11,038,966 | 9,338,401 |
| Urban renewal (e) | 1,750,963 | 2,110,891 | 1,170,124 | 721,486 | 127,822 | 11,382 | 11,682 |
| Unrestricted | 91,381,281 | 87,399,854 | 76,870,105 | 76,210,900 | 85,548,045 | 80,282,944 | 72,658,454 |
| Total governmental activities net assets | <u>\$ 2,401,551,307</u> | <u>\$ 2,457,409,780</u> | <u>\$ 2,591,793,649</u> | <u>\$ 2,689,871,166</u> | <u>\$ 2,852,614,408</u> | <u>\$ 2,882,205,328</u> | <u>\$ 2,900,999,207</u> |
| Business-type activities | | | | | | | |
| Invested in capital assets, net of related debt | \$ 589,713,105 | \$ 647,248,248 | \$ 675,344,617 | \$ 764,659,039 | \$ 876,261,788 | \$ 946,462,131 | \$ 1,031,664,879 |
| Restricted | | | | | | | |
| Construction (f) | 104,185 | 3,994,407 | 4,199,838 | 1,984,417 | 13,762,820 | 3,627,410 | 5,114,062 |
| Debt related (g) | 3,100,000 | 3,100,000 | 3,100,000 | 2,500,000 | 2,500,000 | 2,500,000 | 19,535,272 |
| Other | 672,952 | - | - | - | - | - | - |
| Unrestricted | 121,493,852 | 115,611,638 | 161,607,602 | 182,168,952 | 201,213,673 | 280,587,656 | 260,154,817 |
| Total business-type activities net assets | <u>\$ 715,084,094</u> | <u>\$ 769,954,293</u> | <u>\$ 844,252,057</u> | <u>\$ 951,312,408</u> | <u>\$ 1,093,738,281</u> | <u>\$ 1,233,177,197</u> | <u>\$ 1,316,469,030</u> |

| | | | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--|
| Primary government | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 2,864,916,643 | \$ 2,980,300,550 | \$ 3,155,099,645 | \$ 3,329,141,051 | \$ 3,587,807,782 | \$ 3,696,476,591 | \$ 3,805,238,289 | |
| Restricted | | | | | | | | |
| Construction | 1,568,271 | 7,304,857 | 4,199,838 | 13,608,641 | 29,194,838 | 8,314,759 | 9,735,832 | |
| Police | 6,901,872 | 1,040,402 | 840,769 | 441,853 | 649,829 | 930,688 | 938,179 | |
| E-911 equipment & services | 3,996,089 | 3,227,306 | 4,181,097 | 4,730,191 | 5,289,905 | 6,011,852 | 6,365,253 | |
| Parks and recreation | 5,545,882 | 6,948,069 | 9,792,734 | 13,679,692 | 13,537,324 | 16,297,932 | 19,591,164 | |
| Emergencies | 6,134,321 | 6,339,676 | 6,587,427 | 6,784,149 | 6,189,980 | 7,745,299 | 8,188,738 | |
| Gifts and grants | 4,422,877 | 8,655,457 | 7,345,087 | 6,754,529 | 4,706,420 | 5,184,456 | 5,712,156 | |
| Debt related | 3,100,000 | 3,100,000 | 3,100,000 | 2,500,000 | 2,500,000 | 2,500,000 | 19,535,272 | |
| Agreements | 5,423,350 | 5,325,373 | 5,251,278 | 4,442,130 | 9,587,071 | 11,038,966 | 9,338,401 | |
| Urban renewal | 1,750,963 | 2,110,891 | 1,170,124 | 721,486 | 127,822 | 11,382 | 11,682 | |
| Unrestricted | 212,875,133 | 203,011,492 | 238,477,707 | 258,379,852 | 286,761,718 | 360,870,600 | 332,813,271 | |
| Total primary government net assets | \$ 3,116,635,401 | \$ 3,227,364,073 | \$ 3,436,045,706 | \$ 3,641,183,574 | \$ 3,946,352,689 | \$ 4,115,382,525 | \$ 4,217,468,237 | |

Note: The City is only reporting years beginning with 2002, the year GASB Statement 34 was implemented.

- (a) In 2004, no receipts restricted for county road and bridge improvements remained unspent at yearend. In 2005, noise mitigation court settlements were received and restricted for capital related purchases (mainly land acquisitions). In 2006, dedicated open space revenues remained unspent.
- (b) Police restricted equity represents seizure funds. Fluctuation in this account is expected.
- (c) Increase from 2003 to 2004 represents Conservation Trust and Park Development revenue growth. Increase from 2004 to 2005 represents new Arapahoe County Open Space tax receipts. Increase from 2006 to 2007 represents accumulation of Park Development revenues for future construction
- (d) Increase from 2005 to 2006 represents amounts anticipated to be paid out on future agreements.
- (e) Activity reflects the spend down of funds dedicated to the Fletcher Plaza Enhancement Area.
- (f) 2006 increase represents unspent amounts set aside to fund storm drain projects. 2007 decrease represents spend down of storm drain project funds.
- (g) 2008 increase represents activity in the Prairie Water Project.

Exhibit A-2

City of Aurora, Colorado

Changes in Net Assets

Last Seven Years

Fiscal Year

| Expenses | | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|-----|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Governmental activities:</i> | | | | | | | | |
| General government | (a) | \$ 24,153,407 | \$ 32,106,373 | \$ 34,865,194 | \$ 53,727,660 | \$ 32,428,420 | \$ 35,443,241 | \$ 36,882,880 |
| Judicial | | 6,108,249 | 6,412,905 | 6,891,787 | 6,955,078 | 7,182,054 | 7,744,454 | 8,067,017 |
| Police | | 61,059,499 | 64,279,691 | 64,975,624 | 67,694,840 | 71,983,533 | 76,903,178 | 79,278,710 |
| Fire | | 28,287,789 | 30,113,236 | 29,082,202 | 29,227,035 | 30,915,945 | 33,196,185 | 34,484,884 |
| Other public safety | (b) | 4,209,271 | 5,847,178 | 9,465,582 | 10,351,525 | 10,813,970 | 11,977,596 | 12,956,565 |
| Public works | (c) | 27,001,770 | 25,023,998 | 28,175,551 | 39,425,303 | 42,713,262 | 36,963,018 | 37,022,337 |
| Economic development | | 15,840,176 | 15,822,183 | 14,095,722 | 15,214,633 | 16,873,516 | 15,266,467 | 16,364,134 |
| Community services | | 7,410,045 | 9,049,017 | 9,407,800 | 9,632,404 | 9,964,733 | 10,389,047 | 12,626,972 |
| Culture and recreation | | 31,302,143 | 31,612,407 | 34,217,470 | 35,608,066 | 35,750,658 | 37,470,446 | 38,720,494 |
| Unallocated depreciation | | 943,937 | 2,528,558 | 2,741,752 | 2,944,641 | 3,305,620 | 3,187,118 | 3,325,541 |
| Interest on long-term debt | | 9,625,237 | 9,478,162 | 8,958,150 | 8,610,617 | 6,949,427 | 7,388,080 | 8,268,795 |
| Total governmental activities expenses | | 215,941,523 | 232,273,708 | 242,876,834 | 279,391,802 | 268,881,138 | 275,928,830 | 287,998,329 |
| <i>Business-type activities:</i> | | | | | | | | |
| Water | (d) | 34,046,181 | 40,784,896 | 46,903,285 | 58,689,242 | 60,675,340 | 72,215,638 | 78,139,181 |
| Wastewater | (e) | 22,269,398 | 24,807,909 | 26,173,594 | 30,141,125 | 33,453,356 | 37,101,476 | 40,627,123 |
| Golf | | 8,641,960 | 8,545,279 | 8,729,124 | 8,696,129 | 8,990,266 | 9,320,032 | 9,661,133 |
| Total business-type activities expenses | | 64,957,539 | 74,138,084 | 81,806,003 | 97,526,496 | 103,118,962 | 118,637,146 | 128,427,437 |
| Total primary government expenses | | \$ 280,899,062 | \$ 306,411,792 | \$ 324,682,837 | \$ 376,918,298 | \$ 372,000,100 | \$ 394,565,976 | \$ 416,425,766 |
| Program Revenues | | | | | | | | |
| <i>Governmental activities:</i> | | | | | | | | |
| Charges for services | | | | | | | | |
| General government | (f) | \$ 1,723,963 | \$ 1,766,942 | \$ 1,499,724 | \$ 5,101,144 | \$ 1,794,049 | \$ 2,361,233 | \$ 3,841,779 |
| Judicial | (g) | 4,985,565 | 5,473,368 | 5,419,785 | 7,290,726 | 7,254,834 | 8,255,912 | 8,112,024 |
| Police | | 1,597,194 | 1,640,253 | 1,728,947 | 1,756,746 | 2,310,862 | 2,809,446 | 2,298,015 |
| Fire | | 541,088 | 522,448 | 548,843 | 521,594 | 612,917 | 443,224 | 608,065 |
| Other public safety | | - | 900 | - | 3,060 | 169,371 | 180,945 | 153,938 |
| Public works | | 353,714 | 360,109 | 485,472 | 971,021 | 1,626,995 | 683,325 | 223,148 |
| Economic development | (h) | 10,228,777 | 10,214,741 | 13,247,894 | 16,228,709 | 12,976,173 | 10,177,375 | 8,486,228 |
| Community services | (i) | 1,708,174 | 2,554,164 | 2,193,055 | 3,531,460 | 1,504,620 | 2,813,009 | 1,175,549 |
| Culture and recreation | | 5,355,502 | 5,321,819 | 5,331,250 | 5,625,750 | 5,734,638 | 5,545,510 | 5,986,101 |
| Operating grants & contributions | (j) | 33,318,184 | 31,364,667 | 31,554,456 | 49,966,351 | 47,522,357 | 24,565,452 | 25,710,829 |
| Capital grants & contributions | (k) | 33,547,825 | 44,542,305 | 125,614,269 | 86,963,191 | 136,709,120 | 28,260,368 | 33,198,276 |
| Total governmental activities program revenues | | 93,359,986 | 103,761,716 | 187,623,695 | 177,959,752 | 218,215,936 | 86,095,799 | 89,793,952 |
| <i>Business-type activities:</i> | | | | | | | | |
| Charges for services | | | | | | | | |
| Water | (l) | 39,612,430 | 40,231,989 | 50,924,714 | 64,603,833 | 74,797,433 | 83,489,049 | 86,804,628 |
| Wastewater | (m) | 24,252,421 | 25,580,371 | 26,327,715 | 29,059,182 | 33,286,941 | 39,070,578 | 43,334,647 |
| Golf | | 9,174,718 | 8,205,072 | 8,266,180 | 8,737,191 | 9,055,305 | 9,332,171 | 9,528,713 |
| Operating grants & contributions | (n) | 59,298 | 1,452,549 | 1,757,856 | 2,957,447 | 12,866,255 | 23,957,607 | 23,559,047 |
| Capital grants & contributions | (o) | 53,568,608 | 51,868,133 | 67,566,320 | 96,735,378 | 113,381,835 | 97,844,561 | 41,224,671 |
| Total business-type activities program revenues | | 126,667,475 | 127,338,114 | 154,842,785 | 202,093,031 | 243,387,769 | 253,693,966 | 204,451,706 |
| Total primary government program revenues | | \$ 220,027,461 | \$ 231,099,830 | \$ 342,466,480 | \$ 380,052,783 | \$ 461,603,705 | \$ 339,789,765 | \$ 294,245,658 |

Net (Expense)/Revenue

| | | | | | | | |
|--------------------------------------|------------------------|------------------------|----------------------|---------------------|----------------------|------------------------|-------------------------|
| Governmental activities | \$ (122,581,537) | \$ (128,511,992) | \$ (55,253,139) | \$ (101,432,050) | \$ (50,665,202) | \$ (189,833,031) | \$ (198,204,377) |
| Business-type activities | 61,709,936 | 53,200,030 | 73,036,782 | 104,566,535 | 140,268,807 | 135,056,820 | 76,024,269 |
| Total primary government net expense | <u>\$ (60,871,601)</u> | <u>\$ (75,311,962)</u> | <u>\$ 17,783,643</u> | <u>\$ 3,134,485</u> | <u>\$ 89,603,605</u> | <u>\$ (54,776,211)</u> | <u>\$ (122,180,108)</u> |

General Revenues & Other Changes in Net Assets*Governmental activities:*

| | | | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <i>Taxes</i> | | | | | | | |
| Sales & use taxes | \$ 130,722,511 | \$ 128,687,061 | \$ 135,610,392 | \$ 143,592,080 | \$ 149,931,394 | \$ 152,895,195 | \$ 151,023,488 |
| Property taxes | 26,732,855 | 29,799,273 | 28,033,332 | 28,644,691 | 29,742,954 | 30,813,184 | 32,519,051 |
| Franchise taxes | 8,777,935 | 10,183,683 | 10,606,171 | 11,224,526 | 11,566,625 | 11,439,537 | 13,037,994 |
| Lodgers taxes | 3,231,779 | 3,044,341 | 3,130,347 | 3,344,153 | 4,008,854 | 4,572,800 | 4,688,562 |
| Occupational privilege taxes | 3,824,913 | 3,684,159 | 3,755,667 | 3,950,531 | 4,058,928 | 4,215,950 | 4,295,911 |
| Other taxes | 4,430,407 | 4,864,920 | 5,361,765 | 5,366,799 | 7,292,324 | 7,331,575 | 5,001,847 |
| Nonspecific grants & contributions | 883,670 | 832,315 | 862,890 | 793,718 | 855,949 | 784,891 | 848,779 |
| Unrestricted investment earnings | 7,396,774 | 3,264,743 | 2,276,444 | 2,793,069 | 5,951,416 | 7,370,814 | 5,500,036 |
| Transfers | 2,438 | 9,970 | - | (200,000) | - | - | 82,588 |
| Total governmental activities general revenues | <u>186,003,282</u> | <u>184,370,465</u> | <u>189,637,008</u> | <u>199,509,567</u> | <u>213,408,444</u> | <u>219,423,946</u> | <u>216,998,256</u> |

Business-type activities:

| | | | | | | | |
|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Unrestricted investment earnings | 5,807,397 | 1,680,139 | 1,260,982 | 2,293,816 | 2,157,066 | 4,382,097 | 7,350,152 |
| Transfers | (2,438) | (9,970) | - | 200,000 | - | - | (82,588) |
| Total business-type activities | <u>5,804,959</u> | <u>1,670,169</u> | <u>1,260,982</u> | <u>2,493,816</u> | <u>2,157,066</u> | <u>4,382,097</u> | <u>7,267,564</u> |
| Total primary government | <u>\$ 191,808,241</u> | <u>\$ 186,040,634</u> | <u>\$ 190,897,990</u> | <u>\$ 202,003,383</u> | <u>\$ 215,565,510</u> | <u>\$ 223,806,043</u> | <u>\$ 224,265,820</u> |

Change in Net Assets

| | | | | | | | |
|--------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental activities | \$ 63,421,745 | \$ 55,858,473 | \$ 134,383,869 | \$ 98,077,517 | \$ 162,743,242 | \$ 29,590,917 | \$ 18,793,879 |
| Business-type activities | 67,514,895 | 54,870,199 | 74,297,764 | 107,060,351 | 142,425,873 | 139,438,917 | 83,291,833 |
| Change in net assets | <u>\$ 130,936,640</u> | <u>\$ 110,728,672</u> | <u>\$ 208,681,633</u> | <u>\$ 205,137,868</u> | <u>\$ 305,169,115</u> | <u>\$ 169,029,834</u> | <u>\$ 102,085,712</u> |

Note: The City is only reporting years beginning with 2002, the year GASB Statement 34 was implemented.

- (a) Increase in 2005 results from: the early payoff of a tax incentive; payment of excation fees collected on behalf of another government; and a Net Pension Asset writedown.
- (b) Increase from 2002 to 2003 represents moving detention center costs from police. Increase from 2003 to 2004 represents moving police & fire communications costs from Police and Fire function. Increase from 2004 to 2005 represents new dispatch center operating costs and an increase in E-911 contract costs.
- (c) 2005 increase results from noncapitalizable landfill cleanup costs. 2006 increase includes additional landfill cleanup costs and snowstorm costs. 2007 decrease due to no landfill cleanup or snowstorm costs, but does reflect increased depreciation and operating expenses.
- (d) Increases reflect expansion of the water system.
- (e) Increases reflect an increase in sewer treatment expense and an increase in sewer personnel costs.
- (f) Increase in 2005 represents exaction fees collected to offset bridge widening costs.
- (g) Increase from 2004 to 2005 represents an increase in the court fines schedule.
- (h) Increase from 2003 to 2005 represents an increase in developer review activity and permit revenue growth. Subsequent decreases reflect reduced development activity.
- (i) Increase in 2005 represents an increase in Dam West SID receipts to fund neighborhood fence costs.
- (j) Increase from 2004 to 2005 results from federal reimbursement for a landfill cleanup and a court settlement to mitigate airport noise. 2006 activity remained strong as more funding was received for the landfill cleanup. 2007 activity decreased as the landfill cleanup was completed. Additionally, highway road and bridge intergovernmental revenue was moved from operating grants to capital grants.
- (k) Fluctuation primarily represents fluctuation in developer contributed streets from year to year.
- (l) Increases attributable to new water rate schedule.
- (m) Increases attributable to new rate schedule and volume increases.
- (n) Increase from 2005 to 2007 attributable to interest earnings on development revenues and bond proceeds.
- (o) Amounts represent developer tap fee revenue and developer contributed water and sewer mains. 2008 decrease reflects reduced development activity.



City of Aurora, Colorado

Fund Balances, Governmental Funds
Last Ten Years

Exhibit A-3

| | Fiscal Year | | | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| General Fund | | | | | | | | | | |
| Reserved | \$ 13,308,521 | \$ 13,522,647 | \$ 10,552,694 | \$ 6,956,701 | \$ 1,711,075 | \$ 992,384 | \$ 1,318,383 | \$ 1,298,394 | \$ 1,687,871 | \$ 559,347 |
| Unreserved | 24,082,648 | 24,492,485 | 21,592,048 | 31,631,227 | 27,223,539 | 23,433,917 | 26,290,788 | 29,910,165 | 25,886,915 | 22,232,971 |
| Total General Fund | 37,391,169 | 38,015,132 | 32,144,742 | 38,587,928 | 28,934,614 | 24,426,301 | 27,609,171 | 31,208,559 | 27,574,786 | 22,792,318 |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | | | | | | | | | | |
| Policy Reserve | 14,134,222 | 15,470,863 | 16,945,902 | 17,748,258 | 18,109,610 | 18,275,311 | 18,744,164 | 19,239,541 | 20,910,375 | 21,426,228 |
| TABOR Reserve | 5,057,863 | 5,393,012 | 5,826,763 | 6,134,321 | 6,339,676 | 6,587,427 | 6,784,149 | 6,189,980 | 7,745,299 | 8,188,738 |
| Total General, Policy & TABOR Reserve funds | \$ 56,583,254 | \$ 58,879,007 | \$ 54,917,407 | \$ 62,470,507 | \$ 53,383,900 | \$ 49,289,039 | \$ 53,137,484 | \$ 56,638,080 | \$ 56,230,460 | \$ 52,407,284 |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | 30,366,096 | 146,757,408 | 131,319,918 | 85,741,579 | 65,025,259 | 36,701,725 | 42,655,158 | 45,371,137 | 29,592,991 | 34,782,676 |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds (a) | 14,361,177 | 9,917,889 | 15,687,402 | 13,963,613 | 17,466,800 | 21,441,259 | 31,503,230 | 31,623,727 | 39,136,449 | 38,994,282 |
| Debt service funds | 3,054,733 | 3,075,573 | 3,105,575 | 660,519 | 724,289 | 788,296 | 907,313 | 1,158,038 | 1,275,158 | 1,934,741 |
| Capital projects funds | 19,968,626 | 35,875,724 | 39,963,289 | 41,357,853 | 28,891,430 | 28,225,242 | 24,577,647 | 28,380,427 | 24,743,923 | 20,913,118 |
| Total all other governmental funds | 67,750,632 | 195,626,594 | 190,076,184 | 141,723,564 | 112,107,778 | 87,156,522 | 99,643,348 | 106,533,329 | 94,748,521 | 96,624,817 |
| Total fund balances | \$ 124,333,886 | \$ 254,505,601 | \$ 244,993,591 | \$ 204,194,071 | \$ 165,491,678 | \$ 136,445,561 | \$ 152,780,832 | \$ 163,171,409 | \$ 150,978,981 | \$ 149,032,101 |

(a) Excluding TABOR and Policy Reserve funds.

Note: The Policy and TABOR reserve are being shown with the General Fund to show the emergency reserves available to the City.

City of Aurora, Colorado

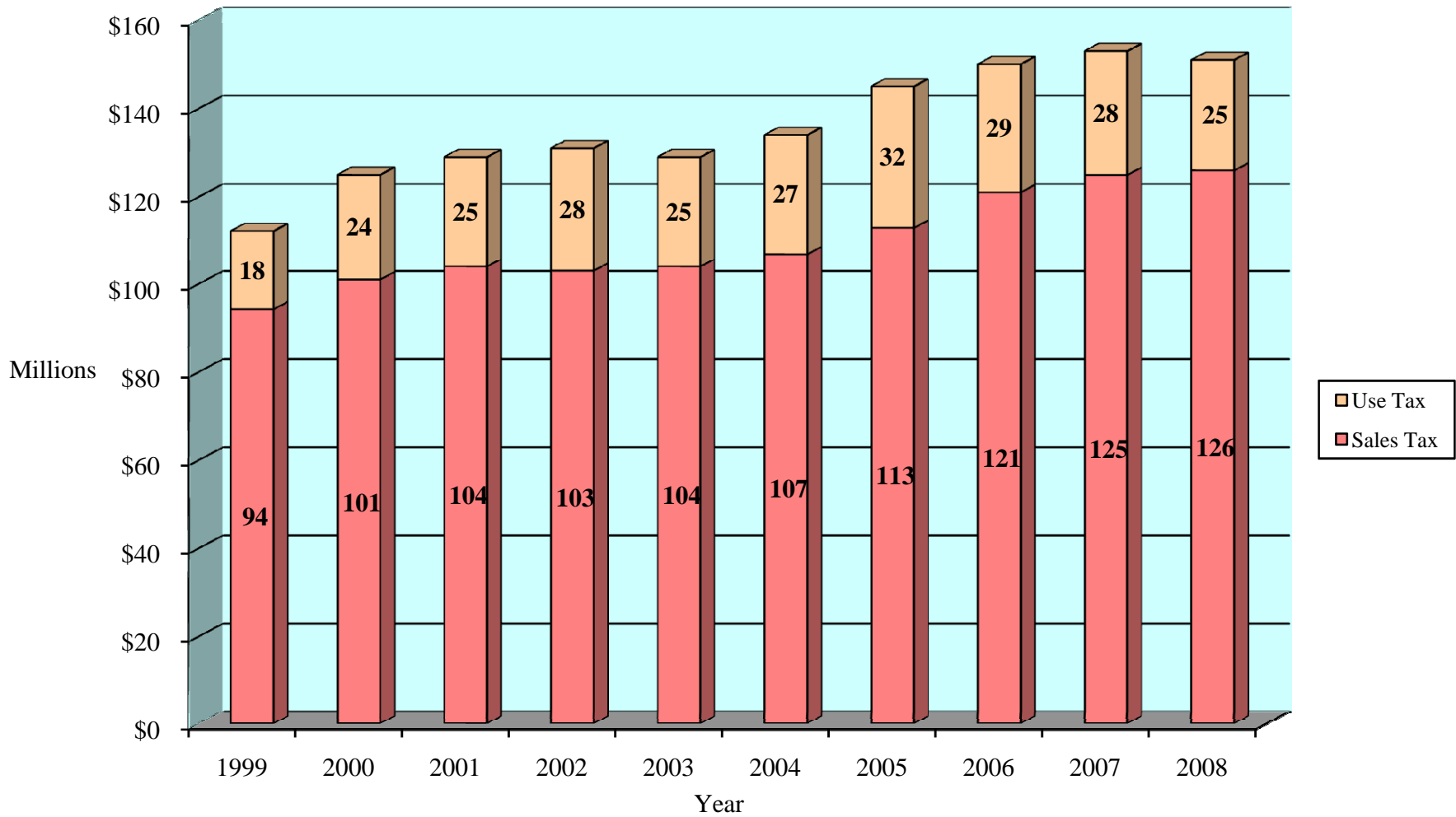
Changes in Fund Balance, Governmental Funds
Last Ten Years

Exhibit A-4

| | Fiscal Year | | | | | | | | | |
|---|----------------|----------------|----------------|-----------------|-----------------|-----------------|----------------|----------------|-----------------|----------------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| REVENUES | | | | | | | | | | |
| <i>Taxes</i> | | | | | | | | | | |
| Sales and use | \$ 112,612,925 | \$ 124,670,054 | \$ 128,794,583 | \$ 131,175,237 | \$ 128,674,426 | \$ 134,245,043 | \$ 145,134,048 | \$ 149,526,922 | \$ 153,243,007 | \$ 150,617,059 |
| Property | 18,225,450 | 19,429,113 | 25,138,146 | 26,732,855 | 29,799,273 | 28,033,332 | 28,644,691 | 29,742,954 | 30,813,184 | 32,519,051 |
| Franchise | 8,030,548 | 8,560,036 | 10,117,112 | 8,777,935 | 10,183,683 | 10,606,171 | 11,224,526 | 11,566,625 | 11,439,537 | 13,037,994 |
| Lodgers | 3,480,224 | 3,808,955 | 3,438,213 | 3,231,779 | 3,044,341 | 3,130,347 | 3,344,153 | 4,008,854 | 4,572,800 | 4,688,562 |
| Occupational privilege | 3,448,211 | 3,679,334 | 3,657,773 | 3,824,913 | 3,684,159 | 3,755,667 | 3,950,531 | 4,058,928 | 4,215,950 | 4,295,911 |
| Other | 3,081,293 | 3,804,754 | 4,207,334 | 4,430,407 | 4,864,920 | 5,361,765 | 5,366,799 | 7,292,324 | 7,331,575 | 5,001,847 |
| Charges for services | 11,702,854 | 10,662,570 | 12,670,536 | 14,453,021 | 15,298,469 | 18,951,376 | 19,902,708 | 15,408,472 | 18,620,824 | 15,996,882 |
| Licenses and permits | 5,373,101 | 6,005,710 | 7,140,457 | 9,394,758 | 8,902,351 | 10,974,896 | 13,710,827 | 13,121,874 | 9,523,978 | 8,817,173 |
| Fines and forfeitures | 4,038,670 | 4,099,854 | 4,742,280 | 4,858,917 | 5,312,628 | 5,195,033 | 7,081,565 | 7,547,331 | 8,862,389 | 8,209,553 |
| Special assessments | 473,694 | 433,235 | 318,617 | 192,493 | 264,002 | 47,795 | 1,024,193 | 292,474 | 545,373 | 346,447 |
| Intergovernmental | 21,439,172 | 21,110,332 | 22,258,953 | 24,455,505 | 22,780,958 | 28,557,034 | 36,785,824 | 35,509,439 | 32,005,970 | 33,731,296 |
| Surcharges | 1,440,582 | 1,501,376 | 2,716,398 | 2,693,191 | 2,604,231 | 2,650,587 | 2,694,385 | 2,790,662 | 2,862,077 | 3,139,083 |
| Miscellaneous | 6,439,036 | 3,553,612 | 2,978,342 | 5,509,569 | 4,283,746 | 5,174,348 | 16,033,741 | 15,473,953 | 8,052,699 | 7,182,586 |
| Investment earnings | 3,921,313 | 10,827,210 | 15,023,970 | 14,867,221 | 5,327,877 | 4,099,535 | 3,692,282 | 7,027,993 | 8,755,080 | 6,456,844 |
| Total revenues | 203,707,073 | 222,146,145 | 243,202,714 | 254,597,801 | 245,025,064 | 260,782,929 | 298,590,273 | 303,368,805 | 300,844,443 | 294,040,288 |
| EXPENDITURES | | | | | | | | | | |
| <i>Current</i> | | | | | | | | | | |
| General government | 21,267,721 | 22,364,376 | 22,361,989 | 25,271,995 | 32,974,743 | 34,809,025 | 51,361,370 | 34,353,933 | 34,207,588 | 34,006,200 |
| Judicial | 5,101,551 | 5,455,373 | 5,745,870 | 6,110,996 | 6,296,055 | 6,867,461 | 6,818,969 | 7,175,054 | 7,706,708 | 8,069,643 |
| Police | 53,020,967 | 54,624,074 | 57,845,300 | 59,326,105 | 61,411,745 | 62,661,168 | 65,764,443 | 70,298,998 | 74,496,292 | 78,646,612 |
| Fire | 23,137,014 | 25,150,075 | 26,767,183 | 27,972,743 | 28,758,598 | 27,840,562 | 28,195,821 | 29,977,336 | 32,308,850 | 33,764,814 |
| Other public safety | 494,574 | 2,082,171 | 1,281,460 | 3,927,902 | 5,260,630 | 9,038,844 | 10,106,404 | 10,506,510 | 11,780,534 | 12,742,372 |
| Public works | 30,177,441 | 37,714,179 | 30,306,245 | 21,598,825 | 19,260,674 | 20,605,607 | 30,631,449 | 32,304,425 | 24,933,938 | 24,357,677 |
| Economic development | 10,447,573 | 12,581,764 | 14,443,774 | 15,940,491 | 15,753,059 | 14,102,957 | 15,305,193 | 16,695,677 | 15,585,637 | 16,328,694 |
| Community services | 7,496,958 | 7,842,842 | 8,024,127 | 7,233,833 | 8,829,366 | 9,257,105 | 9,493,039 | 9,724,207 | 10,151,162 | 12,473,080 |
| Culture and recreation | 27,376,586 | 26,054,568 | 28,574,815 | 29,599,895 | 29,364,362 | 31,825,342 | 32,766,693 | 32,886,396 | 34,973,302 | 36,164,665 |
| <i>Debt Service</i> | | | | | | | | | | |
| Principal | 6,000,330 | 5,625,474 | 6,675,508 | 6,679,071 | 7,652,362 | 8,921,242 | 10,577,968 | 13,036,135 | 13,583,952 | 13,187,802 |
| Interest | 2,842,798 | 4,643,108 | 9,672,964 | 9,506,354 | 9,528,666 | 9,046,758 | 8,598,608 | 6,874,792 | 7,141,260 | 7,971,018 |
| Capital outlay | 8,718,653 | 13,780,493 | 39,349,089 | 102,817,652 | 61,302,114 | 50,060,333 | 38,591,864 | 33,354,866 | 47,062,412 | 28,473,688 |
| Total expenditures | 196,082,166 | 217,918,497 | 251,048,324 | 315,985,862 | 286,392,374 | 285,036,404 | 308,211,821 | 297,188,329 | 313,931,635 | 306,186,265 |
| Excess (deficiency) of revenues over (under) expenditures | 7,624,907 | 4,227,648 | (7,845,610) | (61,388,061) | (41,367,310) | (24,253,475) | (9,621,548) | 6,180,476 | (13,087,192) | (12,145,977) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Transfers in | 56,187,962 | 49,273,414 | 47,975,096 | 43,664,588 | 55,204,349 | 57,960,594 | 83,160,614 | 57,744,381 | 49,352,397 | 44,221,197 |
| Transfers out | (57,909,505) | (51,753,472) | (50,404,651) | (41,196,352) | (55,294,379) | (57,885,594) | (82,745,807) | (58,198,520) | (49,901,726) | (44,281,197) |
| Premium(discount) on debt issues | - | - | - | - | - | 187,611 | (179,797) | 797,089 | - | - |
| Proceeds from debt issues | 17,470,000 | 126,475,000 | - | 15,421,826 | 2,549,559 | 8,750,000 | 24,535,000 | 539,309 | - | 68,540,000 |
| Payment to refunded bond escrow agent | - | - | - | - | (2,490,000) | (14,975,000) | - | - | - | (60,635,390) |
| Notes Issued | - | - | - | - | - | - | - | - | 1,075,000 | - |
| Proceeds from capital leases | - | 1,239,232 | 343,677 | - | - | 944,280 | 915,600 | 2,912,974 | - | 2,093,601 |
| Proceeds from disposal of capital assets | 269,437 | 340,850 | 419,478 | 2,698,480 | 2,695,389 | 225,467 | 271,209 | 414,868 | 369,093 | 260,886 |
| Total other financing sources (uses) | 16,017,894 | 125,575,024 | (1,666,400) | 20,588,542 | 2,664,918 | (4,792,642) | 25,956,819 | 4,210,101 | 894,764 | 10,199,097 |
| Net change in fund balances | \$ 23,642,801 | \$ 129,802,672 | \$ (9,512,010) | \$ (40,799,519) | \$ (38,702,392) | \$ (29,046,117) | \$ 16,335,271 | \$ 10,390,577 | \$ (12,192,428) | \$ (1,946,880) |
| Debt service as a percentage of noncapital expenditures | (a) 4.72% | 5.03% | 7.72% | 7.59% | 7.63% | 7.65% | 7.11% | 7.55% | 7.77% | 7.62% |

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

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





REVENUE CAPACITY STATISTICS

These schedules provide additional information about sales and use taxes and property taxes, the City's most significant local revenue sources.

Exhibit A-6 **Sales and Use Tax Receipts by Business Sector**

Exhibit A-7 **Direct and Overlapping Sales Tax Rates**

Exhibit A-8 **Top Ten Sales and Use Tax Payers by Industry Group**

Exhibit A-9 **Assessed and Estimated Actual Value of Taxable Property**

Exhibit A-10 **Property Tax Rates – Direct and Primary Overlapping Governments**

Exhibit A-11 **Top Ten Principal Property Tax Payers**

Exhibit A-12 **Property Tax Levies and Collections**

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

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

| | Fiscal Year | | | | | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> |
| Sales and Use Tax Receipts by Business Sector | | | | | | | | | |
| Retail trade | \$ 59,880,657 | \$ 61,666,655 | \$ 59,119,766 | \$ 60,660,159 | \$ 61,323,123 | \$ 64,149,437 | \$ 68,785,268 | \$ 72,371,462 | \$ 70,219,932 |
| Accommodation & food services | 11,148,645 | 11,643,288 | 11,842,340 | 12,060,851 | 12,688,329 | 13,521,657 | 14,209,309 | 15,722,168 | 16,646,987 |
| Information/Media | 9,610,289 | 10,757,972 | 9,089,360 | 7,410,538 | 8,410,406 | 9,404,063 | 10,084,979 | 10,735,395 | 11,206,178 |
| Utilities | 6,260,234 | 7,896,573 | 10,004,207 | 7,368,457 | 8,338,419 | 9,254,990 | 10,868,971 | 10,176,084 | 11,542,677 |
| Real estate, rental & leasing | 4,584,136 | 5,066,623 | 4,717,082 | 4,779,630 | 4,246,358 | 4,351,737 | 4,595,117 | 4,738,835 | 4,620,515 |
| Manufacturing | 4,224,016 | 3,862,112 | 3,593,335 | 3,387,378 | 3,505,429 | 3,220,917 | 3,560,554 | 2,796,082 | 2,635,512 |
| Wholesale trade | 2,187,058 | 2,769,157 | 3,855,464 | 4,341,125 | 4,166,333 | 4,806,379 | 5,428,407 | 5,251,516 | 5,740,516 |
| Finance and insurance | 1,706,488 | 1,675,830 | 1,655,349 | 1,286,834 | 1,036,981 | 908,032 | 985,344 | 1,032,270 | 1,033,487 |
| Health Care and Social Assistance (a) | - | - | - | - | - | - | - | - | 1,278,344 |
| Arts, entertainment & recreational | 908,933 | 978,288 | 967,856 | 912,800 | 958,913 | 916,219 | 880,367 | 825,845 | 843,638 |
| Professional, scientific and technical | 819,190 | 930,322 | 648,743 | 801,065 | 728,034 | 1,025,581 | 958,251 | 1,050,971 | 939,483 |
| Construction | 760,707 | 693,967 | 1,040,284 | 1,083,967 | 1,083,516 | 2,206,861 | 1,987,942 | 1,760,245 | 1,604,885 |
| Other services | 4,145,471 | 4,202,351 | 4,363,934 | 4,537,029 | 4,408,874 | 4,340,091 | 4,758,881 | 5,284,155 | 4,210,019 |
| Automobile use tax | 10,157,743 | 11,438,366 | 11,469,004 | 10,948,897 | 10,215,871 | 10,284,541 | 9,834,375 | 10,845,015 | 10,302,520 |
| Building materials use tax | 8,507,397 | 7,782,462 | 10,291,664 | 8,629,048 | 11,955,724 | 15,459,058 | 13,645,196 | 12,328,785 | 7,514,659 |
| Total Sales and Use Tax Receipts | \$ 124,900,964 | \$ 131,363,966 | \$ 132,658,388 | \$ 128,207,778 | \$ 133,066,310 | \$ 143,849,563 | \$ 150,582,961 | \$ 154,918,828 | \$ 150,339,352 |
| City direct sales/use tax rate | 3.75% | 3.75% | 3.75% | 3.75% | 3.75% | 3.75% | 3.75% | 3.75% | 3.75% |

SOURCE: City of Aurora's Sales Tax Division, except for automobile and building material use tax which is tracked within the Finance Department.
 Amounts shown on this table from the City Sales Tax Division include taxes received for both the General Fund and AURA.
 The amounts reflected in this table are gross amounts received and will not necessarily reflect U.S. GAAP as recorded in the financial statements; differences include refunds and accruals.

(a) For 2001 through 2007 Health Care and Social Assistance receipts had been included in the totals for other services, for 2008 the receipts are listed as a separate line item.

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

Arapahoe County

| Fiscal Year | City Direct Rate | State | RTD | Scientific & Cultural | (a) Football Stadium District | Open Space | Total Rate Arapahoe County |
|--------------------|-------------------------|--------------|------------|----------------------------------|--------------------------------------|-------------------|-----------------------------------|
| 1999 | 3.75% | 3.00% | 0.60% | 0.10% | 0.10% | - | 7.55% |
| 2000 | 3.75% | 3.00% | 0.60% | 0.10% | 0.10% | - | 7.55% |
| 2001 | 3.75% | 2.90% | 0.60% | 0.10% | 0.10% | - | 7.45% |
| 2002 | 3.75% | 2.90% | 0.60% | 0.10% | 0.10% | - | 7.45% |
| 2003 | 3.75% | 2.90% | 0.60% | 0.10% | 0.10% | - | 7.45% |
| 2004 | 3.75% | 2.90% | 0.60% | 0.10% | 0.10% | 0.25% | 7.70% |
| 2005 | 3.75% | 2.90% | 1.00% | 0.10% | 0.10% | 0.25% | 8.10% |
| 2006 | 3.75% | 2.90% | 1.00% | 0.10% | 0.10% | 0.25% | 8.10% |
| 2007 | 3.75% | 2.90% | 1.00% | 0.10% | 0.10% | 0.25% | 8.10% |
| 2008 | 3.75% | 2.90% | 1.00% | 0.10% | 0.10% | 0.25% | 8.10% |

Adams County

| Fiscal Year | City Direct Rate | State | RTD | Scientific & Cultural | (a) Football Stadium District | Open Space | Roads & Bridges | Total Rate Adams County |
|--------------------|-------------------------|--------------|------------|----------------------------------|--------------------------------------|-------------------|----------------------------|--------------------------------|
| 1999 | 3.75% | 3.00% | 0.60% | 0.10% | 0.10% | - | 0.50% | 8.05% |
| 2000 | 3.75% | 3.00% | 0.60% | 0.10% | 0.10% | 0.20% | 0.50% | 8.25% |
| 2001 | 3.75% | 2.90% | 0.60% | 0.10% | 0.10% | 0.20% | 0.50% | 8.15% |
| 2002 | 3.75% | 2.90% | 0.60% | 0.10% | 0.10% | 0.20% | 0.50% | 8.15% |
| 2003 | 3.75% | 2.90% | 0.60% | 0.10% | 0.10% | 0.20% | 0.50% | 8.15% |
| 2004 | 3.75% | 2.90% | 0.60% | 0.10% | 0.10% | 0.20% | 0.50% | 8.15% |
| 2005 | 3.75% | 2.90% | 1.00% | 0.10% | 0.10% | 0.20% | 0.50% | 8.55% |
| 2006 | 3.75% | 2.90% | 1.00% | 0.10% | 0.10% | 0.20% | 0.50% | 8.55% |
| 2007 | 3.75% | 2.90% | 1.00% | 0.10% | 0.10% | 0.25% | 0.50% | 8.60% |
| 2008 | 3.75% | 2.90% | 1.00% | 0.10% | 0.10% | 0.25% | 0.50% | 8.60% |

SOURCE: City of Aurora's Tax & Licensing Division

(a) This was a "Baseball District Tax" through the year 2000.

Exhibit A-8

City of Aurora, Colorado

Top Ten Principal Sales and Use Tax Payers by Industry Group

Current Year and Eight Years Ago

| | 2008 | | | 2000 | | |
|--|--------------------------|------|---|--------------------------|------|---|
| | Sales & Use Tax Receipts | Rank | Percentage of Total City Sales & Use Tax Receipts | Sales & Use Tax Receipts | Rank | Percentage of Total City Sales & Use Tax Receipts |
| Department stores | \$ 16,864,959 | 1 | 11.22% | \$ 13,281,289 | 1 | 10.63% |
| Full-service restaurants | 12,367,783 | 2 | 8.23% | 10,347,586 | 2 | 8.28% |
| Electrical power generation, transmission distribution | 11,299,663 | 3 | 7.52% | 6,192,016 | 5 | 4.96% |
| Building materials & supplies stores | 7,848,903 | 4 | 5.22% | 5,733,398 | 6 | 4.59% |
| Telecommunications | 7,702,353 | 5 | 5.12% | 7,440,810 | 3 | 5.96% |
| Clothing stores | 5,919,494 | 6 | 3.94% | - | | 0.00% |
| Electronics and appliance stores | 5,013,907 | 7 | 3.34% | 3,564,209 | 10 | 2.85% |
| Other miscellaneous retail stores | 4,815,244 | 8 | 3.20% | 5,234,411 | 7 | 4.19% |
| Automobile dealers | 4,473,438 | 9 | 2.98% | 6,373,534 | 4 | 5.10% |
| Other general merchandise stores | 4,262,348 | 10 | 2.84% | 4,924,476 | 8 | 3.94% |
| Grocery stores | | | | 3,682,863 | 9 | 2.95% |
| Total | <u>\$ 80,568,092</u> | | <u>53.59%</u> | <u>\$ 66,774,592</u> | | <u>53.46%</u> |

SOURCE: City of Aurora's Sales Tax Division

Note: Total City sales and use tax receipts were \$150,339,352 for 2008 and \$124,900,964 for the year 2000.

City of Aurora, Colorado

Exhibit A-9

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Years

| Assessment/ Levy Year | Collection/ Budget Year | Real Property (a) | | | Total | | | | Percent of Total Assessed Value to Estimated Actual Value | Total Direct Tax Rate |
|-----------------------------|-------------------------------|--------------------------------|---------------------------------------|-------------------------------------|-------------------|----------------------|---------------------------|----------------------|--|-----------------------------|
| | | Assessed Value Adams County | Assessed Value Arapahoe County (b) | Assessed Value Douglas County | Assessed Value | Percentage Change | Estimated Actual Value | Percentage Change | | |
| 1999 | 2000 | 292,819,650 | 1,594,238,220 | 2,480 | 1,887,060,350 | 22.2% | 12,500,191,290 | 20.0% | 15.1% | 11.796 |
| 2000 | 2001 | 316,583,610 | 1,673,391,071 | 2,480 | 1,989,977,161 | 5.5% | 12,917,885,512 | 3.3% | 15.4% | 10.594 |
| 2001 | 2002 | 382,141,380 | 1,947,164,470 | 2,600 | 2,329,308,450 | 17.1% | 16,840,511,419 | 30.4% | 13.8% | 12.193 |
| 2002 | 2003 | 391,969,270 | 2,039,310,460 | 32,610 | 2,431,312,340 | 4.4% | 17,631,037,265 | 4.7% | 13.8% | 11.409 |
| 2003 | 2004 | 415,203,720 | 2,069,917,070 | 48,550 | 2,485,169,340 | 2.2% | 20,375,486,637 | 15.6% | 12.2% | 11.161 |
| 2004 | 2005 | 447,208,260 | 2,127,672,860 | 80,810 | 2,574,961,930 | 3.6% | 21,018,710,901 | 3.2% | 12.3% | 11.079 |
| 2005 | 2006 | 487,883,880 | 2,223,143,550 | 81,270 | 2,711,108,700 | 5.3% | 22,166,078,150 | 5.5% | 12.2% | 10.958 |
| 2006 | 2007 | 510,091,180 | 2,315,537,610 | 1,099,640 | 2,826,728,430 | 4.3% | 23,166,543,343 | 4.5% | 12.2% | 10.867 |
| 2007 | 2008 | 542,673,070 | 2,507,656,430 | 3,582,000 | 3,053,911,500 | 8.0% | 24,396,193,173 | 5.3% | 12.5% | 10.701 |
| 2008 | 2009 | 569,347,020 | 2,546,012,900 | 6,743,960 | 3,122,103,880 | 2.2% | 24,945,172,361 | 2.3% | 12.5% | 10.664 |

Notes: Data obtained from Certifications of Valuation provided by Adams, Arapahoe and Douglas counties. Colorado statutes provide procedures for the valuation of property for assessment purposes. The "Assessment/Levy Year" is the calendar year in which the property value is assessed. It is also the year in which the associated tax is levied. The tax revenue for a "Collection/Budget Year" is based on the assessment and tax levy made in the prior year. Tax revenue collections occur in the budget year.

The County Assessor bases the assessed values on property values as of June 30 of the year prior to the assessment year. Thus the assessed values for the taxes associated with budget year 2009 are based on the 2008 assessment, which itself is based on property values as of June 30, 2007.

The assessed valuation percentage is established each year and was as follows: Residential: 1999 through 2000 - 9.74%; 2001 and 2002 - 9.15%; and 2003 through 2008 - 7.96%.

All other classes of property were assessed at 29% of estimated actual value.

Differences in the percentage change between actual value and assessed value relate to the change in the mix of residential to other property from year to year. Additionally, exempt property is represented in actual value but not in assessed value.

(a) Includes both real and some business personal property.

(b) Does not include tax increment financing district incremental assessed valuation of: \$8,090,420 - 1999; \$8,728,579 - 2000; \$8,168,440 - 2001; \$6,685,640 - 2002; \$5,813,860 - 2003; \$4,720,910 - 2004; \$5,164,460 - 2005; \$5,453,930 - 2006; \$6,202,670 - 2007 and \$1,662,950 - 2008.

City of Aurora, Colorado

Exhibit A-10

PROPERTY TAX RATES - DIRECT AND PRIMARY OVERLAPPING GOVERNMENTS
(Per \$1,000 of Assessed Valuation)

Last Ten Years

| Assessment/ Levy Year | Collection/ Budget Year | City of Aurora | Counties | | Schools | | (1) Total Tax Rate - City of Aurora and: | | |
|-----------------------------|-------------------------------|-------------------|----------|----------|------------|--------------|---|--|--|
| | | | Adams | Arapahoe | Aurora 28J | Cherry Creek | Adams County and Aurora Schools 28J | Arapahoe County and Aurora Schools 28J | Arapahoe County and Cherry Creek Schools |
| 1999 | 2000 | 11.796 | 25.273 | 13.706 | 53.799 | 53.093 | 90.868 | 79.301 | 78.595 |
| 2000 | 2001 | 10.594 | 25.681 | 14.013 | 53.686 | 52.397 | 89.961 | 78.293 | 77.004 |
| 2001 | 2002 | 12.193 | 23.541 | 14.028 | 49.978 | 46.889 | 85.712 | 76.199 | 73.110 |
| 2002 | 2003 | 11.409 | 26.370 | 14.594 | 49.825 | 47.331 | 87.604 | 75.828 | 73.334 |
| 2003 | 2004 | 11.161 | 26.779 | 14.140 | 47.964 | 49.654 | 85.904 | 73.265 | 74.955 |
| 2004 | 2005 | 11.079 | 26.903 | 15.450 | 47.003 | 51.132 | 84.985 | 73.532 | 77.661 |
| 2005 | 2006 | 10.958 | 26.804 | 15.421 | 45.824 | 51.575 | 83.586 | 72.203 | 77.954 |
| 2006 | 2007 | 10.867 | 26.974 | 16.083 | 45.745 | 51.129 | 83.586 | 72.695 | 78.079 |
| 2007 | 2008 | 10.701 | 26.899 | 15.217 | 45.530 | 47.397 | 83.130 | 71.448 | 73.315 |
| 2008 | 2009 | 10.664 | 26.809 | 14.609 | 53.248 | 39.637 | 90.721 | 78.521 | 64.910 |

Notes: Data obtained from Certifications of Valuation provided by Adams, Arapahoe and Douglas counties. Colorado statutes provide procedures for the valuation of property for assessment purposes. The "Assessment/Levy Year" is the calendar year in which the property value is assessed. It is also the year in which the associated tax is levied. The tax revenue for a "Collection/Budget Year" is based on the assessment and tax levy made in the prior year. Tax revenue collections occur in the budget year.

The County Assessor bases the assessed values on property values as of June 30 of the year prior to the assessment year. Thus the assessed values for the taxes associated with budget year 2009 are based on the 2008 assessment, which itself is based on property values as of June 30, 2007.

(1) This schedule presents mill levies for counties and school districts only and may not represent the total tax rate for each property. The Adams and Arapahoe County Assessor's Offices report that property owners within county boundaries may be subject to a variety of different mill levies depending on the property's location.

Exhibit A-11

City of Aurora, Colorado

Top Ten Principal Property Tax Payers
Current Year and Nine Years Ago

| | 2008 | | | 1999 | | |
|--|--------------------------------------|------|---|--------------------------------------|------|---|
| | Assessed Valuation of Property | Rank | Percentage of Total Assessed Valuation | Assessed Valuation of Property | Rank | Percentage of Total Assessed Valuation |
| Xcel Energy (formerly Public Service Co of Colorado) | \$ 43,042,440 | 1 | 1.38% | \$ 34,124,580 | 2 | 1.81% |
| Qwest Communications (formerly U.S. West Communications) | 43,011,300 | 2 | 1.38% | 38,884,500 | 1 | 2.06% |
| Blue Spruce Energy Center LLC | 29,249,200 | 3 | 0.94% | | | |
| Verizon | 15,911,330 | 4 | 0.51% | | | |
| Arapahoe Crossings | 15,804,990 | 5 | 0.51% | | | |
| Columbia HealthOne | 14,580,270 | 6 | 0.39% | 13,949,000 | 3 | 0.74% |
| Weingarten/Miller/Aurora II | 12,180,000 | 7 | 0.37% | | | |
| Comcast of Colorado | 11,433,730 | 8 | 0.29% | | | |
| Retail Property Trust | 8,903,000 | 9 | 0.28% | 6,960,000 | 8 | 0.37% |
| Pro Logis | 8,830,950 | 10 | 0.00% | 7,827,980 | 6 | 0.41% |
| Glenborough Properties | | | | 11,960,860 | 4 | 0.63% |
| Aberdeen Land Company | | | | 10,439,020 | 5 | 0.55% |
| IBM Credit Corporation | | | | 7,239,130 | 7 | 0.38% |
| Nationwide Hospitality | | | | 6,090,010 | 9 | 0.32% |
| Kaiser Foundation HP | | | | 5,800,000 | 10 | 0.31% |
| Total | \$ 202,947,210 | | 6.50% | \$ 143,275,080 | | 7.59% |

Source: Data obtained from Certifications of Valuations provided by Adams, Arapahoe and Douglas Counties. The Total Assessed Value in assessment year 2008 is \$3,122,103,880 and 1999 was \$1,887,060,350. This total does not include the tax increment financing district assessed valuation for 2008 of \$1,662,950 or 1999 of \$8,728,579.

City of Aurora, Colorado

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Years

| Assessment/ Levy Year | Collection/ Budget Year | Total Tax Levy (a) | Current Tax Collections | Percent of Levy Collected | Delinquent Collections/ (Refunds) (b) | Total Tax Collections | Collections as % of Current Tax Levy | TABOR (c) | | Tax Increment Collections | Total Property Tax Revenues |
|-----------------------------|-------------------------------|-----------------------|-------------------------------|---------------------------------|---|-----------------------------|---|-----------------------|---------------|---------------------------------|-----------------------------------|
| | | | | | | | | Excess Collections | Tax Credit | | |
| 1998 | 1999 | 17,726,529 | 17,575,493 | 99.15% | (79,042) | 17,496,451 | 98.70% | (1,235,123) | 1,649,456 | 314,666 | 18,225,450 |
| 1999 | 2000 | 22,170,875 | 22,041,571 | 99.42% | (11,747) | 22,029,824 | 99.36% | (4,385,448) | 1,154,154 | 630,583 | 19,429,113 |
| 2000 | 2001 | 21,016,790 | 20,528,208 | 97.68% | (186,875) | 20,341,333 | 96.79% | - | 4,134,476 | 662,337 | 25,138,146 |
| 2001 | 2002 | 28,340,445 | 28,112,473 | 99.20% | (195,833) | 27,916,640 | 98.50% | (2,012,800) | 218,559 | 610,456 | 26,732,855 |
| 2002 | 2003 | 27,738,843 | 27,468,922 | 99.03% | (164,695) | 27,304,227 | 98.43% | - (d) - | 2,008,487 | 486,559 | 29,799,273 |
| 2003 | 2004 | 27,736,975 | 27,577,434 | 99.42% | (51,454) | 27,525,980 | 99.24% | - | - | 507,352 | 28,033,332 |
| 2004 | 2005 | 28,528,003 | 28,331,940 | 99.31% | (34,316) | 28,297,624 | 99.19% | - | - | 347,067 | 28,644,691 |
| 2005 | 2006 | 29,708,330 | 29,573,589 | 99.55% | (128,117) | 29,445,472 | 99.12% | - | - | 297,482 | 29,742,954 |
| 2006 | 2007 | 30,718,057 | 30,501,534 | 99.30% | (81,225) | 30,420,309 | 99.03% | - | - | 392,875 | 30,813,184 |
| 2007 | 2008 | 32,739,222 | 32,512,589 | 99.31% | (117,207) | 32,395,382 | 98.95% | - | - | 123,668 | 32,519,050 |

Notes: Data obtained from Certifications of Valuation provided by Adams, Arapahoe and Douglas counties. Colorado statutes provide procedures for the valuation of property for assessment purposes. The "Assessment/Levy Year" is the calendar year in which the property value is assessed. It is also the year in which the associated tax is levied. The tax revenue for a "Collection/Budget Year" is based on the assessment and tax levy made in the prior year. Tax revenue collections occur in the budget year.

The County Assessor bases the assessed values on property values as of June 30 of the year prior to the assessment year. Thus the assessed values for the taxes associated with budget year 2008 are based on the 2007 assessment, which itself is based on property values as of June 30, 2006.

- (a) Property taxes are assessed by Adams, Arapahoe and Douglas counties and remitted to the City after collection.
- (b) Delinquent tax collections are netted with refunds of appealed assessments. Positive numbers reflect more delinquent tax collections than refunds for the year. Negative numbers reflect refunds of appealed assessments in excess of delinquent collections for the year.
- (c) For collection years 1999, 2000 and 2002, property tax revenues were collected in excess of the limits imposed under the Taxpayer Bill of Rights (TABOR) Amendment. Taxpayers were given a "temporary tax credit" (net of County collection fees) for these excess collections in the form of a reduction in the following year tax levy which reduced the amount they were required to pay. Amounts collected in excess of the limit are recognized as deferred revenue in the year collected and as revenue in the following year.
- (d) In November, 2003, a majority of the City's electors authorized the City to collect, retain and spend a portion of 2003 property tax revenues which was in excess of the TABOR limits and would otherwise have to be refunded to the City's taxpayers. This amounted to \$2,039,130 for the period ended 2003.



DEBT CAPACITY STATISTICS

These schedules provide detailed information about the City's current levels of outstanding debt, and can help the financial statement user assess the City's ability to issue additional debt in the future.

| | |
|----------------------------|--|
| <u>Exhibit A-13</u> | Ratios of Outstanding Debt by Type |
| <u>Exhibit A-14</u> | Ratios of Net General Obligation Bonded Debt Outstanding |
| <u>Exhibit A-15</u> | Direct and Overlapping Governmental Activities Debt |
| <u>Exhibit A-16</u> | Legal Debt Margin Information |
| <u>Exhibit A-17</u> | Schedules of Revenue Bond Coverage – Water, Wastewater and Golf |

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

Exhibit A-13

City of Aurora, Colorado

Ratios of Outstanding Debt by Type

Last Ten Years

| Year | Governmental Activities | | | | | Business Activities | | | | | Total Primary Government | Percentage of Personal Income (b) | Per Capita | Population (a) |
|------|--------------------------------|------------------|---------------------------------|-------------------------------------|-------------------------------------|--------------------------------|------------------|--------------------------|------------------|-------------|--------------------------------|--|---------------|-------------------|
| | General Obligation Bonds | Revenue Bonds | Special Assessments Notes | Certificates of Participation | Tax Increment Refunding Bonds | General Obligation Bonds | Revenue Bonds | Water Rights Notes | Revenue Notes | | | | | |
| 1999 | 14,460,000 | 17,470,000 | 520,000 | 24,115,000 | 2,730,000 | 105,610,005 | 51,324,260 | 503,112 | - | 216,732,377 | - | 795 | 272,642 | |
| 2000 | 63,095,000 | 17,300,000 | 235,000 | 97,565,000 | 2,480,000 | 95,750,000 | 46,193,710 | 452,801 | - | 323,071,511 | - | 1,169 | 276,393 | |
| 2001 | 59,480,000 | 16,800,000 | - | 96,070,000 | 2,220,000 | 85,615,000 | 42,309,735 | 402,489 | - | 302,897,224 | - | 1,064 | 284,606 | |
| 2002 | 56,110,000 | 15,855,000 | - | 109,875,000 | 1,950,000 | 75,185,000 | 38,287,762 | 352,178 | - | 297,614,940 | 9.4% | 1,021 | 291,418 | |
| 2003 | 52,610,000 | 14,865,000 | - | 107,430,000 | 1,665,000 | 68,410,000 | 91,520,896 | 301,867 | - | 336,802,763 | 10.7% | 1,153 | 292,158 | |
| 2004 | 48,870,000 | 13,825,000 | - | 97,745,000 | 1,365,000 | 59,155,000 | 128,820,266 | 7,640,006 | 1,023,519 | 358,443,791 | 10.2% | 1,202 | 298,303 | |
| 2005 | 44,945,000 | 12,730,000 | 1,140,000 | 116,165,000 | 1,045,000 | 51,635,000 | 223,000,126 | 6,698,054 | 813,594 | 458,171,774 | 12.3% | 1,508 | 303,833 | |
| 2006 | 40,840,000 | 11,580,000 | 1,055,000 | 115,780,000 | 710,000 | 43,910,000 | 275,355,094 | 5,756,102 | 594,031 | 495,580,227 | 12.8% | 1,615 | 306,908 | |
| 2007 | 36,545,000 | 10,375,000 | 1,955,000 | 109,495,000 | - | 37,275,000 | 691,290,919 | 5,269,168 | 364,386 | 892,569,473 | 18.9% | 2,885 | 309,416 | |
| 2008 | 32,045,000 | 9,105,000 | 1,745,000 | 110,900,000 | - | 30,435,000 | 684,566,848 | 3,872,197 | 18,530,576 | 891,199,621 | 19.1% | 2,846 | 313,144 | |

Notes:

- (a) Data was provided by the City's Planning Department. The population for 1999 was an intercensal estimate from the Colorado Department of Local Affairs. The population for 2000 was taken from the 2000 U.S. Census information. The population for 2001 and 2002 was provided by the Denver Regional Council of Governments (DRCOG). The population for 2003 through 2005 was provided by Clarion Associates. The population for 2006 was provided by the Aurora's Economic and Development Council. For 2007 and 2008 the population was provided by the City's Planning Department.
- (b) See Exhibit A-18 (Demographic and Economic) for personal income totals. Personal income data not available before the year 2002.

Ratios of Net General Obligation Bonded Debt Outstanding

Last Ten Years

| Year | Population (a) | Assessed Value (b) | Governmental Activities | Business Activities | Gross General Obligation Bonded Debt (c) | Less: Debt Service Fund Balance | Net General Obligation Bonded Debt | Net General Obligation Bonded Debt to Assessed Value | Net General Obligation Bonded Debt Per Capita |
|------|-------------------|-----------------------|-------------------------|---------------------|---|---------------------------------|------------------------------------|--|---|
| 1999 | 272,642 | 1,887,060,350 | 14,460,000 | 105,610,005 | 120,070,005 | 446,998 | 119,623,007 | 6.3% | 439 |
| 2000 | 276,393 | 1,989,977,161 | 63,095,000 | 95,750,000 | 158,845,000 | 564,549 | 158,280,451 | 8.0% | 573 |
| 2001 | 284,606 | 2,329,308,450 | 59,480,000 | 85,615,000 | 145,095,000 | 464,815 | 144,630,185 | 6.2% | 508 |
| 2002 | 291,418 | 2,431,312,340 | 56,110,000 | 75,185,000 | 131,295,000 | 1,394,136 | 129,900,864 | 5.3% | 446 |
| 2003 | 292,158 | 2,485,169,340 | 52,610,000 | 68,410,000 | 121,020,000 | 1,260,224 | 119,759,776 | 4.8% | 410 |
| 2004 | 298,303 | 2,574,961,930 | 48,870,000 | 59,155,000 | 108,025,000 | 1,298,621 | 106,726,379 | 4.1% | 358 |
| 2005 | 303,833 | 2,711,108,700 | 44,945,000 | 51,635,000 | 96,580,000 | 1,484,328 | 95,095,672 | 3.5% | 313 |
| 2006 | 306,908 | 2,826,728,430 | 40,840,000 | 43,910,000 | 84,750,000 | 1,304,397 | 83,445,603 | 3.0% | 272 |
| 2007 | 309,416 | 3,053,911,500 | 36,545,000 | 37,275,000 | 73,820,000 | 1,669,563 | 72,150,437 | 2.4% | 233 |
| 2008 | 313,144 | 3,122,103,880 | 32,045,000 | 30,435,000 | 62,480,000 | 1,918,640 | 60,561,360 | 1.9% | 193 |

Notes:

- (a) Data was provided by the City's Planning Department. The population for 1999 is an intercensal estimate from the Colorado Department of Local Affairs. The population for 2000 was taken from the 2000 U.S. Census information. The population for 2001 and 2002 was provided by the Denver Regional Council of Governments (DRCOG). The population for 2003 through 2005 was provided by Clarion Associates. The population for 2006 was provided by Aurora's Economic and Development Council. The population for 2007 and 2008 was provided by the City's Planning Department.
- (b) Does not include tax increment financing district assessed valuation of: \$8,090,420 - 1999; \$8,728,579 - 2000; \$8,168,440 - 2001; \$6,685,640 - 2002; \$5,813,860 for 2003; \$4,720,910 for 2004; \$5,164,460 for 2005; \$5,453,930 for 2006; \$6,202,670 for 2007 and \$1,662,950 for 2008. Data obtained from Certifications of Valuation provided by Adams, Arapahoe and Douglas Counties.
- (c) Gross general obligation bonded debt includes general obligation bonds supported by General Fund revenues and general obligation water bonds which are paid for from Water Fund revenues but are a contingent general obligation of the City. Includes General Obligation Bonds Series 2000 and General Obligation Refunding Bonds Series 2003 which are excluded from the debt limit calculation per Section 11-19-1 of the City Charter.

City of Aurora, Colorado

Exhibit A-15

Direct and Overlapping Governmental Activities Debt

December 31, 2008

| Jurisdiction | Debt Outstanding | Estimated Percentage Applicable (d) | Estimated Share of Overlapping Debt |
|---|-------------------------|--|--|
| <i>Direct:</i> | | | |
| City of Aurora (a) | | | \$ 153,795,000 |
| <i>Overlapping:</i> | | | |
| Debt repaid with property taxes | | | |
| Aurora Public School District | | | |
| General obligation bonds (b) | 179,561,940 | 93.65% | 168,159,757 |
| Cherry Creek School District | | | |
| General obligation bonds (b) | 302,620,920 | 27.34% | 82,736,560 |
| Other debt | 4,370,000 | 27.34% | 1,194,758 |
| Other overlapping entities (c) | | | |
| General obligation bonds (b) | 2,021,721,257 | 28.47% | 575,676,014 |
| Other debt | 78,370,292 | 39.13% | 30,668,925 |
| Debt repaid from other sources (e) | | | |
| Other overlapping entities (c) | | | |
| Revenue bonds | 2,567,895,074 | 7.80% | 200,395,998 |
| Other debt | 472,366,104 | 13.45% | 63,526,028 |
| | | | <hr/> |
| Total overlapping debt: | | | 1,122,358,039 |
| | | | <hr/> |
| Total Direct and Overlapping Debt | | | \$ 1,276,153,039 |

Notes:

- (a) Includes all governmental activities debt of the City of Aurora such as, general obligation bonds, revenue bonds, certificates of participation, special assessments, and tax increment revenue bonds.
- (b) General obligation debt outstanding is the net of general obligation debt less any monies reserved for the retiring of these general obligation bonds, such as sinking funds or debt service reserve funds.
- (c) More than 200 other taxing entities overlap the City in whole or in part and nearly 60 of those have issued some form of debt.
- (d) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value. This approach was also used for all debt paid from other sources.
- (e) This category includes any remaining debt held by overlapping entities which is paid from sources other than property taxes (e.g., sales tax, tolls, facility fees, etc.).

City of Aurora, Colorado

Exhibit A-16

Legal Debt Margin Information
In accordance with Aurora Charter Article XI

Legal Debt Margin Calculation for Fiscal Year 2008

| | | | |
|---|----|----------------|----------------|
| Assessed valuation, all Counties: | \$ | 3,122,103,880 | |
| Debt limit - 3% of assessed valuation | | | 93,663,116 |
| Amount of debt outstanding: | | | |
| Total bonded debt | | 756,151,848 | |
| Other debt | | 139,725,588 | |
| Total | | | 895,877,436 |
| Less: Fund balance in debt service funds | | 1,918,640 | |
| Other deductions allowed by law: | | | |
| General obligation bonds exempt from limit | | 28,450,000 (a) | |
| General obligation water bonds | | 30,435,000 | |
| Capitalized lease obligations | | 4,677,815 | |
| Certificates of participation | | 110,900,000 | |
| Revenue notes | | 20,275,576 | |
| Water rights | | 3,872,197 | |
| Revenue bonds | | 693,671,848 | |
| Total deductions | | | 894,201,076 |
| Total amount of debt applicable to debt limit | | | 1,676,360 |
| Legal Debt Margin | | | 91,986,756 (b) |

| | <u>Last Ten Fiscal Years</u> | | | | | | | | | |
|---|-------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>1999</u> | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> |
| Debt limit | 56,611,811 | 59,699,315 | 69,879,254 | 72,939,370 | 74,555,080 | 77,248,858 | 81,333,261 | 84,801,853 | 91,617,345 | 93,663,116 |
| Total net debt applicable to limit | 10,489,600 | 9,346,598 | 8,331,807 | 7,324,379 | 6,004,776 | 5,296,379 | 4,410,672 | 3,855,603 | 2,725,438 | 1,676,360 |
| Legal debt margin | 46,122,211 | 50,352,717 | 61,547,447 | 65,614,991 | 68,550,304 | 71,952,479 | 76,922,589 | 80,946,250 | 88,891,907 | 91,986,756 |
| Total net debt applicable to the limit as a percentage of debt limit | 18.5% | 15.7% | 11.9% | 10.0% | 8.1% | 6.9% | 5.4% | 4.5% | 3.0% | 1.8% |

(a) These bonds are exempt from the general obligation debt limit by voter approval and per Section 11-19-1 of the City Charter.

(b) Article X, Section 20(4)(b) of the Colorado Constitution requires the City to receive voter approval in advance for the creation of any multiple fiscal year direct or indirect debt or other financial obligation, regardless of whether or not the City is at its legal debt margin. Typically, voter approval of additional debt includes a provision exempting the new debt from the debt margin. Consequently, the computation of the City's legal debt margin has little real significance.

Enterprises, as defined in Article X, Section 20(2)(d) of the Colorado Constitution, are not required to receive voter approval. An "enterprise" is a city-owned business authorized to issue its own revenue bonds and receiving under 10% of annual revenues in grants from all Colorado state and local governments combined.

City of Aurora, Colorado

SCHEDULE OF WATER REVENUE BOND COVERAGE

Last Ten Years

Debt Service Requirements

| Year | Gross Revenue (a) Expenses (b) | | Net Revenue Available For Debt Service | Debt Service Requirements | | | | | | | | Coverage Ratios (g) | | | |
|------|--------------------------------|---------------|--|------------------------------------|------------|---|------------|--|------------|---------------------------------------|--------------|---------------------|--------|--------|------|
| | | | | First Lien Revenue Obligations (c) | | First & Second Lien Revenue Obligations (d) | | Debt Secured by Net Pledged Revenues (e) | | Debt Payable from System Revenues (f) | | (c) | (d) | (e) | (f) |
| | | | | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | | | | |
| 1999 | \$ 47,467,930 | \$ 15,578,617 | \$ 31,889,313 | \$ - | \$ 37,500 | \$ - | \$ 37,500 | \$ - | \$ 37,500 | \$ 9,457,502 | \$ 4,844,044 | 850.38 | 850.38 | 850.38 | 2.23 |
| 2000 | 51,883,165 | 16,707,759 | 35,175,406 | 821,104 | 158,388 | 821,104 | 158,388 | 871,415 | 183,543 | 10,731,415 | 4,495,288 | 35.91 | 35.91 | 33.34 | 2.31 |
| 2001 | 63,681,217 | 21,965,001 | 41,716,216 | 837,204 | 445,986 | 837,204 | 445,986 | 887,515 | 468,626 | 11,022,515 | 4,460,819 | 32.51 | 32.51 | 30.76 | 2.69 |
| 2002 | 61,869,563 | 21,961,421 | 39,908,142 | 858,670 | 519,414 | 858,670 | 519,414 | 908,981 | 539,539 | 11,338,981 | 4,198,052 | 28.96 | 28.96 | 27.55 | 2.57 |
| 2003 | 67,083,106 | 28,694,146 | 38,388,960 | 885,504 | 495,735 | 885,504 | 495,735 | 935,815 | 513,344 | 7,130,815 | 3,823,128 | 27.79 | 27.79 | 26.49 | 3.50 |
| 2004 | 87,939,198 | 35,214,632 | 52,724,566 | 906,970 | 2,449,544 | 906,970 | 3,565,100 | 1,848,922 | 2,688,553 | 11,103,922 | 4,983,223 | 15.71 | 11.79 | 11.62 | 3.28 |
| 2005 | 120,569,923 | 45,166,591 | 75,403,332 | 3,458,804 | 2,934,269 | 3,458,804 | 3,960,158 | 4,400,756 | 4,309,474 | 11,920,756 | 6,246,059 | 11.79 | 10.16 | 8.66 | 4.15 |
| 2006 | 130,689,742 | 42,814,760 | 87,874,982 | 3,530,638 | 6,598,664 | 3,530,638 | 7,942,664 | 4,472,590 | 8,322,149 | 12,197,590 | 10,074,561 | 8.68 | 7.66 | 6.87 | 3.95 |
| 2007 | 146,607,372 | 48,913,130 | 97,694,242 | 3,607,104 | 7,244,069 | 3,607,104 | 8,830,807 | 4,549,056 | 9,118,612 | 11,184,056 | 10,664,088 | 9.00 | 7.85 | 7.15 | 4.47 |
| 2008 | 136,213,224 | 45,667,169 | 90,546,055 | 3,708,938 | 30,792,006 | 3,708,938 | 30,792,006 | 4,650,900 | 31,032,713 | 11,490,900 | 32,395,726 | 2.62 | 2.62 | 2.54 | 2.06 |

Note: Includes long-term debt payable from Water revenues, including General Obligation bonds, Revenue bonds, and Water Notes Payable. Debt service requirements represent annual amounts as opposed to the maximum annual amount. Therefore, coverage ratios on this schedule will not match ratios in the Debt Continuing Disclosure section.

- (a) Includes charges for services and other operating revenues, tap and development fees, and interest income. Excludes fair value adjustment and annexation fees.
- (b) Includes operating expenses such as personal services, supplies and other services and charges. Excludes depreciation expense.
- (c) Includes the City's portion of the Colorado Water Resources and Power Development Authority's Drinking Water Bonds Series 1999A and 2005D and the City's First Lien Water Improvement Revenue Bonds Series 2008, 2007 and 2003A. The legal covenant for debt service coverage is 1.20.
- (d) Includes (c) above and for 2004 through 2007 Second Lien Water Improvement Revenue Bonds Series 2004A. The legal covenant through 2008 for debt service coverage is 1.05. In 2008 the 2004A issue was refunded with the 2008A 1st lien issue. In 2008, a note with the Colorado Water Conservation board was entered into and takes a second lien parity with existing obligations.
- (e) Includes (d) above and all Water Rights Notes Payable. The legal covenant for debt service coverage is 1.05.
- (f) Includes (e) above and General Obligation Water Bonds which are payable from revenues of the system but are not secured by the Net Pledged Revenues. The legal covenant for debt service coverage is 1.00.
- (g) Net Revenue Available for Debt Service divided by Total Debt Service Requirements for "c", "d", "e" and "f", respectively.

(continued)

City of Aurora, Colorado

Exhibit A-17

SCHEDULE OF WASTEWATER REVENUE BOND COVERAGE

Last Ten Years

| Year | Gross Revenue (a) | Expenses (b) | Net Revenue Available For Debt Service | Debt Service Requirements (c) | | | Coverage Ratio (d) |
|------|-------------------|---------------|--|-------------------------------|------------|--------------|--------------------|
| | | | | Principal | Interest | Total | |
| 1999 | \$ 26,420,990 | \$ 16,534,343 | \$ 9,886,647 | \$ 2,275,000 | \$ 348,142 | \$ 2,623,142 | 3.77 |
| 2000 | 27,764,451 | 16,986,157 | 10,778,294 | 4,044,451 | 692,984 | 4,737,435 | 2.28 |
| 2001 | 31,838,320 | 17,620,275 | 14,218,045 | 2,766,772 | 942,533 | 3,709,305 | 3.83 |
| 2002 | 30,971,483 | 19,018,629 | 11,952,854 | 2,868,303 | 865,023 | 3,733,326 | 3.20 |
| 2003 | 32,061,284 | 20,976,324 | 11,084,960 | 1,426,362 | 756,247 | 2,182,609 | 5.08 |
| 2004 | 34,241,386 | 21,806,876 | 12,434,510 | 1,458,658 | 725,224 | 2,183,882 | 5.69 |
| 2005 | 38,358,057 | 24,623,664 | 13,734,393 | 1,496,335 | 683,337 | 2,179,672 | 6.30 |
| 2006 | 44,101,003 | 26,130,780 | 17,970,223 | 1,539,395 | 1,250,162 | 2,789,557 | 6.44 |
| 2007 | 50,582,848 | 28,794,436 | 21,788,412 | 1,577,073 | 3,347,387 | 4,924,460 | 4.42 |
| 2008 | 52,371,474 | 32,545,027 | 19,826,447 | 2,625,132 | 3,287,674 | 5,912,806 | 3.35 |

Notes: Includes long-term debt payable from Sewer revenues, including revenue bonds.

- (a) Includes charges for services and other operating revenues, tap and development fees, and interest income. Excludes fair value adjustment and annexation fees.
- (b) Includes operating expenses such as personal services, supplies and other services and charges. Excludes depreciation expense.
- (c) The Debt Service Requirements consist of the First Lien Sewer Improvement Revenue Bonds, Series 2006, and the Colorado Water Resources and Power Development Authority's Clean Water Revenue Bonds, Series 1999A.
- (d) Net Revenue Available for Debt Service divided by Total Debt Service Requirements. The legal covenant for debt service coverage is 1.20.

(continued)

City of Aurora, Colorado

Exhibit A-17

SCHEDULE OF GOLF REVENUE BOND COVERAGE

Last Ten Years

| Year | Gross Revenue (b) | Operating & Maintenance Expenses (c) | Net Revenue Available For Debt Service | Senior Debt Service Requirements (a) | | | | Subordinate Debt Service Requirements (a) | | | |
|------|-------------------|--------------------------------------|--|--------------------------------------|------------|------------|--------------------|---|------------|------------|--------------------|
| | | | | Principal | Interest | Total | Coverage Ratio (d) | Principal | Interest | Total | Coverage Ratio (e) |
| 1999 | \$ 8,571,543 | \$ 6,065,401 | \$ 2,506,142 | \$ 255,000 | \$ 404,268 | \$ 659,268 | 3.80 | \$ - | \$ 315,688 | \$ 315,688 | 5.85 |
| 2000 | 8,548,231 | 7,345,386 | 1,202,845 | 265,000 | 391,773 | 656,773 | 1.83 | - | 369,546 | 369,546 | 1.48 |
| 2001 | 9,635,480 | 7,457,920 | 2,177,560 | 280,000 | 378,257 | 658,257 | 3.31 | 256,000 | 371,987 | 627,987 | 2.42 |
| 2002 | 9,594,529 | 7,477,569 | 2,116,960 | 295,000 | 363,558 | 658,558 | 3.21 | 256,000 | 304,248 | 560,248 | 2.60 |
| 2003 | 8,710,254 | 7,470,858 | 1,239,396 | 315,000 | 347,628 | 662,628 | 1.87 | 256,000 | 227,021 | 483,021 | 1.19 |
| 2004 | 8,715,486 | 7,596,567 | 1,118,919 | 436,481 | 357,055 | 793,536 | 1.41 (f) | 256,000 | 174,862 | 430,862 | 0.76 |
| 2005 | 9,083,314 | 7,452,160 | 1,631,154 | 524,924 | 311,925 | 836,849 | 1.95 | 256,000 | 184,687 | 440,687 | 1.80 |
| 2006 | 9,331,298 | 7,966,640 | 1,364,658 | 584,563 | 208,773 | 793,336 | 1.72 | 256,000 | 219,261 | 475,261 | 1.20 |
| 2007 | 9,932,252 | 8,294,101 | 1,638,151 | 604,644 | 185,917 | 790,561 | 2.07 | 256,000 | 241,595 | 497,595 | 1.70 |
| 2008 | 9,769,750 | 8,674,373 | 1,095,377 | 625,189 | 160,373 | 785,562 | 1.39 | 56,000 | 200,102 | 256,102 | 1.21 |

Notes: Includes long-term debt payable from Golf revenues, including Revenue bonds and long-term interfund payables. Debt service requirements represent annual amounts as opposed to the maximum annual amount. Therefore, coverages ratios on this schedule will not match ratios in the Debt Continuing Disclosure section.

- (a) The Senior Debt Service Requirement consists of the 1995 Golf Revenue Bonds and, beginning in 2004, the 2004 Golf Revenue Note. In 2005 the 1995 Golf Revenue Bonds were replaced by the 2005 Golf Revenue Refunding Bonds. The Subordinate Debt Service Requirement is the 1995 Interfund Loan Payable to the Wastewater Fund.
- (b) Includes operating revenues, investment income, miscellaneous non-operating revenues, annexation fees and golf lot premium fees. Excludes fair value adjustment.
- (c) Includes operating expenses such as personal services, supplies, other services and charges, and for 2001 and after, the principal and interest on the golf cart capital leases. Excludes depreciation expense.
- (d) Net Revenue Available for Debt Service divided by Total Senior Debt Service Requirements. For years beginning with 2005, the legal covenant for debt service coverage is 1.35. For years prior to 2005, the legal covenant for debt service coverage is 1.50.
- (e) Net Revenue Available for Debt Service less Total Senior Debt Service Requirements, divided by Total Subordinate Debt Service Requirements. The legal covenant for debt service coverage is 1.00.
- (f) Golf was in compliance with the covenants under the 1995 bond agreement which required them to bring in a consultant to analyze the rate structure in any year in which they fail to meet the rate maintenance requirement. A consultant was hired during 2004 and the rate structure was adjusted in accordance with the recommendations for 2005.

(concluded)



DEMOGRAPHIC AND ECONOMIC STATISTICS

These schedules present demographic and economic indicators to assist the financial statement user in understanding the environment in which the City's financial activities occur.

Exhibit A-18 **Demographic and Economic Statistics**

Exhibit A-19 **Principal Employers, Current Year and Nine
Years Ago**

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

Exhibit A-18

City of Aurora, Colorado

Demographic and Economic Statistics

Last Ten Years

| Year | General Population (a) | Personal Income (b) | Aurora Labor Force Population (c) | Personal Income Per Capita (Labor Force) | Unemployment Rate (d) |
|------|------------------------|---------------------|-----------------------------------|--|-----------------------|
| 1999 | 272,642 | \$ - | - | \$ - | 2.5% |
| 2000 | 276,393 | - | - | - | 2.2% |
| 2001 | 284,606 | - | - | - | 3.5% |
| 2002 | 291,418 | 3,159,127,720 | 165,200 | 19,123 | 6.1% |
| 2003 | 292,158 | 3,156,972,760 | 168,276 | 18,761 | 6.6% |
| 2004 | 298,303 | 3,524,922,668 | 160,148 | 22,010 | 6.9% |
| 2005 | 303,833 | 3,728,443,396 | 168,139 | 22,175 | 5.2% |
| 2006 | 306,908 | 3,875,932,660 | 171,065 | 22,658 | 5.3% |
| 2007 | 309,416 | 4,725,828,136 | 173,158 | 27,292 | 4.8% |
| 2008 | 313,144 | 4,676,671,164 | 172,196 | 27,159 | 7.4% |

Notes:

- (a) Data was provided by the City's Planning Department. The population for 1999 is an intercensal estimate from the Colorado Department of Local Affairs. The population for 2000 was taken from the 2000 U.S. Census information. The population for 2001 and 2002 was provided by the Denver Regional Council of Governments (DRCOG). The population for 2003 through 2005 was provided by Clarion Associates. The population for 2006 and 2007 was provided by Aurora's Economic and Development Council. The population for 2008 was provided by the City's Planning Department.
- (b) Data was provided by the City's Planning Department. Personal income totals not available before 2002. Personal income totals provided to the City by the State of Colorado, Department of Labor and Employment, Quarterly Census of Employment and Wages. These totals are based on data provided to the State by businesses (for unemployment purposes) and do not include businesses with 3 or less employees.
- (c) Data provided by the City's Planning Department through the Colorado Department of Labor and Employment. Totals include any person working within the City of Aurora, sixteen years of age or older.
- (d) Data was provided by the City's Planning Department. Source - Colorado Department of Labor and Employment.

Exhibit A-19

City of Aurora, Colorado

Top Ten Principal Employers

Current Year and Nine Years Ago

| <u>Employer</u> | <u>2008</u> | | | <u>1999</u> | | |
|--|------------------|-------------|---|------------------|-------------|---|
| | <u>Employees</u> | <u>Rank</u> | (b) <u>Percentage of Total City Employment</u> | <u>Employees</u> | <u>Rank</u> | (b) <u>Percentage of Total City Employment</u> |
| Buckley Air Force Base (a) | 12,817 | 1 | 7.90% | 10,029 | 1 | 11.28% |
| City of Aurora | 3,826 | 2 | 2.36% | 2,390 | 4 | 2.69% |
| Aurora Public Schools | 3,786 | 3 | 2.33% | 3,428 | 2 | 3.85% |
| Univ. of CO at Denver and Health Sciences Center | 3,300 | 4 | 2.03% | | | |
| Cherry Creek Public Schools | 2,854 | 5 | 1.76% | 2,507 | 3 | 2.82% |
| Raytheon | 2,600 | 6 | 1.60% | 1,500 | 6 | 1.69% |
| ADT Security Systems | 1,585 | 7 | 0.98% | 1,660 | 5 | 1.87% |
| Kaiser Permanente | 1,493 | 8 | 0.92% | 1,140 | 7 | 1.28% |
| University of Colorado Hospital | 1,458 | 9 | 0.90% | | | |
| Healthone Medical Center of Aurora | 1,380 | 10 | 0.85% | 1,000 | 9 | 1.12% |
| OEA, Inc. | | | | 1,100 | 8 | 1.24% |
| TRW Systems | | | | 800 | 10 | 0.90% |

Note: Data provided by the Aurora Economic Development Council and the City of Aurora unless otherwise noted. This schedule does not include retail sector employers.

(a) Data provided by the Department of Defense. Buckley Air Force Base Includes: Air Force, Army, Marines, Navy, Dept. of Defense (civilians), Air National Guard, Active Duty Reserves, and other civilian employees.

(b) Total City employment for 2008 was 162,296 and for 1999 was 88,947. Provided by the City's Planning Department.

OPERATING STATISTICS

These schedules contain service and infrastructure data to help the financial statement user understand how the information in the City's financial statements relates to the services the City provides.

Exhibit A-20 **Budgeted Full-time Equivalent City Government Employees by Function**

Exhibit A-21 **Operating Indicators by Function**

Exhibit A-22 **Capital Asset Statistics by Function**

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

City of Aurora, Colorado

Exhibit A-20

Budgeted Full-time Equivalent City Government Employees by Function

Last Ten Years

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|--------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| General Government | | | | | | | | | | |
| City Council | 13.00 | 13.00 | 13.00 | 13.00 | 14.00 | 14.00 | 13.00 | 13.00 | 14.00 | 14.00 |
| Finance | 52.30 | 54.30 | 54.30 | 54.50 | 57.50 | 60.50 | 60.50 | 60.00 | 63.00 | 65.00 |
| General Management (b) | 39.50 | 41.50 | 44.50 | 42.50 | 40.50 | 44.80 | 131.80 | 125.30 | 127.80 | 130.80 |
| Human Resources (a) | - | - | - | 29.00 | 28.00 | 27.00 | 26.00 | 24.00 | 24.00 | 24.00 |
| Information Technology | 38.00 | 39.00 | 41.00 | 49.00 | 48.00 | 45.00 | 43.00 | 43.00 | 47.00 | 47.00 |
| Internal Services (b) | 86.00 | 87.00 | 84.00 | 92.00 | 95.00 | 92.00 | - | - | - | - |
| Planning | 40.10 | 42.10 | 42.12 | 49.12 | 49.12 | 46.12 | 45.12 | 44.10 | 45.10 | 45.10 |
| Judicial | | | | | | | | | | |
| City Attorney | 44.50 | 48.50 | 49.50 | 49.00 | 50.00 | 50.00 | 50.00 | 50.00 | 51.00 | 52.00 |
| Court Administration (c) | 69.50 | 74.50 | 74.50 | 71.50 | 124.00 | 125.00 | 125.00 | 125.00 | 126.00 | 126.00 |
| Public Defender | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 8.00 | 8.00 | 8.00 |
| Police | 754.00 | 763.00 | 775.00 | 797.00 | 787.00 | 732.00 | 740.00 | 759.00 | 773.00 | 778.00 |
| Fire | 320.00 | 327.00 | 333.00 | 356.00 | 346.00 | 318.00 | 309.00 | 325.00 | 329.00 | 329.00 |
| Other Public Safety (d) | - | - | - | 4.00 | 4.00 | 70.00 | 70.00 | 78.00 | 85.00 | 85.00 |
| Public Works | 176.00 | 180.00 | 183.00 | 189.00 | 189.00 | 186.00 | 185.00 | 185.00 | 196.00 | 196.00 |
| Community Services | | | | | | | | | | |
| Neighborhood Services | 135.20 | 147.20 | 158.20 | 178.20 | 177.20 | 163.60 | 165.60 | 160.50 | 158.50 | 158.50 |
| Parks & Open Space | 198.40 | 212.90 | 220.40 | 199.80 | 203.30 | 196.30 | 193.50 | 187.50 | 202.80 | 202.80 |
| Culture and Recreation | 180.80 | 180.70 | 185.00 | 187.80 | 198.20 | 187.80 | 182.00 | 177.00 | 183.50 | 184.50 |
| Water | 149.30 | 154.80 | 156.75 | 167.25 | 183.16 | 195.37 | 206.00 | 241.00 | 258.15 | 266.70 |
| Wastewater | 83.80 | 87.30 | 91.25 | 98.75 | 101.84 | 108.63 | 123.00 | 134.00 | 144.85 | 148.30 |
| Total | 2,387.40 | 2,459.80 | 2,512.52 | 2,634.42 | 2,702.82 | 2,669.12 | 2,675.52 | 2,739.40 | 2,836.70 | 2,860.70 |

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

Notes: (a) Prior to 2002, Human Resources FTEs had been included in Internal Services.

(b) Internal Services positions included in General Management starting 2005.

(c) Positions for detention center moved from Police and included in Court Administration beginning 2003.

(d) Additional positions moved from Police and Fire for the communications center beginning in 2004.

City of Aurora, Colorado

Exhibit A-21

Operating Indicators by Function

Last Ten Years

Incorporation: May 5, 1903 under the name of Fletcher and later incorporated as the Town of Aurora on February 20, 1907
 Date First Charter Adopted: 1961
 Form of Government: Council - Manager

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|--|---------|---------|---------|---------|-----------|-----------|-----------|-----------|-----------|-----------|
| General Government | | | | | | | | | | |
| <i>Building Permits: Data provided by COA Building Code Division</i> | | | | | | | | | | |
| Permits Issued (a) | 8,271 | 4,972 | 4,189 | 9,701 | 9,034 | 9,920 | 10,121 | 10,037 | 9,538 | 9,931 |
| Value of Buildings (millions) | 378 | 423 | 481 | 614 | 530 | 750 | 897 | 777 | 992 | 452 |
| <i>Tax & Licensing: Data provided by COA Tax & Licensing Division</i> | | | | | | | | | | |
| New business licenses | 2,116 | 2,277 | 2,509 | 3,280 | 2,897 | 2,661 | 2,099 | 2,183 | 2,333 | 2,081 |
| Police Protection: Data provided by COA Police Department | | | | | | | | | | |
| Number of Law Violations (Part I Crime) (b) | 14,303 | 15,526 | 17,224 | 18,206 | 17,050 | 16,895 | 16,506 | 14,872 | 13,583 | 12,393 |
| Total calls dispatched & officer initiated | 140,035 | 143,668 | 157,653 | 254,153 | 168,712 | 276,441 | 288,682 | 300,953 | 317,442 | 309,712 |
| Total moving violations | 35,755 | 37,080 | 40,142 | 41,631 | 41,834 | 40,841 | 44,487 | 42,801 | 49,043 | 48,500 |
| Total parking violations | 6,310 | 6,543 | 8,914 | 8,697 | 8,054 | 6,713 | 7,898 | 7,433 | 9,164 | 9,027 |
| Fire Protection: Data provided by COA Fire Department | | | | | | | | | | |
| Number of fire inspections | (c) | (c) | (c) | 7,506 | 7,665 | 8,111 | 7,639 | 7,845 | 8,723 | 9,563 |
| Total Fire calls (Fire, EMS, other) | (c) | (c) | (c) | 23,268 | 24,042 | 23,857 | 26,011 | 26,870 | 29,839 | 30,088 |
| Haz Mat calls | (c) | (c) | (c) | 47 | 39 | 42 | 34 | 20 | 35 | 39 |
| Community Services: Data provided by COA Neighborhood Services Department | | | | | | | | | | |
| Total number of Code Enforcement Inspections | 61,162 | 68,639 | 72,465 | 80,745 | 84,127 | 90,382 | 86,477 | 84,599 | 89,493 | 65,055 |
| Culture and Recreation: Data provided by COA Library, Recreation and Cultural Services Department | | | | | | | | | | |
| Library items circulated | (d) | (d) | (d) | (d) | 1,001,651 | 1,136,356 | 1,152,630 | 1,173,261 | 1,163,463 | 1,248,501 |
| Library patron visits | (d) | (d) | (d) | (d) | 850,525 | 891,831 | 926,497 | 1,036,513 | 1,213,191 | 1,367,509 |
| Recreational classes offered | (d) | (d) | (d) | (d) | 7,407 | 8,013 | 8,363 | 8,229 | 7,697 | 7,523 |
| Recreational attendance | (d) | (d) | (d) | (d) | 314,485 | 306,898 | 289,539 | 286,292 | 278,216 | 296,228 |
| Cultural services in house program attendance | (d) | (d) | (d) | (d) | 221,464 | 174,673 | 186,783 | 186,976 | 124,916 | 146,542 |

Notes:

- (a) Beginning in 2002, permit total also includes plumbing, heating, life safety and electrical for existing residential and non-residential structures. This expanded category was not included prior to 2002.
- (b) Part 1 crime includes both violent and property crime.
- (c) Data not available before 2002.
- (d) Data not available before 2003.

Exhibit A-22

City of Aurora, Colorado

Capital Asset Statistics by Function

Last Ten Years

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|---------|-----------|-----------|-----------|
| Police Protection: Data provided by COA Police Department | | | | | | | | | | |
| Patrol Vehicles | 127 | 132 | 138 | 138 | 138 | 156 | 165 | 167 | 167 | 158 |
| Detention Facilities (a) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fire Protection: Data provided by COA Fire Department | | | | | | | | | | |
| Number of Fire Stations | 11 | 12 | 12 | 12 | 13 | 13 | 13 | 15 | 15 | 15 |
| Public Works: Data provided by COA Public Works Department | | | | | | | | | | |
| Miles of Improved Streets (center-line miles) | 915 | 915 | 1,009 | 1,014 | 1,054 | 1,095 | 1,118 | 1,172 | 1,174 | 1,174 |
| Tons of asphalt for patching & overlay | 108,801 | 132,020 | 131,198 | 175,213 | 170,422 | 181,211 | 171,108 | 179,125 | 188,037 | 189,594 |
| Square yards of street repair & overlay (b) | 1,092,990 | 1,444,905 | 1,389,791 | 1,316,000 | 1,502,523 | 1,459,415 | 976,199 | 1,383,276 | 1,342,659 | 1,330,824 |
| Culture and Recreation: Data provided by COA Parks and Open Space Department | | | | | | | | | | |
| Number of Playgrounds | 65 | 65 | 65 | 65 | 65 | 75 | 78 | 79 | 79 | 80 |
| Number of Golf Courses | 6 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Number of Swimming Pools | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Parks - Number of Acres (c) | 7,380 | 7,400 | 7,400 | 7,700 | 7,700 | 7,937 | 8,045 | 8,627 | 8,630 | 10,069 |
| Water: Data provided by COA Aurora Water Department | | | | | | | | | | |
| Number of Water Taps (d) | 61,366 | 63,409 | 64,845 | 65,933 | 67,953 | 70,709 | 70,759 | 76,240 | 76,422 | 76,655 |
| Miles of water mains constructed (e) | 32 | 42 | 35 | 35 | 35 | 54 | 63 | 52 | 25 | 19 |
| Wastewater: Data provided by COA Aurora Water Department | | | | | | | | | | |
| Number of Sanitary Sewer Taps (d) | 67,011 | 68,840 | 70,777 | 72,920 | 74,616 | 76,901 | 79,974 | 82,754 | 84,384 | 85,177 |
| Miles of Sanitary Sewer constructed (e) | 18 | 23 | 21 | 27 | 24 | 25 | 47 | 38 | 10 | 8 |

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

(b) These totals include the following: reconstructive patching, in-place patching, slurry seal, chip seal and reconstructive planing. All work performed through the Capital Projects Fund by contract.

(c) Includes parks, golf courses and open space. Beginning in 2004, the Parks & Open Space Department revised the methodology used to calculate totals. In 2008 Parks used more refined and updated information from their GIS data system.

(d) Total includes inactive and stubbed taps.

(e) Total includes newly constructed mains during the period.





Other Schedules

Miscellaneous Schedules

Debt Continuing Disclosures

MISCELLANEOUS SCHEDULES (unaudited)

Exhibit B-1 ***Schedule of Indebtedness – All Funds***

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

Exhibit B-2 ***Schedule of Debt Service Requirements – Governmental Activities***

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

Exhibit B-3 ***Local Highway Finance Report***

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

EXHIBIT B-1

CITY OF AURORA, COLORADO

SCHEDULE OF INDEBTEDNESS - ALL FUNDS (unaudited)
DECEMBER 31, 2008

| | Interest Rates | Dates | | Debt | | Current Maturities |
|--|----------------|--------------|-------------|-------------------------|-----------------------|----------------------|
| | | Issue | Maturity | Authorized and Issued | Outstanding | |
| GENERAL OBLIGATION DEBT | | | | | | |
| Supported by dedicated property tax | | | | | | |
| Alameda and I-225 Interchange | 4.50 - 4.80% | 06/01/98 | 2008 - 2012 | \$ 10,000,000 | \$ 3,595,000 | \$ 840,000 |
| Libraries, parks, public safety | 4.60 - 5.00% | 12/01/00 | 2008 - 2015 | 50,100,000 | 28,000,000 | 3,425,000 |
| Public safety refunding | 2.00 - 3.00% | 10/01/03 | 2008 - 2009 | 2,530,000 | 450,000 | 450,000 |
| Unamortized premium | | | | — | — | — |
| Unamortized discount | | | | — | — | — |
| Total supported by dedicated property tax | | | | 62,630,000 | 32,045,000 | 4,715,000 |
| Supported by Water Fund revenues | | | | | | |
| General obligation refunding | 2.00 - 4.00% | 10/01/03 | 2008 - 2014 | 62,775,000 | 30,435,000 | 5,905,000 |
| Unamortized premium | | | | — | 557,780 | — |
| Unamortized discount | | | | — | (136,377) | — |
| Unamortized deferred amount on refunding | | | | — | 30,853 | — |
| Total supported by Water Fund revenues | | | | 62,775,000 | 30,887,257 | 5,905,000 |
| REVENUE BONDS | | | | | | |
| Supported by General Fund revenues | | | | | | |
| Sports Park | 4.75 - 5.125% | 07/29/99 | 2008 - 2014 | 17,470,000 | 9,105,000 | 1,335,000 |
| Supported by Water Fund revenues | | | | | | |
| Governmental agency | 4.75 - 4.875% | 05/01/99 | 2008 - 2014 | 14,999,899 | 6,804,963 | 1,030,404 |
| First-Lien Water Revenue | 2.00 - 5.00% | 10/15/03 | 2008 - 2021 | 55,860,000 | 45,440,000 | 2,780,000 |
| Governmental agency | 3.20 - 5.00% | 09/29/05 | 2011 - 2025 | 100,000,000 | 100,000,000 | — |
| First-Lien Water Revenue | 4.75 - 5.00% | 07/11/07 | 2020 - 2039 | 421,495,000 | 421,495,000 | — |
| First-Lien Water Revenue | 4.63 - 5.00% | 04/15/08 | 2022 - 2033 | 39,995,000 | 39,995,000 | — |
| Unamortized premium | | | | — | 16,314,785 | — |
| Unamortized discount | | | | — | (177,720) | — |
| Unamortized deferred amount on refunding | | | | — | (593,536) | — |
| Total supported by Water Fund revenues | | | | 632,349,899 | 629,278,492 | 3,810,404 |
| Supported by Wastewater Fund revenues | | | | | | |
| Governmental agency | 5.00 - 5.125% | 07/01/99 | 2008 - 2014 | 24,124,366 | 10,861,885 | 1,663,193 |
| First-Lien Sewer Revenue | 4.00 - 5.00% | 04/25/06 | 2008 - 2036 | 57,790,000 | 56,785,000 | 1,045,000 |
| Unamortized premium | | | | — | 1,360,519 | — |
| Unamortized discount | | | | — | (176,182) | — |
| Total supported by Wastewater Fund revenues | | | | 81,914,366 | 68,831,222 | 2,708,193 |
| Supported by Golf Fund revenues | | | | | | |
| Golf Course Enterprise System refunding | 3.375 - 4.375% | 07/26/05 | 2008 - 2015 | 4,625,000 | 3,185,000 | 405,000 |
| Unamortized discount | | | | — | (33,195) | — |
| Unamortized deferred amount on refunding | | | | — | (91,845) | — |
| Total supported by Golf Fund revenues | | | | 4,625,000 | 3,059,960 | 405,000 |
| NOTES | | | | | | |
| Supported by Water Fund revenues | | | | | | |
| Water Rights No. R/B-I-One | 5.00% | 11/19/99 | 2008 - 2009 | 253,987 | 25,399 | 25,399 |
| Water Rights No. R/B-I-Two | 5.00% | 11/19/99 | 2008 - 2009 | 249,125 | 24,912 | 24,912 |
| Water Rights Rocky Ford II | 5.00% | various 2004 | 2008 - 2019 | 8,280,091 | 3,821,886 | — |
| Colorado Water Conservation Board Note (LOC) | 3.75% | various 2008 | 2011 - 2041 | 75,750,000 | 18,406,377 | — |
| Total supported by Water Fund revenues | | | | 84,533,203 | 22,278,574 | 50,311 |
| Supported by Golf Fund revenues | | | | | | |
| Series 2004 Golf Revenue Note | 4.54% | 5/18/04 | 2008 - 2009 | 1,125,000 | 124,199 | 124,199 |
| Supported by Special Assessments | | | | | | |
| Special Improvement District - Dam West | 4.89% | 10/20/05 | 2008 - 2015 | 1,140,000 | 735,000 | 10,000 |
| Special Improvement District - Ptarmigan Fence | 5.00% | 11/28/07 | 2008 - 2017 | 1,075,000 | 1,010,000 | 10,000 |
| Total supported by Special Assessments | | | | 2,215,000 | 1,745,000 | 20,000 |
| INCLUDABLE ENTITIES | | | | | | |
| ACL certificates of participation | 3.00 - 4.375% | 05/01/02 | 2008 - 2013 | 15,380,000 | 7,695,000 | 1,415,000 |
| ACL certificates of participation - refunding | 3.00 - 3.25% | 10/15/04 | 2008 - 2009 | 8,750,000 | 2,550,000 | 2,550,000 |
| ACL certificates of participation | 2.50 - 3.625% | 03/01/05 | 2008 - 2014 | 23,395,000 | 15,620,000 | 2,290,000 |
| ACL certificates of participation-refunding | 4.00 - 5.00% | 02/07/06 | 2008 - 2015 | 20,290,000 | 16,495,000 | 1,085,000 |
| ACL certificates of participation-refunding | 3.929% | 05/14/08 | 2016 - 2030 | 68,540,000 | 68,540,000 | — |
| Unamortized premium | | | | — | 749,937 | — |
| Unamortized discount | | | | — | (258,201) | — |
| Unamortized deferred amount on refunding | | | | — | (5,804,538) | — |
| Total supported by includable entities | | | | 136,355,000 | 105,587,198 | 7,340,000 |
| TOTAL INDEBTEDNESS | | | | \$ 1,085,992,468 | \$ 902,941,902 | \$ 26,413,107 |

EXHIBIT B-2

CITY OF AURORA, COLORADO

SCHEDULE OF DEBT SERVICE REQUIREMENTS (unaudited)

DECEMBER 31, 2008

| Year Due | Governmental Activities | | | | | | | | | |
|-----------|---|--------------|--|--------------|--|---------------|---|------------|---|------------|
| | General Obligation Bonds Supported by General Fund Revenues | | Revenue Bonds Supported by General Fund Revenues | | Certificates of Participation Supported by ACLC Revenues | | Notes Payable Supported by SID Revenues | | Capital Leases Supported by General Fund Revenues | |
| | 2.00-4.60% | | 4.75% | | 2.50-5.00% | | 4.89-5.00% | | 2.97-4.15% | |
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 2009 | \$ 4,715,000 | \$ 1,516,783 | \$ 1,335,000 | \$ 425,649 | \$ 7,340,000 | \$ 4,331,593 | \$ 20,000 | \$ 86,194 | \$ 1,325,889 | \$ 150,008 |
| 2010 | 4,480,000 | 1,307,933 | 1,400,000 | 357,274 | 6,170,000 | 4,078,818 | 20,000 | 85,205 | 1,115,015 | 100,318 |
| 2011 | 4,705,000 | 1,101,853 | 1,475,000 | 285,399 | 6,430,000 | 3,850,727 | 20,000 | 84,216 | 851,500 | 57,540 |
| 2012 | 4,940,000 | 882,610 | 1,550,000 | 209,774 | 6,705,000 | 3,607,943 | 20,000 | 83,227 | 436,484 | 29,704 |
| 2013 | 4,185,000 | 647,480 | 1,630,000 | 129,459 | 8,305,000 | 3,346,237 | 20,000 | 82,238 | 407,284 | 12,062 |
| 2014-2018 | 9,020,000 | 677,600 | 1,715,000 | 43,947 | 16,975,000 | 13,555,379 | 1,645,000 | 254,760 | - | - |
| 2019-2023 | - | - | - | - | 18,900,000 | 10,162,948 | - | - | - | - |
| 2024-2028 | - | - | - | - | 23,335,000 | 6,116,667 | - | - | - | - |
| 2029-2033 | - | - | - | - | 16,740,000 | 1,107,782 | - | - | - | - |
| Total | \$ 32,045,000 | \$ 6,134,259 | \$ 9,105,000 | \$ 1,451,502 | \$ 110,900,000 | \$ 50,158,093 | \$ 1,745,000 | \$ 675,841 | \$ 4,136,172 | \$ 349,632 |

| Year Due | Business-type Activities | | | | | | | | | | | | | |
|-----------|--|--------------|---|----------------|---|------------|--|---------------|--|------------|---|----------|---|-----------|
| | General Obligation Bonds Supported by Water Revenues | | Revenue Bonds Supported by Water Revenues | | Notes Payable Supported by Water Revenues | | Revenue Bonds Supported by Wastewater Revenues | | Revenue Bonds Supported by Golf Revenues | | Note Payable Supported by Golf Revenues | | Capital Leases Supported by Golf Revenues | |
| | 2.00-4.00% | | 2.00-5.25% | | 4.50-5.00% | | 4.00-5.38% | | 3.50-4.375% | | 4.54% | | 4.55-5.25% | |
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 2009 | \$ 5,905,000 | \$ 1,157,813 | \$ 3,810,404 | \$ 29,966,791 | \$ 50,311 | * \$ 2,516 | \$ 2,708,192 | \$ 3,204,712 | \$ 405,000 | \$ 131,125 | \$ 124,199 | \$ 2,819 | \$ 183,019 | \$ 25,289 |
| 2010 | 6,120,000 | 965,900 | 3,962,238 | 29,815,676 | 587,494 | 191,094 | 2,796,635 | 3,074,357 | 420,000 | 114,925 | - | - | 167,738 | 16,668 |
| 2011 | 6,365,000 | 736,400 | 6,394,805 | 29,648,410 | 587,494 | 161,720 | 2,910,843 | 2,967,180 | 435,000 | 98,125 | - | - | 118,826 | 8,620 |
| 2012 | 6,640,000 | 481,800 | 6,647,372 | 29,401,580 | 587,494 | 132,345 | 3,004,285 | 2,869,878 | 455,000 | 80,725 | - | - | 72,059 | 2,897 |
| 2013 | 2,640,000 | 216,200 | 6,957,139 | 29,096,472 | 587,494 | 102,970 | 3,113,110 | 2,756,367 | 470,000 | 62,525 | - | - | - | - |
| 2014-2018 | 2,765,000 | 110,600 | 34,443,006 | 140,311,667 | 1,295,026 | 197,414 | 8,998,820 | 11,861,661 | 1,000,000 | 65,450 | - | - | - | - |
| 2019-2023 | - | - | 88,535,000 | 127,783,513 | 176,884 | 8,844 | 8,740,000 | 9,998,050 | - | - | - | - | - | - |
| 2024-2028 | - | - | 123,140,000 | 101,759,638 | - | - | 11,055,000 | 7,669,975 | - | - | - | - | - | - |
| 2029-2033 | - | - | 155,875,000 | 69,031,706 | - | - | 14,080,000 | 4,652,875 | - | - | - | - | - | - |
| 2034-2038 | - | - | 151,820,000 | 30,429,250 | - | - | 10,240,000 | 996,363 | - | - | - | - | - | - |
| 2039-2042 | - | - | 32,150,000 | 1,607,500 | - | - | - | - | - | - | - | - | - | - |
| Total | \$ 30,435,000 | \$ 3,668,713 | \$ 613,734,963 | \$ 618,852,203 | \$ 3,872,197 | \$ 796,902 | \$ 67,646,885 | \$ 50,051,417 | \$ 3,185,000 | \$ 552,875 | \$ 124,199 | \$ 2,819 | \$ 541,643 | \$ 53,473 |

* A principal and interest payment of \$891,641 and \$235,676, respectively, was made on the 2004 note payable on December 31, 2008 due January 1, 2009.



EXHIBIT B-3

CITY OF AURORA, COLORADO

LOCAL HIGHWAY FINANCE REPORT
FOR THE YEAR ENDED DECEMBER 31, 2008

Financial Planning 02/01
Form # 350-050-36

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

| | | |
|---|------------------------|---|
| LOCAL HIGHWAY FINANCE REPORT | | City or County: City of Aurora, Colorado |
| | | YEAR ENDING : December 2008 |
| This Information From The Records Of (example - City of _ or County of _) City of Aurora, Colorado | Prepared By: Phone: | Tony Tharp (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 |
|---|------------|---|------------|
| A. Receipts from local sources: | | A. Local highway disbursements: | |
| 1. Local highway-user taxes | | 1. Capital outlay (from page 2) | 7,536,453 |
| a. Motor Fuel (from Item I.A.5.) | | 2. Maintenance: | 20,334,355 |
| b. Motor Vehicle (from Item I.B.5.) | | 3. Road and street services: | |
| c. Total (a.+b.) | | a. Traffic control operations | 2,361,015 |
| 2. General fund appropriations | | b. Snow and ice removal | 2,418,458 |
| 3. Other local imposts (from page 2) | 31,686,486 | c. Other | 4,852,221 |
| 4. Miscellaneous local receipts (from page 2) | 6,561,328 | d. Total (a. through c.) | 9,631,694 |
| 5. Transfers from toll facilities | | 4. General administration & miscellaneous | 2,226,846 |
| 6. Proceeds of sale of bonds and notes: | | 5. Highway law enforcement and safety | 8,563,437 |
| a. Bonds - Original Issues | | 6. Total (1 through 5) | 48,292,785 |
| b. Bonds - Refunding Issues | | B. Debt service on local obligations: | |
| c. Notes | | 1. Bonds: | |
| d. Total (a. + b. + c.) | 0 | a. Interest | 203,370 |
| 7. Total (1 through 6) | 38,247,814 | b. Redemption | 800,000 |
| B. Private Contributions | 2,121,753 | c. Total (a. + b.) | 1,003,370 |
| C. Receipts from State government (from page 2) | 9,021,730 | 2. Notes: | |
| D. Receipts from Federal Government (from page 2) | 5,954 | a. Interest | |
| E. Total receipts (A.7 + B + C + D) | 49,397,251 | b. Redemption | |
| | | c. Total (a. + b.) | 0 |
| | | 3. Total (1.c + 2.c) | 1,003,370 |
| | | C. Payments to State for highways | 101,096 |
| | | D. Payments to toll facilities | |
| | | E. Total disbursements (A.6 + B.3 + C + D) | 49,397,251 |

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

| | Opening Debt | Amount Issued | Redemptions | Closing Debt |
|------------------------------|--------------|---------------|-------------|--------------|
| A. Bonds (Total) | 4,395,000 | | 800,000 | 3,595,000 |
| 1. Bonds (Refunding Portion) | | | | |
| B. Notes (Total) | | | | 0 |

V. LOCAL ROAD AND STREET FUND BALANCE

| | A. Beginning Balance | B. Total Receipts | C. Total Disbursements | D. Ending Balance | E. Reconciliation |
|--|----------------------|-------------------|------------------------|-------------------|-------------------|
| | | 49,397,251 | 49,397,251 | | 0 |

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2008

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

| ITEM | AMOUNT | ITEM | AMOUNT |
|-----------------------------------|---------------------------|---|---------------------------|
| A.3. Other local imposts: | | A.4. Miscellaneous local receipts: | |
| a. Property Taxes and Assessments | 1,037,993 | a. Interest on investments | |
| b. Other local imposts: | | b. Traffic Fines & Penalties | 6,561,328 |
| 1. Sales Taxes | 24,080,127 | c. Parking Garage Fees | |
| 2. Infrastructure & Impact Fees | 200,527 | d. Parking Meter Fees | |
| 3. Liens | | e. Sale of Surplus Property | |
| 4. Licenses | | f. Charges for Services | |
| 5. Specific Ownership &/or Other | 6,367,839 | g. Other Misc. Receipts | |
| 6. Total (1. through 5.) | 30,648,493 | h. Other | |
| c. Total (a. + b.) | 31,686,486 | i. Total (a. through h.) | 6,561,328 |
| | (Carry forward to page 1) | | (Carry forward to page 1) |

| ITEM | AMOUNT | ITEM | AMOUNT |
|--|-----------|--|---------------------------|
| C. Receipts from State Government | | D. Receipts from Federal Government | |
| 1. Highway-user taxes | 8,151,002 | 1. FHWA (from Item I.D.5.) | |
| 2. State general funds | | 2. Other Federal agencies: | |
| 3. Other State funds: | | a. Forest Service | |
| a. State bond proceeds | | b. FEMA | |
| b. Project Match | | c. HUD | |
| c. Motor Vehicle Registrations | 870,728 | d. Federal Transit Admin | |
| d. Other (Specify) | | e. U.S. Corps of Engineers | |
| e. Other (Specify) | | f. Other Federal | 5,954 |
| f. Total (a. through e.) | 870,728 | g. Total (a. through f.) | 5,954 |
| 4. Total (1. + 2. + 3.f) | 9,021,730 | 3. Total (1. + 2.g) | |
| | | | (Carry forward to page 1) |

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

| | ON NATIONAL HIGHWAY SYSTEM (a) | OFF NATIONAL HIGHWAY SYSTEM (b) | TOTAL (c) |
|---|---|--|---------------------------|
| A.1. Capital outlay: | | | |
| a. Right-Of-Way Costs | | | 0 |
| b. Engineering Costs | | 1,265,561 | 1,265,561 |
| c. Construction: | | | |
| (1). New Facilities | | | 0 |
| (2). Capacity Improvements | | 2,458,317 | 2,458,317 |
| (3). System Preservation | | 1,613,693 | 1,613,693 |
| (4). System Enhancement & Operation | | 2,198,882 | 2,198,882 |
| (5). Total Construction (1) + (2) + (3) + (4) | 0 | 6,270,892 | 6,270,892 |
| d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5) | 0 | 7,536,453 | 7,536,453 |
| | | | (Carry forward to page 1) |

Notes and Comments:



DEBT CONTINUING DISCLOSURES (unaudited)

- Exhibit C-1 Summary of Continuing Disclosures by Issue*
- Exhibit C-2 Combined General, TABOR Reserve and Policy Reserve Funds – Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance (GAAP Basis)*
- Exhibit C-3 Combined General, TABOR Reserve and Policy Reserve Funds – Comparative Schedule of Sources, Uses and Changes in Funds Available, Actual and Budget (Non-GAAP Budgetary Basis)*
- Exhibit C-4 Water Fund - Operating History*
- Exhibit C-5 Water Fund - System Statistics*
- Exhibit C-6 Water Fund - Maximum Annual Debt Service Coverage*
- Exhibit C-7 Wastewater Fund - Operating History*
- Exhibit C-8 Wastewater Fund - System Statistics*
- Exhibit C-9 Golf Fund - Operating History*
- Exhibit C-10 Golf Fund - Golf Course Enterprise System Statistics*
- Exhibit C-11 Golf Fund – Maximum Annual Debt Service Coverage*

EXHIBIT C-1

CITY OF AURORA, COLORADO

**SUMMARY OF CONTINUING DISCLOSURES BY ISSUE (unaudited)
DECEMBER 31, 2008**

**GENERAL OBLIGATION BONDS, SERIES 1998
GENERAL FUND BONDS, SERIES 1999
GENERAL OBLIGATION BONDS, SERIES 2000
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2003
GENERAL OBLIGATION WATER REFUNDING BONDS, SERIES 2003
CERTIFICATES OF PARTICIPATION, SERIES 2002
REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2004
CERTIFICATES OF PARTICIPATION, SERIES 2005
REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2006A-1
REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2008A**

| Required Disclosure | Location |
|--|--|
| General Fund Operating History | Exhibits C-2 and C-3 |
| Primary Sources of Revenue to the General Fund | Governmental Funds, Statement of Revenues, Expenditures and Changes in Fund Balances |
| Sales, Use and Lodgers Tax Receipts | Statistical Section, Exhibit A-4 |
| Assessed and Estimated Actual Value of Taxable Property | Statistical Section, Exhibit A-9 |
| Property Tax Levies and Collections | Statistical Section, Exhibit A-12 |
| Ten Principal Real Property Taxpayers | Statistical Section, Exhibit A-11 |
| Mill Levies of Direct and Primary Overlapping Governments | Statistical Section, Exhibit A-10 |
| Authorized, Issued and Outstanding Debt | Schedule of Indebtedness, Exhibit B-1 |
| Long-term Debt Schedules | Schedule of Debt Service Requirements, Exhibit B-2 |
| Direct and Overlapping General Obligation Debt | Statistical Section, Exhibit A-15 |
| Historical Summary of Debt Ratios | Statistical Section, Exhibit A-13 and A-14 |
| Legal Debt Margin | Statistical Section, Exhibit A-16 |

**DRINKING WATER REVENUE BONDS, SERIES 1999
FIRST-LIEN WATER IMPROVEMENT REVENUE BONDS, SERIES 2003A
WATER RESOURCES REVENUE BONDS, SERIES 2005D
FIRST LIEN WATER IMPROVEMENT REVENUE BONDS, SERIES 2007A
FIRST-LIEN WATER IMPROVEMENT REVENUE BONDS, SERIES 2008A**

| Required Disclosure | Location |
|--|---------------------------------------|
| Water Fund Operating History | Exhibit C-4 |
| Water System Statistics | Exhibit C-5 |
| Maximum Annual Debt Service Coverage | Exhibit C-6 |
| Historical Water Revenue Bond Coverage | Statistical Section, Exhibit A-17 |
| Debt Supported by Water Fund | Schedule of Indebtedness, Exhibit B-1 |

EXHIBIT C-1

CITY OF AURORA, COLORADO

**SUMMARY OF CONTINUING DISCLOSURES BY ISSUE (unaudited)
DECEMBER 31, 2008**

**CLEAN WATER REVENUE BONDS, SERIES 1999
FIRST-LIEN SEWER IMPROVEMENT REVENUE BONDS, SERIES 2006**

| Required Disclosure | Location |
|--|-----------------------------------|
| Wastewater Fund Operating History | Exhibit C-7 |
| Sewer System Statistics | Exhibit C-8 |
| Historical Sewer Revenue Bond Coverage | Statistical Section, Exhibit A-17 |

**METRO WASTEWATER RECLAMATION DISTRICT, COLORADO
CONVERTIBLE SEWER REFUNDING BONDS, SERIES 1996
SEWER REFUNDING BONDS, SERIES 2002A**

The City of Aurora has no obligation related to payment of the Metro Wastewater Reclamation District Bonds. However, as a significant source of Metro Wastewater Reclamation District revenue, the City has agreed to the following continuing disclosures:

| Required Disclosure | Location |
|---|-----------------------------------|
| Wastewater Fund Operating History | Exhibit C-7 |
| General Fund Operating History | Exhibits C-2 and C-3 |
| Historical Summary of Debt Ratios | Statistical Section, Exhibit A-17 |
| Assessed and Estimated Actual Value of Taxable Property | Statistical Section, Exhibit A-9 |

GOLF COURSE ENTERPRISE SYSTEM REFUNDING REVENUE BONDS, SERIES 2005

| Required Disclosure | Location |
|---|-----------------|
| Golf Fund Operating History | Exhibit C-9 |
| Golf Course Enterprise System Statistics | Exhibit C-10 |
| Maximum Annual Golf Revenue Bond Coverage | Exhibit C-11 |

EXHIBIT C-2

CITY OF AURORA, COLORADO

COMBINED GENERAL, TABOR RESERVE AND POLICY RESERVE FUNDS
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE (US GAAP BASIS) (unaudited)
 FOR THE YEARS ENDED DECEMBER 31:

| | 2004 | 2005 | 2006 | 2007 | 2008 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| REVENUES | | | | | |
| Taxes | \$ 177,735,020 | \$ 190,409,082 | \$ 198,970,258 | \$ 204,314,913 | \$ 202,061,836 |
| Charges for services | 5,734,870 | 6,055,827 | 5,741,311 | 6,979,482 | 7,601,310 |
| License and permits | 3,512,683 | 4,760,292 | 4,758,928 | 2,742,650 | 2,508,560 |
| Fines and forfeits | 4,492,855 | 6,280,369 | 6,223,958 | 6,836,170 | 6,406,220 |
| Intergovernmental | 10,334,987 | 9,919,966 | 11,601,812 | 10,845,109 | 10,722,674 |
| Miscellaneous | 607,601 | 1,094,871 | 1,112,129 | 974,544 | 1,042,271 |
| Investment earnings | 1,109,806 | 1,696,347 | 2,303,935 | 3,285,013 | 2,284,390 |
| Total revenues | <u>203,527,822</u> | <u>220,216,754</u> | <u>230,712,331</u> | <u>235,977,881</u> | <u>232,627,261</u> |
| EXPENDITURES | | | | | |
| <i>Current</i> | | | | | |
| General government | 25,677,571 | 29,076,385 | 28,983,843 | 29,106,838 | 29,897,477 |
| Judicial | 6,726,991 | 6,700,195 | 7,083,113 | 7,615,855 | 7,988,412 |
| Police | 59,721,817 | 62,756,741 | 66,807,866 | 71,123,642 | 75,319,036 |
| Fire | 27,571,139 | 27,740,259 | 29,499,789 | 31,753,544 | 33,183,680 |
| Other public safety | 8,099,500 | 8,271,531 | 8,289,912 | 9,512,447 | 10,149,377 |
| Public works | 16,641,995 | 16,531,139 | 18,657,180 | 22,044,805 | 21,078,438 |
| Economic development | 4,263,256 | 3,668,660 | 3,576,436 | 3,783,893 | 3,552,855 |
| Community services | 4,748,819 | 4,313,883 | 3,931,381 | 3,935,571 | 3,783,371 |
| Culture and recreation | 18,677,475 | 18,490,189 | 17,898,708 | 19,950,167 | 19,884,480 |
| <i>Debt service</i> | | | | | |
| Principal | 381,242 | 262,968 | 526,135 | 913,952 | 987,802 |
| Interest | 26,989 | 43,282 | 85,640 | 141,443 | 114,434 |
| Capital outlay | 2,676,117 | 2,628,802 | 5,595,819 | 5,000,147 | 1,756,822 |
| Total expenditures | <u>175,212,911</u> | <u>180,484,034</u> | <u>190,935,822</u> | <u>204,882,304</u> | <u>207,696,184</u> |
| Excess of revenues over expenditures | 28,314,911 | 39,732,720 | 39,776,509 | 31,095,577 | 24,931,077 |
| Net other financing uses (a) | <u>(32,409,772)</u> | <u>(35,884,275)</u> | <u>(36,275,913)</u> | <u>(31,503,197)</u> | <u>(28,754,253)</u> |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | (4,094,861) | 3,848,445 | 3,500,596 | (407,620) | (3,823,176) |
| FUND BALANCE - January 1 | <u>53,383,900</u> | <u>49,289,039</u> | <u>53,137,484</u> | <u>56,638,080</u> | <u>56,230,460</u> |
| FUND BALANCE - December 31 | <u>\$ 49,289,039</u> | <u>\$ 53,137,484</u> | <u>\$ 56,638,080</u> | <u>\$ 56,230,460</u> | <u>\$ 52,407,284</u> |
| General Fund | \$ 24,426,301 | \$ 27,609,171 | \$ 31,208,559 | \$ 27,574,786 | \$ 22,792,318 |
| Policy Reserve | 18,275,311 | 18,744,164 | 19,239,541 | 20,910,375 | 21,426,228 |
| TABOR Reserve | 6,587,427 | 6,784,149 | 6,189,980 | 7,745,299 | 8,188,738 |

(a) Net other financing uses consist primarily of transfers to other funds. Transfers among the General Fund, the TABOR Reserve Fund and the Policy Reserve Fund have been eliminated in this schedule.

EXHIBIT C-3

CITY OF AURORA, COLORADO

COMBINED GENERAL, TABOR RESERVE, AND POLICY RESERVE FUNDS (a)
 COMPARATIVE SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE, ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS) (unaudited)
 FOR THE YEARS ENDED DECEMBER 31:

| | 2004 | | 2005 | | 2006 | | 2007 | | 2008 | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual | Budget |
| SOURCES | | | | | | | | | | |
| Taxes | \$ 177,004,557 | \$ 180,903,576 | \$ 188,648,945 | \$ 185,205,938 | \$ 199,269,031 | \$ 193,922,793 | \$ 204,693,645 | \$ 204,970,169 | \$ 201,296,982 | \$ 211,484,788 |
| Licenses and permits | 3,512,683 | 2,994,878 | 4,760,292 | 3,110,961 | 4,758,928 | 3,786,572 | 2,742,650 | 4,605,374 | 2,508,560 | 3,006,765 |
| Intergovernmental | 10,424,987 | 10,650,812 | 9,919,966 | 10,806,128 | 11,601,812 | 10,563,233 | 10,800,109 | 10,653,412 | 10,722,674 | 10,606,925 |
| Charges for services | 5,734,820 | 6,146,270 | 6,055,827 | 6,136,159 | 5,741,311 | 5,472,619 | 6,979,481 | 8,440,237 | 7,601,310 | 8,003,023 |
| Fines and forfeitures | 4,492,855 | 4,732,230 | 6,280,369 | 5,397,854 | 6,223,958 | 6,530,773 | 6,836,170 | 7,132,819 | 6,406,220 | 6,696,024 |
| Investment income | 1,581,112 | 1,463,585 | 1,866,340 | 1,440,944 | 2,324,815 | 1,737,000 | 2,912,596 | 2,367,280 | 2,146,268 | 2,917,408 |
| Other revenues | 6,796,043 | 6,934,843 | 5,262,923 | 5,527,546 | 6,064,004 | 5,531,357 | 4,354,898 | 4,751,348 | 4,249,395 | 4,451,845 |
| Total sources | 209,547,057 | 213,826,194 | 222,794,662 | 217,625,530 | 235,983,859 | 227,544,347 | 239,319,549 | 242,920,639 | 234,931,409 | 247,166,778 |
| USES | | | | | | | | | | |
| Municipal Court | 8,210,957 | 8,409,444 | 8,332,057 | 8,464,869 | 8,707,232 | 8,780,095 | 9,466,802 | 9,647,682 | 9,713,134 | 9,929,763 |
| City Attorney | 4,259,378 | 4,425,616 | 4,213,779 | 4,366,001 | 4,230,779 | 4,390,134 | 4,553,931 | 4,654,138 | 4,873,897 | 4,935,696 |
| General Management | 6,071,594 | 6,534,853 | 5,296,515 | 5,347,025 | 4,997,778 | 5,145,787 | 5,473,084 | 5,629,535 | 5,501,075 | 5,947,110 |
| Administrative Services | 20,696,713 | 21,346,701 | 20,467,673 | 21,032,846 | 21,724,587 | 22,183,978 | 26,267,487 | 26,645,401 | 22,437,789 | 24,968,601 |
| Operations Group Management | 30,757,237 | 31,480,992 | 30,793,656 | 31,688,380 | 31,018,019 | 31,586,510 | 34,343,555 | 34,800,854 | 34,783,049 | 35,479,114 |
| Community Services | 107,076,146 | 108,169,793 | 109,893,846 | 110,329,038 | 115,374,727 | 116,455,464 | 124,381,954 | 125,335,624 | 130,204,150 | 131,522,188 |
| Non-departmental | 36,483,801 | 37,959,535 | 41,518,531 | 41,368,630 | 46,135,499 | 46,223,198 | 35,668,519 | 36,474,517 | 31,015,944 | 37,218,767 |
| Total uses | 213,555,826 | 218,326,934 | 220,516,057 | 222,596,789 | 232,188,621 | 234,765,166 | 240,155,332 | 243,187,751 | 238,529,038 | 250,001,239 |
| Excess (deficiency) of revenues over (under) expenditures | (4,008,769) | (4,500,740) | 2,278,605 | (4,971,259) | 3,795,238 | (7,220,819) | (835,784) | (267,112) | (3,597,629) | (2,834,461) |
| FUNDS AVAILABLE - January 1 | 36,932,376 | 43,323,692 | 32,923,607 | 28,793,933 | 35,202,212 | 32,189,336 | 38,997,450 | 35,838,342 | 38,161,666 | 35,571,230 |
| FUNDS AVAILABLE - December 31 | 32,923,607 | \$ 38,822,952 | 35,202,212 | \$ 23,822,674 | 38,997,450 | \$ 24,968,517 | 38,161,666 | \$ 35,571,230 | 34,564,037 | \$ 32,736,769 |
| Reserved for police | — | — | — | — | — | — | — | — | — | — |
| Reserved for emergencies | (6,603,291) | — | (6,885,086) | — | (6,232,127) | — | (7,723,875) | — | (8,132,329) | — |
| Council designations | (2,775,332) | — | (8,493,780) | — | (13,394,824) | — | (9,585,220) | — | (5,153,040) | — |
| Funds available - after reservations and designations | \$ 23,544,984 | — | \$ 19,823,346 | — | \$ 19,370,499 | — | \$ 20,852,571 | — | \$ 21,278,668 | — |
| Reconciliation to GAAP fund balance | | | | | | | | | | |
| Funds available - December 31 | 32,923,607 | — | 35,202,212 | — | 38,997,450 | — | 38,161,666 | — | 34,564,037 | — |
| Current year encumbrances | 992,384 | — | 1,318,383 | — | 1,298,394 | — | 1,687,871 | — | 559,347 | — |
| Sales, use and lodgers tax accrual | 15,197,928 | — | 16,958,065 | — | 16,659,291 | — | 16,280,560 | — | 17,045,414 | — |
| Police/fire sick leave deferral | 346,305 | — | — | — | — | — | — | — | — | — |
| Adjust investments to fair value | (81,185) | — | (251,176) | — | (272,055) | — | 100,363 | — | 238,486 | — |
| Deferred revenues-grant awards | (90,000) | — | (90,000) | — | (45,000) | — | — | — | — | — |
| FUND BALANCE - December 31 | \$ 49,289,039 | — | \$ 53,137,484 | — | \$ 56,638,080 | — | \$ 56,230,460 | — | \$ 52,407,284 | — |

(a) This schedule contains the activities of the General Fund, the TABOR Reserve Fund, and the Policy Reserve Fund.
 (b) Some amounts on this schedule have been reclassified and restated from the presentation in the Comprehensive Annual Financial Reports for consistency.

EXHIBIT C-4

CITY OF AURORA, COLORADO

WATER FUND

OPERATING HISTORY

COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (unaudited)

FOR THE YEARS ENDED DECEMBER 31:

| | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| OPERATING REVENUES | | | | | |
| <i>Charges for services</i> | | | | | |
| Customers | \$ 50,527,062 | \$ 64,192,968 | \$ 74,797,433 | \$ 83,489,049 | \$ 86,803,419 |
| Fire protection | 397,651 | 410,865 | — | — | — |
| Total operating revenues | <u>50,924,713</u> | <u>64,603,833</u> | <u>74,797,433</u> | <u>83,489,049</u> | <u>86,803,419</u> |
| OPERATING EXPENSES | | | | | |
| Cost of sales and services | 33,998,912 | 42,022,670 | 39,238,083 | 44,051,174 | 40,632,915 |
| Administrative expenses | 1,215,720 | 3,143,921 | 3,576,677 | 4,861,955 | 5,034,253 |
| Depreciation | 7,081,010 | 7,401,865 | 8,901,048 | 9,774,410 | 10,169,576 |
| Total operating expenses | <u>42,295,642</u> | <u>52,568,456</u> | <u>51,715,808</u> | <u>58,687,539</u> | <u>55,836,744</u> |
| Operating income | <u>8,629,071</u> | <u>12,035,377</u> | <u>23,081,625</u> | <u>24,801,510</u> | <u>30,966,675</u> |
| NON-OPERATING REVENUES | | | | | |
| (EXPENSES) | | | | | |
| Investment income | 2,198,891 | 4,231,540 | 10,425,346 | 22,391,678 | 26,606,820 |
| Intergovernmental revenue | — | 142,493 | 265,024 | 126,077 | 34,322 |
| Miscellaneous revenue | 77,764 | 63,488 | 241,851 | 187,358 | 141,183 |
| Interest expense | (4,573,056) | (6,438,629) | (9,222,064) | (15,544,841) | (21,809,027) |
| Amortization expense | (28,366) | 168,967 | 205,392 | 392,284 | 551,052 |
| Gain (loss)-disposal capital assets | 51,317 | 336,550 | 75,735 | 12,486 | (242,800) |
| Gain (loss)-joint venture | (34,478) | (34,779) | (35,817) | (33,395) | (32,008) |
| Net non-operating revenues (expenses) | <u>(2,307,928)</u> | <u>(1,530,370)</u> | <u>1,955,467</u> | <u>7,531,647</u> | <u>5,249,542</u> |
| NET INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS | | | | | |
| Capital contributions | 45,349,567 | 68,005,757 | 72,727,887 | 61,707,007 | 31,628,255 |
| Transfers in | — | 200,000 | — | — | — |
| Transfers out | — | — | — | — | — |
| INCREASE IN NET ASSETS | <u>51,670,710</u> | <u>78,710,764</u> | <u>97,764,979</u> | <u>94,040,164</u> | <u>67,844,472</u> |
| NET ASSETS - January 1 | <u>491,495,420</u> | <u>543,166,130</u> | <u>621,876,894</u> | <u>719,641,873</u> | <u>813,682,037</u> |
| NET ASSETS - December 31 | <u>\$ 543,166,130</u> | <u>\$ 621,876,894</u> | <u>\$ 719,641,873</u> | <u>\$ 813,682,037</u> | <u>\$ 881,526,509</u> |

EXHIBIT C-4

CITY OF AURORA, COLORADO

WATER FUND

OPERATING HISTORY

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

| | 2004 | 2005 | 2006 | 2007 | 2008 | Adopted 2009 |
|-------------------------------------|----------------------|-----------------------|----------------------|-----------------------|-----------------------|-------------------------|
| SOURCES | | | | | | |
| Charges for services | \$ 50,865,583 | \$ 64,542,513 | \$ 74,655,303 | \$ 83,373,085 | 86,688,316 | \$ 94,399,089 |
| Intergovernmental | — | 142,493 | 265,023 | 126,077 | 35,906 | — |
| Licenses and permits | 59,130 | 61,320 | 142,130 | 116,101 | 115,395 | — |
| Investment income | 3,288,854 | 5,824,951 | 9,753,888 | 20,463,682 | 25,068,840 | 6,292,053 |
| Development fees and other revenues | 34,804,277 | 50,993,520 | 46,594,768 | 42,744,831 | 24,336,194 | 17,353,572 |
| Proceeds from sale of assets | 53,331 | 645,450 | 75,735 | 12,486 | 55,095 | — |
| Proceeds from long-term borrowings | 40,000,000 | 101,607,022 | — | 434,379,428 | 58,620,865 | 186,097,740 |
| Transfers in | — | 200,000 | — | — | — | — |
| Funds from restricted assets | — | — | (48,372) | (35,711,726) | (3,958,773) | (14,692,053) |
| Release of prior year designation | — | — | — | 8,545,569 | — | — |
| Total sources | 129,071,175 | 224,017,269 | 131,438,475 | 554,049,533 | 190,961,838 | 289,450,401 |
| USES | | | | | | |
| <i>Operating Costs</i> | | | | | | |
| Operations group | 51,322,644 | 60,149,346 | 63,054,274 | 79,075,158 | 128,906,693 | 99,886,298 |
| <i>Continuing Appropriations</i> | | | | | | |
| Operations group | 30,214,974 | 114,674,135 | 106,432,222 | 197,486,872 | 232,988,828 | 281,627,576 |
| Total uses | 81,537,618 | 174,823,481 | 169,486,496 | 276,562,030 | 361,895,521 | 381,513,874 |
| Change in funds available | 47,533,557 | 49,193,788 | (38,048,021) | 277,487,503 | (170,933,683) | (92,063,473) |
| Funds Available - January 1 | 29,607,321 | 77,140,878 | 126,334,666 | 88,286,645 | 365,774,148 | 179,818,585 |
| Funds Available - December 31 | <u>\$ 77,140,878</u> | <u>\$ 126,334,666</u> | <u>\$ 88,286,645</u> | <u>\$ 365,774,148</u> | <u>\$ 194,840,465</u> | <u>\$ 87,755,112</u> |

EXHIBIT C-5

CITY OF AURORA, COLORADO

WATER FUND

WATER SYSTEM STATISTICS (unaudited)

DECEMBER 31, 2008

2008 Water Usage and Billed Revenues by Classification (a)

| Classification | Consumption | Percent of Consumption | Billed Revenue | Percent of Revenue |
|----------------|-------------------|------------------------|----------------------|--------------------|
| Residential | 6,933,307 | 41% | \$ 38,560,866 | 45% |
| Multi-Family | 3,686,558 | 22% | 17,530,862 | 21% |
| Commerical | 3,046,997 | 18% | 15,521,836 | 18% |
| Irrigation | 1,589,315 | 9% | 9,144,829 | 11% |
| Other (a) | 1,484,538 | 9% | 4,025,867 | 5% |
| Total | 16,740,715 | 100% | \$ 84,784,260 | 100% |

(a) Includes tertiary, trade, hydrant, raw water and well water customers.

System Annual Billed Revenues and Cash Collection (b)

| Classification | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---------------|---------------|---------------|---------------|---------------|
| Billed revenues | \$ 50,102,648 | \$ 60,198,681 | \$ 72,391,949 | \$ 81,808,608 | \$ 84,777,085 |
| Cash collected during year for current and prior years' sales | \$ 49,738,716 | \$ 60,300,044 | \$ 71,588,580 | \$ 80,240,575 | \$ 85,534,196 |
| Percentage of billed revenues collected | 99.3% | 100.2% | 98.9% | 98.1% | 100.9% |

(b) Revenues include metered sales, raw water irrigation, raw water resale, tertiary reuse water sales, and related services (trip charges, meter testing, wasting water fees and non-sufficient funds fees).

Customers by Class (c)

| Classification | 2004 | 2005 | 2006 | 2007 | 2008 |
|-------------------------|---------------|---------------|---------------|---------------|---------------|
| Residential (1-4 units) | 63,839 | 65,110 | 67,021 | 67,972 | 69,258 |
| Multi-Family (5+ units) | 1,610 | 2,256 | 2,281 | 2,496 | 2,339 |
| Commercial | 2,714 | 2,753 | 2,804 | 2,963 | 2,854 |
| Irrigation | 823 | 828 | 820 | 831 | 1,098 |
| Total | 68,986 | 70,947 | 72,926 | 74,262 | 75,549 |

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

(continued)

EXHIBIT C-5

CITY OF AURORA, COLORADO

WATER FUND

WATER SYSTEM STATISTICS (unaudited)

DECEMBER 31, 2008

The following table sets forth the ten largest consumers of the Water System, which, in aggregate, accounted for 9.3% of the total billed metered water sales in 2008.

Ten Largest Treated Water Customers of Water System

| Customer | Consumption (a) | Percent of Consumption | Billed Revenues | Percent of Billed Revenues |
|-------------------------------|--------------------|---------------------------|---------------------|-------------------------------|
| City of Aurora | 429,812 | 29% | \$ 2,367,887 | 31% |
| Aurora Public Schools | 245,122 | 17% | 1,232,126 | 16% |
| Buckley Air Force Base | 165,041 | 11% | 889,774 | 12% |
| Cherry Creek School District | 146,554 | 10% | 726,443 | 10% |
| Heather Gardens HOA | 131,862 | 9% | 606,133 | 8% |
| University of Colorado HSC | 120,025 | 8% | 592,018 | 8% |
| Tallyn's Reach Metro District | 62,425 | 4% | 353,199 | 5% |
| Westdale Asset Management | 61,420 | 4% | 285,170 | 4% |
| Mountain View Associates, LLC | 56,898 | 4% | 265,756 | 4% |
| Children's Hospital | 46,744 | 3% | 262,243 | 3% |
| | <u>1,465,903</u> | <u>100%</u> | <u>\$ 7,580,749</u> | <u>100%</u> |

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

Aurora Water Rates History and Average Annual Water Bill

| Single Family Residential | 2004 | 2005 | 2006 | 2007 | 2008 |
|---------------------------|---------|---------|---------|------------------|------------------|
| Base charge | \$ 3.79 | \$ 3.79 | \$ 4.24 | \$ 8.50 | \$ 10.39 |
| Rates per 1,000 gallons | 2.69 | 3.61 | 4.04 | Tiered Structure | Tiered Structure |
| Surcharge | 0.65 | - | - | - | - |
| Average annual bill | 364.62 | 415.25 | 485.92 | 514.98 | 561.00 |

(continued)

EXHIBIT C-5

CITY OF AURORA, COLORADO

WATER FUND

WATER SYSTEM STATISTICS (unaudited)

FOR THE YEARS ENDED DECEMBER 31:

| | | Monthly Service Charge (a) | | | | |
|-------------------|----|-----------------------------------|-------------|-------------|-------------|-------------|
| | | 2004 | 2005 | 2006 | 2007 | 2008 |
| Meter Size | | | | | | |
| 5/8" & 3/4" | \$ | 3.79 | \$ 3.79 | \$ 4.24 | \$ 8.50 | \$ 10.39 |
| 1" | | 5.20 | 5.20 | 5.82 | 11.67 | 15.31 |
| 1 1/4" | | 5.20 | 5.20 | 5.82 | 11.67 | 15.31 |
| 1 1/2" | | 8.34 | 8.34 | 9.34 | 18.70 | 23.52 |
| 2" | | 12.13 | 12.13 | 13.59 | 27.20 | 33.37 |
| 3" | | 24.04 | 24.04 | 26.92 | 53.90 | 59.63 |
| 4" | | 64.83 | 64.83 | 72.61 | 145.38 | 89.17 |
| 6" | | 127.59 | 127.59 | 142.90 | 286.11 | 171.24 |
| 8" | | 158.98 | 158.98 | 178.06 | 356.51 | 401.03 |

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

| | | Water Service Connection Fee (b) | | | | |
|------------------------------------|----|---|-------------|-------------|-------------|-------------|
| | | 2004 | 2005 | 2006 | 2007 | 2008 |
| Type and Size of Connection | | | | | | |
| Single Family Detached | | | | | | |
| 5/8" & 3/4" | \$ | 10,925 | \$ 14,858 | \$ 16,641 | \$ 18,638 | \$ 20,875 |
| 1" | | 21,850 | 29,716 | 33,282 | 37,276 | 41,750 |
| Single Family Attached | | 7,757 | 10,549 | 11,815 | 13,233 | 14,821 |
| Multi-Family | | 6,445 | 8,766 | 9,818 | 10,996 | 12,316 |
| Commercial | | | | | | |
| 5/8" & 3/4" | | 10,925 | 14,858 | 16,641 | 18,638 | 20,875 |
| 1" | | 18,922 | 25,734 | 28,822 | 32,281 | 36,156 |
| 1 1/2" | | 43,603 | 59,298 | 66,414 | 74,384 | 83,312 |
| 2" | | 77,438 | 105,314 | 117,952 | 132,106 | 147,962 |
| 3" | | 174,113 | 236,789 | 265,204 | 297,030 | 332,681 |
| 4" | | 309,753 | 421,256 | 471,807 | 528,426 | 591,850 |
| 6" | | 697,191 | 948,162 | 1,061,941 | 1,189,382 | 1,332,136 |
| 8" | | 1,239,642 | 1,685,879 | 1,888,184 | 2,114,781 | 2,368,605 |

(b) In 2008, irrigation rates were split into a separate category. Charges shown here are for residential, multi-family and commercial customers only.

(continued)

EXHIBIT C-5

CITY OF AURORA, COLORADO

WATER FUND

WATER SYSTEM STATISTICS (unaudited)

FOR THE YEARS ENDED DECEMBER 31:

| Type of Account | Usage Rates | | | Tiered Use Rate (a) | Tiered Use Rate (c) |
|---|------------------------------------|---------|---------|---------------------|---------------------|
| | Monthly use rate per 1,000 gallons | | | 2007 | 2008 |
| | 2004 | 2005 | 2006 | | |
| Single Family Detached | \$ 2.69 | \$ 3.61 | \$ 4.04 | \$ 3.60 | |
| Tier 1-WQA | | | | 4.50 | |
| Tier 2-next 15,000 gals | | | | 8.25 | |
| Tier 3-next 10,000 gals | | | | 10.75 | |
| Tier 4-over additional 25,000 gals | | | | | |
| Single Family Attached | 2.69 | 3.61 | 4.04 | 3.60 | |
| Tier 1-WQA | | | | 4.50 | |
| Tier 2-next 4,000 gals | | | | 8.25 | |
| Tier 3-next 3,000 gals | | | | 10.75 | |
| Tier 4-over additional 7,000 gals | | | | | |
| Residential/ Multifamily (less than 5 units) | | | | | \$ 4.54 |
| Tier 1- (0-20,000 gals) | | | | | 5.17 |
| Tier 2- (20,001-40,000 gals) | | | | | 6.46 |
| Tier 3- (40,000 gals and above) | | | | | |
| Multi-Family | 2.69 | 3.61 | 4.04 | 3.60 | |
| Tier 1-WQA | | | | 4.50 | |
| Tier 2->100% & <150% WQA | | | | 8.25 | |
| Tier 3->150% & <250% WQA | | | | 10.75 | |
| Tier 4->250% WQA | | | | | |
| Multifamily (five or more units) (d) | | | | | 4.82 |
| Tier 1- (up to 100% allocation) | | | | | 5.30 |
| Tier 2- (greater than 100%) | | | | | |
| Commercial/Industrial | 2.69 | 3.61 | 4.04 | 3.60 | |
| Tier 1-WQA | | | | 4.50 | |
| Tier 2->100% & <150% WQA | | | | 8.25 | |
| Tier 3->150% & <250% WQA | | | | 10.75 | |
| Tier 4->250% WQA | | | | | |
| Commercial (d) | | | | | 4.88 |
| Tier 1- (up to 100% allocation) | | | | | 5.37 |
| Tier 2- (greater than 100%) | | | | | |
| Irrigation | 3.23 | 4.33 | 4.85 | 5.43 | |
| Tier 1-100% daily allocation | | | | 9.95 | |
| Tier 2->100% & <130% daily allocation | | | | 12.96 | |
| Tier 3->130% daily allocation | | | | | |
| Irrigation (d) | | | | | 5.58 |
| Tier 1- (up to 100% allocation) | | | | | 6.14 |
| Tier 2- (greater than 100%) | | | | | |
| Irrigation, Intensive, Commercial and Multifamily (b) | - | - | - | 4.50 | |
| Tier 1-WQA | | | | 5.43 | |
| Tier 2-100% daily allocation | | | | 9.95 | |
| Tier 3->100% & <130% daily allocation | | | | 12.96 | |
| Tier 4->130% daily allocation | | | | | |

(a) Tiered rate structure adopted for 2007 is based on average monthly consumption during December, January and February ("WQA" or "Winter Quarter Average"). A conservation credit of \$3.75/month is available to those using 3,000 gallons per month or less.

(b) New category beginning in 2007.

(c) New usage rates structure adopted for 2008 became effective April 1, 2008.

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

EXHIBIT C-5

CITY OF AURORA, COLORADO

WATER FUND

WATER SYSTEM STATISTICS (unaudited)

FOR THE YEARS ENDED DECEMBER 31:

Tap and Development Fee Revenues

| Year | Tap Fee Revenues | Development Fee Revenue | Total Tap and Development Fees |
|-------------|-------------------------|--------------------------------|---------------------------------------|
| 2004 | 33,386,310 | 1,340,203 | 34,726,513 |
| 2005 | 49,843,267 | 1,086,766 | 50,930,033 |
| 2006 | 45,585,338 | 767,579 | 46,352,917 |
| 2007 | 42,190,609 | 367,000 | 42,557,609 |
| 2008 | 24,661,273 | 238,933 | 24,900,206 |

**Average Daily and Peak Day Demand
In Millions of Gallons**

| | 2004 | 2005 | 2006 | 2007 | 2008 |
|---------------------------|-------------|-------------|-------------|-------------|-------------|
| Average Daily Treatment | 38.2 | 43.7 | 46.4 | 45.1 | 45.6 |
| Average Daily Consumption | 36.6 | 41.4 | 43.8 | 42.7 | 43.0 |
| Peak Hour Treatment | 129.3 | 177.9 | 142.4 | 160.9 | 164.0 |
| Peak Day Treatment | 74.3 | 97.5 | 94.4 | 98.9 | 99.3 |
| Peak Day Consumption | 73.0 | 95.8 | 90.5 | 97.0 | 95.2 |

(concluded)

EXHIBIT C-6

CITY OF AURORA, COLORADO

WATER FUND

MAXIMUM ANNUAL DEBT SERVICE COVERAGE (unaudited)

FOR THE YEARS ENDED DECEMBER 31:

| | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Net Pledged Revenue | | | | | |
| Charges for Services | \$50,924,714 | \$64,603,833 | \$74,797,433 | \$83,489,049 | \$86,803,419 |
| Development Fee (a) | 33,647,868 | 50,568,636 | 45,892,609 | 42,341,206 | 24,777,352 |
| Other Non-Operating Revenue (b) | 3,372,033 | 5,902,595 | 9,999,700 | 20,651,041 | 24,598,131 |
| (Less) Operations and Maintenance | (42,295,642) | (52,568,456) | (51,715,808) | (58,687,539) | (55,836,744) |
| Depreciation | 7,081,010 | 7,401,865 | 8,901,048 | 9,774,409 | 10,169,575 |
| Total | <u>\$52,729,983</u> | <u>\$75,908,473</u> | <u>\$87,874,982</u> | <u>\$97,568,166</u> | <u>\$90,511,733</u> |
| Maximum Annual Debt Service | | | | | |
| First-Lien Revenue Obligations (c) | \$6,393,273 | \$13,122,773 | \$13,122,773 | \$45,493,350 | \$47,451,238 |
| Combined First-Lien Revenue Obligations and Second-Lien Revenue Obligations (d) | 7,893,273 | 14,622,773 | 14,622,773 | 47,122,450 | 47,451,238 |
| All Obligations Secured by Net Pledged Revenue (e) | 9,119,290 | 15,331,929 | 15,331,929 | 47,122,450 | 47,451,238 |
| All Obligations Payable From System Revenues (f) | 17,299,765 | 22,433,329 | 22,433,329 | 47,122,450 | 47,451,238 |
| Coverage | | | | | |
| First-Lien Revenue Obligations | 8.25 | 5.78 | 6.70 | 2.14 | 1.91 |
| Combined First-Lien Revenue Obligations and Second-Lien Revenue Obligations | 6.68 | 5.19 | 6.01 | 2.07 | 1.91 |
| All Obligations Secured by Net Pledged Revenues | 5.78 | 4.95 | 5.73 | 2.07 | 1.91 |
| All Obligations Payable from Systems Revenues | 3.05 | 3.38 | 3.92 | 2.07 | 1.91 |

- (a) Includes tap, main extension, front footage fees and drought water replacement surcharge. Does not include annexation fees. Total is net of any reimbursement of previously paid tap fees.
- (b) Includes investment income, insurance recoveries and other non-operating revenue. Excludes fair value and intergovernmental revenues.
- (c) First lien maximum annual debt service occurs in 2020. Includes the City's portion of the Colorado Water Resources and Power Development Authority's Drinking Water Bonds Series 1999A and 2005D (CWR&PDA). It also includes the City's First Lien Water Improvement Revenue Bonds Series 2003A, 2007A and 2008A.
- (d) Includes (c) above and the Second Lien Water Improvement Revenue Bonds Series 2004A. This revenue bond was refunded in 2008 and is now a First-Lien Water Improvement Revenue Bond, Series 2008. Maximum annual debt service occurs in 2020.
- (e) Includes (d) above and water rights notes payable. Maximum annual debt service occurs in 2020.
- (f) Includes (e) above and general obligation water bonds which are payable from revenues of the system but are not secured by the Net Pledged revenues. Maximum annual debt service occurs in 2020.

EXHIBIT C-7**CITY OF AURORA, COLORADO****OPERATING HISTORY****WASTEWATER FUND****COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (unaudited)****FOR THE YEARS ENDED DECEMBER 31:**

| | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| OPERATING REVENUES | | | | | |
| Charges for services | \$ 26,327,715 | \$ 29,059,182 | \$ 33,286,941 | \$ 39,070,578 | \$ 43,334,347 |
| Total operating revenues | <u>26,327,715</u> | <u>29,059,182</u> | <u>33,286,941</u> | <u>39,070,578</u> | <u>43,334,347</u> |
| OPERATING EXPENSES | | | | | |
| Cost of sales and services | 21,186,499 | 23,834,605 | 25,063,774 | 27,467,642 | 31,170,143 |
| Administrative expenses | 620,376 | 789,059 | 1,067,007 | 1,326,795 | 1,420,857 |
| Depreciation | 4,211,508 | 4,634,877 | 5,527,402 | 6,103,035 | 6,745,580 |
| Total operating expenses | <u>26,018,383</u> | <u>29,258,541</u> | <u>31,658,183</u> | <u>34,897,472</u> | <u>39,336,580</u> |
| Operating income | <u>309,332</u> | <u>(199,359)</u> | <u>1,628,758</u> | <u>4,173,106</u> | <u>3,997,767</u> |
| NON-OPERATING REVENUES | | | | | |
| (EXPENSES) | | | | | |
| Investment income | 735,528 | 984,779 | 3,812,115 | 5,843,767 | 4,719,791 |
| Miscellaneous revenue | 84,538 | 34,224 | 741,219 | 76,850 | 46,325 |
| Interest expense | (175,542) | (652,990) | (1,879,994) | (2,244,079) | (616,127) |
| Amortization expense | (8,206) | (8,206) | 8,053 | 24,312 | 24,312 |
| Gain (loss)-disposal capital assets | 45,728 | (120,634) | 69,100 | (23,065) | (804,634) |
| Net non-operating revenues (expenses) | <u>682,046</u> | <u>237,173</u> | <u>2,750,493</u> | <u>3,677,785</u> | <u>3,369,667</u> |
| NET INCOME BEFORE | | | | | |
| CONTRIBUTIONS AND TRANSFER | 991,378 | 37,814 | 4,379,251 | 7,850,891 | 7,367,434 |
| Capital contributions | 21,860,597 | 28,391,467 | 40,129,367 | 35,458,051 | 9,400,956 |
| Transfers out | — | — | — | — | — |
| INCREASE IN NET ASSETS | <u>22,851,975</u> | <u>28,429,281</u> | <u>44,508,618</u> | <u>43,308,942</u> | <u>16,768,390</u> |
| NET ASSETS - January 1 | <u>254,101,184</u> | <u>276,953,159</u> | <u>305,382,440</u> | <u>349,891,058</u> | <u>393,200,000</u> |
| NET ASSETS - December 31 | <u>\$ 276,953,159</u> | <u>\$ 305,382,440</u> | <u>\$ 349,891,058</u> | <u>\$ 393,200,000</u> | <u>\$ 409,968,390</u> |

EXHIBIT C-7

CITY OF AURORA, COLORADO

OPERATING HISTORY

WASTEWATER FUND

SCHEDULE OF SOURCES, USES, AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEARS ENDED DECEMBER 31:

| | 2004 | 2005 | 2006 | 2007 | 2008 | Adopted 2009 |
|------------------------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| SOURCES | | | | | | |
| Charges for services | \$ 26,327,715 | \$ 29,059,182 | \$ 33,286,941 | \$ 39,070,667 | \$ 43,334,597 | \$ 46,266,842 |
| Investment income | 1,030,664 | 1,262,531 | 3,458,615 | 5,124,442 | 4,300,273 | 1,386,714 |
| Other revenues | 7,178,142 | 10,643,707 | 8,191,939 | 7,751,110 | 3,096,633 | 4,088,137 |
| Proceeds from sale of assets | 11,156 | 8,510 | 7,577 | 19,335 | 16,229 | — |
| Proceeds from long-term borrowings | — | — | 59,943,695 | 56,921 | — | — |
| Transfers in | 256,000 | 256,000 | 256,000 | 256,000 | 256,000 | 256,000 |
| Funds from restricted assets | — | — | (3,749,250) | — | — | — |
| Total sources | <u>34,803,677</u> | <u>41,229,930</u> | <u>101,395,517</u> | <u>52,278,475</u> | <u>51,003,732</u> | <u>51,997,693</u> |
| USES | | | | | | |
| <i>Operating Costs</i> | | | | | | |
| Operations group | 24,583,106 | 27,331,261 | 30,016,076 | 34,175,355 | 38,827,660 | 45,205,826 |
| <i>Continuing Appropriations</i> | | | | | | |
| Operations group | <u>17,826,739</u> | <u>11,984,327</u> | <u>18,522,604</u> | <u>26,077,290</u> | <u>1,504,828</u> | <u>32,098,098</u> |
| Total uses | <u>42,409,845</u> | <u>39,315,588</u> | <u>48,538,680</u> | <u>60,252,645</u> | <u>40,332,488</u> | <u>77,303,924</u> |
| Change in funds available | (7,606,168) | 1,914,342 | 52,856,837 | (7,974,170) | 10,671,244 | (25,306,231) |
| Funds Available - January 1 | <u>14,587,403</u> | <u>6,981,235</u> | <u>8,895,577</u> | <u>61,752,414</u> | <u>53,778,244</u> | <u>53,576,271</u> |
| Funds Available - December 31 | <u>\$ 6,981,235</u> | <u>\$ 8,895,577</u> | <u>\$ 61,752,414</u> | <u>\$ 53,778,244</u> | <u>\$ 64,449,488</u> | <u>\$ 28,270,040</u> |

EXHIBIT C-8

CITY OF AURORA, COLORADO

WASTEWATER FUND

SEWER SYSTEM STATISTICS (unaudited)

DECEMBER 31, 2008

The Sanitary Sewer System classifies its customers as business and residential. A breakdown of the usage and revenues for 2008 is as follows:

2008 Sanitary Sewer Usage and Revenues by Classification

| Classification | Percent of Consumption | Percent of Billed |
|-----------------------|-------------------------------|--------------------------|
| Business | 19% | 18% |
| Residential | 81% | 82% |
| Totals | 100% | 100% |

The following table sets forth the ten largest customers of the Sewer System, which, in aggregate, accounted for 4.1% of total billed Sanitary Sewer revenues in 2008.

Ten Largest Customers of the Sanitary Sewer System

| Customer | Billed Revenues |
|-------------------------------|------------------------|
| Buckley Air Force Base | \$182,298 |
| Heather Gardens HOA | 176,945 |
| Westdale Asset Management | 95,084 |
| Aurora Public Schools | 92,439 |
| Mountain View Apartments | 84,038 |
| Hickory Ridge Colorado LLC | 78,174 |
| Liberty Creek Apartment Homes | 74,530 |
| Ridge Hill Apartments | 70,159 |
| Medical Center of Aurora | 68,756 |
| Elk Ridge LP | 66,970 |
| | <u>\$989,393</u> |

(continued)

EXHIBIT C-8

CITY OF AURORA, COLORADO

WASTEWATER FUND

SEWER SYSTEM STATISTICS (unaudited)

DECEMBER 31, 2008

Sanitary Sewer Monthly Service Charge by Tap Size(a)

| | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> |
|---------------|-------------|-------------|-------------|-------------|-------------|
| 5/8" and 3/4" | \$1.79 | \$1.93 | \$2.16 | \$2.38 | \$2.62 |
| 1" & 1 1/4" | 4.48 | 4.83 | 5.41 | 5.65 | 6.22 |
| 1 1/2" | 8.96 | 9.66 | 10.82 | 11.90 | 13.09 |
| 2" | 14.33 | 15.45 | 17.30 | 19.03 | 20.93 |
| 3" | 31.37 | 33.82 | 37.88 | 41.67 | 45.84 |
| 4" | 89.66 | 96.65 | 108.25 | 119.08 | 130.99 |
| 6" | 179.34 | 193.33 | 216.53 | 238.18 | 262.00 |

(a) The total monthly fee includes the monthly service charge plus a volume charge of \$2.41 per 1,000 gallons used.

Sanitary Sewer Tap Fees by Service Size

| | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|
| Single Family Detached (per unit) | \$1,711 | \$1,762 | \$1,974 | \$2,171 | \$2,388 |
| Single Family Attached (per unit) | 1,385 | 1,427 | 1,599 | 1,759 | 1,934 |
| Multi-family (per unit) | 1,334 | 1,374 | 1,540 | 1,693 | 1,863 |
| Commercial (per tap size): | | | | | |
| 3/4 | 3,250 | 3,348 | 3,751 | 4,125 | 4,537 |
| 1 | 7,698 | 7,929 | 8,883 | 9,770 | 10,746 |
| 2 | 18,816 | 19,382 | 21,714 | 23,881 | 26,268 |
| 2 | 34,211 | 35,240 | 39,480 | 43,420 | 47,760 |
| 3 | 71,843 | 74,004 | 82,908 | 91,182 | 100,296 |
| 4 | 130,001 | 133,912 | 150,024 | 164,996 | 181,488 |
| 6 | (b) | (b) | (b) | (b) | (b) |

(b) Rates for the six inch and larger meters are based on a formula utilizing flow, BOD, TSS and TKN values.

(continued)

EXHIBIT C-8

CITY OF AURORA, COLORADO

WASTEWATER FUND

SEWER SYSTEM STATISTICS (unaudited)

DECEMBER 31, 2008

Sewer Tap and Development Fee Revenues

| | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> |
|--------------------------------|---------------------|----------------------|---------------------|---------------------|---------------------|
| Sanitary Sewer Tap Fees | \$ 5,095,675 | \$ 7,845,409 | \$ 6,471,895 | \$ 6,281,758 | \$ 4,289,728 |
| Development Fees | 1,997,929 | 2,760,020 | 1,693,814 | 1,442,352 | 454,267 |
| Total Tap and Development Fees | <u>\$ 7,093,604</u> | <u>\$ 10,605,429</u> | <u>\$ 8,165,709</u> | <u>\$ 7,724,110</u> | <u>\$ 4,743,995</u> |

Customers by Class

| | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> |
|-------------------------|-------------|---------------|---------------|---------------|---------------|
| Residential (1-4) units | n/a | 65,110 | 67,021 | 67,972 | 69,258 |
| Multi-Family (5+ units) | n/a | 2,256 | 2,281 | 2,496 | 2,339 |
| Commercial | n/a | 2,753 | 2,804 | 2,963 | 2,854 |
| Total | | <u>70,119</u> | <u>72,106</u> | <u>73,431</u> | <u>74,451</u> |

Storm Drain Rates and Charges

The City imposes storm drainage fees upon the owners of property served by the System's storm sewer facilities. In addition, developers are charged a \$2,818 per acre storm drainage development fee at the time building permits are issued. The storm drainage fee is \$7.26 per month for single family detached and individually metered single family attached dwellings. The storm drainage fee is \$7.26 per month plus \$5.72 per month for each additional unit for multifamily and master metered single family attached dwelling. For commercial and industrial building, the storm drainage fee is \$7.26 per month for the first 2,500 square feet of gross floor space plus \$5.72 for each additional 2,500 square feet of gross floor space or portion thereof.

(concluded)

EXHIBIT C-9

CITY OF AURORA, COLORADO

GOLF FUND

OPERATING HISTORY

**COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (unaudited)
FOR THE YEARS ENDED DECEMBER 31:**

| | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| OPERATING REVENUES | | | | | |
| Charges for services | \$ 8,266,180 | \$ 8,737,191 | \$ 9,055,305 | \$ 9,332,171 | \$ 9,511,487 |
| Total operating revenues | <u>8,266,180</u> | <u>8,737,191</u> | <u>9,055,305</u> | <u>9,332,171</u> | <u>9,511,487</u> |
| OPERATING EXPENSES | | | | | |
| Cost of sales and services | 6,557,854 | 6,367,066 | 6,667,457 | 6,970,572 | 7,250,362 |
| Administrative expenses | 823,768 | 928,317 | 1,121,135 | 1,124,552 | 1,207,345 |
| Depreciation | <u>957,928</u> | <u>938,285</u> | <u>950,171</u> | <u>985,835</u> | <u>1,011,962</u> |
| Total operating expenses | <u>8,339,550</u> | <u>8,233,668</u> | <u>8,738,763</u> | <u>9,080,959</u> | <u>9,469,669</u> |
| Operating income (loss) | <u>(73,370)</u> | <u>503,523</u> | <u>316,542</u> | <u>251,212</u> | <u>41,818</u> |
| NON-OPERATING REVENUES (EXPENSES) | | | | | |
| Investment income | 54,160 | 124,660 | 120,056 | 158,924 | 131,688 |
| Miscellaneous revenue | 38,989 | 29,645 | 55,752 | 72,679 | 122,031 |
| Interest expense | (546,951) | (616,670) | (463,909) | (466,425) | (399,234) |
| Amortization expense | (12,943) | (6,706) | (13,412) | (13,412) | (13,412) |
| Gain (loss)-disposal capital assets | <u>—</u> | <u>(6,394)</u> | <u>1,753</u> | <u>(18,659)</u> | <u>(3,936)</u> |
| Net non-operating expenses | <u>(466,745)</u> | <u>(475,465)</u> | <u>(299,760)</u> | <u>(266,893)</u> | <u>(162,863)</u> |
| NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | | | | | |
| | (540,115) | 28,058 | 16,782 | (15,681) | (121,045) |
| Capital contributions | 356,156 | 165,600 | 108,600 | 404,800 | — |
| Transfers in | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>50,000</u> |
| INCREASE (DECREASE) IN NET ASSETS | (183,959) | 193,658 | 125,382 | 389,119 | (71,045) |
| TOTAL NET ASSETS - January 1 | <u>24,693,499</u> | <u>24,509,540</u> | <u>24,703,198</u> | <u>24,828,580</u> | <u>25,217,699</u> |
| TOTAL NET ASSETS - December 31 | <u>\$ 24,509,540</u> | <u>\$ 24,703,198</u> | <u>\$ 24,828,580</u> | <u>\$ 25,217,699</u> | <u>\$ 25,146,654</u> |

EXHIBIT C-10

CITY OF AURORA, COLORADO

GOLF FUND

GOLF COURSE ENTERPRISE SYSTEM STATISTICS (unaudited)

DECEMBER 31, 2008

Golf Course System Usage - Total Rounds Played

| Course | 2004 | 2005 | 2006 | 2007 | 2008 |
|---------------|-------------|-------------|-------------|-------------|-------------|
| Meadow Hills | 53,639 | 54,911 | 54,721 | 51,815 | 52,411 |
| Aurora Hills | 51,149 | 54,870 | 55,050 | 54,550 | 56,331 |
| Springhill | 44,630 | 44,466 | 42,887 | 41,036 | 41,472 |
| Centre Hills | 30,530 | 31,681 | 27,656 | 27,529 | 26,478 |
| Saddle Rock | 38,091 | 37,746 | 38,751 | 36,932 | 37,295 |
| Fitzsimons | 38,863 | 36,237 | 41,501 | 41,767 | 43,133 |
| Murphy Creek | 34,691 | 36,457 | 34,916 | 34,236 | 31,480 |

2008 Green Fee Rates

| | Saddle Rock | Murphy Creek | Meadow Hills | Aurora Hills | Fitzsimon (a), (b) | Spring- hill | Centre Hills (c) |
|-----------------------------------|------------------------|-------------------------|-------------------------|-------------------------|-------------------------------|-------------------------|-----------------------------|
| 18-Hole Resident - Weekday | \$35.00 | \$33.00 | \$28.00 | \$24.00 | \$22.00 | \$21.00 | \$14.00 |
| 18-Hole Resident - Weekend | 44.00 | 42.00 | 34.00 | 27.00 | 25.00 | 24.00 | 16.00 |
| 18-Hole Non-Resident - Weekday | 37.00 | 35.00 | 30.00 | 26.00 | 24.00 | 23.00 | 14.00 |
| 18-Hole Non-Resident - Weekend | 44.00 | 42.00 | 34.00 | 29.00 | 27.00 | 26.00 | 16.00 |
| 18-Hole Junior - Weekday | 21.00 | 19.00 | 16.00 | 14.00 | 14.00 | 13.00 | 9.50 |
| 18-Hole Junior - Weekend | 23.00 | 22.00 | 19.00 | 16.00 | 16.00 | 15.00 | 10.00 |
| 18-Hole Resident Senior - Weekday | 25.00 | 23.00 | 19.00 | 17.00 | 16.00 | 15.00 | 10.50 |
| 9-Hole Resident - Weekday | 17.50 | 16.50 | 14.00 | 12.00 | 11.00 | 10.50 | 7.00 |
| 9-Hole Resident - Weekend | 22.00 | 21.00 | 17.00 | 13.50 | 12.50 | 12.00 | 8.00 |
| 9-Hole Non-Resident - Weekday | 18.50 | 17.50 | 15.00 | 13.00 | 12.00 | 11.50 | 7.00 |
| 9-Hole Non-Resident - Weekend | 22.00 | 21.00 | 17.00 | 14.50 | 13.50 | 13.00 | 8.00 |
| 9-Hole Junior - Weekday | 10.50 | 9.50 | 8.00 | 7.00 | 7.00 | 6.50 | 4.75 |
| 9-Hole Junior - Weekend | 11.50 | 11.00 | 9.50 | 8.00 | 8.00 | 7.50 | 5.00 |
| 9-Hole Resident Senior - Weekday | 12.50 | 11.50 | 9.50 | 8.50 | 8.00 | 7.50 | 5.25 |
| 9-Hole Resident Senior - Weekend | 22.00 | 21.00 | 17.00 | 13.50 | 12.50 | 12.00 | 5.50 |

- (a) Fitzsimons Golf Course continuing annual members \$450/year and \$2.50/9 holes.
- (b) Pursuant to an agreement with the Fitzsimons Redevelopment Authority (FRA), which expires on December 31, 2008, the City of Aurora presently operates the Fitzsimons course as part of its Golf Course Enterprise System. The present agreement calls for payments from the golf enterprise to FRA, a management fee payable to the golf enterprise, and a negotiated division of net income from the Fitzsimons course.
- (c) The Centre Hills Golf Course is a 9-hole course. The 18-hole fee is the cost to play the 9-hole course twice on the same day.

EXHIBIT C-11**CITY OF AURORA, COLORADO****GOLF FUND****MAXIMUM ANNUAL DEBT SERVICE COVERAGE (unaudited)****FOR THE YEARS ENDED DECEMBER 31:**

| | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|
| Net Pledged Revenue | | | | |
| Charges for services | \$8,737,191 | \$9,055,305 | \$9,332,171 | \$9,511,487 |
| Capital contributions (a) | 165,600 | 108,600 | 404,800 | — |
| Transfers in | — | — | — | 50,000 |
| Other non-operating revenue (b) | 180,522 | 167,393 | 195,281 | 208,264 |
| Less: Operating expenses (c) | (8,390,445) | (8,916,811) | (9,279,936) | (9,686,334) |
| Depreciation | 938,285 | 950,171 | 985,835 | 1,011,962 |
| Total | <u>\$1,631,153</u> | <u>\$1,364,658</u> | <u>\$1,638,151</u> | <u>\$1,095,379</u> |
| Maximum Annual Debt Service (d) | | | | |
| Series 2005 bonds and 2004 notes | \$793,336 | \$793,336 | \$793,336 | \$793,336 |
| Coverage | | | | |
| Series 2005 bonds and 2004 notes | 2.06 | 1.72 | 2.06 | 1.38 |

(a) Includes lot premium and annexation fees.

(b) Includes investment income and other non-operating revenue. Excludes fair value adjustment.

(c) Includes operating expenses such as personal services, supplies, and the principal and interest on the golf cart capital leases.

(d) Maximum annual debt service occurs in 2006.



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