



City of Aurora 2010
**Comprehensive
Annual Financial
Report**

For the year ended December 31, 2010





Comprehensive Annual Financial Report

City of Aurora, Colorado
For the Year Ended December 31, 2010

Prepared by the Controller's Office
Finance Department



Prepared by the Controller's Office Finance Department

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Introductory Section Divider



June 07, 2011

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, 2010.

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, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed information is reported in a manner designed to present fairly the financial position and activities of the various funds of the city. The city has included all disclosures necessary to enable the reader to gain an understanding of the city's financial activities.

The City Charter requires an annual audit by independent 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, 2010, are free of material misstatement. The independent accountants, 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, 2010 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 accountants.

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 2010 of 325,078. 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 budgets to have revenues equal, if not exceed, expenditures, and manages the budget during the year as necessary to achieve bottom-line budgeted results. 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 city (and nation's) economy experienced a slowdown beginning in the last quarter of 2007. Changes in the economy have had a direct impact on city revenues. Sales and use tax revenues made up 63% of total General Fund budgetary and GAAP revenues, net of transfers, in 2010. The year 2010 has proven to be a transition year of moderate growth with a 2% growth in sales and use tax collections per budgetary basis (3% per GAAP basis). Property tax represents an important secondary general revenue source that is less impacted than sales and use tax by changing economic conditions. However, in 2009 a reassessed property valuation and ensuing decline in property values resulted in a property tax revenue decrease in 2010 of 7% (budgetary and GAAP basis). Property tax was 11% of total General Fund budgetary and GAAP revenues, net of transfers in 2010. A further decrease is expected in 2012 with the 2011 biennial reassessment. This decline is anticipated to capture the bottom of the residential market. The city is expected to continue to make substantive reductions in budgeted expenditures to offset the revenue losses due to the weak economy.

As of the writing of this letter, the national and local economies are beginning to recover; however, the recovery is expected to be slow. Economists speculate that the adjustments consumers have been forced to make as their incomes declined will become accepted as the new 'norm'. In short, revenue growth is expected to be limited in the near future. The 2011 budget status will continue to be monitored to determine if additional budget balancing actions are needed.

The city expects to maintain most of its General Fund reserves, even during the weak economy, through the financial discipline of matching expenditures to revenues, continued management of the growth of city expenditures and through evaluation of options for enhancing revenues. The city maintains a reserve for unanticipated major emergencies, but does not anticipate using these funds for the 2011 budget year.

The city expects to face significant budget challenges in the future as expenses (at current service levels) are projected to grow faster than revenues. In light of these challenges, the city continues to examine options that increase revenues and those that decrease expenditures. At present, most of the options selected decrease expenditures. The city expects to 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 building materials use tax, which typically is used for capital purposes). The slow growth is expected to impact not only operating revenues, but revenues used for capital purposes, revenues (water and sewer funds) 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 has a number of practices intended to help ensure that development does not put undue burdens on the city. Before any annexation or development is considered, landowners must agree to build or arrange construction of the required infrastructure. These up-front commitments routinely include the construction of water and sewer lines, roads, bridges, and drainage improvements. In many new developments, infrastructure is funded and constructed by special districts, which are local taxing entities formed by the landowners with the approval of the city. Landowners also must dedicate to the city groundwater rights they own, donate parcels for fire stations and schools, and preserve land for parks and open space.

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

The city has nearly completed 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, originally budgeted at \$754 million, is 95% complete and is estimated to cost \$653 million, a savings of \$101 million. The PWP will collect water from the South Platte River north of the metro area, treat it and deliver it to customers in Aurora. It will deliver as much as 3.3 billion gallons of water to the city annually, 20 percent more than is available today. The PWP is 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.

The city is also constructing a major improvement to the I-225/Colfax interchange that provides better access to the Fitzsimons Campus by reducing traffic congestion and providing additional vehicular capacity. This project will add lanes to the on and off ramps from I-225 and reconfigure the interchange. The \$19.5 million cost of the project is funded with American Recovery & Reinvestment Act funds, Colorado Department of Transportation funds, Federal funds, Fitzsimons Partnership funds and city funds. The project completion is projected to occur in the second quarter of 2013.

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

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

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

Fitzsimons - The 578-acre former Fitzsimons Army Medical Center, which closed in 1999, is now the site of the largest medical-related redevelopment project in the nation. This \$5 billion project has become the hub for the biotechnology industry in the Rocky Mountain Region. The site includes the Colorado Science and Technology Park at Fitzsimons, the Anschutz Medical Campus of the University of Colorado, the Children's Hospital, the Veterans Administration Hospital, and 21 Fitzsimons. The total redevelopment program for Fitzsimons calls for over 18 million square feet of new construction phased over 25-30 years. Approximately six million square feet are built-out to date. Current employment at the site is approximately 16,000 and is anticipated to reach over 45,000 at build-out, with jobs in teaching, patient care, basic-science research and biotechnology research and development. While Fitzsimons is not expected to directly provide major new revenue to the city budget due to its tax exempt and incentivized development, it is a major economic engine for Aurora and the surrounding area.

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 - The metro area Regional Transportation District has plans 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 East Corridor. The East Corridor commuter rail service to DIA and Denver Union Station will be offered from the Aurora Peoria-Smith and 40th-Airport Blvd stations. While this overall program has been approved, funding is inadequate to construct all of the planned light rail lines, including the I-225 Corridor. The Regional Transportation District may hold an election in the fall of 2012 to determine if voters will approve additional funding. The East Corridor is under construction and is being implemented through a public-private partnership, which is not dependent on the results of the potential 2012 vote.

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

Aurora Campus for Renewable Energy (ACRE) - ACRE is a 1,762 acre city-owned parcel in the northeast plains portion of Aurora and south of Denver International Airport. The land is set aside for renewable energy research and development. The city hopes that this site will become a premier research site for renewable energy research. The initial development of the ACRE will be by the Solar Technology Acceleration Center (SolarTAC). SolarTAC includes 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, 2009. 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-four consecutive years. We believe that our current comprehensive annual financial report continues to meet the requirements of the Certificate of Achievement program and we are submitting it to the GFOA.

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

Respectfully submitted,



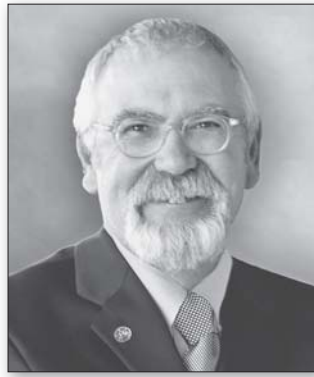
George K. Noe
City Manager



John Gross
Finance Director



Nancy Freed
Interim City Manager*



George K. Noe
City Manager



Mayor Ed Tauer



Renie Peterson
Mayor Pro-Tem, Ward II



Melissa Miller
Ward I



Marsha Berzins
Ward III



Molly Markert
Ward IV



**City Manager and
Council Members
2010**



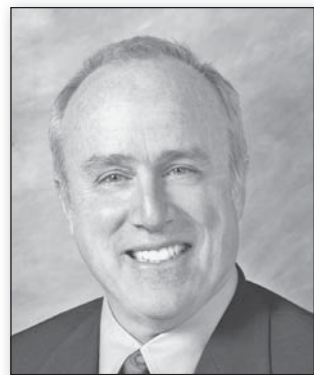
Sue Sandstrom
Ward V



Bob Broom
Ward VI



Barbara Cleland
At-Large



Bob FitzGerald
At-Large



Ryan Frazier
At-Large



Brad Pierce
At-Large

*Deputy City Manager Nancy Freed served as interim City Manager from 4/01/2010 through 12/18/2010.



City Council-2010

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	
Melissa Miller,	Ward I	2009 - 2013	4 years	4 years
Renie Peterson,	Ward II	2005 - 2009	4 years	8 years
		2009 - 2013	4 years	
Marsha Berzins,	Ward III	2009 - 2013	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	
Barbara Cleland,	At-Large	1983 - 1987	4 years	24 years
		1987 - 1991	4 years	
		1991 - 1995	4 years	
		1995 - 1999	4 years	
		1999 - 2003	4 years	
Bob FitzGerald,	At-Large	2009 - 2013	4 years	10 years
		2003 - 2005**	2 years	
		2005 - 2009	4 years	
Ryan Frazier,	At-Large	2009 - 2013	4 years	8 years
		2003 - 2007	4 years	
Brad Pierce,	At-Large	2007 - 2011	4 years	8 years
		2003 - 2007	4 years	
		2007 - 2011	4 years	

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

Council Members are limited by City Charter to three consecutive four-year terms of office, excluding the Mayor who, as the result of holding office prior to November 1, 2005, is limited to two consecutive terms. For purposes of this requirement, terms of office are considered consecutive unless they are at least four years apart.

* Last consecutive term under term limits currently in force.

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



Management Officials

City of Aurora, Colorado
As of December 31, 2010

City Manager's Office

George K. Noe, City Manager	Since 2010
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

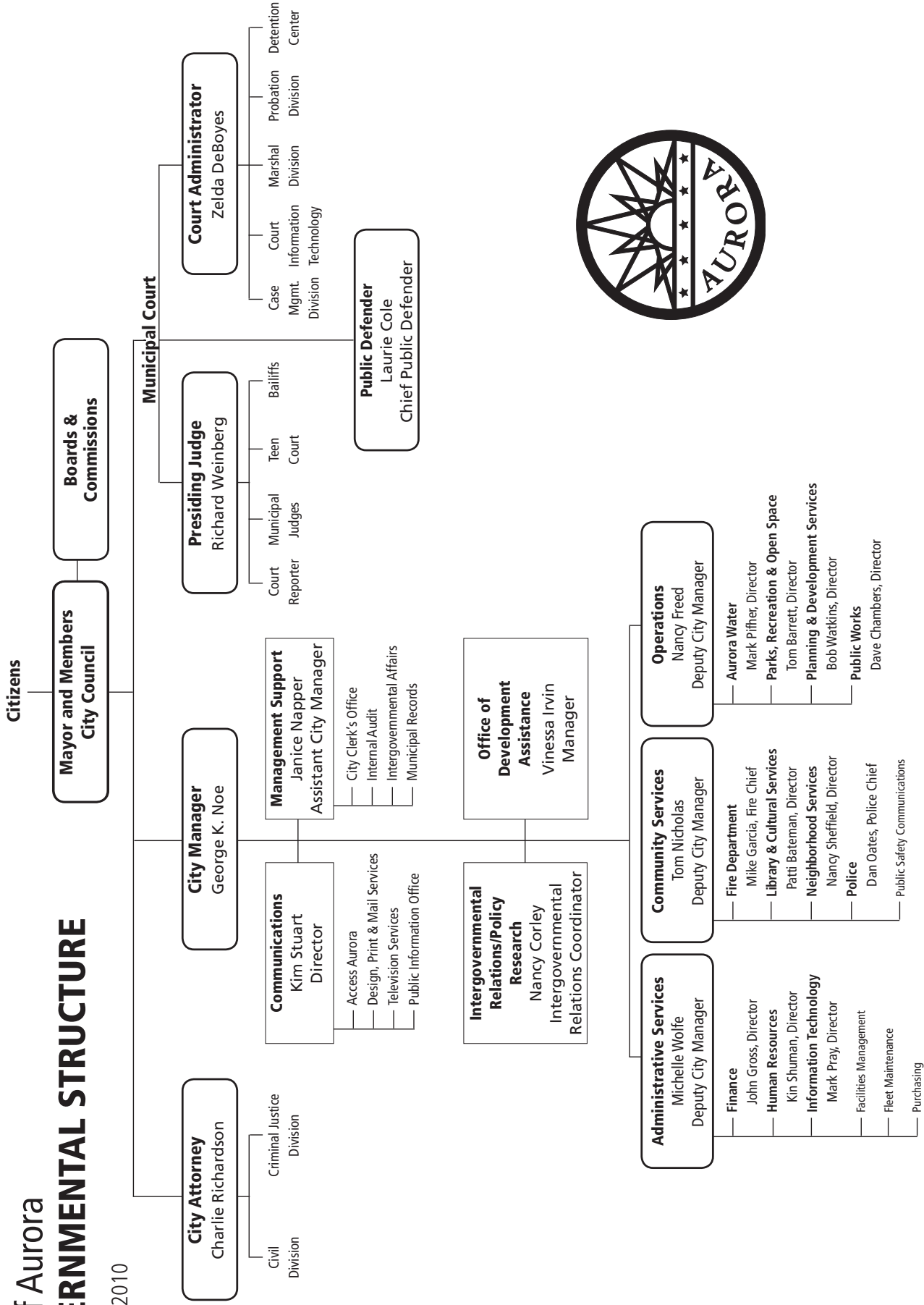
Zelda DeBoyes, Court Administrator	Since 1992
Charlie Richardson, City Attorney	Since 1986
Richard Weinberg, Presiding Judge	Since 2004
Laurie Cole, Chief Public Defender (appointed by Public Defender Commission)	Since 1996

Department Directors

Mark Pifner, Aurora Water	Since 2008
Dave Chambers, Public Works	Since 2006
Tom Barrett, Parks, Recreation & Open Space	Since 2008
Mike Garcia, Fire	Since 2007
John Gross, Finance	Since 1990
Patti Bateman, Library & Cultural Services	Since 2009
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
Bob Watkins, Planning & Development Services	Since 2004

GOVERNMENTAL STRUCTURE

December 2010



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, 2009

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 of Achievement for Excellence in Financial Reporting

For over a century, the Government Finance Officers Association of the United States and Canada (GFOA) has been dedicated to enhancing the professional management of governments for the public benefit. The GFOA's Certificate of Achievement for Excellence in Financial Reporting Program has been promoting the preparation of high quality financial reports since 1945. More than 3,500 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-four years, including this most recent year, 2009 and for thirty-four years in total, currently the highest number of certificates for any governmental entity in the State of Colorado. We believe that this, our 2010 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.

Financial Section Divider

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, 2010, which collectively comprise the City of Aurora, Colorado's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Aurora, Colorado'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 62% and 33%, 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 other accountants.

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

In our opinion, based on our audit and the reports of other accountants, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Aurora, Colorado as of December 31, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

As discussed in Note 18, in 2010 the City changed its method of accounting for intangible assets and fund balances through retrospective application to prior years' financial statements.

The accompanying management's discussion and analysis, budgetary comparison, pension and other postemployment benefit 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 of Aurora, Colorado's basic financial statements. The accompanying introductory, statistical and other schedules supplementary information and the combining and individual fund statements and schedules supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is 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 7, 2011

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, 2010. Readers should consider the information presented in this discussion and analysis in conjunction with additional information furnished in our letter of transmittal, which can be found on pages *i-iv* of this report, and the city's financial statements, which begin on page 1.

Financial Highlights

- The city's assets exceeded liabilities at the end of 2010 by \$4.4 billion (*net assets*). Of this amount, \$363.1 million, or 8.3% was unrestricted and may be used to meet the city's ongoing obligations.
- Citywide net assets increased \$90.8 million in 2010, after an accounting adjustment of \$0.7 million to restate beginning net assets for the effect of retroactively recording intangible assets.
- At December 31, 2010, the city's governmental funds reported combined ending fund balances of \$158.3 million, an increase of \$0.1 million from the prior year. Approximately 51.2% of the fund balance is not restricted and is available for spending at the government's discretion. The fund balance, exclusive of restricted fund balance, is classified as follows; \$31.0 million committed, \$41.9 million assigned and \$8.2 million unassigned.
- The city's General Fund total revenues were under budget (\$3.0) million and were offset by total expenditures which were under budget (\$5.9) million during 2010.
- Capital improvement and capital outlay activity increased \$100.2 million during 2010.
- The city's total debt decreased (\$36.0) million during the year.

Overview of the Basic Financial Statements

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

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

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

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

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

The citywide financial statements consist of a statement of net 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 nonmajor proprietary fund. Internal service funds are an accounting mechanism used to accumulate and allocate costs internally among the city's various functions. The city uses internal service funds to account for fleet maintenance, 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.

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

Other Information

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

Citywide Financial Analysis

As noted earlier, net 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 \$4.4 billion at the close of the fiscal year.

The largest portion of the city's net assets, \$4.0 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 2010 were \$82.0 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 \$363.1 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 \$90.8 million in 2010, of which \$6.9 million (7.6%) was attributable to governmental activities and \$83.9 million (92.4%) was attributable to business-type activities. The increase in net assets attributable to governmental activities resulted primarily from normal government operations including sales and use tax receipts and operating expenditures. The increase in net assets attributed to business-type activities resulted from increased user rates, increased water usage due to a dry autumn season, and normal operating activity.

Citywide Net Assets December 31, 2010 (in thousands)

	Governmental Activities				Business-type Activities				Citywide Totals			
	2010	2009	Change	%	2010	2009	Change	%	2010	2009	Change	%
Current and other assets	\$ 238,649	\$ 240,057	\$ (1,408)	(0.6)	\$ 411,038	\$ 441,953	\$ (30,915)	(7.0)	\$ 649,687	\$ 682,010	\$ (32,323)	(4.7)
Capital assets, net	2,915,159	2,913,201	1,958	0.1	1,887,436	1,789,146	98,290	5.5	4,802,595	4,702,347	100,248	2.1
Total Assets	3,153,808	3,153,258	550	0	2,298,474	2,231,099	67,375	3	5,452,282	5,384,357	67,925	1.3
Current and other liabilities	63,872	63,313	559	0.9	33,674	48,798	(15,124)	(31.0)	97,546	112,111	(14,565)	(13.0)
Noncurrent liabilities	175,664	182,575	(6,911)	(3.8)	781,358	782,786	(1,428)	(0.2)	957,022	965,361	(8,339)	(0.9)
Total Liabilities	239,536	245,888	(6,352)	(2.6)	815,032	831,584	(16,552)	(2.0)	1,054,568	1,077,472	(22,904)	(2.1)
Net Assets:												
Invested in capital assets, net of related debt	2,793,362	2,782,072	11,290	0.4	1,159,213	1,085,208	74,005	6.8	3,952,575	3,867,280	85,295	2.2
Restricted	77,187	66,087	11,100	16.8	4,828	11,127	(6,299)	(56.6)	82,015	77,214	4,801	6.2
Unrestricted	43,723	59,211	(15,488)	(26.2)	319,401	303,180	16,221	5.4	363,124	362,391	733	0.2
Total net assets	\$ 2,914,272	\$ 2,907,370	\$ 6,902	0.2	\$ 1,483,442	\$ 1,399,515	\$ 83,927	6.0	\$ 4,397,714	\$ 4,306,885	\$ 90,829	2.1

*Beginning net assets as of January 1, 2010 have been restated due to the implementation of new accounting standards; however, 2009 numbers have not been adjusted as it is not practical to do so.

Chart 1

Governmental activities

- Total revenues increased \$11.1 million or 3.9%. Charges for services increased \$4.4 million mainly as a result of homes sales associated with the Neighborhood Stabilization Program.
- The combined operating and capital grants and contributions increased \$2.5 million primarily due to the funding received for the Colfax/17th Avenue interchange project.
- Total tax revenues increased \$6.5 million mainly due to the recovering economy. Additionally, interest earnings decreased due to the drop in interest rates and a decrease in the current year fair value adjustment from the prior year.
- Total expenses increased \$10.9 million 3.9%. The largest increase in expenses, \$12.2 million, was related to the public works function and a \$6.1 million increase resulting from the reorganization of facilities management from the general government function. The remaining increase in the public works was primarily the result of noncapitalizable construction costs associated with the Colfax/17th Avenue interchange project and other development activity.
- General government function incurred a decrease of (\$4.6) million after the decrease of (\$6.1) million from the reorganization of facilities management to the public works function which was offset by an increase in risk management charges.
- The community service function increased \$3.5 million from spending of American Recovery and Reinvestment Act funds and the continuation of the Neighborhood Stabilization Program.
- The culture and recreation function decreased \$3.0 million as a result of closing four libraries.

Citywide Changes in Net Assets Year Ended December 31, 2010 (in thousands)

	Governmental Activities				Business-type Activities				Citywide Totals			
	2010	2009	Change	%	2010	2009	Change	%	2010	2009	Change	%
REVENUES:												
Program Revenues:												
Charges for services	\$ 32,906	\$ 28,505	\$ 4,401	15.4	\$ 165,116	\$ 140,085	\$ 25,031	17.9	\$ 198,022	\$ 168,590	\$ 29,432	17.5
Operating grants and contributions	30,135	30,061	74	0.2	6,493	11,352	(4,859)	(42.8)	36,628	41,413	(4,785)	(11.6)
Capital grants and contributions	24,013	21,621	2,392	11.1	22,709	27,630	(4,921)	(17.8)	46,722	49,251	(2,529)	(5.1)
General Revenues:												
Taxes												
Sales and use	147,240	141,026	6,214	4.4	-	-	-	-	147,240	141,026	6,214	4.4
Property	32,291	33,176	(885)	(2.7)	-	-	-	-	32,291	33,176	(885)	(2.7)
Other	26,552	25,402	1,150	4.5	-	-	-	-	26,552	25,402	1,150	4.5
Grants and contributions not restricted to specific programs	786	1,008	(222)	(22.0)	-	-	-	-	786	1,008	(222)	(22.0)
Unrestricted investment earnings	2,049	4,108	(2,059)	(50.1)	3,812	4,245	(433)	(10.2)	5,861	8,353	(2,492)	(29.8)
Total revenues	<u>295,972</u>	<u>284,907</u>	<u>11,065</u>	<u>3.9</u>	<u>198,130</u>	<u>183,312</u>	<u>14,818</u>	<u>8.1</u>	<u>494,102</u>	<u>468,219</u>	<u>25,883</u>	<u>5.5</u>
EXPENSES:												
General government	30,602	35,169	(4,567)	(13.0)	-	-	-	-	30,602	35,169	(4,567)	(13.0)
Judicial	8,052	8,011	41	0.5	-	-	-	-	8,052	8,011	41	0.5
Police	82,452	81,608	844	1.0	-	-	-	-	82,452	81,608	844	1.0
Fire	35,807	34,953	854	2.4	-	-	-	-	35,807	34,953	854	2.4
Other public safety	12,965	12,739	226	1.8	-	-	-	-	12,965	12,739	226	1.8
Public works	47,194	34,986	12,208	34.9	-	-	-	-	47,194	34,986	12,208	34.9
Economic development	15,580	14,613	967	6.6	-	-	-	-	15,580	14,613	967	6.6
Community services	13,100	9,597	3,503	36.5	-	-	-	-	13,100	9,597	3,503	36.5
Culture and recreation	33,602	36,616	(3,014)	(8.2)	-	-	-	-	33,602	36,616	(3,014)	(8.2)
Unallocated depreciation	3,304	3,309	(5)	(0.2)	-	-	-	-	3,304	3,309	(5)	(0.2)
Interest on debt	6,803	6,935	(132)	(1.9)	-	-	-	-	6,803	6,935	(132)	(1.9)
Water	-	-	-	-	63,690	50,259	13,431	26.7	63,690	50,259	13,431	26.7
Wastewater	-	-	-	-	41,986	40,854	1,132	2.8	41,986	40,854	1,132	2.8
Golf	-	-	-	-	8,828	9,153	(325)	(3.6)	8,828	9,153	(325)	(3.6)
Total expenses	<u>289,461</u>	<u>278,536</u>	<u>10,925</u>	<u>3.9</u>	<u>114,504</u>	<u>100,266</u>	<u>14,238</u>	<u>14.2</u>	<u>403,965</u>	<u>378,802</u>	<u>25,163</u>	<u>6.6</u>
Increase in net assets before transfers	6,511	6,371	140	2.2	83,626	83,046	580	0.7	90,137	89,417	720	0.8
Transfers	5	-	5	-	(5)	-	(5)	-	-	-	-	-
Increase in net assets	6,516	6,371	145	2.3	83,621	83,046	575	0.7	90,137	89,417	720	0.8
Net assets January 1	2,907,370	2,900,999	6,371	0.2	1,399,515	1,316,469	83,046	6.3	4,306,885	4,217,468	89,417	2.1
Adjustment for accounting changes	386	-	386	-	306	-	306	-	692	-	692	-
Net assets December 31	<u>\$ 2,914,272</u>	<u>\$2,907,370</u>	<u>\$ 6,902</u>	<u>0.2</u>	<u>\$1,483,442</u>	<u>\$1,399,515</u>	<u>\$ 83,927</u>	<u>6.0</u>	<u>\$4,397,714</u>	<u>\$ 4,306,885</u>	<u>\$ 90,829</u>	<u>2.1</u>

Chart 2

Expenses Financed through Program Revenues – Governmental Activities

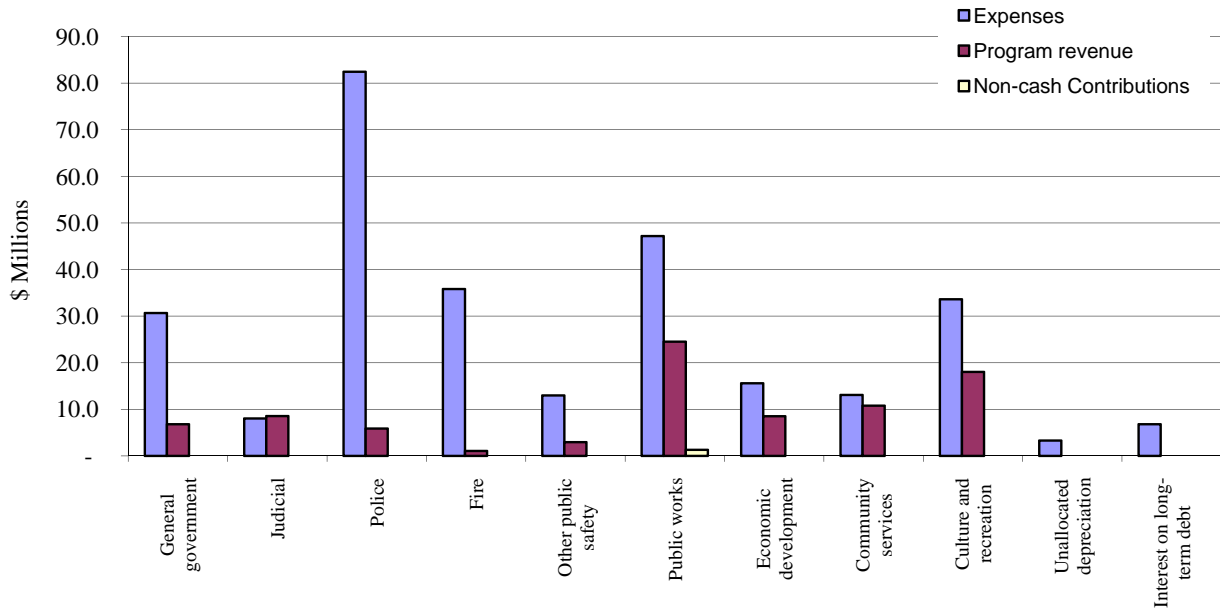


Chart 3

Revenues by Source – Governmental Activities

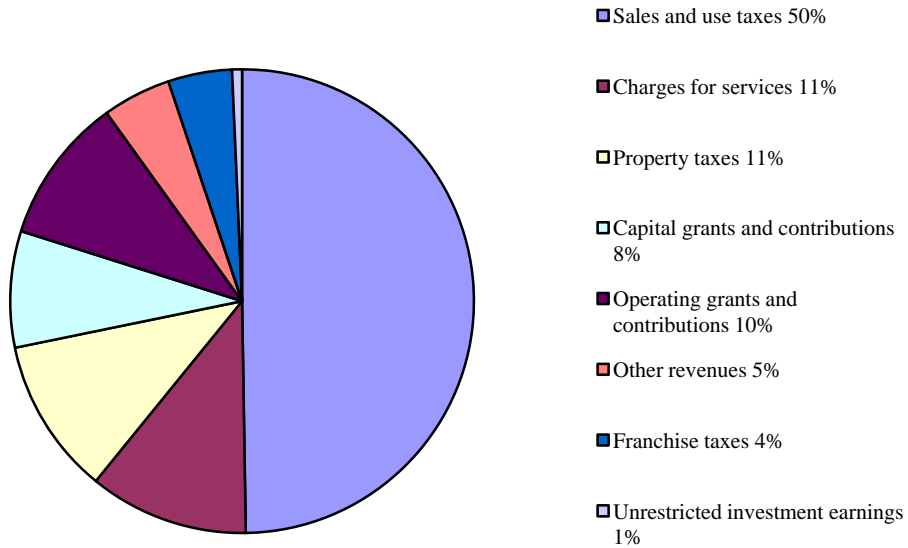


Chart 4

Business-type activities

Total revenues for business-type activities increased \$14.8 million or 8.1% primarily resulting from:

- Increases in water, wastewater and storm drain user rates of 7.5%, 6% and 6% respectively, usage increases due to a particularly dry autumn, a continuation of demand due to growth, and the recognition of revenue from the sale of water to another entity resulted in a \$25.0 million increase in charges for services.
- A decrease in combined operating and capital grants and contributions of (\$9.8) million resulted mainly from decreased restricted investment earnings (restricted investment earnings are recorded in the grants and contributions columns) due to a drop in investment balances as the last \$36.0 million of the 2007 water revenue bond proceeds and the last \$13.0 million of the 2006 sewer revenue bond proceeds were spent in 2010. A decrease in infrastructure deeded to the city from developers also contributed to the decrease in this revenue category but was offset by one-time revenue related to the East Cherry Creek Valley project.

Total expenses for business-type activities increased \$14.2 million or 14.2% primarily as a result of increases in water expenses resulting from costs related to dredging the Strontia Springs reservoir, an increase in allocated admin costs to the General Fund as a new methodology based on a percentage of budgeted utility sales was put into effect, increased purchased water storage costs, increased legal expense to defend water rights, increased personnel service expense as the Prairie Waters Project came online and vacant positions were filled to handle increased workload, and increased electricity costs associated with the north campus Prairie Waters Project well testing.

Expenses and Charges for Services – Business-type Activities

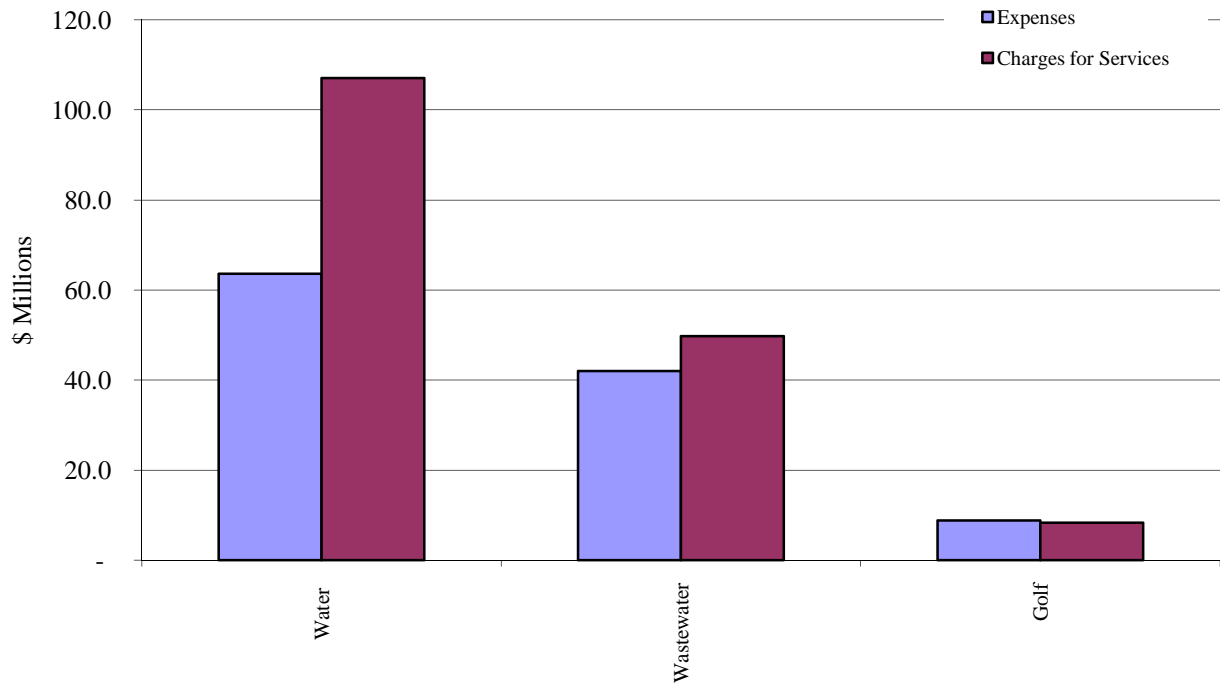


Chart 5

Revenues by Source – Business-type Activities

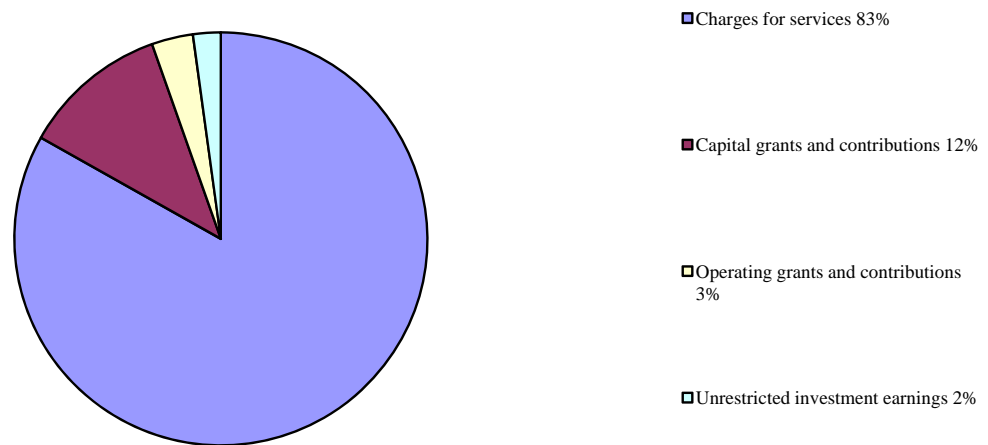


Chart 6

Financial Analysis of the Government’s Funds

General Fund

The General Fund is the main operating fund of the city. At the end of 2010, total fund balance for the General Fund was \$62.7 million. This amount includes: \$9.7 million restricted fund balance comprised primarily of the \$8.9 million TABOR reserve restricted for public safety; \$25.8 million committed fund balance comprised mainly of the \$21.5 million 10% policy reserve; \$19.0 million assigned fund balance comprised primarily of

\$15.9 million assigned to payment of long-term liabilities; and \$8.2 million for the unassigned fund balance operating reserve.

During 2010, the city adopted a new accounting pronouncement GASB 54 that requires the city to classify fund balance based primarily on the extent to which the city is bound to honor constraints on how the funds can be spent. It also clarifies the definitions of the governmental fund types, resulting in a change in the activities that are reported in them. As a result of changing where certain activities are reported, a total of \$38.2 million moved from the following funds into the General Fund: the Policy Reserve Fund, the TABOR Reserve Fund, a portion of the Designated Revenue Fund, and the Emergency Contingency Fund.

All of the unassigned General Fund fund balance is maintained as the "unassigned fund balance Operating Reserve". The Operating Reserve has a minimum target policy range of 1% to 3% of annual budgetary revenues and is intended to be spendable in limited circumstances as determined appropriate and necessary by City Council. City policy provides for restoring the Operating Reserve to minimum levels as quickly as feasible. The General Fund unassigned fund balance Operating Reserve was \$8.2 million at December 31, 2010 and \$4.9 million at December 31, 2009. The Operating Reserve is 3.2% of 2010 annual budgetary revenues or \$5.6 million above the 1% minimum target range specified by Council. Total fund balance was 24.2% of total General Fund budgetary revenues in 2010, compared to 9.7% in 2009.

It is the city's policy to hold a minimum 10% of the General Fund's adjusted budgetary operating expenditures for the year in the General Fund committed reserves. General Fund adjusted budgetary operating expenditures, for purposes of calculating this 10% Policy Reserve, exclude capital and development related expenditures and expenditures related to funding two police officers per 1,000 citizens, which are funded with voter approved sales and use taxes. At the end of 2010, the 10% Policy Reserve balance meets the minimum 10% policy. The total of the General Fund's 10% Policy Reserve balance committed to reserves and the TABOR Reserve balance restricted for public safety was 14.9% of the General Fund's 2010 actual budgetary operating expenditures.

The TABOR Reserve is restricted in the public safety category for fund balance purposes. This balance accounts for the emergency reserve required by TABOR, a State constitutional amendment (footnote 16). TABOR specifies that local governments are permitted to use reserve funds for emergencies with the requirement that the reserve funds be restored to 3% of fiscal year spending in the following fiscal year. The city management believes it is in compliance with the provisions of the TABOR amendment at December 31, 2010.

General Fund Budgetary Highlights

General Fund revenues for 2010 were less than budget by (\$3.0) million due to the following: weaker than anticipated property tax, sales tax and use tax receipts due to continued economic impact; lower specific ownership tax due to decrease in auto sales, and lower audit revenue as a result of vacancies and new staff still in training. General Fund expenditures were (\$5.9) million under budget resulting primarily from: continued vigilant department spending controls; vacancy savings due to the effect of the hiring review process; significant utility and fuel savings; reduced snow removal costs; and reduced building lease costs due to debt service savings realized with the 2009 COPs refunding. December 31 ending funds available was \$33.4 million higher than original budget, due mainly to the move of the Policy Reserve Fund, a portion of the Designated Revenues Fund, and the TABOR Reserve Fund to the General Fund in 2010. December 31 ending funds available was higher than final budget by \$2.8 million. The city expects to maintain its financial condition through continued control over the growth of city expenditures and through evaluation of options for enhancing revenues.

Capital Assets and Bonded Debt Administration

Capital Assets

The city's capital assets for its governmental and business-type activities as of December 31, 2010, were valued at \$4.8 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 December 31, 2010 and 2009
(in thousands)**

	Governmental Activities			Business-type Activities			Citywide Totals		
	2010	2009	Change	2010	2009	Change	2010	2009	Change
Land and water rights	\$ 244,568	\$ 242,756	\$ 1,812	\$ 351,806	\$ 334,360	\$ 17,446	\$ 596,374	\$ 577,116	\$ 19,258
Buildings and improvements	146,153	150,841	(4,688)	104,994	106,836	(1,842)	251,147	257,677	(6,530)
Infrastructure	2,488,780	2,486,027	2,753	991,069	738,666	252,403	3,479,849	3,224,693	255,156
Machinery and equipment	27,322	29,643	(2,321)	11,615	13,154	(1,539)	38,937	42,797	(3,860)
Construction in progress	8,336	3,934	4,402	427,952	596,130	(168,178)	436,288	600,064	(163,776)
Totals	<u>\$ 2,915,159</u>	<u>\$ 2,913,201</u>	<u>\$ 1,958</u>	<u>\$ 1,887,436</u>	<u>\$ 1,789,146</u>	<u>\$ 98,290</u>	<u>\$ 4,802,595</u>	<u>\$ 4,702,347</u>	<u>\$ 100,248</u>

Chart 7

Major capital asset activity, not including depreciation expense for the year ended December 31, 2010 included the following:

Governmental Activities Capital Assets

- Additions to infrastructure included developer-donated streets valued at \$1.3 million, city constructed street overlays and improvements valued at \$1.2 million, and traffic signal construction valued at \$0.6 million.
- Developer-donated streets included land valued at \$0.05 million, while the city acquired land for the Colfax/17th Avenue interchange project at a cost of \$0.8 million. Permanent easements for the Colfax/17th Avenue interchange and other projects within the city were added at a value of \$0.8 million.
- Colfax/I-255 interchange and Colfax/17th Avenue interchange projects construction in progress increased \$2.9 million.
- Software intangible assets valued at \$1.5 million were recognized as capital assets in the machinery and equipment category.

Business-type Activities Capital Assets

- The Water Fund purchased land and water rights valued at \$17.4 million for the Prairie Waters Project and for future needs of the city.
- Infrastructure increased mainly due to transfers from construction in progress, primarily for the Prairie Waters Project. Additionally, developer constructed and contributed water lines valued at \$1.5 million and wastewater lines valued at \$1.3 million were added.
- Prairie Waters Project construction in progress increased \$68.1 million. Wastewater sewer and storm drain line projects added another \$11.0 million.
- Software intangible assets valued at \$0.2 million were recognized as capital assets in the machinery and equipment category.

Bonded Debt Administration

At the end of 2010, the city had total bonded debt of \$706.9 million and \$107.2 million in certificates of participation (COPs). COPs are issued for particular projects and are repaid from lease payments made by the city for use of the acquired property. Aurora Capital Leasing Corporation (ACLC), a blended component unit, issues the COPs. Outstanding debt by activity at December 31, 2010, and 2009 was as follows:

Comparative Schedule of Outstanding Debt December 31, 2010 and 2009 (in thousands)

	Primary Government								
	Governmental Activities			Business-type Activities			Citywide Totals		
	2010	2009	Change	2010	2009	Change	2010	2009	Change
General obligation bonds	\$ 22,585	\$ 28,030	\$ (5,445)	\$ 18,410	\$ 24,530	\$ (6,120)	\$ 40,995	\$ 52,560	\$ (11,565)
Revenue bonds	6,350	7,850	(1,500)	659,542	677,643	(18,101)	665,892	685,493	(19,601)
Total bonded debt	28,935	35,880	(6,945)	677,952	702,173	(24,221)	706,887	738,053	(31,166)
Certificates of participation	107,155	111,965	(4,810)	-	-	-	107,155	111,965	(4,810)
Totals	<u>\$ 136,090</u>	<u>\$ 147,845</u>	<u>\$ (11,755)</u>	<u>\$ 677,952</u>	<u>\$ 702,173</u>	<u>\$ (24,221)</u>	<u>\$ 814,042</u>	<u>\$ 850,018</u>	<u>\$ (35,976)</u>

Chart 8

Citywide net bonded and COP debt decreased (\$36.0) million during 2010 primarily due to \$35.0 million in debt payments. In addition, during 2010 the city refunded two bond issues: The 1998 Alameda/I-225 Interchange and the 2000 Facility Master Plan General Obligation Bonds outstanding balances of \$1.9 million and \$21.0 million respectively were refunded in 2010 with an issue of \$21.0 million. There were new General Obligation debt issues during 2010 for the Meadow Hills and Peoria Park Fence General Improvement Districts of \$0.5 million and \$0.4 million, respectively.

The city's underlying general obligation debt rating is AA by Moody's Investors Service and Aa1 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 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 at 9.7%. The city's rate is unfavorable compared to the state's average unemployment rate of 9.3% and unfavorable to the national rate of 9.5%.
- Housing starts for the metro area are currently down (24%), which is favorable to the state decrease (28%) over last year and unfavorable compared to the national decrease of (12%).
- Water, wastewater, and storm drain user rates will increase 0%, 6% and 6%, respectively in 2011 to fund operating expenses and system improvement needs.

Requests for Information

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

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Basic Financial Statements

CITYWIDE
FINANCIAL STATEMENTS

CITY OF AURORA, COLORADO

CITYWIDE
STATEMENT OF NET ASSETS
DECEMBER 31, 2010

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 12,860,873	\$ 19,336,580	\$ 32,197,453	\$ 20,090,092
Investments	66,298,182	288,406,876	354,705,058	2,606,775
Receivables (net of allowance)				
Taxes receivable	45,822,367	—	45,822,367	347,604
Accounts receivable	1,680,600	14,081,338	15,761,938	—
Interest receivable	1,033,143	1,750,160	2,783,303	1,982,194
Due from other governments	1,152,338	5,816	1,158,154	—
Other receivables	533,824	1,998,897	2,532,721	6,569,613
Internal balances	321,222	(321,222)	—	—
Inventories	582,419	198,899	781,318	—
Deferred charges	1,589,533	9,068,435	10,657,968	717,235
Restricted assets				
Cash and cash equivalents	21,354,706	43,850,067	65,204,773	—
Investments	49,157,213	24,126,536	73,283,749	—
Taxes receivable	6,056,067	—	6,056,067	—
Accounts receivable	2,795,743	—	2,795,743	—
Interest receivable	8,707	964,435	973,142	—
Due from other governments	4,429,154	—	4,429,154	—
Other receivables	1,833,637	1,574,243	3,407,880	—
Inventories	2,871,434	—	2,871,434	—
Notes receivable	17,358,800	—	17,358,800	—
Notes receivable	909,044	3,587,487	4,496,531	25,320,071
Equity in joint venture	—	2,409,237	2,409,237	5,312,093
<i>Capital assets (net of accumulated depreciation)</i>				
Land and water rights	244,568,255	351,806,193	596,374,448	11,561,276
Buildings and improvements	146,153,066	104,994,233	251,147,299	55,735,912
Infrastructure	2,488,779,548	991,069,068	3,479,848,616	—
Machinery and equipment	27,322,064	11,615,033	38,937,097	689,811
Construction in progress	8,335,847	427,951,592	436,287,439	352,995
Total assets	<u>3,153,807,786</u>	<u>2,298,473,903</u>	<u>5,452,281,689</u>	<u>131,285,671</u>
LIABILITIES				
Accounts payable	5,842,415	18,203,940	24,046,355	2,327,288
Accrued interest	604,892	14,688,249	15,293,141	635,681
Other payables	7,181,243	264,429	7,445,672	499,114
Unearned revenues	50,243,044	517,385	50,760,429	459,153
<i>Noncurrent liabilities</i>				
Due within one year	17,810,059	12,446,526	30,256,585	1,204,527
Due beyond one year	157,854,349	768,910,946	926,765,295	62,016,136
Total liabilities	<u>239,536,002</u>	<u>815,031,475</u>	<u>1,054,567,477</u>	<u>67,141,899</u>
NET ASSETS				
Invested in capital assets, net of related debt	2,793,361,865	1,159,213,180	3,952,575,045	28,442,961
<i>Restricted for</i>				
Culture and recreation	878,851	—	878,851	—
Debt related	20,580,219	1,250,000	21,830,219	—
Development	103,070	—	103,070	—
Gifts and grants	8,092,078	—	8,092,078	11,054,479
Open space	23,137,669	—	23,137,669	—
Public improvements	2,381,307	3,578,243	5,959,550	—
Public safety	16,744,958	—	16,744,958	18,950
Road and bridge	5,269,009	—	5,269,009	—
Unrestricted	43,722,758	319,401,005	363,123,763	24,627,382
Total net assets	<u>\$ 2,914,271,784</u>	<u>\$ 1,483,442,428</u>	<u>\$ 4,397,714,212</u>	<u>\$ 64,143,772</u>

CITY OF AURORA, COLORADO
CITYWIDE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government								
<i>Governmental activities</i>								
General government	\$ 30,601,965	\$ 2,531,269	\$ 2,062,990	\$ 2,148,942	\$ (23,858,764)	\$ —	\$ (23,858,764)	
Judicial	8,051,966	8,536,347	5,830	—	490,211	—	490,211	
Police	82,451,880	2,231,160	3,637,997	—	(76,582,723)	—	(76,582,723)	
Fire	35,807,387	681,758	386,488	—	(34,739,141)	—	(34,739,141)	
Other public safety	12,964,619	83,849	2,885,883	—	(9,994,887)	—	(9,994,887)	
Public works	47,194,223	507,331	8,740,573	15,279,733	(22,666,586)	—	(22,666,586)	
Economic development	15,579,908	7,497,323	1,006,630	15,253	(7,060,702)	—	(7,060,702)	
Community services	13,099,831	3,923,228	6,846,018	262	(2,330,323)	—	(2,330,323)	
Culture and recreation	33,602,434	6,913,430	4,562,190	6,569,251	(15,557,563)	—	(15,557,563)	
Unallocated depreciation, excluding direct program depreciation	3,304,110	—	—	—	(3,304,110)	—	(3,304,110)	
Interest on long-term debt	6,802,759	—	—	—	(6,802,759)	—	(6,802,759)	
Total governmental activities	<u>289,461,082</u>	<u>32,905,695</u>	<u>30,134,599</u>	<u>24,013,441</u>	<u>(202,407,347)</u>	<u>—</u>	<u>(202,407,347)</u>	
<i>Business-type activities</i>								
Water	63,690,351	107,032,989	6,066,892	18,421,058	—	67,830,588	67,830,588	
Sewer	41,985,593	49,751,109	397,387	4,288,335	—	12,451,238	12,451,238	
Golf	8,827,535	8,332,216	28,726	—	—	(466,593)	(466,593)	
Total business-type activities	<u>114,503,479</u>	<u>165,116,314</u>	<u>6,493,005</u>	<u>22,709,393</u>	<u>—</u>	<u>79,815,233</u>	<u>79,815,233</u>	
Total primary government	<u>\$ 403,964,561</u>	<u>\$ 198,022,009</u>	<u>\$ 36,627,604</u>	<u>\$ 46,722,834</u>	<u>(202,407,347)</u>	<u>79,815,233</u>	<u>(122,592,114)</u>	
Component units	<u>\$ 44,194,263</u>	<u>\$ 27,620,211</u>	<u>\$ 2,664,367</u>	<u>\$ 171,207</u>				<u>\$ (13,738,478)</u>

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
General Revenues				
<i>Taxes</i>				
Sales and use	147,240,243	—	147,240,243	—
Property taxes	32,290,711	—	32,290,711	341,198
Franchise taxes	13,192,882	—	13,192,882	—
Lodgers taxes	4,138,263	—	4,138,263	—
Occupational privilege taxes	4,162,035	—	4,162,035	—
Other taxes	5,059,070	—	5,059,070	22,295
Grants and contributions not restricted to specific programs	786,119	—	786,119	—
Unrestricted investment earnings	2,048,527	3,811,813	5,860,340	521,979
Transfers	5,327	(5,327)	—	—
 Total general revenues and transfers	 208,923,177	 3,806,486	 212,729,663	 885,472
 INCREASE (DECREASE) IN NET ASSETS	 6,515,830	 83,621,719	 90,137,549	 (12,853,006)
 NET ASSETS - January 1, before restatement	 2,907,369,810	 1,399,515,028	 4,306,884,838	 76,611,082
 Adjustment for accounting changes	 386,144	 305,681	 691,825	 385,696
 NET ASSETS - January 1, after restatement	 2,907,755,954	 1,399,820,709	 4,307,576,663	 76,996,778
 NET ASSETS - December 31	 <u>\$ 2,914,271,784</u>	 <u>\$ 1,483,442,428</u>	 <u>\$ 4,397,714,212</u>	 <u>\$ 64,143,772</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 to be a major fund. 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. At the end of 2010, the assets and responsibilities of several programs from the Designated Revenues Fund were transferred into the General Fund.

OTHER (NONMAJOR) GOVERNMENTAL FUNDS

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

CITY OF AURORA, COLORADO

GOVERNMENTAL FUNDS

BALANCE SHEET

DECEMBER 31, 2010

	General	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 7,662,618	\$ 3,910,424	\$ 11,573,042
Investments	26,358,740	24,435,937	50,794,677
Receivables (net of allowance)			
Taxes receivable	45,822,367	—	45,822,367
Accounts receivable	881,730	824,755	1,706,485
Interest receivable	886,665	64,201	950,866
Due from other governments	1,144,422	7,916	1,152,338
Other receivables	229,371	1,682	231,053
Due from other funds	681,175	—	681,175
Inventories	9,547	—	9,547
Restricted assets			
Cash and cash equivalents	567,775	20,786,931	21,354,706
Investments	9,154,880	40,002,333	49,157,213
Taxes receivable	—	6,056,067	6,056,067
Accounts receivable	—	2,795,743	2,795,743
Interest receivable	—	8,707	8,707
Due from other governments	—	4,429,154	4,429,154
Other receivables	—	1,833,637	1,833,637
Inventory	—	2,871,434	2,871,434
Notes receivable	—	17,358,800	17,358,800
Notes receivable	361,312	547,732	909,044
Total assets	<u>\$ 93,760,602</u>	<u>\$ 125,935,453</u>	<u>\$ 219,696,055</u>
LIABILITIES AND FUND BALANCES			
<i>Liabilities</i>			
Accounts payable	\$ 2,064,182	\$ 3,618,039	\$ 5,682,221
Other payables	729,963	642	730,605
Due to other funds	—	377,126	377,126
Deferred revenues	28,266,327	26,363,653	54,629,980
Total liabilities	<u>31,060,472</u>	<u>30,359,460</u>	<u>61,419,932</u>
<i>Fund balances</i>			
<i>Restricted for</i>			
Culture & recreation	633,619	245,232	878,851
Debt related	—	20,580,219	20,580,219
Development	—	103,070	103,070
Gifts and grants	—	8,092,078	8,092,078
Open space	—	23,137,669	23,137,669
Public improvement	217,327	2,163,980	2,381,307
Public safety	8,871,465	7,873,493	16,744,958
Road and bridge	—	5,269,009	5,269,009
<i>Committed to</i>			
Culture & recreation	1,097,989	522,905	1,620,894
Development	1,396,620	3,512,512	4,909,132
Open space	542,201	—	542,201
Public safety	1,254,731	1,155,599	2,410,330
Reserves	21,467,734	—	21,467,734
<i>Assigned to</i>			
Capital improvement	—	22,032,405	22,032,405
Culture & recreation	—	887,822	887,822
Development	2,122,542	—	2,122,542
Long-term liabilities	15,901,540	—	15,901,540
Encumbrances	969,518	—	969,518
Unassigned	8,224,844	—	8,224,844
Total fund balances	<u>62,700,130</u>	<u>95,575,993</u>	<u>158,276,123</u>
Total liabilities and fund balances	<u>\$ 93,760,602</u>	<u>\$ 125,935,453</u>	<u>\$ 219,696,055</u>

CITY OF AURORA, COLORADO

GOVERNMENTAL FUNDS

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE CITYWIDE STATEMENT OF NET ASSETS
DECEMBER 31, 2010**

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)	\$ 158,276,123
Deferred charges represent unamortized bond issue costs. These costs are expenditures in governmental funds but are deferred and amortized at citywide.	1,589,533
Due to / due from amounts are eliminated for citywide reporting.	
Due to other funds	377,126
Due from other funds	(681,175)
The current and long-term portions of the interfund loans between the General Fund and Golf Fund are eliminated.	304,049
The net pension asset is not available to pay current period expenditures and, therefore, is not recorded in the funds.	276,887
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	2,914,629,272
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, are not recorded in the funds.	
Interest payable on bonds	(604,892)
Net pension obligation	(6,450,637)
Deferred revenue / unearned revenue from special assessments, tax audits and notes receivable have been recognized as revenue at citywide.	4,386,933
The arbitrage liability will not be paid in the current period and, therefore, is not recorded in the funds.	(93,825)
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 \$1,552,577 for accrued compensated absences)	(13,904,523)
Due beyond one year	(152,897,701)
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 and business type activities in the citywide statement of net assets as they predominately benefit governmental activities.	
Governmental - type	8,743,392
Business - type	321,222
Net assets of governmental activities (see page 1)	<u><u>\$ 2,914,271,784</u></u>

CITY OF AURORA, COLORADO

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2010

	General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
<i>Taxes</i>			
Sales and use	\$ 144,118,182	\$ 1,866,625	\$ 145,984,807
Property	25,096,149	7,194,561	32,290,710
Franchise	13,192,882	—	13,192,882
Lodgers	4,138,263	—	4,138,263
Occupational privilege	3,776,730	385,305	4,162,035
Other	5,055,286	3,784	5,059,070
Charges for services	9,179,928	10,942,251	20,122,179
Licenses and permits	2,234,954	5,984,745	8,219,699
Fines and forfeitures	8,616,330	3,788	8,620,118
Special assessments	—	294,672	294,672
Intergovernmental	13,333,242	32,177,200	45,510,442
Surcharges	355,059	2,888,387	3,243,446
Miscellaneous	1,504,262	2,112,099	3,616,361
Investment earnings	878,984	1,284,125	2,163,109
Total revenues	<u>231,480,251</u>	<u>65,137,542</u>	<u>296,617,793</u>
EXPENDITURES			
<i>Current</i>			
General government	21,482,169	2,530,954	24,013,123
Judicial	7,981,058	5,280	7,986,338
Police	78,677,347	2,842,760	81,520,107
Fire	34,791,196	301,550	35,092,746
Other public safety	10,810,214	1,930,982	12,741,196
Public works	24,477,697	8,862,465	33,340,162
Economic development	3,968,567	11,662,924	15,631,491
Community services	3,635,491	9,324,431	12,959,922
Culture and recreation	16,089,424	14,764,232	30,853,656
<i>Debt service</i>			
Principal	1,114,833	11,080,000	12,194,833
Interest	100,287	6,680,381	6,780,668
<i>Capital outlay</i>	736,405	23,886,834	24,623,239
Total expenditures	<u>203,864,688</u>	<u>93,872,793</u>	<u>297,737,481</u>
Excess (deficiency) of revenues over (under) expenditures	<u>27,615,563</u>	<u>(28,735,251)</u>	<u>(1,119,688)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	548,505	36,212,882	36,761,387
Transfers out	(25,878,946)	(10,832,647)	(36,711,593)
General obligation bonds issued	—	895,000	895,000
Refunded COP's issued	—	23,102,727	23,102,727
Payment to refunded revenue bond escrow agent	—	(22,850,000)	(22,850,000)
Sale of capital assets	—	1,238	1,238
Disposal of capital assets	56,999	—	56,999
Total other financing sources (uses)	<u>(25,273,442)</u>	<u>26,529,200</u>	<u>1,255,758</u>
NET CHANGE IN FUND BALANCES	<u>2,342,121</u>	<u>(2,206,051)</u>	<u>136,070</u>
FUND BALANCES - January 1, before restatement	22,143,755	135,996,298	158,140,053
Adjustment for accounting changes	38,214,254	(38,214,254)	—
FUND BALANCES - January 1, after restatement	<u>60,358,009</u>	<u>97,782,044</u>	<u>158,140,053</u>
FUND BALANCES - December 31	<u>\$ 62,700,130</u>	<u>\$ 95,575,993</u>	<u>\$ 158,276,123</u>

CITY OF AURORA, COLORADO

GOVERNMENTAL FUNDS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE CITYWIDE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2010

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)	\$ 136,070
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.	1,255,436
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	(4,081,554)
Charges for services - expenditures	4,081,554
Change in deferred revenue	(437,882)
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.	2,135,675
Certain expenses in the citywide statement of activities do not require the use of current financial resources and, therefore, are not recorded in the funds.	
Change in arbitrage liability	(60,256)
Change in net pension asset / obligation	(4,762,967)
Change in accrued compensated absences	(3,084,429)
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 and premiums are made at citywide only.	
Repayment of principal	12,194,833
Accrued interest	118,044
Amortization	(140,136)
Issuance costs and underwriters discount - 2010 GO Debt refunding and Peoria Park and Meadow Hills GIDs	278,476
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	24,623,239
Capital contributions	
Enterprise Funds	5,327
Internal Service Funds	43,336
Depreciation	(25,182,995)
Refunding of certificates of participation and debt proceeds, the payment to refunded debt escrow agent and the premium for debt issuance are recorded in the funds but have no effect on net assets.	
Payment to refunded debt escrow agent	22,850,000
Refunding/issuance of debt	(23,997,727)
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.	(54,222)
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 and business-type activities in the citywide statement of net assets as they predominately benefit governmental activities.	
Governmental - type	631,392
Business - type	(35,384)
Increase in net assets of governmental activities (see page 3)	<u>\$ 6,515,830</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.

NONMAJOR PROPRIETARY FUND

Golf Fund

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



CITY OF AURORA, COLORADO

PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
DECEMBER 31, 2010

	Business-type Activities - Enterprise Funds				Governmental
	Major Funds		Nonmajor	Total	Activities
	Water	Wastewater	Fund	Enterprise	Internal
			Funds	Service Funds	
ASSETS					
<i>Current Assets</i>					
Cash and cash equivalents	\$ 13,824,436	\$ 5,595,247	\$ 220,946	\$ 19,640,629	\$ 983,781
Investments	203,079,038	84,336,076	991,762	288,406,876	15,503,505
Receivables (net of allowance)					
Accounts receivable	8,514,300	5,567,038	—	14,081,338	—
Interest receivable	1,347,468	402,429	263	1,750,160	82,277
Due from other governments	5,816	—	—	5,816	—
Other receivable	—	1,998,897	—	1,998,897	—
Restricted assets					
Investments	14,430,614	2,449,176	—	16,879,790	—
Current portion of notes receivable	—	1,152,387	26,956	1,179,343	—
Current portion of interfund loan	—	56,000	—	56,000	—
Inventories	—	—	198,899	198,899	572,873
Total current assets	241,201,672	101,557,250	1,438,826	344,197,748	17,142,436
<i>Noncurrent assets</i>					
Deferred charges	8,559,142	448,941	60,352	9,068,435	—
Restricted assets					
Cash and cash equivalents	40,100,817	3,749,250	—	43,850,067	—
Investments	5,490,755	1,251,550	504,441	7,246,746	—
Interest receivable	879,200	84,124	1,111	964,435	—
Other receivables	—	1,574,243	—	1,574,243	—
Notes receivable	—	2,350,955	57,189	2,408,144	—
Interfund loan	—	4,384,000	—	4,384,000	—
Equity in joint venture	2,409,237	—	—	2,409,237	—
Capital assets (net of accumulated depreciation)					
Land and water rights	327,869,290	8,645,300	15,291,603	351,806,193	—
Buildings and improvements	67,113,724	35,475,011	2,405,498	104,994,233	—
Infrastructure	647,900,096	331,083,708	12,085,264	991,069,068	359,572
Machinery and equipment	8,278,424	2,368,256	968,353	11,615,033	169,936
Construction in progress	404,343,943	23,607,649	—	427,951,592	—
Total capital assets	1,455,505,477	401,179,924	30,750,718	1,887,436,119	529,508
Total noncurrent assets	1,512,944,628	415,022,987	31,373,811	1,959,341,426	529,508
Total assets	1,754,146,300	516,580,237	32,812,637	2,303,539,174	17,671,944
LIABILITIES					
<i>Current liabilities</i>					
Accounts payable	15,401,404	2,766,446	36,090	18,203,940	274,557
Accrued interest	13,419,650	1,233,637	34,962	14,688,249	—
Other payables	63,516	200,913	—	264,429	—
Unearned revenues	—	—	517,385	517,385	—
Current portion - interfund loan	—	—	119,162	119,162	—
Current portion - long-term liabilities	8,743,486	3,021,010	682,030	12,446,526	3,791,172
Total current liabilities	37,628,056	7,222,006	1,389,629	46,239,691	4,065,729
<i>Noncurrent liabilities</i>					
Interfund loan	—	—	4,624,888	4,624,888	—
Due beyond one year	705,227,845	61,192,363	2,490,738	768,910,946	4,862,823
Total noncurrent liabilities	705,227,845	61,192,363	7,115,626	773,535,834	4,862,823
Total liabilities	742,855,901	68,414,369	8,505,255	819,775,525	8,928,552
NET ASSETS					
Invested in capital assets, net of related debt	789,321,879	341,061,980	28,829,321	1,159,213,180	529,508
Restricted					
Public improvements	2,004,000	1,574,243	—	3,578,243	—
Debt related	—	1,250,000	—	1,250,000	—
Unrestricted	219,964,520	104,279,645	(4,521,939)	319,722,226	8,213,884
Total net assets	\$ 1,011,290,399	\$ 448,165,868	\$ 24,307,382	\$ 1,483,763,649	\$ 8,743,392

CITY OF AURORA, COLORADO

PROPRIETARY FUNDS

**RECONCILIATION OF THE PROPRIETARY FUNDS STATEMENT OF NET ASSETS TO THE CITYWIDE
STATEMENT OF NET ASSETS**

DECEMBER 31, 2010

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) \$ 1,483,763,649

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

General Fund - asset (304,049)

Wastewater Fund - asset (4,440,000)

Golf Fund - liability 4,744,050

The internal balances due to the governmental activities from the business-type activities result from the allocation of the cumulative Internal Service Fund loss.

(321,222)

Net assets of business-type activities (see page 1)

\$ 1,483,442,428

CITY OF AURORA, COLORADO

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Business-type Activities - Enterprise Funds			Total Enterprise Funds	Governmental
	Major Funds		Nonmajor Fund		Activities
	Water	Wastewater	Golf		Internal Service Funds
OPERATING REVENUES					
<i>Charges for services</i>					
Customers	\$ 107,030,397	\$ 49,747,055	\$ 8,328,381	\$ 165,105,833	\$ 15,569,030
OPERATING EXPENSES					
Cost of sales and services	40,801,328	32,702,625	6,354,240	79,858,193	10,511,862
Claims losses	—	—	—	—	4,642,150
Administrative expenses	4,504,021	1,436,412	1,301,004	7,241,437	83,694
Depreciation	11,113,289	7,264,609	1,016,788	19,394,686	57,801
Total operating expenses	56,418,638	41,403,646	8,672,032	106,494,316	15,295,507
Operating income (loss)	50,611,759	8,343,409	(343,651)	58,611,517	273,523
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	4,989,721	1,576,473	54,260	6,620,454	198,919
Intergovernmental revenue	71,361	250,000	—	321,361	—
Miscellaneous revenues/expenses	283,593	3,586,581	32,561	3,902,735	252,080
Interest expense	(7,757,051)	38,429	(339,416)	(8,058,038)	—
Amortization of premiums and (discounts), net	597,435	24,312	(27,545)	594,202	—
Gain (loss) on disposal of capital assets	(100,666)	(658,635)	3,917	(755,384)	—
Equity in joint venture	(31,512)	—	—	(31,512)	—
Net nonoperating revenues (expenses)	(1,947,119)	4,817,160	(276,223)	2,593,818	450,999
Income (loss) before capital contributions and transfers	48,664,640	13,160,569	(619,874)	61,205,335	724,522
Capital contributions	18,344,367	4,036,633	—	22,381,000	(43,336)
Transfer out	—	—	—	—	(49,794)
CHANGE IN NET ASSETS	67,009,007	17,197,202	(619,874)	83,586,335	631,392
NET ASSETS - January 1, before restatement	944,082,042	430,862,335	24,927,256	1,399,871,633	8,112,000
Adjustment for accounting changes	199,350	106,331	—	305,681	—
NET ASSETS - January 1, after restatement	944,281,392	430,968,666	24,927,256	1,400,177,314	8,112,000
NET ASSETS - December 31	\$ 1,011,290,399	\$ 448,165,868	\$ 24,307,382	\$ 1,483,763,649	\$ 8,743,392

CITY OF AURORA, COLORADO

PROPRIETARY FUNDS

**RECONCILIATION OF THE PROPRIETARY FUNDS ON THE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS TO THE CITYWIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010**

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)	\$ 83,586,335
The current year Internal Service Fund operating profit is eliminated for citywide reporting.	35,384
Increase in net assets of business-type activities (see page 3)	<u>\$ 83,621,719</u>

CITY OF AURORA, COLORADO

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2010

	Business-type Activities - Enterprise Funds			Governmental	
	Major Funds		Nonmajor	Activities	
	Water	Wastewater	Fund	Enterprise	
		Golf	Funds	Internal	
				Service Funds	
CASH FLOWS FROM OPERATING ACTIVITIES					
<i>Cash received from:</i>					
Customers and others	\$ 106,780,086	\$ 52,812,219	\$ 8,406,823	\$ 167,999,128	\$ 286,615
Interfund services provided	—	—	—	—	15,534,523
<i>Cash payments to:</i>					
Employees	(18,555,801)	(11,012,676)	(4,748,877)	(34,317,354)	(3,436,190)
Suppliers for goods and services	(1,351,841)	(22,501,272)	(3,080,363)	(26,933,476)	(11,077,966)
Net cash provided by operating activities	86,872,444	19,298,271	577,583	106,748,298	1,306,982
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Payment on interfund loan	—	56,000	—	56,000	(49,794)
Net cash provided by (used in) noncapital financing activities	—	56,000	—	56,000	(49,794)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
<i>Proceeds from:</i>					
Capital debt	23,432,249	—	336,945	23,769,194	—
Capital contributions	16,827,148	2,777,928	—	19,605,076	—
Sale of capital assets	5,857	15,723	3,917	25,497	—
<i>Payments for:</i>					
Capital assets	(75,316,143)	(22,301,613)	(427,908)	(98,045,664)	(101,986)
Capital assets acquired through construction payables	(28,335,157)	(1,413,393)	—	(29,748,550)	(3,864)
Principal on capital debt (golf amount includes interfund loan payment of \$88,895)	(21,592,053)	(2,796,635)	(676,633)	(25,065,321)	—
Interest on capital debt	(35,552,293)	(3,074,357)	(342,017)	(38,968,667)	—
Debt issue and discount costs	(750,000)	—	—	(750,000)	—
Net cash used in capital and related financing activities	(121,280,392)	(26,792,347)	(1,105,696)	(149,178,435)	(105,850)
CASH FLOWS FROM INVESTING ACTIVITIES					
(Increase) decrease in equity in pooled investments	(41,210,601)	(19,495,606)	233,307	(60,472,900)	(3,700,826)
(Increase) decrease in investments	874,016	(3,704)	51	870,363	218,180
Payments received on notes receivable	—	—	25,919	25,919	—
Interest received	7,306,077	2,392,275	51,254	9,749,606	351,227
Net cash provided by (used in) investing activities	(33,030,508)	(17,107,035)	310,531	(49,827,012)	(3,131,419)

	Business-type Activities - Enterprise Funds			Governmental	
	Major Funds		Nonmajor	Activities	
	Water	Wastewater	Fund	Internal	
		Golf	Enterprise	Service Funds	
			Funds		
NET DECREASE IN CASH AND CASH EQUIVALENTS	(67,438,456)	(24,545,111)	(217,582)	(92,201,149)	(1,980,081)
TOTAL CASH AND CASH EQUIVALENTS, January 1					
(including \$77,576,067 for the Water Fund and \$16,955,893 for the Wastewater Fund reported as restricted cash)	121,363,709	33,889,608	438,528	155,691,845	2,963,862
TOTAL CASH AND CASH EQUIVALENTS, December 31					
(including \$40,100,817 for the Water Fund and \$3,749,250 for the Wastewater Fund reported as restricted cash)	\$ 53,925,253	\$ 9,344,497	\$ 220,946	\$ 63,490,696	\$ 983,781
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
OPERATING INCOME (LOSS)	\$ 50,611,759	\$ 8,343,409	\$ (343,651)	\$ 58,611,517	\$ 273,523
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Depreciation	11,113,289	7,264,609	1,016,788	19,394,686	57,801
Miscellaneous nonoperating revenues	354,954	336,581	32,561	724,096	252,080
<i>Changes in operating assets and liabilities</i>					
Receivables	(605,265)	2,728,583	—	2,123,318	28
Inventories	—	—	28,904	28,904	21,300
Accounts payable and other current liabilities	25,397,707	625,089	(202,900)	25,819,896	702,250
Unearned revenues	—	—	45,881	45,881	—
Total adjustments	36,260,685	10,954,862	921,234	48,136,781	1,033,459
Net cash provided by operating activities	\$ 86,872,444	\$ 19,298,271	\$ 577,583	\$ 106,748,298	\$ 1,306,982
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Contribution of capital assets	\$ 1,522,546	\$ 1,258,705	\$ —	\$ 2,781,251	\$ —
Capital assets acquired through payables	(12,439,665)	(1,010,315)	—	(13,449,980)	—
Adjustment for accounting changes	199,350	106,331	—	305,681	—
Increase (decrease) in fair value of investments	(1,721,627)	(665,300)	3,110	(2,383,817)	(91,381)
Amortization of issuance, discount and premium/Reclass of issuance costs premium to discount	874,409	185,720	543	1,060,672	—
Notes receivable issued	—	3,500,000	—	3,500,000	—
Transfer of capital assets to other funds	—	—	—	—	(48,663)
Transfer of capital assets from other funds	(5,327)	—	—	—	5,327



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, 2010

	Pension Trust Funds	Agency Fund
	<u> </u>	<u> </u>
ASSETS		
<i>Current assets</i>		
Cash and equivalents	\$ 8,774,975	\$ 7,932,445
Investments		
Equity securities and funds	157,189,667	—
U.S. government and U.S. government agency obligations	13,593,497	—
Corporate notes, bonds and funds	90,381,523	—
Real estate funds	21,548,640	—
Alternative investments	23,084,150	—
Receivables (net of allowance)		
Interest receivable	710,894	—
Due from other governments	383,054	—
Other receivables	1,818	—
	<u> </u>	<u> </u>
Total assets	<u>315,668,218</u>	<u>\$ 7,932,445</u>
 LIABILITIES		
<i>Current liabilities</i>		
Accounts payable and other current liabilities	761,780	\$ 7,932,445
	<u> </u>	<u> </u>
Total liabilities	<u>761,780</u>	<u>\$ 7,932,445</u>
 NET ASSETS		
Held in trust for pension benefits	<u>314,906,438</u>	
	<u> </u>	
Total net assets	<u>\$ 314,906,438</u>	

CITY OF AURORA, COLORADO
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Pension Trust Funds
	<hr/>
ADDITIONS	
<i>Contributions</i>	
City	\$ 4,983,270
Plan members	4,644,062
	<hr/>
Total contributions	9,627,332
	<hr/>
<i>Investment activity</i>	
Investment earnings	35,481,566
Investment expense	(671,296)
	<hr/>
Net investment earnings	34,810,270
	<hr/>
Other income	94,965
	<hr/>
Total additions, net	44,532,567
	<hr/>
DEDUCTIONS	
Benefits	13,043,907
Administrative expenses	479,247
	<hr/>
Total deductions	13,523,154
	<hr/>
CHANGE IN NET ASSETS	31,009,413
NET ASSETS - January 1	283,897,025
	<hr/>
NET ASSETS - December 31	\$ 314,906,438
	<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 a 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, 2010

	Fitzsimons Redevelopment Authority	Aurora Housing Authority	Havana Business Improvement District	Total
ASSETS				
Cash and cash equivalents	\$ 7,413,283	\$ 12,261,296	\$ 415,513	\$ 20,090,092
Investments	2,597,211	9,564	—	2,606,775
Receivables (net of allowance)				
Taxes receivable	—	—	347,604	347,604
Interest receivable	2,472	1,979,722	—	1,982,194
Other receivables	622,513	5,947,100	—	6,569,613
Deferred charges	47,464	669,771	—	717,235
Notes receivable	—	25,320,071	—	25,320,071
Equity in joint venture	—	5,312,093	—	5,312,093
<i>Capital assets (net of accumulated depreciation)</i>				
Land and water rights	6,415,995	5,145,281	—	11,561,276
Buildings and improvements	8,858,362	46,860,280	17,270	55,735,912
Machinery and equipment	196,954	464,008	28,849	689,811
Construction in progress	—	352,995	—	352,995
Total assets	<u>26,154,254</u>	<u>104,322,181</u>	<u>809,236</u>	<u>131,285,671</u>
LIABILITIES				
Accounts payable	1,094,747	1,217,761	14,780	2,327,288
Accrued interest	9,352	626,329	—	635,681
Other payables	326,233	172,881	—	499,114
Unearned revenues	91,194	21,843	346,116	459,153
<i>Noncurrent liabilities</i>				
Due within one year	164,145	1,040,382	—	1,204,527
Due beyond one year	4,236,648	57,779,488	—	62,016,136
Total liabilities	<u>5,922,319</u>	<u>60,858,684</u>	<u>360,896</u>	<u>67,141,899</u>
NET ASSETS				
Invested in capital assets, net of related debt	12,995,434	15,401,408	46,119	28,442,961
<i>Restricted</i>				
Emergencies	—	—	18,950	18,950
Gifts and grants	—	11,054,479	—	11,054,479
Unrestricted	7,236,501	17,007,610	383,271	24,627,382
Total net assets	<u>\$ 20,231,935</u>	<u>\$ 43,463,497</u>	<u>\$ 448,340</u>	<u>\$ 64,143,772</u>

CITY OF AURORA, COLORADO
COMPONENT UNITS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

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	\$ 15,186,799	\$ 2,532,680	\$ 936,881	\$ —	\$ (11,717,238)	\$ —	\$ —	\$ (11,717,238)
Aurora Housing Authority	28,728,995	25,066,196	1,727,486	171,207	—	(1,764,106)	—	(1,764,106)
Havana Business Improvement District	278,469	21,335	—	—	—	—	(257,134)	(257,134)
Total Component Units	\$ 44,194,263	\$ 27,620,211	\$ 2,664,367	\$ 171,207	(11,717,238)	(1,764,106)	(257,134)	(13,738,478)

General Revenues

<i>Taxes</i>								
Property taxes					—	—	341,198	341,198
Other taxes					—	—	22,295	22,295
Unrestricted investment earnings					520,804	—	1,175	521,979
Total general revenues and transfers					520,804	—	364,668	885,472
INCREASE (DECREASE) IN NET ASSETS					(11,196,434)	(1,764,106)	107,534	(12,853,006)
NET ASSETS - January 1, before restatement					31,428,369	44,841,907	340,806	76,611,082
Adjustment for accounting changes					—	385,696	—	385,696
NET ASSETS - January 1, after restatement					31,428,369	45,227,603	340,806	76,996,778
NET ASSETS - December 31					\$ 20,231,935	\$ 43,463,497	\$ 448,340	\$ 64,143,772

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Effective January 1, 2010, the city implemented the provisions of GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* and GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Statement No. 51 establishes accounting and financial reporting requirements for intangible assets to reduce inconsistencies and enhance comparability among governments. Statement No. 54 clarifies definitions for governmental fund types, establishes accounting and financial reporting standards for all governments that report governmental funds, and establishes criteria for categorizing fund balances into specifically defined classifications.

A. Financial Reporting Entity

The city is a home-rule local government governed by an elected eleven-member council. These financial statements include the city and its component units. A component unit is a legally separate organization for which the city is considered financially accountable or whose exclusion would make the city's financial statements misleading or incomplete. Blended component units, although legally separate, are in substance, part of the city's operations. Therefore, data from these organizations are included with data of the primary government. Discrete presentation refers to presenting financial data of the component unit in a column separate from that of the primary government.

1. Discretely Presented Component 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 because the city appoints a majority of FRA's governing board and the city is in a relationship of potential financial benefit or burden with FRA. 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 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 the city's mayor appoints the AHA board and the city has a potential financial burden as it provided a moral obligation pledge in 2007 to assist the AHA in securing a five million dollar line of credit. It is discretely presented because the AHA board is not substantively the same as the City Council and it does not serve the city exclusively or almost exclusively. 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 for the purpose of enhancing the economic vitality of the Havana Street corridor. It is a quasi-municipal corporation and political subdivision of the State of Colorado with all powers and responsibilities granted to business improvement districts by Title 31, Article 25, Part 12 of the Colorado Revised Statutes. The City Council appointed all the initial members of the Havana BID Board of Directors, which are not substantially the same as the City Council and the BID does not primarily benefit the city government. The city is able to impose its will on the BID as its operating plan and budget are approved by City Council. The Havana BID is a discretely presented component unit of the city. An election was held in November 2007, authorizing the Havana BID to levy property taxes 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 (ACLC) – ACLC was organized as a not-for-profit corporation in 1993 to finance capital assets of the city. ACLC is a component unit because the City Council appoints the governing board and ACLC is fiscally dependent upon the city. ACLC is a blended component unit because it provides services solely to the city. ACLC financial statements consist of a debt service fund. Capital assets and long-term debt for ACLC are included in the citywide statement of net assets. There are no separately issued financial statements for ACLC.

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

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

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

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

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

3. Fiduciary Component Units

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

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

4. Joint Venture

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

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

B. Citywide and Fund Financial Statements

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

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

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

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

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

The citywide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund, internal service fund, and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue when all of the eligibility requirements, imposed by the provider, have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. The city considers revenues, other than grants, to be measurable and available if collected within two months after year-end. Grants are considered measurable and available if 1) they are collected within one year after year-end and 2) all eligibility requirements, including incurring allowable costs, have been met. 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.

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

For governmental funds, property tax is reported as a receivable and deferred revenue in the year it is levied as an enforceable legal claim occurs at this time.

The city reports the following major governmental fund:

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

The city reports the following major proprietary funds:

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

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

Additionally, the city reports the following nonmajor funds:

Special Revenue Funds account for revenues that are restricted or committed for a specific purpose. The city has fourteen special revenue funds: Gifts and Grants, Development Review, Abatement, Community Development, Enhanced E-911, Conservation Trust, Parks Development, Open Space, Recreation Services, Cultural Services, Cherry Creek Fence General Improvement District, Meadow Hills Fence General Improvement District, Peoria Park Fence General Improvement District and AURA General Fund. During 2010, for GASB 54 the Designated Revenues Fund, Policy Reserve Fund, TABOR Reserve Fund and Emergency Contingency Fund were moved to the 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.

The *Capital Projects Fund* account for resources allocated for the acquisition or construction of capital projects except those financed by special revenue or proprietary funds. The city has one capital projects fund: the City Capital Projects Fund. During 2010, the Building Repair Fund was moved to the City Capital Projects Fund.

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

Internal Service Funds are used to account for resources calculated on a cost recovery basis and provided by other city funds for centralized acquisition of supplies and services. The city has two internal service funds: Fleet Management and Risk Management. During 2010, the Print Shop Fund was moved to the General Fund.

Pension Trust Funds account for the accumulation of resources and the payment of retirement benefits to qualified employees. The city has two pension trust funds: the city of Aurora General Employees' Retirement Plan 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.

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.

Program revenues are those that are derived directly from the program itself. Program revenues are divided into three groups: charges for services, program-specific operating grants and contributions, and program-specific capital grants and contributions. Charges for services are exchange or exchange-like transactions including: fees,

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

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

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

D. 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 the calculations for water rates set by the city. The city has recorded a corresponding liability (footnote 7E).

E. Cash and Investments

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

F. Interfund Transactions

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

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

G. Deferred Charges and Inventories

Certain payments to vendors reflect costs applicable to future accounting periods and are reported as deferred charges for both the citywide and the fund financial statements. See item L 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. Inventories included in the governmental fund statements and citywide statements represent housing purchased, rehabilitated and resold under the Neighborhood Stabilization Program.

H. Capital Assets

The criteria used for capitalizing assets include assets with an estimated useful life of more than one year and an acquisition cost of \$5,000 or more per unit. Capital assets are stated at actual cost for purchased and constructed assets, estimated historical cost for older assets for which actual cost was not determinable, and estimated fair value at the time of receipt for donated or contributed items. Street infrastructure recorded from 1973 through 2002 is stated at discounted replacement cost. Expenditures incurred during the construction phase are recorded as construction in progress. These amounts are transferred from construction in progress to the appropriate classification (water rights, buildings and improvements, or infrastructure) upon completion of the project. Land, machinery, and equipment are normally recorded upon receipt. Land includes intangible water rights and easements. Machinery and equipment includes both internally developed and externally acquired computer software. Salvage value is not material and is therefore not computed. Accordingly, assets are completely depreciated if retained for their total estimated useful life. Straight-line depreciation is used in all cases over the following estimated useful lives.

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	3-20

Intangible permanent easements and software are recorded as capital assets beginning in 2010; easements and internally generated software were recorded prospectively and externally acquired software was recorded retrospectively. Assets recorded under capital lease agreements are amortized over either the term of the lease or the estimated useful life of the asset, whichever period is shorter. Amortization expense for capital leases is included in the depreciation line item on the financial statements.

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

Capital assets purchased by proprietary funds 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*.

I. Accounts Payable

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

	Governmental Activities	Business-type Activities
Vendors	\$ 5,841,782	\$ 18,203,940
Salaries and Benefits	633	-
Total	\$ 5,842,415	\$ 18,203,940

J. 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.

K. Noncurrent Liabilities

Noncurrent liabilities include: bonds, notes, certificates of participation, capital leases, claims payable, earned but not used compensated absences and other postemployment benefits. For governmental funds, the liability is recorded when payment is due, or when resources have been accumulated in the debt service fund for payment early in the following year. Proceeds from issuance of debt are reported in the governmental funds as “other financing sources” and payments of principal on debt are shown as expenditures. For the citywide statements, governmental debt issuances are shown as noncurrent liabilities and principal payments are shown as decreases in noncurrent liabilities. Amounts due within the next twelve months are reported as “due within one year” with the remaining amount being reported as “due in more than one year.” For the proprietary and pension trust funds, long-term liabilities are accounted for in the applicable fund. Additionally, proprietary fund long-term liabilities are accounted for in the business-type activities column of the citywide financial statements.

L. Bond Premiums, Discounts and Issue Costs

In governmental funds, bond premiums and discounts are reported as other financing sources/uses and issuance costs are recorded 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.

M. Compensated Absences

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

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</u>	<u>Maximum Payment</u>
	<u>Hours</u>	<u>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

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

N. Use of Estimates

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

O. Fund Balances and Net Assets

Fund balances reflect assets minus liabilities and are shown only in the governmental fund statements. Fund balance is divided into four classifications; restricted, committed, assigned and unassigned. Fund balance is reported as restricted when constraints placed on the use are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. Additionally, assets that are required by outside sources to be used for a specific purpose are shown on the balance sheet as “restricted assets.” Fund balance is reported as committed when constraints are imposed by formal action (ordinance or resolution) of the City Council, the city’s highest level of decision making authority. Fund balance is reported as assigned when the intent of the city is to use the amount for a specific purpose. The Financial Policies and Guidelines, as approved by City Council, authorize the assignment of fund balances by informal action of City Council (no ordinance or resolution) or by the City Manager or the Finance Director as long as City Council has been advised of the assignment through either the budget process or some other process. Unassigned fund balance is the residual and may only be reported in the general fund.

Net assets are assets minus liabilities and are shown in the citywide, proprietary and fiduciary fund financial statements and 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.

P. Budgets

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

Budgets are legally adopted for all funds except the Payroll Clearing Agency Fund, which is not subject to the budgetary requirements of the Colorado Revised Statutes (C.R.S.). Budgets for the component units: ACLC, AURA, the Fence GIDs, 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 and are not legally adopted by the city, although the city may approve a component unit’s budget.

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

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

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

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

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

Basis of Budgeting

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

The city's budget disclosure presents funds available net of 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 general purposes.

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

1. Governmental Funds

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

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.

Q. Reclassifications

Certain 2009 balances have been reclassified to conform with the 2010 presentation.

2. CASH AND INVESTMENTS

Cash and investments as of December 31, 2010 are classified in the accompanying financial statements as follows:

	Governmental Activities	Business-type Activities	Fiduciary Funds	Component Units	Total
Cash and cash equivalents	\$ 12,860,873	\$ 19,336,580	\$ 16,707,420	\$ 17,245,531	\$ 66,150,404
Investments	66,298,182	288,406,876	-	2,606,775	357,311,833
Restricted cash and cash equivalents	21,354,706	43,850,067	-	-	65,204,773
Restricted investments	49,157,213	24,126,536	305,797,477	-	379,081,226
	<u>\$ 149,670,974</u>	<u>\$ 375,720,059</u>	<u>\$ 322,504,897</u>	<u>\$ 19,852,306</u>	<u>\$ 867,748,236</u>

Component unit amounts shown above only include the primary government of the component units and exclude \$2,844,561 of their component unit totals.

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

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

The city held the following investments at December 31, 2010:

	Pooled Investments	Non-pooled Investments	Total Primary Government
Repurchase agreements:			
Money market funds*	\$ -	\$ 37,507,812	\$ 37,507,812
Money market funds*	42,009,234	13,657,780	55,667,014
Certificates of deposit	31,200,000	-	31,200,000
US agency notes	174,192,218	504,437	174,696,655
US Treasury notes	-	7,113,521	7,113,521
Corporate notes	82,719,123	-	82,719,123
Corporate notes secured by TLGP	42,790,156	-	42,790,156
Commercial paper	59,959,969	-	59,959,969
Municipal bonds	29,509,383	-	29,509,383
Total	<u>\$ 462,380,083</u>	<u>\$ 58,783,550</u>	<u>\$ 521,163,633</u>

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

Reconciliation to the statement of net assets:

Reconciliation to the statement of net assets:	
Investments in governmental and business type activities	\$ 427,988,807
Cash and cash equivalents	
Money market funds	93,174,826
Pooled and other cash not included above	4,227,400
Total cash and cash equivalents and investments	<u>\$ 525,391,033</u>
Total Governmental Type Activities	\$ 149,670,974
Total Business Type Activities	<u>375,720,059</u>
	<u>\$ 525,391,033</u>

Investments are subject to many different types of risk including, but not limited to, credit risk, custodial credit risk, concentration of credit risk, interest rate risk and foreign currency risk. The city has no custodial credit or foreign currency risk except for the fiduciary fund investments, which have foreign currency risk. City policy gives guidance for investment activity to limit risks, as outlined in the following discussion.

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

Concentration of credit risk is the risk of loss attributable to the magnitude of the city's investment in a single issuer. Concentration risk as defined by the Governmental Accounting Standards Board is any investment that represents 5% or more of the total investments to any one issuer. The city pooled fund investments are in compliance with city policy which limits unsecured investments with any single issuer other than the federal government to no more than 3%. The city does have investments that represent more than 5% to a single issuer within specific funds of the city: the Water Fund repurchase agreements for bond reserve requirements and capital projects. The repurchase agreements represent 13% of the Water Fund's total investments and are invested pursuant to specific requirements of bond indentures.

Primary Government

Repurchase agreements – Counterparties must have an investment grade credit rating and must be collateralized by US Treasury, agency, or instrumentality securities, the market value of which is at least 102% of the funds invested. Reverse Repurchase Agreements may be used in amounts up to \$25 million and maturities up to thirty days for cash management purposes. Reverse repurchase agreements for longer terms or greater amounts must be approved by resolution of City Council. Reverse repurchase agreements approved by resolution of City Council to provide interim funding of capital acquisitions may not exceed \$100 million or eighteen months maturity.

Money market funds – Must be registered under the Investment Company Act of 1940 that: 1) are "no-load" (no commission or fee shall be charged on purchases or sales of shares); 2) have a constant net asset value of \$1.00 per share; 3) limit assets of the fund to those authorized by state statute; 4) have a maximum stated maturity and weighted average maturity in accordance with Rule 2a-7 of the Investment Company Act of 1940; and 5) have a

rating of AAA or the equivalent by one or more nationally recognized statistical rating organization. The city may invest up to 10% of its portfolio in each such fund to a maximum amount described in the investment policy paragraphs L and M not to exceed 50% of the portfolio.

Certificates of deposit - City policy mirrors State Statute, with deposits in each bank limited to the lesser of one percent of the bank’s assets or ten percent of its equity capital, with a maturity not exceeding three years from the date of purchase. CDs shall not exceed 25% of the portfolio’s par value. Deposits in each bank shall be limited to the lesser of one percent of the bank’s assets or ten percent of its equity capital.

- a. C.R.S. Section 11-10.5-101, et. seq., the “Public Deposit Protection Act of 1975”
- b. C.R.S. Section 11-47-101, et. seq., the “Savings and Loan Association Public Deposit Protection Act”

US Agency notes – Investments may not exceed 75% of the total par value of the city’s portfolio. Maturities may be no more than seven years.

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

Commercial paper – Must be issued by domestic corporations with an original maturity of 270 days or less from the date of trade settlement that is rated at least A-1 or the equivalent at the time of purchase by at least two nationally recognized statistical rating organizations (NRSROs) and rated not less by any NRSROs that rate the commercial paper. If the commercial paper issuer has senior debt outstanding, it must be rated at least A or the equivalent at the time of purchase by all NRSROs that rate the issuer. The aggregate investment in corporate debt, commercial paper, and bankers acceptances shall not exceed 50% of the city’s investment portfolio, and no more than 3% of the city’s investment portfolio may be invested in the obligations of any one issuer.

Corporate notes - Investments other than commercial paper, issued by domestic corporations may not exceed:

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

Municipal bonds – Investments may not exceed:

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

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

Moody's	S&P	Repurchase Agreements & Certificates of Deposit	Money Market	Commercial Paper	US Agency Notes	US Treasury Notes	Corporate Notes secured by TLGP and Corporate Notes	Municipal Bonds
Aaa	AAA	\$ -	\$ 45,959,500	\$ -	\$ 164,242,314	\$ 7,113,521	\$ 42,790,156	\$ -
Aa1 to Aa3	AAA	-	-	-	10,454,341	-	-	-
Aa1 to Aa3	AA+ to AA-	-	-	-	-	-	45,501,214	17,077,700
Aa1 to Aa3	A+ to A-	-	-	-	-	-	21,701,177	-
A1 to A3	AA+ to AA-	-	-	-	-	-	13,675,813	1,636,570
A1 to A3	A+ to A-	-	-	-	-	-	1,840,919	7,524,690
P-1	A-1+ to A-1	-	-	59,959,969	-	-	-	-
Not rated	AA+ to AA-	-	-	-	-	-	-	2,234,183
Aa1 to Aa3	Not rated	-	-	-	-	-	-	1,036,240
Not rated	Not rated	68,707,812	9,707,514	-	-	-	-	-
		<u>\$ 68,707,812</u>	<u>\$ 55,667,014</u>	<u>\$ 59,959,969</u>	<u>\$ 174,696,655</u>	<u>\$ 7,113,521</u>	<u>\$ 125,509,279</u>	<u>\$ 29,509,383</u>

Fiduciary Funds

GERP – GERP contracts with investment managers to manage all of the Plan’s investments. Each investment portfolio is managed in accordance with investment guidelines as stated in the Plan’s investment policy adopted

September 16, 2010. These guidelines are specific to two strategies (core and core plus) within the fixed income asset class.

The *core* portfolio will include the following:

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

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

- While the overall portfolio credit quality will be maintained at investment grade, up to 25 percent of the portfolio at market value may be invested in securities rated below investment grade. Split rated securities will be governed by the lower designation.
- Up to 20 percent of the portfolio at market value may be invested in securities issued by foreign issuers and denominated in foreign currencies.
- The manager has received authorization to use options, forwards and futures to hedge currency exposure.
- For investment in a commingled fund, the manager is authorized full discretion to use derivative instruments, consistent with fund prospectus.

For the fixed income investment manager, the Plan's investment policy states that for purposes of diversification, the exposure to any single issuer, other than securities guaranteed by the U.S. Treasury, may not exceed 5% of the market value of the portfolio. For the domestic equity investment manager, the Plan's investment policy states that the market value of any single security holding should be limited to a weight of 5% of the portfolio, or 150% of the security's weight in the benchmark, whichever is higher. There is no formal policy for concentration of credit risk for the international equity and real estate investment managers. At December 31, 2010, the Plan did not have investments in any one organization representing 5% or more of the Plan's assets.

EOEP - Credit risk exposure is dictated by each manager's agreement with the Plan or in the fund's prospectus. The Plan does not have a formal policy regarding the concentration of credit risk. At December 31, 2010, the Plan did not invest in funds that had a greater than 5% exposure to any single fixed income issuer, other than the U.S. Government and its Agencies.

The fiduciary funds held the fixed income investments with respective qualitative ratings, excluding those which are not considered to have credit risk, is as follows:

S&P	Corporate Notes	Corporate Bonds and Funds
AAA	\$ 2,854,226	\$ 12,842,283
AA+ to AA-	2,823,461	-
A+ to A-	15,833,999	44,952,950
BBB+ to BBB-	11,074,604	-
Not rated	-	-
	<u>\$ 32,586,290</u>	<u>\$ 57,795,233</u>

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

Primary Government

As a means of limiting its exposure to interest rate risk, it is the city's policy to invest in a manner that securities can normally be held to maturity, or close to maturity, and to limit the types and maturities of permitted securities. The city manages its exposure by limiting the weighted average maturities of the portfolio to less than 2 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 1.21 years for 2010. Non-pooled investments are invested in accordance with state statute; terms of the bond indenture or to meet bond insurer requirements and may have a weighted average maturity exceeding 2 years.

	Pooled Investments	Weighted Average Maturity (Years)	Non-pooled Investments	Weighted Average Maturity (Years)
Repurchase agreements:				
Money market funds	\$ -	-	\$ 37,507,812	-
Money market funds	42,009,234	-	13,657,780	-
Certificates of deposit	31,200,000	-	-	-
US agency notes	174,192,218	1.62	504,437	4.45
US Treasury notes	-	-	7,113,521	2.63
Corporate notes	82,719,123	1.66	-	-
Corporate notes secured by TLGP	42,790,156	1.07	-	-
Commercial paper	59,959,969	0.17	-	-
Municipal bonds	29,509,383	1.55	-	-
Total	<u>\$ 462,380,083</u>	<u>1.21</u>	<u>\$ 58,783,550</u>	<u>3.54</u>

Fiduciary Funds

GERP - Interest rate risk exposure is dictated by each investment manager's agreement. Each portfolio is managed in accordance with investment guidelines as stated in the Plan's investment policy adopted on September 16, 2010. These guidelines are specific to two strategies (core and core plus) within the fixed income asset class.

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

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

The Plan had the following investments and maturities at December 31, 2010:

Investment	Investment	Investment Maturities (in years)				
		Undetermined	Less than 1	1-5	6-10	>10
Money market funds	\$ 8,590,308	\$ 8,590,308	\$ -	\$ -	\$ -	\$ -
US Treasury notes and bonds	13,593,497	-	-	1,983,000	6,722,167	4,888,330
US Agency notes and bonds	-	-	-	-	-	-
Corporate notes, bonds and funds	76,138,060	-	-	16,383,957	54,733,746	5,020,357
Equity securities	154,587,542	154,587,542	-	-	-	-
Real estate funds	21,279,659	21,279,659	-	-	-	-
Alternative investments	23,084,150	23,084,150	-	-	-	-
TIPS Fund	12,842,283	-	-	-	12,842,283	-
Total	<u>\$ 310,115,499</u>	<u>\$ 207,541,659</u>	<u>\$ -</u>	<u>\$ 18,366,957</u>	<u>\$ 74,298,196</u>	<u>\$ 9,908,687</u>

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

	Investment	Average Maturity (Years)
Money market funds	\$ 77,846	0.09
Corporate bonds and funds	1,401,180	7.30
Equity securities	2,602,125	-
Real estate funds	268,981	-
Total	<u>\$ 4,350,132</u>	

Foreign Currency Risk – Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment or deposit.

Fiduciary Funds

GERP - The Plan's currency risk exposure resides entirely within investments in international equity mutual funds. The Plan has no formal policy regarding foreign currency risk. The Plan's exposure to foreign currency risk in U.S. dollars as of December 31, 2010 is \$44,778,905, which is entirely composed of investments in international equity mutual funds.

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 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 year following the levy. Total property tax receivable at December 31, 2010 is \$25,869,854. 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. The total allowance at December 31, 2010 is \$258,698.

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, 2010 is \$15,852,431.

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, 2010 is \$2,064,921.

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, 2010 is \$2,293,859.

B. Accounts**1. City Services**

Amounts billed for court fines, library fines, 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, 2010 is \$1,706,485.

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, 2010 is \$9,203,485. Earned but unbilled utility charges at December 31, 2010 is \$4,975,575. 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, 2010 is \$97,722.

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 are collected by the county or state and remitted to the city within the first two months of the following year.

E. Other

Other receivables include liens for uncollected weed cutting, E-911 surcharges, PEG access fees, photo red light fees, vehicle auction proceeds, special improvement district receivables, case management fines, forfeitures and fees, metro wastewater charges, 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 revolving loans made to various commercial and industrial enterprises. These loans are incentives for the relocation or expansion of these enterprises within the boundaries of the city. There are a total of 13 loans; two Brownfields loans with a 2% interest rate due to be repaid when property changes title and an interest only loan for a four year term with principal and interest due on the outstanding principal for six years with the remaining portion due in 2020. Economic development currently has 11 loans with interest rates ranging between 2% - 8.25% and maturity dates between 2012 – 2017 with real and business property as collateral. The balance outstanding as of December 31, 2010 is \$1,257,833, 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 3 loans to non-profit organizations with interest rates ranging between 2% - 4.25% and maturity dates between 2013-2038. The balance outstanding as of December 31, 2010 is \$271,312, 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 1,376 loans with various maturity dates and interest rates. The balance outstanding as of December 31, 2010 is \$16,100,967, which is not expected to be collected within one year.

In 2009, the city entered into a payment plan with a customer in the amount of \$4,708 for the deferral of waste water connection fees. The balance outstanding as of December 31, 2010 is \$3,342, which is not expected to be collected within one year.

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, 2010 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, 2010 is \$6,000, which is expected to be collected within one year.

In 2010, the city entered into an agreement with East Cherry Creek Valley for the transportation of sanitary sewer from the district to the facilities of the Metropolitan Wastewater Reclamation District. The note may be paid in twelve quarterly installments over three years, interest to accrue at an annual rate of 2.5 percent. The balance outstanding as of December 31, 2010 is \$3,500,000 of which \$2,347,613 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 Fitzsimons. The loan of \$1,371,888 is repayable in ten equal annual installments beginning June 1, 2005. The interest rate is variable and the maturity date is June 1, 2014. FRA also paid \$7,023 on the city's behalf per a separate agreement, reducing the principal balance owed. The principal balance outstanding and accrued interest as of December 31, 2010 are \$541,732 and \$9,351, respectively, which \$404,543 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, 2010 is \$84,145, which \$57,189 is not expected to be collected within one year.

G. Component Units

1. FRA

The FRA has four types of receivables, one of which is related to accrued interest on investments, a State of Colorado grant, a receivable with Bioscience Park tenants and Transportation Management Association for rent and costs sharing and an escrow deposit for The Children's Hospital land sale. These amounts outstanding at December 31, 2010 for other receivables and interest receivable totaled \$622,513 and \$2,472 respectively.

In January 2008, the FRA closed on a loan to BWAB-Fitzsimons, LLC (BWAB) in the amount of \$10 million pursuant to a promissory note and other loan documents from BWAB to the FRA. 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 loan document contains personal guarantees that hotel construction will commence January 2010. Loan repayment is subject to offset for certain hotel operating losses over the first 60 months of operation following occupancy less BWAB proceeds of developing the Fitzsimons Village site after BWAB recoups net proceeds of \$30 million plus a 15% return. The balance outstanding as of December 31, 2010 is \$10,000,000. In February 2010, FRA and BWAB entered into a memorandum of understanding to modify the loan documents to extend the required construction commencement date for the hotel for one year, to include extending the term of personal guarantees until payment in full, to provide a second deed of trust on the entire Fitzsimons Village site, to provide a pledge of BWAB's future interest in any development ventures on the Village site, and to pay a 1% extension fee. The agreement was further modified and has been extended to January 2012.

In 2010, the Authority recorded an allowance for doubtful accounts for all amounts due from BWAB pursuant to the loan documents and modifications, including principal, accrued interest, and accrued extension fees. Although the Authority intends to vigorously pursue collection of these amounts, based on the current land values of the Fitzsimons Village Site, the hotel site and on the financial conditions of the guarantors, collection is uncertain.

2. AHA

Amounts disclosed below only include that of the primary government. 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, 2010 is \$2,574,021, of which \$2,489,413 relates to the primary government and \$84,608 relates to its discretely presented component unit.

The AHA has various other receivables related to development fees and construction management fees. The total of other receivables at December 31, 2010 is \$3,373,079.

The AHA has twenty outstanding notes receivable relating to real property. The total at December 31, 2010 is \$25,320,071, which is not expected to be collected within one year. Interest accrued on these notes at December 31, 2010 is \$1,979,722.

3. Havana BID

Property owners within the boundaries of the Havana Business Improvement District have been assessed \$347,604 in property taxes for 2010 to be collected in 2011.

4. RESTRICTED, COMMITTED, ASSIGNED AND UNASSIGNED EQUITY

Order of Spending

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

Restricted for Culture and Recreation

General Fund: \$633,619 per agreement for library and computer equipment funding. *Cultural Services Fund:* \$245,232 for the SCFD grant.

Restricted for Debt Related

Amounts held for debt service payments and required reserves include *Wastewater Fund:* The 1999 Wastewater Revenue Bonds require the city to maintain \$1,250,000 in operations and maintenance reserve, *City Debt Service Fund:* \$1,591,236, *SID Debt Service Fund:* \$251,731, *AURA Debt Service Fund:* \$2,225,830, and *ACLIC Debt Service Fund:* \$16,511,422.

Restricted for Development

AURA General Fund: \$103,070 for future development projects in the urban renewal areas.

Restricted for Gifts and Grants

Gifts and Grants Fund: \$3,555,229, for various grants. *Community Development Fund:* \$1,423,452 for the purchase of home inventory to be restored and resold for the neighborhood support program (NSP). *City Capital Projects Fund:* \$3,113,397 for the transportation improvement program (TIP) grants and the city's matching portion required by various grant agreements.

Restricted for Open Space

Conservation Trust Fund: \$8,828,358 lottery proceeds share back to be used for park and open space development. *Parks Development Fund:* \$3,233,068 developer contributions required to be used for the creation of city parks. *Open Space Fund:* \$11,076,243 share back of sales and use tax the citizens in Arapahoe and Adams counties approved for parks and open space construction and maintenance in their respective counties.

Restricted for Public Improvement

General Fund: \$217,327 remitted to the city as settlement of a judgment against another jurisdiction for noise violations at Denver International Airport to be used to make improvements in the airport vicinity in an effort to mitigate noise in the surrounding communities. *City Capital Projects Fund:* \$1,519,185 to the city as settlement of a judgment against another jurisdiction for noise violations at Denver International Airport to be used to acquire land and make improvements in the airport vicinity in an effort to mitigate noise in the surrounding communities. *Water Fund:* \$2,004,000 is an escrow and deposit restricted for the Prairie Waters Project "owner controlled insurance program". *Wastewater Fund:* \$1,574,243 is held in trust by the Urban Drainage and Flood Control District to fund construction of storm drain infrastructure in the city. *Surplus and Deficiency Fund:* \$565,721 special assessment receipts not needed for debt repayment are required by Charter to be used for public improvements within the city. *Peoria Park Fence GID:* \$35,873, *Meadow Hills Fence GID:* \$18,082, and *Cherry Creek Fence GID:* \$25,119 required by agreement for the purpose of constructing neighborhood masonry fences.

Restricted for Public Safety

General Fund: \$8,871,465 for the TABOR State constitutional amendment 3% emergency reserve to be used in rare circumstances resulting from major nonrecurring and not predictable emergencies. Examples of a major emergency may include a tornado requiring extensive additional city operational or capital costs, or a protracted health, civilian or military crisis requiring extensive operational or capital costs. The funds are not to be used to adjust for revenue variances due to the normal variance in the economy. The TABOR reserve amount is adjusted annually in accordance with State constitutional requirements. *Gifts and Grants Fund:* \$1,653,456 of seizure funds from state and federal courts forfeiture actions is used to support activities of the City Police Department. *E-911 Fund:* \$6,220,037 received from a phone surcharge is required by State law to fund E-911 infrastructure development, operations and maintenance.

Restricted for Road and Bridge

City Capital Projects Fund: \$5,269,009 from the Adams County Road and Bridge 0.5% sales tax collected by Adams County and allocated back per agreement to the city for the purpose of constructing roads and bridges located within the respective jurisdictions.

Committed to Culture and Recreation

General Fund: per city code \$1,097,989 is committed for various programs including the visitor promotion program funded from lodger's tax; the art district loan program; and Public, Education, and Government cable access funded from the PEG franchise fee. *Recreation Services Fund:* Recreation fee revenues are committed by ordinance although at December 31, 2010, no committed fee revenues are outstanding. *Cultural Services Fund:* per city code \$522,905 generated from the capital project budget is committed to fund the Art in Public Places program.

Committed to Development

General Fund: by city resolution, \$1,396,620 is committed for future city development. *City Capital Projects Fund:* by AURA resolution \$1,108,279 is committed for the City Center urban renewal area development. *Development Review Fund:* by city resolution \$2,404,233 is committed for the Enhanced Development Review program.

Committed to Open Space

General Fund: per city code \$542,201 from fee revenues committed for the community trees program to fund tree planting in the city.

Committed to Public Safety

General Fund: \$1,254,731, per city code court surcharges are committed to fund the DARE, teen court, and victim witness programs, traffic fines are committed to fund the photo red light program, fines and license fees fund the restricted breeds program, and fire violation restitution funds fire education seminars. *Abatement Fund:* \$1,155,599, per city code weed, tree and demolition abatement fees are used to fund abatement activities.

Committed to Reserves

General Fund: \$21,467,734, financial policies and guidelines adopted by City Council through resolution commit the 10% Policy Reserve. This reserve is to be used only in extremely rare circumstances resulting from major emergencies that are not recurring by nature and, in general, are not predictable. Examples of a major emergency may include a tornado requiring extensive additional city operational or capital costs, or a protracted health, civilian or military crisis requiring extensive operational or capital costs. The funds are not intended to be used to adjust for revenue variances due to the normal variance in the economy. Included in this reserve is \$304,050 interfund loan to the Golf Fund. The 10% Policy Reserve is adjusted annually to an amount no less than 10% of adjusted budgetary operating expenditures of the General Fund.

Assigned to Capital Improvement

City Capital Projects Fund: \$22,032,405 of residual equity is assigned to fund city capital improvements and virtually all has been appropriated to specific projects.

Assigned to Culture and Recreation

Recreation Fund: \$740,413 residual fund balance is assigned to Culture and Recreation through the budget process. *Cultural Services Fund:* \$147,409 is assigned to Culture and Recreation through the budget process.

Assigned to Development

General Fund: \$2,122,542 is assigned to pay existing development incentives through the budget process.

Assigned to Encumbrance

General Fund: \$969,518 is assigned to pay commitments on open purchase orders.

Assigned to Long-term Liabilities

General Fund: \$15,901,540 is assigned by the Finance Director, with Council review, to be used to fund payment of long-term liabilities.

Unassigned Fund Balance Operating Reserve (minimum fund balance policy)

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

5. JOINT VENTURE

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

2010 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
\$ 2,440,749	\$ -	\$ (31,512)	\$ -	\$ 2,409,237

6. CAPITAL ASSETS

Governmental Activities - Capital asset activity for the year ended December 31, 2010, is shown below:

	January 1 (as restated)	Additions	Disposals	Transfers	December 31
Capital assets not depreciated:					
Land	\$ 242,756,162	\$ 1,828,968	\$ (16,875)	\$ -	\$ 244,568,255
Construction in progress	3,934,226	22,272,873	(5,153)	(17,866,099)	8,335,847
Total capital assets not depreciated	246,690,388	24,101,841	(22,028)	(17,866,099)	252,904,102
Capital assets being depreciated:					
Building and improvements	202,878,482	-	-	862,155	203,740,637
Infrastructure	2,590,470,082	1,358,735	(108,511)	16,166,421	2,607,886,727
Machinery and equipment	75,422,463	1,400,322	(428,803)	855,614	77,249,596
Total capital assets being depreciated	2,868,771,027	2,759,057	(537,314)	17,884,190	2,888,876,960
Less Accumulated depreciation for:					
Building and improvements	(52,037,367)	(5,550,204)	-	-	(57,587,571)
Infrastructure	(104,442,916)	(14,743,891)	79,628	-	(119,107,179)
Machinery and equipment	(45,393,559)	(4,946,674)	425,465	(12,764)	(49,927,532)
Total accumulated depreciation	(201,873,842)	(25,240,769)	505,093	(12,764)	(226,622,282)
Total capital assets being depreciated, net	2,666,897,185	(22,481,712)	(32,221)	17,871,426	2,662,254,678
Governmental activities capital assets, net	\$ 2,913,587,573	\$ 1,620,129	\$ (54,249)	\$ 5,327	\$ 2,915,158,780

Beginning January 1, 2010 balances for machinery and equipment cost and accumulated depreciation increased by \$1,050,898 and \$664,754 respectively due to the implementation of GASB 51. See footnote 18 for more information.

Depreciation expense that was charged to governmental activities' functions is shown below. Unallocated depreciation represents depreciation on multi-use city office buildings such as the Aurora Municipal Center. Depreciation of all other facilities is included in the function that uses the facility.

General government	\$ 2,332,509
Judicial	51,426
Police	1,097,984
Fire	743,275
Other public safety	219,741
Public works	14,280,921
Economic development	53,824
Community services	139,341
Culture and recreation	3,007,136
Unallocated	3,304,110
Depreciation expense governmental activities	25,230,267
Depreciation of internal service fund capital assets attributable to business-type activities	10,502
Total depreciation expense governmental activities	<u>\$ 25,240,769</u>

Business-type Activities - Capital asset activity for the year ended December 31, 2010, is shown below and includes capitalized interest of \$25,699,469 in the Water Fund and \$3,074,357 in the Wastewater Fund.

	January 1 (as restated)	Additions	Disposals	Transfers	December 31
Capital assets not depreciated:					
Land and water rights	\$ 334,359,943	\$ 8,734,151	\$ -	\$ 8,712,099	\$ 351,806,193
Construction in progress	596,129,961	106,017,602	(780,882)	(273,415,089)	427,951,592
Total capital assets not depreciated	<u>930,489,904</u>	<u>114,751,753</u>	<u>(780,882)</u>	<u>(264,702,990)</u>	<u>779,757,785</u>
Capital assets being depreciated:					
Building and improvements	139,980,396	-	-	1,741,892	141,722,288
Infrastructure	912,333,082	2,786,753	-	262,926,752	1,178,046,587
Machinery and equipment	41,318,992	626,753	(19,912)	16,254	41,942,087
Total capital assets being depreciated	<u>1,093,632,470</u>	<u>3,413,506</u>	<u>(19,912)</u>	<u>264,684,898</u>	<u>1,361,710,962</u>
Less Accumulated depreciation for:					
Building and improvements	(33,144,356)	(3,583,699)	-	-	(36,728,055)
Infrastructure	(173,667,170)	(13,310,349)	-	-	(186,977,519)
Machinery and equipment	(27,859,091)	(2,500,639)	19,912	12,764	(30,327,054)
Total accumulated depreciation	<u>(234,670,617)</u>	<u>(19,394,687)</u>	<u>19,912</u>	<u>12,764</u>	<u>(254,032,628)</u>
Total capital assets being depreciated, net	<u>858,961,853</u>	<u>(15,981,181)</u>	<u>-</u>	<u>264,697,662</u>	<u>1,107,678,334</u>
Business-type activities capital assets, net	<u>\$ 1,789,451,757</u>	<u>\$ 98,770,572</u>	<u>\$ (780,882)</u>	<u>\$ (5,328)</u>	<u>\$ 1,887,436,119</u>

Beginning January 1, 2010 balances for machinery and equipment cost and accumulated depreciation increased by \$587,656 and \$281,975 respectively due to the implementation of GASB 51. See footnote 18 for more information.

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

Water	\$ 11,119,308
Wastewater	7,268,543
Golf	<u>1,017,338</u>
Depreciation business-type activities	19,405,189
Depreciation of internal service fund capital assets attributable to business-type activities	<u>(10,502)</u>
Total depreciation business-type activities	<u>\$ 19,394,687</u>

Component Units - Capital asset activity for the year ended December 31, 2010, is shown below:

	January 1	Additions	Disposals	Transfers	December 31
Capital assets not depreciated:					
Land	\$ 9,074,052	\$ 167,231	\$ (443,803)	\$ (401,032)	\$ 8,396,448
Construction in progress	183,925	186,340	-	-	370,265
Total capital assets not depreciated	<u>9,257,977</u>	<u>353,571</u>	<u>(443,803)</u>	<u>(401,032)</u>	<u>8,766,713</u>
Capital assets being depreciated:					
Building and improvements	21,349,537	186,354	(100,882)	144,093	21,579,102
Infrastructure	-	29,552	-	-	29,552
Machinery and equipment	733,536	130,709	(19,617)	256,939	1,101,567
Total capital assets being depreciated	<u>22,083,073</u>	<u>346,615</u>	<u>(120,499)</u>	<u>401,032</u>	<u>22,710,221</u>
Less Accumulated depreciation for:					
Building and improvements	(7,067,343)	(639,049)	100,882	-	(7,605,510)
Infrastructure	-	(703)	-	-	(703)
Machinery and equipment	(582,244)	(268,113)	19,617	-	(830,740)
Total accumulated depreciation	<u>(7,649,587)</u>	<u>(907,865)</u>	<u>120,499</u>	<u>-</u>	<u>(8,436,953)</u>
Total capital assets being depreciated, net	<u>14,433,486</u>	<u>(561,250)</u>	<u>-</u>	<u>401,032</u>	<u>14,273,268</u>
Component units capital assets, net	<u>\$ 23,691,463</u>	<u>\$ (207,679)</u>	<u>\$ (443,803)</u>	<u>\$ -</u>	<u>\$ 23,039,981</u>

Amounts above only include the primary government of the component units and exclude \$45,300,013 of their component unit totals.

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 and of the fence General Improvement Districts for the repayment of the debt.

Governmental Activities - The city and fence General Improvement Districts have four outstanding issuances of general obligation bonds. Amounts originally issued and amounts outstanding at December 31, 2010, respectively, were: 2009 Cherry Creek Fence \$700,000 and \$680,000; city 2010 Refunding \$21,035,000 and \$21,035,000; 2010 Meadow Hills Fence \$520,000 and \$495,000; and 2010 Peoria Park Fence \$375,000 and \$375,000.

The city issued the General Fund Bonds, Series 2010 in fixed rate coupon bonds to currently refund \$2,755,000 1998 Alameda and I-225 Interchange and \$24,575,000 2000 capital improvements defined in the Facility Master Plan. Total remaining debt service at the time of refunding was projected at \$31,293,509 and total debt service on the refunding bonds is projected at \$29,059,747. The economic gain on the refundings was \$2,232,949.

Business-type Activities - The city has one outstanding issuance of general obligation water bonds. Amount originally issued and amount outstanding at December 31, 2010, respectively, were: 2003 Refunding \$62,775,000 and \$18,410,000.

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

Year Ending December 31	Governmental Activities			Business-type Activities		
	2.00-5.45%			2.00-4.00%		
	Principal	Interest	Total	Principal	Interest	Total
2011	\$ 5,015,000	\$ 911,448	\$ 5,926,448	\$ 6,365,000	\$ 736,400	\$ 7,101,400
2012	5,161,000	787,395	5,948,395	6,640,000	481,800	7,121,800
2013	4,376,000	580,335	4,956,335	2,640,000	216,200	2,856,200
2014	4,567,000	404,674	4,971,674	2,765,000	110,600	2,875,600
2015	2,167,000	176,210	2,343,210	-	-	-
2016-2020	332,000	305,259	637,259	-	-	-
2021-2025	420,000	209,913	629,913	-	-	-
2026-2030	483,000	89,193	572,193	-	-	-
2031-2035	64,000	3,328	67,328	-	-	-
Total	<u>\$ 22,585,000</u>	<u>\$ 3,467,755</u>	<u>\$ 26,052,755</u>	<u>\$ 18,410,000</u>	<u>\$ 1,545,000</u>	<u>\$ 19,955,000</u>

B. Revenue Bonds

Governmental Activities - The city has one outstanding issuance of revenue bonds. Amount originally issued and amount outstanding at December 31, 2010, respectively, were: 2009 Sports Park \$7,850,000 and \$6,350,000.

Business-type Activities – Aurora Water has four outstanding issuances of revenue bonds. Amounts originally issued and amounts outstanding at December 31, 2010, respectively, were: 2003A First Lien Water Improvement \$55,860,000 and \$33,550,000; 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. In 2010, Aurora Water defeased \$6,205,000 of the 2003A debt issue through payment to an escrow agent.

Wastewater has two outstanding issuances of revenue bonds. Amounts originally issued and amounts outstanding at December 31, 2010, respectively, were: 1999 Colorado Water Resources and Power Development Authority (CWR&PDA) \$24,124,366 and \$7,487,058; and 2006 First Lien Wastewater Improvement \$57,790,000 and \$54,655,000.

Golf has one outstanding issuance of revenue bonds. Amount originally issued and amount outstanding at December 31, 2010, respectively, were: 2005 Golf Course Enterprise System Refunding \$4,625,000 and \$2,360,000.

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

Year Ending December 31	Governmental Activities			Business-type Activities		
	3.00-4.00%			2.00-5.38%		
	Principal	Interest	Total	Principal	Interest	Total
2011	\$ 1,585,000	\$ 174,650	\$ 1,759,650	\$ 5,615,843	\$ 30,458,071	\$ 36,073,914
2012	1,540,000	119,850	1,659,850	5,799,285	30,270,729	36,070,014
2013	1,590,000	72,900	1,662,900	9,338,110	31,739,298	41,077,408
2014	1,635,000	24,525	1,659,525	9,803,820	31,275,934	41,079,754
2015	-	-	-	8,155,000	30,801,450	38,956,450
2016-2020	-	-	-	56,875,000	148,016,175	204,891,175
2021-2025	-	-	-	115,450,000	127,431,099	242,881,099
2026-2030	-	-	-	147,580,000	96,052,437	243,632,437
2031-2035	-	-	-	177,650,000	57,003,718	234,653,718
2036-2040	-	-	-	123,275,000	15,497,313	138,772,313
Total	<u>\$ 6,350,000</u>	<u>\$ 391,925</u>	<u>\$ 6,741,925</u>	<u>\$ 659,542,058</u>	<u>\$ 598,546,224</u>	<u>\$ 1,258,088,282</u>

C. Certificates of Participation

Certificates of Participation (COPs) are issued by Aurora Capital Leasing Corporation (ACLC) and represent participation in a capital lease financing. The COPs are payable from the city's lease payments to ACLC, which are assigned to the trustee for the COPS debt service. There are four outstanding COPs issues. Amounts originally issued and amounts outstanding at December 31, 2010, respectively were: 2002 Public Safety \$15,380,000 and \$4,805,000; 2005 Open Space \$8,405,000 and \$5,090,000; 2006A-1 Refunding of the 2000 \$20,290,000 and \$13,100,000; and 2009A refunding series \$84,160,000 and \$84,160,000.

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

Year Ending December 31	Governmental Activities		
	Principal	3.00-5.00% Interest	Total
2011	\$ 4,995,000	\$ 5,039,428	\$ 10,034,428
2012	5,190,000	4,843,280	10,033,280
2013	5,400,000	4,634,600	10,034,600
2014	4,545,000	4,395,622	8,940,622
2015	2,865,000	4,226,225	7,091,225
2016-2020	19,780,000	18,833,375	38,613,375
2021-2025	24,890,000	13,727,250	38,617,250
2026-2030	39,490,000	6,850,500	46,340,500
Total	<u>\$ 107,155,000</u>	<u>\$ 62,550,280</u>	<u>\$ 169,705,280</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 assessments levied on the neighborhoods). Amounts originally issued and amounts outstanding at December 31, 2010, respectively were: Dam West Neighborhood \$1,140,000 and \$475,000; and Ptarmigan Park Neighborhood \$1,075,000 and \$755,000.

Business-type Activities – Aurora Water has two outstanding notes payable. Amounts originally issued and amounts outstanding at December 31, 2010, respectively were; 2004 \$8,280,091 and \$2,646,897 and Colorado Water Conservation Board (CWCB) \$75,750,000 and \$75,750,000 for the financing of the Praire Waters Project and will be repaid by revenue of the Water Fund. 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.

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

Year Ending December 31	Governmental Activities			Business-type Activities		
	Principal	4.89-5.00% Interest	Total	Principal	3.75-5.00% Interest	Total
2011	\$ 20,000	\$ 60,730	\$ 80,730	\$ -	\$ 2,840,625	\$ 2,840,625 *
2012	20,000	59,741	79,741	587,494	2,972,970	3,560,464
2013	20,000	58,752	78,752	2,162,746	2,943,595	5,106,341
2014	20,000	57,763	77,763	2,221,818	2,855,148	5,076,966
2015	445,000	56,774	501,774	1,872,494	2,764,487	4,636,981
2016-2020	705,000	69,750	774,750	10,188,419	12,686,940	22,875,359
2021-2025	-	-	-	11,396,972	10,682,413	22,079,385
2026-2030	-	-	-	13,700,297	8,379,086	22,079,383
2031-2035	-	-	-	16,469,125	5,610,259	22,079,384
2036-2040	-	-	-	19,797,532	2,281,852	22,079,384
Total	<u>\$ 1,230,000</u>	<u>\$ 363,510</u>	<u>\$ 1,593,510</u>	<u>\$ 78,396,897</u>	<u>\$ 54,017,375</u>	<u>\$ 132,414,272</u>

*A principal and interest payment of \$587,494 and \$161,720, respectively, was made on the 2004 note payable on December 31, 2010 due January 1, 2011.

E. Regulatory Liability

As allowed under SFAS No. 71 (described in footnote 1D), a liability 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 \$4,477,986 were accrued as a noncurrent liability as of December 31, 2010.

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, accumulated unpaid interest at December 31, 2010 is \$1,924,916. The principal amount outstanding as of December 31, 2010 is \$1,850,000. The FRA also 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, 2010, the balance of the loan is \$541,732.

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, 2010 is \$84,145.

The AHA has three mortgages payable with \$2,171,892 outstanding at December 31, 2010 with interest rates varying from 3.75% to 4.95% with one maturing in 2013, 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, 2010. 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 Townhomes at Tollgate Creek and Trolley Park. Total outstanding at December 31, 2010 is \$428,000. If AHA stays in compliance with the terms of the loan agreement (30 years for Tollgate and 15 years for Trolley Park), the loans will be forgiven. If the loan agreement terms are violated, the loan is due immediately upon the default of non-compliance.

AHA received HOME Investment Partnership Funds from the city of Aurora in 2004 for the rehabilitation of Villa Verde. The loan is forgiven in increments of \$20,000 per year, subject to the Authority's compliance with the terms of HOME Investment Partnership Funds. Total outstanding at December 31, 2010 is \$180,000.

The AHA has four bond issues outstanding at December 31, 2010 for a total of \$19,372,814. 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		
	Principal	Various Rates Interest	Total
2011	\$ 558,455	\$ 1,275,812	\$ 1,834,267
2012	585,012	1,803,359	2,388,371
2013	795,100	1,772,191	2,567,291
2014	2,017,883	1,729,582	3,747,465
2015	469,379	1,669,093	2,138,472
2016-2020	8,034,378	6,189,170	14,223,548
2021-2025	13,412,732	1,384,862	14,797,594
2026-2030	-	-	-
2031-2035	-	-	-
2036-2040	200,000	-	200,000
Total	<u>\$ 26,072,939</u>	<u>\$ 15,824,069</u>	<u>\$ 41,897,008</u>

Amounts disclosed above only include the primary government of the component units.

G. Capitalized Leases

Governmental Activities - The city has entered into leases for ten dump trucks, 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. Upon final payment, the equipment leased will transfer to the city's ownership. The gross amount of the machinery and equipment acquired under each lease is \$1,359,024, \$3,442,046, \$486,924, \$207,280 and \$426,901, respectively. Accumulated amortization on these leases is \$1,965,411 as of December 31, 2010.

Business-type Activities - The city has entered into golf cart leases that have been capitalized for financial statement purposes. Upon final payment, the equipment leased will transfer to the city's ownership. The gross amount of the machinery and equipment acquired under the leases is \$694,197. Accumulated amortization on these leases is \$627,973 as of December 31, 2010.

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

Year Ending December 31	Governmental Activities 3.49-4.16%			Business-type Activities 4.55-5.25%		
	Principal	Interest	Total	Principal	Interest	Total
2011	\$ 851,310	\$ 57,518	\$ 908,828	\$ 118,826	\$ 8,620	\$ 127,446
2012	436,287	29,689	465,976	72,060	2,896	74,956
2013	407,079	12,056	419,135	-	-	-
Total	<u>\$ 1,694,676</u>	<u>\$ 99,263</u>	<u>\$ 1,793,939</u>	<u>\$ 190,886</u>	<u>\$ 11,516</u>	<u>\$ 202,402</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 2009 which refunded the 1999 bonds. 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 5.9% of legally available funds or revenues from the General Fund. The total principal and interest remaining to be paid on the bonds is \$6,741,925. Principal and interest paid for the current year and total legally available funds or revenues were \$1,757,066 and \$29,624,087, respectively.

The city has pledged any special assessments levied and collected on the respective neighborhoods to repay \$1,230,000 current principal outstanding, in 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 100.0% of net revenues as the city is expected to pay out all of the special assessments collected. The total principal and interest remaining to be paid on the note is \$585,635. Principal and interest

paid for the current year and total special assessments levied and collected on the neighborhood was \$147,751 and \$147,326, respectively.

- *Ptarmigan Park Neighborhood* - Annual principal and interest payments on the note are expected to require approximately 100.0% of net revenues. The total principal and interest remaining to be paid on the note is \$1,007,874. Principal and interest paid for the current year and total special assessments levied and collected on the neighborhood was \$167,750 and \$158,305, respectively.

Business-type Activities - The city has pledged future water system revenues, net of specified operating expenses, to repay \$595,040,000 principal currently outstanding, in water system revenue bonds issued in 2003, 2005, 2007 and 2008 and \$78,396,897, principal currently outstanding, in utility enterprise water resources revenue notes issued in 2004 and 2008. Proceeds from the bonds provided financing for the acquisition of water rights, the acquisition and construction of water facilities and additions and improvements to the water system. The bonds are payable solely from water system net revenues and are payable through 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 2019 and 2041. Annual principal and interest payments on the bonds and notes are expected to require approximately 41.4% of net revenues. The total principal and interest remaining to be paid on the bonds and notes is \$1,281,921,323. Principal and interest paid for the current year and total water system net revenues were \$46,281,846 and \$85,622,298, respectively.

The city has pledged future wastewater system revenues, net of specified operating expenses, to repay \$62,142,058 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 26.4% of net revenues. The total principal and interest remaining to be paid on the bonds is \$105,914,406. Principal and interest paid for the current year and total system net revenues were \$5,870,992 and \$20,412,331, 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. Annual principal and interest payments on the bonds are expected to require approximately 71.8% of net revenues. The total principal and interest remaining to be paid on the bonds is \$2,666,825. Principal and interest paid for the current year and total golf system net revenues were \$534,925 and \$760,765, respectively.

I. Accrued Compensated Absences

Accrued compensated absences recorded in governmental activities are generally paid from the General Fund. Amounts outstanding at December 31, 2010 are \$27,594,446 for governmental activities and \$3,993,228 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, 2010 is \$89,574,054. 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.

K. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2010, 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	\$ 28,030,000	\$ 21,930,000	\$ (27,375,000)	\$ 22,585,000	\$ 5,015,000
Revenue bonds	7,850,000	-	(1,500,000)	6,350,000	1,585,000
Certificates of participation	111,965,000	-	(4,810,000)	107,155,000	4,995,000
Less deferred amounts:					
Unamortized discounts	(116,861)	-	82,331	(34,530)	-
Unamortized premium	7,854,370	2,067,726	(631,220)	9,290,875	-
Unamortized amounts from refundings	(12,482,022)	-	630,401	(11,851,621)	-
Total bonds and COPs	143,100,487	23,997,726	(33,603,488)	133,494,725	11,595,000
SID Notes payable	1,475,000	-	(245,000)	1,230,000	20,000
Capitalized leases	2,809,510	-	(1,114,834)	1,694,676	851,310
Accrued compensated absences	25,191,108	2,420,376	(17,038)	27,594,446	1,583,663
Accrued claims payable	7,391,954	4,645,909	(3,760,086)	8,277,777	3,760,086
Arbitrage liability	33,569	93,825	(33,569)	93,825	-
Net OPEB obligation	2,581,993	696,966	-	3,278,959	-
Total Governmental Activities	<u>\$ 182,583,621</u>	<u>\$ 31,854,802</u>	<u>\$ (38,774,015)</u>	<u>\$ 175,664,408</u>	<u>\$ 17,810,059</u>
Business-type Activities:					
Bonds payable:					
General obligation bonds	\$ 24,530,000	\$ -	\$ (6,120,000)	\$ 18,410,000	\$ 6,365,000
Revenue bonds	677,643,251	-	(18,101,193)	659,542,058	5,615,843
Less deferred amounts:					
Unamortized discounts	(466,472)	466,472	-	-	-
Unamortized premium	17,318,260	-	(1,010,647)	16,307,613	-
Unamortized amounts from refundings	(620,492)	-	34,035	(586,457)	-
Total bonds	718,404,547	466,472	(25,197,805)	693,673,214	11,980,843
Notes payable	55,552,142	23,432,249	(587,494)	78,396,897	-
Regulatory liability	3,869,575	1,538,910	(930,499)	4,477,986	-
Capitalized leases	358,624	-	(167,738)	190,886	118,826
Accrued compensated absences	4,129,906	53,671	(190,349)	3,993,228	346,857
Arbitrage liability	-	-	-	-	-
Net OPEB obligation	471,091	154,170	-	625,261	-
Total Business-type Activities	<u>\$ 782,785,885</u>	<u>\$ 25,645,472</u>	<u>\$ (27,073,885)</u>	<u>\$ 781,357,473</u>	<u>\$ 12,446,526</u>
Component Units*:					
Bonds payable	\$ 19,648,741	\$ -	\$ (275,927)	\$ 19,372,814	\$ 291,056
Notes payable	6,935,477	25,000	(260,352)	6,700,125	267,399
Interest payable	1,697,920	226,996	-	1,924,916	-
Total Component Units	<u>\$ 28,282,138</u>	<u>\$ 251,996</u>	<u>\$ (536,279)</u>	<u>\$ 27,997,855</u>	<u>\$ 558,455</u>

* Component Units beginning balance shown as restated.

Amounts disclosed above only include the primary government of the component units.

8. INTERFUND TRANSACTIONS

The balances between the General Fund and the Nonmajor Funds both governmental and business type 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. Some balances result from the overdraft of cash balances in the payable funds. In addition, there is an interfund loan between the General Fund and Golf for a golf cart lease. The balances between the Wastewater Fund and the Nonmajor Proprietary Funds result from the interfund loan between Wastewater and Golf for the construction of Murphy Creek Golf Course.

Interfund Receivables and Payables

Receivable Fund	Payable Fund	
	Nonmajor Funds	Totals
General Fund	\$ 681,175	\$ 681,175
Wastewater Fund	4,440,000	4,440,000
Total	\$ 5,121,175	\$ 5,121,175

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

Interfund Transfers

Transfers In	Transfers Out			
	General Fund	Nonmajor Governmental Funds	Internal Service Funds	Total
General Fund	\$ -	\$ 498,711	\$ 49,794	\$ 548,505
Nonmajor Governmental Funds	25,878,946	10,333,936	-	36,212,882
Total	\$ 25,878,946	\$ 10,832,647	\$ 49,794	\$ 36,761,387

9. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**Continuing Appropriations**

The city stipulates that appropriations for capital projects do not lapse until the purpose for which the appropriation was made has been accomplished or abandoned. Additionally, any project is deemed abandoned if three years have elapsed without expenditure or encumbrance to the project. As of December 31, 2010, the city had various appropriations for the acquisition and construction of projects which totaled \$292,566,907.

A. Tax Incentive Agreements

The city enters into tax incentive agreements to encourage retail development, commercial expansion and public infrastructure within its borders. At December 31, 2010, the city had development incentive agreements with the developers of Town Center at Aurora, 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, Whirlpool Corporation, Kwal Paint, Ecotech and Metropolitan Medical Care, Inc. The commercial expansion incentive agreements rebate city levied taxes to the enterprise.

B. Tax Increment Financing

At December 31, 2010, the Aurora Urban Renewal Authority had retail and commercial and residential agreements with Cornerstar, The Shops at Fitzsimons, Fitzsimons Village, Fitzsimons Promenade, the Fitzsimons Colorado Science and Technology Park, Gardens on Havana, The Avenues and Horizon.

C. 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 \$450,000 as of December 31, 2010.

10. DEFERRED COMPENSATION PLANS

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

11. PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS

The city of Aurora provides the following plans:

- General Employees' Retirement Plan (GERP)
- Elected Officials' and Executive Personnel Defined Benefit Plan (EOEP)
- Fire Pension Plan (Old Hire-Fire)
- Police Pension Plan (Old Hire-Police)
- 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 supplemental benefits. The city currently has 614 retirees and others receiving benefits with 1,601 active plan members. There are 194 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 32 retirees and others receiving benefits with 38 active plan members. There are 8 former employees that are deferred vested and entitled to receive benefits in the future. Chapter 102, Article VIII of the City Code assigns the authority to establish and amend benefit provisions to City Council. No stand-alone financial report is issued for EOEP.

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

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

EOEP Statement of Fiduciary Net Assets December 31, 2010	EOEP Statement of Changes in Fiduciary Net Assets For the Year Ended December 31, 2010
ASSETS	ADDITIONS
<i>Current Assets</i>	<i>Contributions</i>
Investments	City
Cash equivalents and short term investments	\$ 356,280
Equity securities and funds	Total contributions
Corporate bond funds	<u>356,280</u>
Real estate funds	<i>Investment activity</i>
Interest receivable	Investment earnings
Other receivables	Investment expense
Total assets	Net investment earnings
<u>4,352,829</u>	522,121
	(9,375)
<i>Current Liabilities</i>	Other income
Accounts payable and other current liabilities	Net investment earnings
<u>3,009</u>	<u>512,746</u>
	Other income
Total liabilities	Total additions
<u>3,009</u>	<u>869,551</u>
Held in trust for pension benefits	DEDUCTIONS
Total net assets	Benefits
<u>\$ 4,349,820</u>	185,771
	Administrative expenses
	Total deductions
	9,935
	<u>195,706</u>
	CHANGE IN NET ASSETS
	673,845
	NET ASSETS - January 1
	3,675,975
	NET ASSETS - December 31
	<u>\$ 4,349,820</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. Postretirement 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 2,379 active employees covered under the city’s health insurance plan. Of these, 1,043 are fully eligible for the plan. In addition, there are 277 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, 2010 is \$1,116,000. Below is a summary of the Net OPEB obligation at the end of 2010 by Business-type and Governmental activities:

<u>Fund</u>	<u>Amount</u>
Water Fund	\$ 348,711
Wastewater Fund	207,568
Golf Fund	68,982
Total Business-type Activities	625,261
Total Governmental Activities	3,278,959
Total Net OPEB Obligation December 31	<u>\$ 3,904,220</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)	\$ 8,415,022	\$ 356,280	\$ -	\$ 1,521,680	\$ 1,931,000
Interest on net pension obligation (NPO) / NPA	162,172	-	(23,262)	29,710	152,654
Adjustment to ARC	119,649	-	37,156	(47,455)	(116,518)
Annual pension cost	8,696,843	356,280	13,894	1,503,935	1,967,136
Contributions made	(4,626,990)	(356,280)	-	(1,521,680)	(1,116,000)
Increase (decrease) in (NPO) / NPA	4,069,853	-	13,894	(17,745)	851,136
(NPO) / NPA - beginning of year	2,027,148	-	(290,781)	371,381	3,053,084
(NPO) / NPA - end of year	<u>\$ 6,097,001</u>	<u>\$ -</u>	<u>\$ (276,887)</u>	<u>\$ 353,636</u>	<u>\$ 3,904,220</u>

Funded Status and Funding Progress. The city’s funded status for the year ended December 31, 2010 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 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	1/1/10	300,704,227	333,831,950	33,127,723	90.08%	84,403,431	39.25%
EOEP	1/1/09	3,528,634	5,331,263	1,802,629	66.19%	-	0.00%
Old Hire - Fire	1/1/10	88,066,465	104,279,437	16,212,972	84.45%	66,487	24385.18%
Old Hire - Police	1/1/10	96,468,415	124,458,499	27,990,084	77.51%	98,936	28291.10%
OPEB	1/1/09	-	19,884,000	19,884,000	0.00%	176,046,227	11.29%

Three Year Trend Information			
Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
<i>GERP</i>			
12/31/08	5,554,244	86.89%	(1,299,855)
12/31/09	8,117,716	59.02%	2,027,148
12/31/10	8,696,843	53.20%	6,097,001
<i>EOEP</i>			
12/31/08	351,991	100.00%	-
12/31/09	351,991	100.00%	-
12/31/10	356,280	100.00%	-
<i>Old Hire - Fire</i>			
12/31/08	638,532	98.18%	(303,478)
12/31/09	12,697	0.00%	(290,781)
12/31/10	13,894	0.00%	(276,887)
<i>Old Hire - Police</i>			
12/31/08	1,715,776	100.86%	387,596
12/31/09	1,505,465	101.08%	371,381
12/31/10	1,503,935	101.18%	353,636
<i>OPEB</i>			
12/31/08	1,855,653	41.82%	2,148,653
12/31/09	1,861,432	51.41%	3,053,084
12/31/10	1,967,136	56.73%	3,904,220

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	1/1/2010	1/1/2009	1/1/2010	1/1/2010	1/1/2009
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Projected unit credit cost
Amortization method	Level percent - open	Level dollar - closed	Level dollar - open	Level dollar - open	Level percent - open
Remaining amortization period	30 years	30 years	20 years	20 years	30 years
Asset valuation method	3-year smoothing	3-year smoothing	3-year smoothed fair market value	3-year smoothed fair market value	Market
Actuarial assumptions:					
Investment rate of return *	8.0%	7.75%	8.0%	8.0%	5.0%
Payroll growth rate	3.5%	n/a	n/a	n/a	4.0%
Projected salary increases *	3.50% to 7.50%	n/a	4.75%	4.75%	n/a
Cost of living adjustment	3.50% base, 5.00% supplemental	3.5% 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, 2010, there were 947 plan members. Plan members are required to contribute 10.5%. The city is required to contribute 10.5%. Contributions for 2010 were:

	<u>Employee</u>	<u>Employer</u>
New Hire Fire	\$2,301,380	\$2,301,380
New Hire Police	\$4,894,879	\$4,894,879

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, 2010, there were 26 plan members. Plan members contributed 10.0%, \$343,869 for 2010. The city contributed 10.0%, \$343,869 for 2010.

12. OPERATING LEASES

The city has entered into various leases for buildings, office and storage space, and equipment. All leases are cancelable and must be reappropriated annually. Total costs for such leases were \$1,410,613 for the year ended December 31, 2010. The future minimum lease payments for these leases are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2011	\$ 944,524
2012	636,844
2013	439,568
2014	111,808
2015	-
2016-2020	-
Total	<u>\$ 2,132,744</u>

13. RISK MANAGEMENT

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

The city retains risk up to the levels where it has been determined that commercial insurance is more cost beneficial. The insurance companies promise payments of claims in excess of stated deductibles, with variable limits depending upon the specific line of coverage. For payment to be made by the insurance company the claim must fall under the insuring agreements and coverage, the insured must meet the insurer's conditions, and certain claims are excluded under certain conditions. The Colorado Governmental Immunity Act establishes limits for claims made against governmental entities for injuries which lie in tort or could lie in tort. These limits are \$150,000 per person up to a maximum of \$600,000 per occurrence. These stated limitations do not apply to federal claims. There were no significant reductions in insurance coverage from the prior year. There have been no claim settlements in excess of insurance coverage in the last three years.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Amounts estimated to be paid on known cases are reported as case reserves. Case reserves are estimated through in-house methods and do include incremental claims adjustment expenses. Total self-insurance reserves are actuarially determined and include estimated costs for incurred but not reported claims (IBNR). The total liability has been recorded using the discounted method with an expected 1.50% 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, 2010**

Self-Insured Program	Case		Total	Discounted
	Reserves	IBNR		
Worker's compensation	\$ 1,494,444	\$ 3,857,304	\$ 5,351,748	\$ 5,060,714
Multi-line liability	1,544,660	1,764,173	3,308,833	3,217,063
Totals	<u>\$ 3,039,104</u>	<u>\$ 5,621,477</u>	<u>\$ 8,660,581</u>	<u>\$ 8,277,777</u>

**Reconciliation of Claims Payable
December 31, 2010**

Year	Balance January 1	Current Year			Balance December 31
		Accrued Claims	Claim Payments	Recoveries	
2009	\$ 6,460,756	\$ 3,922,329	\$ (3,300,636)	\$ 309,505	\$ 7,391,954
2010	7,391,954	4,419,610	(3,760,086)	226,299	8,277,777

14. CONTINGENT LIABILITIES

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

Proceeds of refunded debt were placed in irrevocable refunding escrow accounts. The funds deposited in these accounts are invested in U.S. Treasury obligations that, together with interest earned thereon, are expected to provide amounts sufficient to pay all principal and interest on the following debt issues as they become due. Should these funds be insufficient to pay the maturing bonds and interest, the city would be liable for the deficiency. The likelihood of the earnings and principal maturities of the U.S. Treasury obligations not being sufficient to pay the refunded bond issues is remote. Accordingly, the escrow accounts and the refunded bonds are not included in the city's financial statements. Deferred debt outstanding at December 31, 2010 is as follows:

Issue Description	Date of Issue	Series	Balance December 31, 2010	
Aurora Capital Leasing Corporation (ACLC) Certificates of Participation	3/16/05	2005	\$	5,855,000
First-Lien Water Improvement Revenue Bonds Series 2003A	10/15/03	2003		6,205,000
Total			\$	<u>12,060,000</u>

15. CONDUIT DEBT OBLIGATIONS

From time to time, the city has issued revenue bonds to provide financial assistance to private sector and non-profit entities for the acquisition and construction of industrial, commercial and residential properties deemed to be in the public interest. The bonds are payable solely from payments received on the underlying funding source. The city is

not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2010, there were eleven series of revenue bonds outstanding, which included six Hospital Revenue Bonds payable from operating revenues, one Educational Development Bond payable from lease payments, two Multifamily Mortgage Bonds, payable from rental and mortgage payments, and two Single Family Mortgage Bonds payable from mortgage payments. The total aggregate principal amount payable was \$396,918,000.

16. TAXPAYER BILL OF RIGHTS (TABOR)

In November 1992, Colorado voters approved a State constitutional amendment, TABOR, the general purpose of which is to restrain government growth (as measured by revenues and expenditures) without a vote of the local citizens. The key mechanisms for restraining growth without a vote are: 1) the prohibition of revenue and expenditure growth other than for inflation and a component for new construction growth, 2) the prohibition of new taxes or higher tax rates, 3) the prohibition of new debt, and 4) the refunding of any revenues collected in excess of the revenue limitations. In 2010, property tax revenue and general revenue collections were below the limits imposed by the TABOR Amendment.

TABOR further requires emergency reserves of at least 3% of fiscal year revenue as defined by TABOR (excluding bonded debt service). The city maintains the required reserves in the General Fund. TABOR specifies that local governments are permitted to use reserve funds for "emergencies" with the requirement that the reserve funds be restored to 3% of fiscal year spending in the following fiscal year. The amount of TABOR reserves recorded in the General Fund, which are identified as restricted for public safety at December 31, 2010, was \$8,871,465 or 3% of fiscal year spending. The city's management believes the city is in compliance with the provisions of TABOR at December 31, 2010.

17. CURRENT ECONOMIC CONDITIONS

The local economy has stabilized and begun a slow recovery from the recession. Revenues in 2010 were up over 2009, but the significant losses in 2009 mean the city's revenues were still below levels seen in 2007. The city made significant expenditure and service reductions in the General Fund to address continued budget shortfalls. For 2011 and future years, the city currently anticipates adjusting its expenditures to match revenues without drawing down its major reserves below policy levels.

18. ADOPTION OF ACCOUNTING PRINCIPLES

During fiscal year ended December 31, 2010, the city adopted Governmental Accounting Standards Board Statements (GASB) No. 51, *Accounting and Financial Reporting for Intangible Assets* and No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB 51 requires the city to record qualified intangible assets as capital assets and amortize those assets over the useful life of the asset. The city prospectively recorded intangible permanent easements and internally generated software. Externally acquired software was recorded retrospectively, changing beginning net assets for governmental activities by \$386,144, and for business-type activities by \$305,681. GASB 54 requires the city to classify fund balance based primarily on the extent to which the city is bound to honor constraints on how the funds can be spent. GASB 54 also clarifies the definitions of the governmental fund types, resulting in a change in the activities that are reported in them. Adoption of GASB 54 changed beginning fund balance in the General Fund, the Gifts and Grants Fund, the Emergency Contingency Fund, the Open Space Fund, the Recreation Services Fund, the Designated Revenues Fund, the Policy Reserve Fund, the TABOR Reserve Fund, the ACLC Debt Service Fund, and the City Capital Projects Fund by \$38,214,254, \$16,595, (\$241,172), \$1,713,240, \$214,974, (\$19,983,620), (\$21,332,318), (\$8,778,851), \$164,562 and \$10,012,336 respectively.

19. PRIOR PERIOD ADJUSTMENT

The beginning net assets of the Aurora Housing Authority, a discretely presented component unit, were adjusted by \$385,696 to correct revenue and other items not recognized in the prior year.



Required Supplementary Information

CITY OF AURORA, COLORADO
DEFINED BENEFIT PENSION PLANS
AND OTHER POST EMPLOYMENT BENEFITS (OPEB)
SCHEDULE OF FUNDING PROGRESS
DECEMBER 31, 2010

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						
1/1/04	\$ 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)%
1/1/09	296,021,806	319,750,886	23,729,080	92.58%	86,099,178	27.56%
1/1/10	300,704,227	333,831,950	33,127,723	90.08%	84,403,431	39.25%
EOEP						
1/1/03	2,342,205	3,772,442	1,430,237	62.09%	n/a	n/a
1/1/05	2,182,694	3,793,673	1,610,979	57.54%	n/a	n/a
1/1/07	3,241,175	4,462,141	1,220,966	72.64%	n/a	n/a
1/1/09	3,528,634	5,331,263	1,802,629	66.19%	n/a	n/a
Old Hire - Fire						
1/1/04	85,014,289	99,587,091	14,572,802	85.37%	1,330,722	1095.10%
1/1/06	92,918,056	99,466,498	6,548,442	93.42%	647,157	1011.88%
1/1/08	103,965,149	102,757,130	(1,208,019)	101.18%	277,349	(435.56)%
1/1/10	88,066,465	104,279,437	16,212,972	84.45%	66,487	24385.18%
Old Hire - Police						
1/1/04	89,956,249	121,678,839	31,722,590	73.93%	859,811	3689.48%
1/1/06	98,845,438	116,106,755	17,261,317	85.13%	241,569	7145.50%
1/1/08	111,931,255	125,162,192	13,230,937	89.43%	93,795	14106.23%
1/1/10	96,468,415	124,458,499	27,990,084	77.51%	98,936	28291.10%
OPEB*						
1/1/07	-	20,441,000	20,441,000	0.00%	168,468,721	12.13%
1/1/09	-	19,884,000	19,884,000	0.00%	176,046,227	11.29%

* The decrease in the OPEB actuarial accrued liability from 2007 to 2009 is the result of a change in the application of the Projected Unit Credit actuarial cost method (not a change in the cost method used) that GASB clarified after the 2007 valuation was released.

CITY OF AURORA, COLORADO
DEFINED BENEFIT PLANS
AND OTHER POST EMPLOYMENT BENEFITS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
DECEMBER 31, 2010

Year	Annual Required Contribution (ARC)	Percentage Contributed
GERP		
2004	\$5,115,536	77%
2005	7,245,072	55%
2006	5,253,328	79%
2007	5,532,018	82%
2008	5,596,076	86%
2009	8,144,982	59%
2010	8,415,022	55%
EOEP		
2004	\$419,304	100%
2005	422,000	101%
2006	375,669	100%
2007	375,669	100%
2008	351,991	100%
2009	351,991	100%
2010	356,280	100%
OPEB		
2007	\$1,751,000	39%
2008	1,843,000	42%
2009	1,836,000	52%
2010	1,931,000	58%

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, 2010

	General Fund				Designated Revenues Fund				Total of Funds
	Budgets		Budgetary	Variance	Budgets		Budgetary	Variance	Budgetary
	Original	Final	Actual	with Final	Original	Final	Actual	with Final	Actual
SOURCES									
Taxes									
Property	\$ 25,854,075	\$ 25,557,114	\$ 25,096,149	\$ (460,965)	\$ —	\$ —	\$ —	\$ —	\$ 25,096,149
Sales	124,270,032	124,270,032	123,357,355	(912,677)	—	—	—	—	123,357,355
Use	20,984,520	20,984,520	20,810,950	(173,570)	—	—	—	—	20,810,950
Lodgers	4,065,110	4,065,110	4,141,699	76,589	—	—	—	—	4,141,699
Franchise	13,363,920	13,363,920	13,192,882	(171,038)	—	—	—	—	13,192,882
Other	9,964,835	9,964,835	8,832,016	(1,132,819)	—	—	—	—	8,832,016
Total taxes	198,502,492	198,205,531	195,431,051	(2,774,480)	—	—	—	—	195,431,051
Intergovernmental	12,404,203	12,404,203	12,738,360	334,157	469,060	600,370	1,028,531	428,161	13,766,891
Licenses and permits	2,493,903	2,493,903	2,201,001	(292,902)	32,550	32,550	33,953	1,403	2,234,954
Charges for services	8,623,037	8,623,037	8,286,606	(336,431)	2,167,664	2,167,664	2,197,913	30,249	10,484,519
Fines and forfeitures	6,836,200	6,836,200	6,817,969	(18,231)	2,243,967	2,243,967	1,798,361	(445,606)	8,616,330
Investment income	750,000	750,000	661,468	(88,532)	98,646	98,646	327,885	229,239	989,353
Other revenues	1,435,638	1,435,638	1,251,041	(184,597)	1,024,694	1,039,694	352,551	(687,143)	1,603,592
Proceeds from sale of assets	—	—	56,999	56,999	—	—	—	—	56,999
Transfers in	221,750	31,015,125	31,272,714	257,589	2,905,597	2,905,597	1,405,786	(1,499,811)	32,678,500
TOTAL SOURCES	231,267,223	261,763,637	258,717,209	(3,046,428)	8,942,178	9,088,488	7,144,980	(1,943,508)	265,862,189
USES									
Operating Costs									
<i>Municipal Court</i>									
Judicial	2,075,825	2,079,209	1,968,243	110,966	119,342	119,538	90,861	28,677	2,059,104
Court Administration	7,331,712	7,588,369	7,584,730	3,639	—	—	—	—	7,584,730
Public Defender	649,365	651,245	651,193	52	—	—	—	—	651,193
Total municipal court	10,056,902	10,318,823	10,204,166	114,657	119,342	119,538	90,861	28,677	10,295,027
<i>City Attorney</i>	5,001,454	5,010,311	4,866,155	144,156	—	—	—	—	4,866,155
<i>General Management Group</i>									
City Council	1,009,447	1,023,120	910,308	112,812	2,000	15,935	13,935	2,000	924,243
Civil Service	601,128	600,978	599,626	1,352	—	—	—	—	599,626
General Management	1,407,816	1,410,228	1,193,569	216,659	12,000	12,000	—	12,000	1,193,569
Communications	1,543,912	1,545,648	1,412,907	132,741	373,538	540,845	457,935	82,910	1,870,842
Management Support	1,084,919	1,176,963	1,238,807	(61,844)	—	—	—	—	1,238,807
Development Services	848,887	849,447	830,967	18,480	633,107	763,037	468,883	294,154	1,299,850
Total general management group	6,496,109	6,606,384	6,186,184	420,200	1,020,645	1,331,817	940,753	391,064	7,126,937
<i>Operations Group</i>									
Non-Departmental	—	—	—	—	—	1,309,958	1,309,958	—	1,309,958
Public Works	25,198,543	25,219,816	23,326,036	1,893,780	18,876	18,876	3,578	15,298	23,329,614
Parks, Recreation and Open Space	12,012,244	12,021,017	11,779,840	241,177	1,174,300	3,188,212	2,709,713	478,499	14,489,553
Planning	1,061,936	1,063,922	1,028,795	35,127	84,920	84,938	67,569	17,369	1,096,364
Total operations group	38,272,723	38,304,755	36,134,671	2,170,084	1,278,096	4,601,984	4,090,818	511,166	40,225,489

	General Fund				Designated Revenues Fund				Total of Funds
	Budgets		Budgetary	Variance	Budgets		Budgetary	Variance	Budgetary
	Original	Final	Actual	with Final	Original	Final	Actual	with Final	Actual
<i>Administrative Services Group</i>									
Management Support	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Human Resources	1,258,247	1,289,334	1,265,103	24,231	—	—	—	—	1,265,103
Finance	5,471,720	5,478,481	5,443,105	35,376	392,816	423,540	286,653	136,887	5,729,758
Information Technology	6,207,501	6,214,954	5,969,626	245,328	—	10,850	10,850	—	5,980,476
Internal Services	1,165,281	1,166,777	1,125,698	41,079	—	—	—	—	1,125,698
Total administrative services group	14,102,749	14,149,546	13,803,532	346,014	392,816	434,390	297,503	136,887	14,101,035
<i>Community Services Group</i>									
Non-Departmental	—	—	—	—	415,000	441,112	426,688	14,424	426,688
Library and Cultural Services	2,975,166	3,027,201	3,036,290	(9,089)	706,334	702,906	623,610	79,296	3,659,900
Police	78,783,160	78,245,636	77,484,665	760,971	1,794,432	1,892,879	1,349,852	543,027	78,834,517
Public Safety Communications	5,984,690	5,991,586	5,622,860	368,726	—	—	—	—	5,622,860
Fire	35,118,843	34,979,339	34,860,168	119,171	110,921	143,298	88,577	54,721	34,948,745
Neighborhood Services	2,984,928	2,990,165	2,962,814	27,351	148,635	148,684	122,357	26,327	3,085,171
Total community services group	125,846,787	125,233,927	123,966,797	1,267,130	3,175,322	3,328,879	2,611,084	717,795	126,577,881
Non-departmental	31,808,645	32,797,155	31,402,300	1,394,855	4,059,437	3,502,974	2,333,294	1,169,680	33,735,594
Continuing Appropriations									
General Management	—	—	—	—	—	114,309	114,309	—	114,309
Administrative Services	—	—	—	—	—	138,287	138,287	—	138,287
Community Services	—	—	—	—	—	17,288	17,288	—	17,288
Operations Group	—	—	—	—	625,000	1,965,052	1,965,052	—	1,965,052
Non-Departmental	—	—	—	—	—	204,517	204,517	—	204,517
Total continuing appropriations	—	—	—	—	625,000	2,439,453	2,439,453	—	2,439,453
TOTAL USES	231,585,369	232,420,901	226,563,805	5,857,096	10,670,658	15,759,035	12,803,766	2,955,269	239,367,571
CHANGE IN FUNDS AVAILABLE	(318,146)	29,342,736	32,153,404	2,810,668	(1,728,480)	(6,670,547)	(5,658,786)	1,011,761	26,494,618
FUNDS AVAILABLE - January 1	4,201,916	5,165,400	5,165,400	—	12,839,304	—	13,109,564	13,109,564	18,274,964
FUNDS AVAILABLE - December 31	<u>\$ 3,883,770</u>	<u>\$ 34,508,136</u>	37,318,804	<u>\$ 2,810,668</u>	<u>\$ 11,110,824</u>	<u>\$ (6,670,547)</u>	7,450,778	<u>\$ 14,121,325</u>	44,769,582
Less: Restricted for public safety (TABOR)			(8,871,465)				—		(8,871,465)
Committed to reserve (10% Policy)			(21,467,734)				—		(21,467,734)
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESERVATIONS AND COUNCIL DESIGNATIONS - December 31			<u>\$ 6,979,605</u>				<u>\$ 7,450,778</u>		<u>\$ 14,430,383</u>
RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE									
FUNDS AVAILABLE (BUDGETARY BASIS) - December 31			\$ 37,318,804				\$ 7,450,778		\$ 44,769,582
Add: Inventories			9,547				—		9,547
Long-term interfund receivables			304,050				—		304,050
Carry-forward of continuing appropriations			—				86,662		86,662
Sales, use and lodgers tax accrual			15,852,431				—		15,852,431
Current year encumbrances			969,518				868		970,386
Adjustment of investments to fair value			186,300				22,018		208,318
Deferred - sick leave buyout			496,095				3,059		499,154
Less: Adjustment for GASB54			<u>7,563,385</u>				<u>(7,563,385)</u>		—
FUND BALANCE (U.S. GAAP BASIS) - DECEMBER 31			<u>\$ 62,700,130</u>				<u>\$ —</u>		<u>\$ 62,700,130</u>

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 presented in these schedules was determined based upon the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

	GERP	EOEP	Old Hire - Fire	Old Hire - Police	OPEB
Actuarial valuation date	01/01/10	01/01/09	01/01/10	01/01/10	01/01/09
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Projected unit credit cost
Amortization method	Level percent - open	Level dollar - closed	Level dollar - open	Level dollar - open	Level percent - open
Remaining amortization period	30 years	30 years	20 years	20 years	30 years
Asset valuation method	3-year smoothing	3-year smoothing	3-year smoothed fair market value	3-year smoothed fair market value	Market
Actuarial assumptions:					
Investment rate of return *	8.0%	7.75%	8.0%	8.0%	5.0%
Payroll growth rate	3.5%	n/a	n/a	n/a	4.0%
Projected salary increases *	3.50% to 7.50%	n/a	4.75%	4.75%	n/a
Cost of living adjustment	3.50% base, 5.00% supplemental	3.5% 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 (NONMAJOR)
GOVERNMENTAL FUNDS

OTHER (NONMAJOR) 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 other than debt service or capital projects.

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. The assets and responsibilities of the Fund were transferred to the General Fund at the end of 2010.

OTHER (NONMAJOR) GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS (Continued)

Parks Development Fund

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

Open Space Fund

Previously named the Arapahoe County Open Space Fund, this fund accounts for dedicated use tax revenues received from both Arapahoe County and Adams County that are required to be used for parks construction and maintenance and the acquisition of open space within that portion of the city of Aurora located in each of the respective counties. The assets received from Adams County for this purpose and the related responsibilities were transferred into this fund from the Designated Revenues Fund at the end of 2010 and its name was changed to the Open Space Fund.

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. At the end of 2010 the assets and responsibilities of several programs were transferred into the Recreation Services Fund from the Designated Revenues Fund.

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. At the end of 2010 the Designated Revenues Fund was abolished for financial reporting purposes and the assets and responsibilities of the various programs of the fund were transferred to the General Fund, the ACLC Debt Service Fund, the City Capital Projects Fund and the Recreation Services Fund as appropriate in each case. The Designated Revenues Fund shall remain in existence going forward for budgetary purposes only.

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. The assets and responsibilities of the Policy Reserve Fund were transferred into the General Fund at the end of 2010.

OTHER (NONMAJOR) GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS (Concluded)

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. The assets and responsibilities of the TABOR Reserve Fund were transferred to the General Fund at the end of 2010.

Cherry Creek Fence General Improvement District (GID)

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

Meadow Hills Fence General Improvement District (GID)

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

Peoria Park Fence General Improvement District (GID)

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

Aurora Urban Renewal Authority (AURA) General Fund

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

CITY OF AURORA, COLORADO
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2010

	Gifts and Grants	Development Review	Abatement	Community Development	Enhanced E-911
ASSETS					
Cash and cash equivalents	\$ —	\$ 144,112	\$ 595,148	\$ —	\$ —
Investments	—	2,271,084	—	—	—
Receivables (net of allowance)					
Accounts receivable	—	—	564,174	—	—
Interest receivable	—	—	—	—	—
Due from other governments	—	—	—	—	—
Other receivables	—	—	—	—	—
Inventories	—	—	—	—	—
Restricted assets					
Cash and cash equivalents	2,289,316	—	—	249,611	359,692
Investments	—	—	—	—	5,668,429
Taxes receivable	—	—	—	—	—
Accounts receivable	25,885	—	—	—	—
Interest receivable	—	—	—	—	—
Due from other governments	2,358,209	—	—	800,884	—
Other receivables	—	—	—	(6)	196,971
Inventory	1,447,982	—	—	1,423,452	—
Notes receivable	1,257,833	—	—	16,100,967	—
Notes receivable	—	—	—	—	—
Total assets	<u>\$ 7,379,225</u>	<u>\$ 2,415,196</u>	<u>\$ 1,159,322</u>	<u>\$ 18,574,908</u>	<u>\$ 6,225,092</u>
LIABILITIES AND FUND BALANCES					
<i>Liabilities</i>					
Accounts payable	\$ 341,658	\$ 10,963	\$ 3,723	\$ 572,391	\$ 5,055
Other payables	—	—	—	972	—
Due to other funds	—	—	—	377,126	—
Deferred revenues	1,828,882	—	—	16,200,967	—
Total liabilities	<u>2,170,540</u>	<u>10,963</u>	<u>3,723</u>	<u>17,151,456</u>	<u>5,055</u>
<i>Fund balances</i>					
<i>Restricted for</i>					
Culture & recreation	—	—	—	—	—
Debt related	—	—	—	—	—
Development	—	—	—	—	—
Gifts and grants	3,555,229	—	—	1,423,452	—
Open space	—	—	—	—	—
Public improvement	—	—	—	—	—
Public safety	1,653,456	—	—	—	6,220,037
Road & bridge	—	—	—	—	—
<i>Committed to</i>					
Culture & recreation	—	—	—	—	—
Development	—	2,404,233	—	—	—
Open space	—	—	—	—	—
Public safety	—	—	1,155,599	—	—
<i>Assigned to</i>					
Culture & recreation	—	—	—	—	—
Development	—	—	—	—	—
Debt related	—	—	—	—	—
<i>Unassigned</i>					
Total fund balances	<u>5,208,685</u>	<u>2,404,233</u>	<u>1,155,599</u>	<u>1,423,452</u>	<u>6,220,037</u>
Total liabilities and fund balances	<u>\$ 7,379,225</u>	<u>\$ 2,415,196</u>	<u>\$ 1,159,322</u>	<u>\$ 18,574,908</u>	<u>\$ 6,225,092</u>

(continued)

CITY OF AURORA, COLORADO
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2010

	Conservation Trust	Emergency Contingency	Parks Development	Open Space
ASSETS				
Cash and cash equivalents	\$ —	\$ —	\$ —	\$ —
Investments	—	—	—	—
Receivables (net of allowance)				
Accounts receivable	—	—	—	—
Interest receivable	—	—	—	—
Due from other governments	—	—	—	—
Other receivables	—	—	—	—
Inventories	—	—	—	—
Restricted assets				
Cash and cash equivalents	507,609	—	199,377	666,313
Investments	8,009,015	—	3,142,000	10,500,492
Taxes receivable	—	—	—	—
Accounts receivable	—	—	—	—
Interest receivable	—	—	—	—
Due from other governments	822,478	—	—	—
Other receivables	—	—	—	6,328
Inventory	—	—	—	—
Notes receivable	—	—	—	—
Notes receivable	—	—	—	—
Total assets	\$ 9,339,102	\$ —	\$ 3,341,377	\$ 11,173,133
LIABILITIES AND FUND BALANCES				
<i>Liabilities</i>				
Accounts payable	\$ 510,744	\$ —	\$ 108,309	\$ 96,890
Other payables	—	—	—	—
Due to other funds	—	—	—	—
Deferred revenues	—	—	—	—
Total liabilities	510,744	—	108,309	96,890
<i>Fund balances</i>				
<i>Restricted for</i>				
Culture & recreation	—	—	—	—
Debt related	—	—	—	—
Development	—	—	—	—
Gifts and grants	—	—	—	—
Open space	8,828,358	—	3,233,068	11,076,243
Public improvement	—	—	—	—
Public safety	—	—	—	—
Road & bridge	—	—	—	—
<i>Committed to</i>				
Culture & recreation	—	—	—	—
Development	—	—	—	—
Open space	—	—	—	—
Public safety	—	—	—	—
<i>Assigned to</i>				
Culture & recreation	—	—	—	—
Development	—	—	—	—
Debt related	—	—	—	—
<i>Unassigned</i>				
	—	—	—	—
Total fund balances	8,828,358	—	3,233,068	11,076,243
Total liabilities and fund balances	\$ 9,339,102	\$ —	\$ 3,341,377	\$ 11,173,133

Recreation Services	Cultural Services	Designated Revenues	Policy Reserve	TABOR Reserve
\$ 1,039,846	\$ 693,322	\$ —	\$ —	\$ —
—	—	—	—	—
52,392	3,642	—	—	—
—	—	—	—	—
7,916	—	—	—	—
1,682	—	—	—	—
—	—	—	—	—
—	207,831	—	—	—
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
—	46,362	—	—	—
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
6,000	—	—	—	—
<u>\$ 1,107,836</u>	<u>\$ 951,157</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
\$ 100,979	\$ 21,724	\$ —	\$ —	\$ —
(330)	—	—	—	—
—	—	—	—	—
266,774	13,887	—	—	—
<u>367,423</u>	<u>35,611</u>	<u>—</u>	<u>—</u>	<u>—</u>
—	245,232	—	—	—
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
—	522,905	—	—	—
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
740,413	147,409	—	—	—
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
<u>740,413</u>	<u>915,546</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>\$ 1,107,836</u>	<u>\$ 951,157</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

(continued)

CITY OF AURORA, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2010

	Cherry Creek Fence GID	Meadow Hills Fence GID	Peoria Park Fence GID	AURA General	Total Nonmajor Special Revenue
ASSETS					
Cash and cash equivalents	\$ —	\$ —	\$ —	\$ —	\$ 2,472,428
Investments	—	—	—	—	2,271,084
Receivables (net of allowance)					
Accounts receivable	—	—	—	—	620,208
Interest receivable	—	—	—	—	—
Due from other governments	—	—	—	—	7,916
Other receivables	—	—	—	—	1,682
Inventories	—	—	—	—	—
Restricted assets					
Cash and cash equivalents	25,119	18,082	35,873	6,150	4,564,973
Investments	—	—	—	96,920	27,416,856
Taxes receivable	59,819	36,555	36,834	—	133,208
Accounts receivable	—	—	—	—	25,885
Interest receivable	—	—	—	—	—
Due from other governments	—	—	—	—	4,027,933
Other receivables	—	—	—	—	203,293
Inventory	—	—	—	—	2,871,434
Notes receivable	—	—	—	—	17,358,800
Notes receivable	—	—	—	—	6,000
Total assets	<u>\$ 84,938</u>	<u>\$ 54,637</u>	<u>\$ 72,707</u>	<u>\$ 103,070</u>	<u>\$ 61,981,700</u>
LIABILITIES AND FUND BALANCES					
<i>Liabilities</i>					
Accounts payable	\$ —	\$ —	\$ —	\$ —	\$ 1,772,436
Other payables	—	—	—	—	642
Due to other funds	—	—	—	—	377,126
Deferred revenues	59,819	36,555	36,834	—	18,443,718
Total liabilities	<u>59,819</u>	<u>36,555</u>	<u>36,834</u>	<u>—</u>	<u>20,593,922</u>
<i>Fund balances</i>					
<i>Restricted for</i>					
Culture & recreation	—	—	—	—	245,232
Debt related	—	—	—	—	—
Development	—	—	—	103,070	103,070
Gifts and grants	—	—	—	—	4,978,681
Open space	—	—	—	—	23,137,669
Public improvement	25,119	18,082	35,873	—	79,074
Public safety	—	—	—	—	7,873,493
Road & bridge	—	—	—	—	—
<i>Committed to</i>					
Culture & recreation	—	—	—	—	522,905
Development	—	—	—	—	2,404,233
Open space	—	—	—	—	—
Public safety	—	—	—	—	1,155,599
<i>Assigned to</i>					
Culture & recreation	—	—	—	—	887,822
Development	—	—	—	—	—
Debt related	—	—	—	—	—
<i>Unassigned</i>					
Unassigned	—	—	—	—	—
Total fund balances	<u>25,119</u>	<u>18,082</u>	<u>35,873</u>	<u>103,070</u>	<u>41,387,778</u>
Total liabilities and fund balances	<u>\$ 84,938</u>	<u>\$ 54,637</u>	<u>\$ 72,707</u>	<u>\$ 103,070</u>	<u>\$ 61,981,700</u>

(concluded)



CITY OF AURORA, COLORADO

**NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Gifts and Grants	Development Review	Abatement	Community Development
REVENUES				
<i>Taxes</i>				
Sales and use	\$ —	\$ 2,803	\$ —	\$ —
Property	—	—	—	—
Occupational privilege	—	—	—	—
Other	—	—	—	—
Charges for services	215,377	1,158,722	804,766	2,752,326
Licenses and permits	—	5,982,783	—	—
Fines and forfeitures	3,288	—	—	—
Special assessments	—	—	—	—
Intergovernmental	7,741,534	15,253	—	4,567,576
Surcharges	—	—	—	—
Miscellaneous	741,182	1,487	263	—
Investment earnings	89,769	31,254	17,652	—
	<u>8,791,150</u>	<u>7,192,302</u>	<u>822,681</u>	<u>7,319,902</u>
EXPENDITURES				
<i>Current</i>				
General government	693,133	—	—	—
Judicial	5,280	—	—	—
Police	2,842,760	—	—	—
Fire	301,550	—	—	—
Other public safety	—	—	—	—
Public works	412,215	—	—	—
Economic development	194,578	6,853,983	—	1,775,768
Community services	1,264,530	—	911,267	7,148,634
Culture and recreation	832,203	—	—	—
<i>Debt service</i>				
Principal	—	—	—	—
Interest	—	—	—	—
<i>Capital outlay</i>				
	<u>1,825,510</u>	<u>16,805</u>	<u>—</u>	<u>—</u>
Total expenditures	<u>8,371,759</u>	<u>6,870,788</u>	<u>911,267</u>	<u>8,924,402</u>
Excess (deficiency) of revenues over (under) expenditures	419,391	321,514	(88,586)	(1,604,500)
OTHER FINANCING SOURCES (USES)				
Transfers in	—	—	—	358,553
Transfers out	(214,448)	—	—	—
General obligation bonds issued	—	—	—	—
Refunded revenue bonds issued	—	—	—	—
Refunded COP's issued	—	—	—	—
Market premium on refunded revenue bonds	—	—	—	—
Market premium on COP's	—	—	—	—
Payment to refunded revenue bond escrow agent	—	—	—	—
Payment to refunded COP's escrow agent	—	—	—	—
Notes payable	—	—	—	—
Sale of capital assets	1,238	—	—	—
	<u>(213,210)</u>	<u>—</u>	<u>—</u>	<u>358,553</u>
Total other financing sources (uses)	<u>(213,210)</u>	<u>—</u>	<u>—</u>	<u>358,553</u>
NET CHANGE IN FUND BALANCES	<u>206,181</u>	<u>321,514</u>	<u>(88,586)</u>	<u>(1,245,947)</u>
FUND BALANCES - January 1, before restatement	4,985,909	2,082,719	1,244,185	2,669,399
Adjustment for accounting changes	16,595	—	—	—
FUND BALANCES - January 1, after restatement	5,002,504	2,082,719	1,244,185	2,669,399
FUND BALANCES - December 31	<u>\$ 5,208,685</u>	<u>\$ 2,404,233</u>	<u>\$ 1,155,599</u>	<u>\$ 1,423,452</u>

Enhanced E-911	Conservation Trust	Emergency Contingency	Parks Development	Open Space	Recreation Services	Cultural Services
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	3,348	4,436,117	593,715
—	—	—	525	—	—	—
—	—	—	—	—	—	—
—	2,959,219	—	—	5,269,967	153,648	254,561
2,888,387	—	—	—	—	—	—
—	—	—	575,342	7,169	35,100	169,829
58,678	117,629	—	42,695	169,365	5,165	17,527
2,947,065	3,076,848	—	618,562	5,449,849	4,630,030	1,035,632
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
1,930,982	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	1,528,868	—	62,380	2,082,412	8,105,025	2,152,833
—	—	—	—	—	—	—
70,829	1,305,154	—	1,526,063	1,715,751	—	—
2,001,811	2,834,022	—	1,588,443	3,798,163	8,105,025	2,152,833
945,254	242,826	—	(969,881)	1,651,686	(3,474,995)	(1,117,201)
1,710,000	—	—	—	—	3,829,060	1,061,747
(1,849,817)	—	—	—	(1,129,906)	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
(139,817)	—	—	—	(1,129,906)	3,829,060	1,061,747
805,437	242,826	—	(969,881)	521,780	354,065	(55,454)
5,414,600	8,585,532	241,172	4,202,949	8,841,223	171,374	971,000
—	—	(241,172)	—	1,713,240	214,974	—
5,414,600	8,585,532	—	4,202,949	10,554,463	386,348	971,000
\$ 6,220,037	\$ 8,828,358	\$ —	\$ 3,233,068	\$ 11,076,243	\$ 740,413	\$ 915,546

(continued)

CITY OF AURORA, COLORADO

**NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Designated Revenues	Policy Reserve	TABOR Reserve
REVENUES			
<i>Taxes</i>			
Sales and use	\$ —	\$ —	\$ —
Property	—	—	—
Occupational privilege	—	—	—
Other	—	—	—
Charges for services	—	—	—
Licenses and permits	—	—	—
Fines and forfeitures	—	—	—
Special assessments	—	—	—
Intergovernmental	—	—	—
Surcharges	—	—	—
Miscellaneous	—	—	—
Investment earnings	—	—	—
Total revenues	—	—	—
EXPENDITURES			
<i>Current</i>			
General government	—	—	—
Judicial	—	—	—
Police	—	—	—
Fire	—	—	—
Other public safety	—	—	—
Public works	—	—	—
Economic development	—	—	—
Community services	—	—	—
Culture and recreation	—	—	—
<i>Debt service</i>			
Principal	—	—	—
Interest	—	—	—
<i>Capital outlay</i>			
Total expenditures	—	—	—
Excess (deficiency) of revenues over (under) expenditures	—	—	—
OTHER FINANCING SOURCES (USES)			
Transfers in	—	—	—
Transfers out	—	—	—
General obligation bonds issued	—	—	—
Refunded revenue bonds issued	—	—	—
Refunded COP's issued	—	—	—
Market premium on refunded revenue bonds	—	—	—
Market premium on COP's	—	—	—
Payment to refunded revenue bond escrow agent	—	—	—
Payment to refunded COP's escrow agent	—	—	—
Notes payable	—	—	—
Sale of capital assets	—	—	—
Total other financing sources (uses)	—	—	—
NET CHANGE IN FUND BALANCES	—	—	—
FUND BALANCES - January 1, before restatement	19,983,620	21,332,318	8,778,851
Adjustment for accounting changes	(19,983,620)	(21,332,318)	(8,778,851)
FUND BALANCES - January 1, after restatement	—	—	—
FUND BALANCES - December 31	\$ —	\$ —	\$ —

	Cherry Creek Fence GID	Meadow Hills Fence GID	Peoria Park Fence GID	AURA General	Total Nonmajor Special Revenue
\$	—	\$ —	\$ —	\$ —	\$ 2,803
	59,084	—	—	—	59,084
	—	—	—	—	—
	3,784	—	—	—	3,784
	—	—	—	55,000	10,019,371
	—	—	—	—	5,983,308
	—	—	—	—	3,288
	—	—	—	—	—
	—	—	—	—	20,961,758
	—	—	—	—	2,888,387
	—	—	—	—	1,530,372
	2	—	—	1,617	551,353
	62,870	—	—	56,617	42,003,508
	1,444	469,999	329,817	—	1,494,393
	—	—	—	—	5,280
	—	—	—	—	2,842,760
	—	—	—	—	301,550
	—	—	—	—	1,930,982
	—	—	—	—	412,215
	—	—	—	10,000	8,834,329
	—	—	—	—	9,324,431
	—	—	—	—	14,763,721
	20,000	25,000	—	—	45,000
	34,402	6,919	9,310	—	50,631
	—	—	—	—	6,460,112
	55,846	501,918	339,127	10,000	46,465,404
	7,024	(501,918)	(339,127)	46,617	(4,461,896)
	—	—	—	—	6,959,360
	—	—	—	(15,220)	(3,209,391)
	—	520,000	375,000	—	895,000
	—	—	—	—	—
	—	—	—	—	—
	—	—	—	—	—
	—	—	—	—	—
	—	—	—	—	—
	—	—	—	—	—
	—	—	—	—	1,238
	—	520,000	375,000	(15,220)	4,646,207
	7,024	18,082	35,873	31,397	184,311
	18,095	—	—	71,673	89,594,619
	—	—	—	—	(48,391,152)
	18,095	—	—	71,673	41,203,467
\$	25,119	\$ 18,082	\$ 35,873	\$ 103,070	\$ 41,387,778

(concluded)



OTHER (NONMAJOR) 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 (ACLIC) Debt Service Fund

ACLIC 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 ACLIC. Revenues are from lease payments (transfers) from the General Fund. At the end of 2010 all assets and responsibilities associated with the sale of the former Aurora Municipal Building and the leasing of the new Aurora Municipal Center were transferred to the ACLIC Debt Service Fund from the Designated Revenues Fund.

CITY OF AURORA, COLORADO
NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2010

	City Debt Service	SID Debt Service	Surplus and Deficiency	AURA Debt Service	ACLC Debt Service	Total Nonmajor Debt Service
ASSETS						
Cash and cash equivalents	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Investments	—	—	—	—	—	—
Receivables (net of allowance)						
Other receivables	—	—	—	—	—	—
Restricted assets						
Cash & cash equivalents	97,033	15,020	33,756	147,670	14,881,503	15,174,982
Investments	1,525,173	236,711	531,965	2,327,153	1,621,212	6,242,214
Taxes receivable	5,922,859	—	—	—	—	5,922,859
Interest receivable	—	—	—	—	8,707	8,707
Other receivables	—	1,411,144	44,200	—	—	1,455,344
Total assets	\$ 7,545,065	\$ 1,662,875	\$ 609,921	\$ 2,474,823	\$ 16,511,422	\$ 28,804,106
LIABILITIES AND FUND BALANCES						
<i>Liabilities</i>						
Accounts payable	\$ 30,970	\$ —	\$ —	\$ 248,993	\$ —	\$ 279,963
Deferred revenues	5,922,859	1,411,144	44,200	—	—	7,378,203
Total liabilities	5,953,829	1,411,144	44,200	248,993	—	7,658,166
<i>Fund balances</i>						
<i>Restricted for</i>						
Culture & recreation	—	—	—	—	—	—
Debt related	1,591,236	251,731	—	2,225,830	16,511,422	20,580,219
Development	—	—	—	—	—	—
Gifts & grants	—	—	—	—	—	—
Open space	—	—	—	—	—	—
Public improvement	—	—	565,721	—	—	565,721
<i>Committed to</i>						
Culture & recreation	—	—	—	—	—	—
<i>Assigned to</i>						
Debt related	—	—	—	—	—	—
<i>Unassigned</i>						
Unassigned	—	—	—	—	—	—
Total fund balances	1,591,236	251,731	565,721	2,225,830	16,511,422	21,145,940
Total liabilities and fund balances	\$ 7,545,065	\$ 1,662,875	\$ 609,921	\$ 2,474,823	\$ 16,511,422	\$ 28,804,106

CITY OF AURORA, COLORADO

**NONMAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	City Debt Service	SID Debt Service	Surplus and Deficiency	AURA Debt Service	ACLIC Debt Service	Total Nonmajor Debt Service
REVENUES						
<i>Taxes</i>						
Sales and use	\$ —	\$ —	\$ —	\$ 1,863,822	\$ —	\$ 1,863,822
Property	5,860,334	—	—	1,275,143	—	7,135,477
Occupational privilege	—	—	—	385,305	—	385,305
Other	—	—	—	—	—	—
Charges for services	—	—	3,631	—	—	3,631
Licenses and permits	—	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—	—
Special assessments	—	279,017	15,655	—	—	294,672
Intergovernmental	—	—	—	—	—	—
Surcharges	—	—	—	—	—	—
Miscellaneous	—	—	—	—	2	2
Investment earnings	16,425	86,481	11,104	36,121	144,032	294,163
Total revenues	5,876,759	365,498	30,390	3,560,391	144,034	9,977,072
EXPENDITURES						
<i>Current</i>						
General government	328,264	94,637	—	—	11,500	434,401
Judicial	—	—	—	—	—	—
Police	—	—	—	—	—	—
Fire	—	—	—	—	—	—
Other public safety	—	—	—	—	—	—
Public works	—	—	—	—	—	—
Economic development	—	—	—	2,493,126	—	2,493,126
Community services	—	—	—	—	—	—
Culture and recreation	—	—	—	—	—	—
<i>Debt service</i>						
Principal	5,980,000	245,000	—	—	4,810,000	11,035,000
Interest	1,322,979	70,501	—	11,251	5,225,019	6,629,750
<i>Capital outlay</i>						
—	—	—	—	—	—	—
Total expenditures	7,631,243	410,138	—	2,504,377	10,046,519	20,592,277
Excess (deficiency) of revenues over (under) expenditures	(1,754,484)	(44,640)	30,390	1,056,014	(9,902,485)	(10,615,205)
OTHER FINANCING SOURCES (USES)						
Transfers in	1,761,100	—	—	—	10,700,212	12,461,312
Transfers out	(296,961)	—	(60,750)	(187,415)	(1,885,739)	(2,430,865)
General obligation bonds issued	—	—	—	—	—	—
Refunded revenue bonds issued	23,102,727	—	—	—	—	23,102,727
Refunded COP's issued	—	—	—	—	—	—
Market premium on refunded revenue bonds	—	—	—	—	—	—
Market premium on COP's	—	—	—	—	—	—
Payment to refunded revenue bond escrow agent	(22,850,000)	—	—	—	—	(22,850,000)
Payment to refunded COP's escrow agent	—	—	—	—	—	—
Notes payable	—	—	—	—	—	—
Sale of capital assets	—	—	—	—	—	—
Total other financing sources (uses)	1,716,866	—	(60,750)	(187,415)	8,814,473	10,283,174
NET CHANGE IN FUND BALANCES	(37,618)	(44,640)	(30,360)	868,599	(1,088,012)	(332,031)
FUND BALANCES - January 1, before restatement	1,628,854	296,371	596,081	1,357,231	17,434,872	21,313,409
Adjustment for accounting changes	—	—	—	—	164,562	164,562
FUND BALANCES - January 1, after restatement	1,628,854	296,371	596,081	1,357,231	17,599,434	21,477,971
FUND BALANCES - December 31	\$ 1,591,236	\$ 251,731	\$ 565,721	\$ 2,225,830	\$ 16,511,422	\$ 21,145,940

OTHER (NONMAJOR) GOVERNMENTAL FUNDS CAPITAL PROJECTS FUNDS

City Capital Projects Fund

The City Capital Projects Fund accounts for financial resources used for the construction and acquisition of major capital projects such as streets, parks, information systems and city facilities. Funding sources include General Fund Revenues and participation revenues from outside sources. At the end of 2010 the assets and responsibilities of the Building Repair Fund and several programs from the Designated Revenues Fund were transferred into the City Capital Projects Fund.

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. At the end of 2010 the assets and responsibilities of the Building Repair Fund were transferred into the City Capital Projects Fund.

CITY OF AURORA, COLORADO
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2010

	<u>City Capital Projects</u>	<u>Building Repair</u>	<u>Total Nonmajor Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 1,437,996	\$ —	\$ 1,437,996	\$ 3,910,424
Investments	22,164,853	—	22,164,853	24,435,937
Receivables (net of allowance)				
Accounts receivable	204,547	—	204,547	824,755
Interest receivable	64,201	—	64,201	64,201
Due from other governments	—	—	—	7,916
Other receivables	—	—	—	1,682
Restricted assets				
Cash and equivalents	1,046,976	—	1,046,976	20,786,931
Investments	6,343,263	—	6,343,263	40,002,333
Taxes receivable	—	—	—	6,056,067
Accounts receivable	2,769,858	—	2,769,858	2,795,743
Interest receivable	—	—	—	8,707
Due from other governments	401,221	—	401,221	4,429,154
Other receivables	175,000	—	175,000	1,833,637
Inventory	—	—	—	2,871,434
Notes receivable	—	—	—	17,358,800
Notes receivable	541,732	—	541,732	547,732
Total assets	<u>\$ 35,149,647</u>	<u>\$ —</u>	<u>\$ 35,149,647</u>	<u>\$ 125,935,453</u>
LIABILITIES AND FUND BALANCES				
<i>Liabilities</i>				
Accounts payable	\$ 1,565,640	\$ —	\$ 1,565,640	\$ 3,618,039
Other payables	—	—	—	642
Due to other funds	—	—	—	377,126
Deferred revenues	541,732	—	541,732	26,363,653
Total liabilities	<u>2,107,372</u>	<u>—</u>	<u>2,107,372</u>	<u>30,359,460</u>
<i>Fund balances</i>				
<i>Restricted for</i>				
Culture & recreation	—	—	—	245,232
Debt related	—	—	—	20,580,219
Development	—	—	—	103,070
Gift and grants	3,113,397	—	3,113,397	8,092,078
Open space	—	—	—	23,137,669
Public improvement	1,519,185	—	1,519,185	2,163,980
Public safety	—	—	—	7,873,493
Road & bridge	5,269,009	—	5,269,009	5,269,009
<i>Committed to</i>				
Culture & recreation	—	—	—	522,905
Development	1,108,279	—	1,108,279	3,512,512
Open space	—	—	—	—
Public safety	—	—	—	1,155,599
<i>Assigned to</i>				
Capital improvement	22,032,405	—	22,032,405	22,032,405
Culture & recreation	—	—	—	887,822
Development	—	—	—	—
Debt related	—	—	—	—
<i>Unassigned</i>				
	—	—	—	—
Total fund balances	<u>33,042,275</u>	<u>—</u>	<u>33,042,275</u>	<u>95,575,993</u>
Total liabilities and fund balances	<u>\$ 35,149,647</u>	<u>\$ —</u>	<u>\$ 35,149,647</u>	<u>\$ 125,935,453</u>

CITY OF AURORA, COLORADO

**NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	City Capital Projects	Building Repair	Total Nonmajor Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
<i>Taxes</i>				
Sales and use	\$ —	\$ —	\$ —	\$ 1,866,625
Property	—	—	—	7,194,561
Occupational privilege	—	—	—	385,305
Other	—	—	—	3,784
Charges for services	874,249	45,000	919,249	10,942,251
Licenses and permits	—	1,437	1,437	5,984,745
Fines and forfeitures	500	—	500	3,788
Special assessments	—	—	—	294,672
Intergovernmental	11,215,442	—	11,215,442	32,177,200
Surcharges	—	—	—	2,888,387
Miscellaneous	581,725	—	581,725	2,112,099
Investment earnings	433,564	5,045	438,609	1,284,125
Total revenues	<u>13,105,480</u>	<u>51,482</u>	<u>13,156,962</u>	<u>65,137,542</u>
EXPENDITURES				
<i>Current</i>				
General government	602,160	—	602,160	2,530,954
Judicial	—	—	—	5,280
Police	—	—	—	2,842,760
Fire	—	—	—	301,550
Other public safety	—	—	—	1,930,982
Public works	7,586,172	864,078	8,450,250	8,862,465
Economic development	335,469	—	335,469	11,662,924
Community services	—	—	—	9,324,431
Culture and recreation	511	—	511	14,764,232
<i>Debt service</i>				
Principal	—	—	—	11,080,000
Interest	—	—	—	6,680,381
<i>Capital outlay</i>	16,761,509	665,213	17,426,722	23,886,834
Total expenditures	<u>25,285,821</u>	<u>1,529,291</u>	<u>26,815,112</u>	<u>93,872,793</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,180,341)</u>	<u>(1,477,809)</u>	<u>(13,658,150)</u>	<u>(28,735,251)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	15,093,410	1,698,800	16,792,210	36,212,882
Transfers out	(3,408,800)	(1,783,591)	(5,192,391)	(10,832,647)
General obligation bonds issued	—	—	—	895,000
Refunded revenue bonds issued	—	—	—	23,102,727
Refunded COP's issued	—	—	—	—
Market premium on refunded revenue bonds	—	—	—	—
Market premium on COP's	—	—	—	—
Payment to refunded revenue bond escrow agent	—	—	—	(22,850,000)
Payment to refunded COP's escrow agent	—	—	—	—
Notes payable	—	—	—	—
Sale of capital assets	—	—	—	1,238
Total other financing sources (uses)	<u>11,684,610</u>	<u>(84,791)</u>	<u>11,599,819</u>	<u>26,529,200</u>
NET CHANGE IN FUND BALANCES	<u>(495,731)</u>	<u>(1,562,600)</u>	<u>(2,058,331)</u>	<u>(2,206,051)</u>
FUND BALANCES - January 1, before restatement	23,525,670	1,562,600	25,088,270	135,996,298
Adjustment for accounting changes	<u>10,012,336</u>	<u>—</u>	<u>10,012,336</u>	<u>(38,214,254)</u>
FUND BALANCES - January 1, after restatement	33,538,006	1,562,600	35,100,606	97,782,044
FUND BALANCES - December 31	<u>\$ 33,042,275</u>	<u>\$ —</u>	<u>\$ 33,042,275</u>	<u>\$ 95,575,993</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. At the end of 2010 the assets and responsibilities of the Print Shop Fund were transferred into the General Fund.

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, 2010

	Fleet Management	Print Shop	Risk Management	Total Internal Service
ASSETS				
<i>Current assets</i>				
Cash and cash equivalents	\$ 58,879	\$ —	\$ 924,902	\$ 983,781
Investments	927,881	—	14,575,624	15,503,505
Receivables (net of allowance)				
Interest receivable	—	—	82,277	82,277
Other receivables	—	—	—	—
Inventories	572,873	—	—	572,873
	<u>1,559,633</u>	<u>—</u>	<u>15,582,803</u>	<u>17,142,436</u>
<i>Capital assets, net of accumulated depreciation</i>				
Infrastructure	359,572	—	—	359,572
Machinery and equipment	169,936	—	—	169,936
	<u>529,508</u>	<u>—</u>	<u>—</u>	<u>529,508</u>
Total assets	<u>2,089,141</u>	<u>—</u>	<u>15,582,803</u>	<u>17,671,944</u>
LIABILITIES				
<i>Current liabilities</i>				
Accounts payable	168,879	—	105,678	274,557
Current portion long-term liabilities	31,086	—	3,760,086	3,791,172
	<u>199,965</u>	<u>—</u>	<u>3,865,764</u>	<u>4,065,729</u>
<i>Noncurrent liabilities</i>				
Due beyond one year	295,512	—	4,567,311	4,862,823
	<u>495,477</u>	<u>—</u>	<u>8,433,075</u>	<u>8,928,552</u>
NET ASSETS				
Invested in capital assets, net of related debt	529,508	—	—	529,508
Unrestricted	1,064,156	—	7,149,728	8,213,884
	<u>\$ 1,593,664</u>	<u>\$ —</u>	<u>\$ 7,149,728</u>	<u>\$ 8,743,392</u>

CITY OF AURORA, COLORADO

INTERNAL SERVICE FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Fleet Management	Print Shop	Risk Management	Total Internal Service
OPERATING REVENUES				
Charges for services	\$ 7,447,401	\$ 451,712	\$ 7,669,917	\$ 15,569,030
OPERATING EXPENSES				
Cost of sales and service	7,214,537	558,893	2,738,432	10,511,862
Claims losses	—	—	4,642,150	4,642,150
Administrative expenses	37,407	22,115	24,172	83,694
Depreciation	57,801	—	—	57,801
Total operating expenses	7,309,745	581,008	7,404,754	15,295,507
Operating income (loss)	137,656	(129,296)	265,163	273,523
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	8,441	(606)	191,084	198,919
Miscellaneous revenues	19,721	67	232,292	252,080
Net nonoperating revenues (expense)	28,162	(539)	423,376	450,999
Income (loss) before transfers	165,818	(129,835)	688,539	724,522
Capital contributions	5,327	(48,663)	—	(43,336)
Transfers in (out)	—	(49,794)	—	(49,794)
CHANGE IN NET ASSETS	171,145	(228,292)	688,539	631,392
NET ASSETS - January 1	1,422,519	228,292	6,461,189	8,112,000
NET ASSETS - December 31	\$ 1,593,664	\$ —	\$ 7,149,728	\$ 8,743,392

CITY OF AURORA, COLORADO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Fleet Management	Print Shop	Risk Management	Total Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES				
<i>Cash received from:</i>				
Customers and others	\$ 54,228	\$ 95	\$ 232,292	\$ 286,615
Interfund services provided and used	7,412,894	451,712	7,669,917	15,534,523
<i>Cash payments to:</i>				
Employees	(2,598,722)	(202,966)	(634,502)	(3,436,190)
Suppliers of goods and services	(4,700,238)	(474,159)	(5,903,569)	(11,077,966)
Net cash provided by (used in) operating activities	<u>168,162</u>	<u>(225,318)</u>	<u>1,364,138</u>	<u>1,306,982</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash transfers out	—	(49,794)	—	(49,794)
Net cash provided by (used in) noncapital financing activities	<u>—</u>	<u>(49,794)</u>	<u>—</u>	<u>(49,794)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
<i>Payments for:</i>				
Capital assets acquired through construction payables	(3,864)	—	—	(3,864)
Capital Assets	(101,986)	—	—	(101,986)
Net cash provided (used in) by capital and related financing activities	<u>(105,850)</u>	<u>—</u>	<u>—</u>	<u>(105,850)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase in equity in pooled investments	(197,590)	—	(3,503,236)	(3,700,826)
Decrease in equity in pool investments	—	218,180	—	218,180
Interest received	14,076	2,728	334,423	351,227
Net cash provided by (used in) investing activities	<u>(183,514)</u>	<u>220,908</u>	<u>(3,168,813)</u>	<u>(3,131,419)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(121,202)	(54,204)	(1,804,675)	(1,980,081)
TOTAL CASH AND CASH EQUIVALENTS, January 1	<u>180,081</u>	<u>54,204</u>	<u>2,729,577</u>	<u>2,963,862</u>
TOTAL CASH AND CASH EQUIVALENTS, December 31	<u>\$ 58,879</u>	<u>\$ —</u>	<u>\$ 924,902</u>	<u>\$ 983,781</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	<u>\$ 137,656</u>	<u>\$ (129,296)</u>	<u>\$ 265,163</u>	<u>\$ 273,523</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	57,801	—	—	57,801
Miscellaneous nonoperating revenues	19,721	67	232,292	252,080
<i>Changes in operating assets and liabilities</i>				
Receivables	—	28	—	28
Inventories	11,183	10,117	—	21,300
Accounts payable and other current liabilities	(58,199)	(106,234)	866,683	702,250
Total adjustments	<u>30,506</u>	<u>(96,022)</u>	<u>1,098,975</u>	<u>1,033,459</u>
Net cash provided by (used in) operating activities	<u>\$ 168,162</u>	<u>\$ (225,318)</u>	<u>\$ 1,364,138</u>	<u>\$ 1,306,982</u>
NONCASH INVESTING, CAPITAL AND AND FINANCING ACTIVITIES				
Transfer of capital assets from other funds	\$ 5,327	\$ —	\$ —	\$ 5,327
Transfer of capital assets to other funds	—	(48,663)	—	(48,663)
Decrease in fair value of investments	(5,635)	(3,334)	(82,412)	(91,381)



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, 2010

	<u>GERP</u>	<u>EOEP</u>	<u>Total Pension Trust</u>
ASSETS			
<i>Current assets</i>			
Cash and cash equivalents	\$ 8,697,129	\$ 77,846	\$ 8,774,975
Investments			
Equity securities and funds	154,587,542	2,602,125	157,189,667
U.S. government and U.S. government agency obligations	13,593,497	—	13,593,497
Corporate bonds and funds	88,980,343	1,401,180	90,381,523
Real estate funds	21,279,659	268,981	21,548,640
Alternative investments	23,084,150	—	23,084,150
Receivables (net of allowance)			
Interest receivable	710,015	879	710,894
Due from other governments	383,054	—	383,054
Other receivables	—	1,818	1,818
Total assets	<u>311,315,389</u>	<u>4,352,829</u>	<u>315,668,218</u>
LIABILITIES			
<i>Current Liabilities</i>			
Accounts payable	<u>758,771</u>	<u>3,009</u>	<u>761,780</u>
Total liabilities	<u>758,771</u>	<u>3,009</u>	<u>761,780</u>
NET ASSETS			
Held in trust for pension benefits	<u>310,556,618</u>	<u>4,349,820</u>	<u>314,906,438</u>
Total net assets	<u>\$ 310,556,618</u>	<u>\$ 4,349,820</u>	<u>\$ 314,906,438</u>

CITY OF AURORA, COLORADO

PENSION TRUST FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2010

	GERP	EOEP	Total Pension Trust
ADDITIONS			
<i>Contributions</i>			
City	\$ 4,626,990	\$ 356,280	\$ 4,983,270
Plan members	4,644,062	—	4,644,062
Total contributions	9,271,052	356,280	9,627,332
<i>Investment activity</i>			
Investment earnings	34,959,445	522,121	35,481,566
Investment expense	(661,921)	(9,375)	(671,296)
Net investment earnings	34,297,524	512,746	34,810,270
Other income	94,440	525	94,965
Total additions, net	43,663,016	869,551	44,532,567
DEDUCTIONS			
Benefits	12,858,136	185,771	13,043,907
Administrative expenses	469,312	9,935	479,247
Total deductions	13,327,448	195,706	13,523,154
CHANGE IN NET ASSETS	30,335,568	673,845	31,009,413
NET ASSETS - January 1	280,221,050	3,675,975	283,897,025
NET ASSETS - December 31	\$ 310,556,618	\$ 4,349,820	\$ 314,906,438

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, 2010

	Payroll Clearing Fund			
	Balance January 1	Additions	Deductions	Balance December 31
ASSETS				
Cash and cash equivalents	\$ 311,546	\$ 274,608,430	\$ (266,987,531)	\$ 7,932,445
Total assets	<u>\$ 311,546</u>	<u>\$ 274,608,430</u>	<u>\$ (266,987,531)</u>	<u>\$ 7,932,445</u>
LIABILITIES				
Accounts payable and other current liabilities	\$ 311,546	\$ 490,623,113	\$ (483,002,214)	\$ 7,932,445
Total liabilities	<u>\$ 311,546</u>	<u>\$ 490,623,113</u>	<u>\$ (483,002,214)</u>	<u>\$ 7,932,445</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, 2010

SOURCES	General Fund				Designated Revenues Fund				Total of Funds
	Budgets		Budgetary	Variance	Budgets		Budgetary	Variance	Budgetary
	Original	Final	Actual	with Final	Original	Final	Actual	with Final	Actual
Taxes									
Property	\$ 25,854,075	\$ 25,557,114	\$ 25,096,149	\$ (460,965)	\$ —	\$ —	\$ —	\$ —	\$ 25,096,149
Sales	124,270,032	124,270,032	123,357,355	(912,677)	—	—	—	—	123,357,355
Use	20,984,520	20,984,520	20,810,950	(173,570)	—	—	—	—	20,810,950
Lodgers	4,065,110	4,065,110	4,141,699	76,589	—	—	—	—	4,141,699
Franchise	13,363,920	13,363,920	13,192,882	(171,038)	—	—	—	—	13,192,882
Other	9,964,835	9,964,835	8,832,016	(1,132,819)	—	—	—	—	8,832,016
Total taxes	198,502,492	198,205,531	195,431,051	(2,774,480)	—	—	—	—	195,431,051
Intergovernmental	12,404,203	12,404,203	12,738,360	334,157	469,060	600,370	1,028,531	428,161	13,766,891
Licenses and permits	2,493,903	2,493,903	2,201,001	(292,902)	32,550	32,550	33,953	1,403	2,234,954
Charges for services	8,623,037	8,623,037	8,286,606	(336,431)	2,167,664	2,167,664	2,197,913	30,249	10,484,519
Fines and forfeitures	6,836,200	6,836,200	6,817,969	(18,231)	2,243,967	2,243,967	1,798,361	(445,606)	8,616,330
Investment income	750,000	750,000	661,468	(88,532)	98,646	98,646	327,885	229,239	989,353
Other revenues	1,435,638	1,435,638	1,251,041	(184,597)	1,024,694	1,039,694	352,551	(687,143)	1,603,592
Proceeds from sale of assets	—	—	56,999	56,999	—	—	—	—	56,999
Transfers in	221,750	31,015,125	31,272,714	257,589	2,905,597	2,905,597	1,405,786	(1,499,811)	32,678,500
TOTAL SOURCES	231,267,223	261,763,637	258,717,209	(3,046,428)	8,942,178	9,088,488	7,144,980	(1,943,508)	265,862,189
USES									
Operating Costs									
Municipal Court									
Judicial	2,075,825	2,079,209	1,968,243	110,966	119,342	119,538	90,861	28,677	2,059,104
Court Administration	7,331,712	7,588,369	7,584,730	3,639	—	—	—	—	7,584,730
Public Defender	649,365	651,245	651,193	52	—	—	—	—	651,193
Total municipal court	10,056,902	10,318,823	10,204,166	114,657	119,342	119,538	90,861	28,677	10,295,027
City Attorney	5,001,454	5,010,311	4,866,155	144,156	—	—	—	—	4,866,155
General Management Group									
City Council	1,009,447	1,023,120	910,308	112,812	2,000	15,935	13,935	2,000	924,243
Civil Service	601,128	600,978	599,626	1,352	—	—	—	—	599,626
General Management	1,407,816	1,410,228	1,193,569	216,659	12,000	12,000	—	12,000	1,193,569
Communications	1,543,912	1,545,648	1,412,907	132,741	373,538	540,845	457,935	82,910	1,870,842
Management Support	1,084,919	1,176,963	1,238,807	(61,844)	—	—	—	—	1,238,807
Development Services	848,887	849,447	830,967	18,480	633,107	763,037	468,883	294,154	1,299,850
Total general management group	6,496,109	6,606,384	6,186,184	420,200	1,020,645	1,331,817	940,753	391,064	7,126,937
Operations Group									
Non-Departmental	—	—	—	—	—	1,309,958	1,309,958	—	1,309,958
Public Works	25,198,543	25,219,816	23,326,036	1,893,780	18,876	18,876	3,578	15,298	23,329,614
Parks, Recreation and Open Space	12,012,244	12,021,017	11,779,840	241,177	1,174,300	3,188,212	2,709,713	478,499	14,489,553
Planning	1,061,936	1,063,922	1,028,795	35,127	84,920	84,938	67,569	17,369	1,096,364
Total operations group	38,272,723	38,304,755	36,134,671	2,170,084	1,278,096	4,601,984	4,090,818	511,166	40,225,489

	General Fund				Designated Revenues Fund				Total of Funds
	Budgets		Budgetary	Variance	Budgets		Budgetary	Variance	Budgetary
	Original	Final	Actual	with Final	Original	Final	Actual	with Final	Actual
<i>Administrative Services Group</i>									
Management Support	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Human Resources	1,258,247	1,289,334	1,265,103	24,231	—	—	—	—	1,265,103
Finance	5,471,720	5,478,481	5,443,105	35,376	392,816	423,540	286,653	136,887	5,729,758
Information Technology	6,207,501	6,214,954	5,969,626	245,328	—	10,850	10,850	—	5,980,476
Internal Services	1,165,281	1,166,777	1,125,698	41,079	—	—	—	—	1,125,698
Total administrative services group	14,102,749	14,149,546	13,803,532	346,014	392,816	434,390	297,503	136,887	14,101,035
<i>Community Services Group</i>									
Non-Departmental	—	—	—	—	415,000	441,112	426,688	14,424	426,688
Library and Cultural Services	2,975,166	3,027,201	3,036,290	(9,089)	706,334	702,906	623,610	79,296	3,659,900
Police	78,783,160	78,245,636	77,484,665	760,971	1,794,432	1,892,879	1,349,852	543,027	78,834,517
Public Safety Communications	5,984,690	5,991,586	5,622,860	368,726	—	—	—	—	5,622,860
Fire	35,118,843	34,979,339	34,860,168	119,171	110,921	143,298	88,577	54,721	34,948,745
Neighborhood Services	2,984,928	2,990,165	2,962,814	27,351	148,635	148,684	122,357	26,327	3,085,171
Total community services group	125,846,787	125,233,927	123,966,797	1,267,130	3,175,322	3,328,879	2,611,084	717,795	126,577,881
<i>Non-departmental</i>	31,808,645	32,797,155	31,402,300	1,394,855	4,059,437	3,502,974	2,333,294	1,169,680	33,735,594
Continuing Appropriations									
General Management	—	—	—	—	—	114,309	114,309	—	114,309
Administrative Services	—	—	—	—	—	138,287	138,287	—	138,287
Community Services	—	—	—	—	—	17,288	17,288	—	17,288
Operations Group	—	—	—	—	625,000	1,965,052	1,965,052	—	1,965,052
Non-Departmental	—	—	—	—	—	204,517	204,517	—	204,517
Total continuing appropriations	—	—	—	—	625,000	2,439,453	2,439,453	—	2,439,453
TOTAL USES	231,585,369	232,420,901	226,563,805	5,857,096	10,670,658	15,759,035	12,803,766	2,955,269	239,367,571
CHANGE IN FUNDS AVAILABLE	(318,146)	29,342,736	32,153,404	2,810,668	(1,728,480)	(6,670,547)	(5,658,786)	1,011,761	26,494,618
FUNDS AVAILABLE - January 1	4,201,916	5,165,400	5,165,400	—	12,839,304	—	13,109,564	13,109,564	18,274,964
FUNDS AVAILABLE - December 31	<u>\$ 3,883,770</u>	<u>\$ 34,508,136</u>	37,318,804	<u>\$ 2,810,668</u>	<u>\$ 11,110,824</u>	<u>\$ (6,670,547)</u>	7,450,778	<u>\$ 14,121,325</u>	44,769,582
Less: Restricted for public safety (TABOR)			(8,871,465)				—		(8,871,465)
Committed to reserves (10% Policy)			(21,467,734)				—		(21,467,734)
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESTRICTIONS, AND COUNCIL COMMITMENTS - December 31			<u>\$ 6,979,605</u>				<u>\$ 7,450,778</u>		<u>\$ 14,430,383</u>
RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE									
FUNDS AVAILABLE (BUDGETARY BASIS) - December 31			\$ 37,318,804				\$ 7,450,778		\$ 44,769,582
Add: Inventories			9,547				—		9,547
Long-term interfund receivables			304,050				—		304,050
Carry-forward of continuing appropriations			—				86,662		86,662
Sales, use and lodgers tax accrual			15,852,431				—		15,852,431
Current year encumbrances			969,518				868		970,386
Adjustment of investments to fair value			186,300				22,018		208,318
Deferred - sick leave buyout			496,095				3,059		499,154
Less: Adjustment for GASB54			7,563,385				(7,563,385)		—
FUND BALANCE (U.S. GAAP BASIS) - DECEMBER 31			<u>\$ 62,700,130</u>				<u>\$ —</u>		<u>\$ 62,700,130</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, 2010

	Gifts and Grants			
	Budgets		Budgetary Actual	Variance with Final
	Original	Final		
SOURCES				
Property Tax	\$ —	\$ —	\$ —	\$ —
Use Tax	—	—	—	—
Other Tax	—	—	—	—
Intergovernmental revenues	4,121,497	7,191,462	7,529,679	338,217
Licenses and permits	—	—	—	—
Charges for services	360,000	380,000	158,955	(221,045)
Fines and forfeitures	—	—	3,288	3,288
Investment income	10,845	44,405	57,267	12,862
Miscellaneous revenues	590,200	727,101	475,021	(252,080)
Proceeds from long-term borrowings	—	—	—	—
Transfers in	—	5,850	5,825	(25)
Funds from restricted assets	—	—	—	—
TOTAL SOURCES	5,082,542	8,348,818	8,230,035	(118,783)
USES				
Operating Costs				
Municipal Court	14,000	14,000	5,280	8,720
General Management Group	135,000	135,000	93,301	41,699
Administrative Services Group	—	—	—	—
Operations Group	1,078,474	1,753,624	1,068,844	684,780
Community Services Group	3,506,126	4,281,437	4,193,713	87,724
Non-Departmental	56	—	—	—
Continuing Appropriations				
General Management Group	—	28,000	28,000	—
Administrative Services Group	—	49,370	49,370	—
Community Services Group	—	—	—	—
Non-Departmental	—	—	—	—
Operations Group	450,000	2,771,574	2,771,574	—
TOTAL USES	5,183,656	9,033,005	8,210,082	822,923
CHANGE IN FUNDS AVAILABLE	(101,114)	(684,187)	19,953	704,140
FUNDS AVAILABLE - January 1	2,867,761	3,990,569	3,990,569	—
FUNDS AVAILABLE - December 31	<u>\$ 2,766,647</u>	<u>\$ 3,306,382</u>	4,010,522	<u>\$ 704,140</u>
Less: Restrictions			—	
Commitments			—	
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESTRICTIONS AND COUNCIL COMMITMENTS - December 31			<u>\$ 4,010,522</u>	
RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE				
FUNDS AVAILABLE (BUDGETARY BASIS) - December 31			\$ 4,010,522	
Add: Current year operating encumbrances			459,584	
Carryforward of continuing appropriations			5,462,262	
Seizure funds			1,653,456	
Assets not available for appropriations			—	
Inventories			1,447,982	
Adjustment of investments to fair value			—	
Deferred - sick leave buyout			—	
Less: Unspent grant awards			(7,825,121)	
FUND BALANCE (U.S. GAAP BASIS) - December 31			<u>\$ 5,208,685</u>	

Development Review				Abatement			
Budgets		Budgetary	Variance	Budgets		Budgetary	Variance
Original	Final	Actual	with Final	Original	Final	Actual	with Final
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	2,803	2,803	—	—	—	—
—	—	—	—	—	—	—	—
—	—	15,253	15,253	—	—	—	—
5,342,670	5,342,670	5,982,783	640,113	—	—	—	—
1,438,903	1,438,903	1,158,722	(280,181)	772,800	772,800	804,766	31,966
—	—	—	—	—	—	—	—
25,000	25,000	45,692	20,692	11,568	11,568	17,652	6,084
—	—	1,486	1,486	—	—	263	263
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
<u>6,806,573</u>	<u>6,806,573</u>	<u>7,206,739</u>	<u>400,166</u>	<u>784,368</u>	<u>784,368</u>	<u>822,681</u>	<u>38,313</u>
—	—	—	—	—	—	—	—
377,518	378,286	353,336	24,950	—	—	—	—
—	—	—	—	—	—	—	—
6,564,988	6,577,548	6,522,239	55,309	—	—	(27,938)	27,938
—	—	—	—	1,393,345	1,394,357	980,748	413,609
16,783	3,455	—	3,455	1,012	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
<u>6,959,289</u>	<u>6,959,289</u>	<u>6,875,575</u>	<u>83,714</u>	<u>1,394,357</u>	<u>1,394,357</u>	<u>952,810</u>	<u>441,547</u>
(152,716)	(152,716)	331,164	483,880	(609,989)	(609,989)	(130,129)	479,860
268,778	2,054,959	2,054,959	—	1,121,070	1,200,048	1,200,048	—
<u>\$ 116,062</u>	<u>\$ 1,902,243</u>	<u>2,386,123</u>	<u>\$ 483,880</u>	<u>\$ 511,081</u>	<u>\$ 590,059</u>	<u>1,069,919</u>	<u>\$ 479,860</u>
		—				—	
		—				—	
		<u>\$ 2,386,123</u>				<u>\$ 1,069,919</u>	
		\$ 2,386,123				\$ 1,069,919	
		—				85,680	
		—				—	
		—				—	
		—				—	
		13,322				—	
		4,788				—	
		—				—	
		<u>\$ 2,404,233</u>				<u>\$ 1,155,599</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, 2010

	Community Development			
	Budgets		Budgetary Actual	Variance with Final
	Original	Final		
SOURCES				
Property Tax	\$ —	\$ —	\$ —	\$ —
Use Tax	—	—	—	—
Other Tax	—	—	—	—
Intergovernmental revenues	3,774,180	6,426,511	6,426,511	—
Licenses and permits	—	—	—	—
Charges for services	—	—	28,640	28,640
Fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous revenues	2,725,000	2,725,000	2,748,686	23,686
Proceeds from long-term borrowings	—	—	—	—
Transfers in	292,912	291,516	358,553	67,037
Funds from restricted assets	—	—	(67,037)	(67,037)
TOTAL SOURCES	6,792,092	9,443,027	9,495,353	52,326
USES				
Operating Costs				
Municipal Court	—	—	—	—
General Management Group	—	—	—	—
Administrative Services Group	—	—	—	—
Operations Group	—	—	—	—
Community Services Group	—	—	—	—
Non-Departmental	—	—	—	—
Continuing Appropriations				
General Management Group	—	—	—	—
Administrative Services Group	—	—	—	—
Community Services Group	6,792,092	9,443,027	9,495,353	(52,326)
Non-Departmental	—	—	—	—
Operations Group	—	—	—	—
TOTAL USES	6,792,092	9,443,027	9,495,353	(52,326)
CHANGE IN FUNDS AVAILABLE	—	—	—	—
FUNDS AVAILABLE - January 1	—	—	—	—
FUNDS AVAILABLE - December 31	<u>\$ —</u>	<u>\$ —</u>	—	<u>\$ —</u>
Less: Restrictions			—	
Commitments			—	
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESTRICTIONS AND COUNCIL COMMITMENTS - December 31			<u>\$ —</u>	
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			8,677,560	
Seizure funds			—	
Assets not available for appropriations			73,277	
Inventories			1,423,452	
Adjustment of investments to fair value			—	
Deferred - sick leave buyout			3,826	
Less: Unspent grant awards			<u>(8,754,663)</u>	
FUND BALANCE (U.S. GAAP BASIS) - December 31			<u>\$ 1,423,452</u>	

Enhanced E-911				Conservation Trust			
Budgets		Budgetary	Variance	Budgets		Budgetary	Variance
Original	Final	Actual	with Final	Original	Final	Actual	with Final
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	3,031,010	3,031,010	2,959,219	(71,791)
—	—	—	—	—	—	—	—
2,829,110	2,829,110	2,888,388	59,278	—	—	—	—
—	—	—	—	—	—	—	—
140,000	140,000	92,535	(47,465)	152,250	152,250	168,183	15,933
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
1,710,000	1,710,000	1,710,000	—	—	—	—	—
—	—	—	—	—	—	—	—
<u>4,679,110</u>	<u>4,679,110</u>	<u>4,690,923</u>	<u>11,813</u>	<u>3,183,260</u>	<u>3,183,260</u>	<u>3,127,402</u>	<u>(55,858)</u>
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
2,261,806	2,262,638	1,618,944	643,694	—	—	—	—
—	—	—	—	764,618	1,265,266	1,223,045	42,221
—	—	—	—	16,000	45,000	42,134	2,866
141,832	141,000	141,000	—	1,630	817	—	817
—	—	—	—	—	—	—	—
2,333,882	1,944,851	1,944,851	—	—	—	—	—
—	—	—	—	—	(1,097,748)	(1,097,748)	—
—	—	—	—	—	—	—	—
—	—	—	—	6,147,528	6,971,141	6,971,141	—
<u>4,737,520</u>	<u>4,348,489</u>	<u>3,704,795</u>	<u>643,694</u>	<u>6,929,776</u>	<u>7,184,476</u>	<u>7,138,572</u>	<u>45,904</u>
(58,410)	330,621	986,128	655,507	(3,746,516)	(4,001,216)	(4,011,170)	(9,954)
<u>4,273,382</u>	<u>4,301,027</u>	<u>4,301,027</u>	<u>—</u>	<u>4,341,187</u>	<u>4,383,899</u>	<u>4,383,899</u>	<u>—</u>
<u>\$ 4,214,972</u>	<u>\$ 4,631,648</u>	<u>5,287,155</u>	<u>\$ 655,507</u>	<u>\$ 594,671</u>	<u>\$ 382,683</u>	<u>372,729</u>	<u>\$ (9,954)</u>
		—				—	
		—				—	
		<u>\$ 5,287,155</u>				<u>\$ 372,729</u>	
		\$ 5,287,155				\$ 372,729	
		219,765				—	
		679,867				8,407,114	
		—				—	
		—				—	
		33,250				46,980	
		—				1,535	
		—				—	
		<u>\$ 6,220,037</u>				<u>\$ 8,828,358</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, 2010

	Emergency Contingency			
	Budgets		Budgetary	Variance
	Original	Final	Actual	with Final
SOURCES				
Property Tax	\$ —	\$ —	\$ —	\$ —
Use Tax	—	—	—	—
Other Tax	—	—	—	—
Intergovernmental revenues	—	—	—	—
Licenses and permits	—	—	—	—
Charges for services	—	—	—	—
Fines and forfeitures	—	—	—	—
Investment income	17,000	17,000	5,178	(11,822)
Miscellaneous revenues	—	—	—	—
Proceeds from long-term borrowings	—	—	—	—
Transfers in	276,185	276,185	276,185	—
Funds from restricted assets	—	—	—	—
TOTAL SOURCES	293,185	293,185	281,363	(11,822)
USES				
Operating Costs				
Municipal Court	—	—	—	—
General Management Group	—	—	—	—
Administrative Services Group	—	—	—	—
Operations Group	—	—	—	—
Community Services Group	—	—	—	—
Non-Departmental	—	519,619	519,619	—
Continuing Appropriations				
General Management Group	—	—	—	—
Administrative Services Group	—	—	—	—
Community Services Group	—	—	—	—
Non-Departmental	—	—	—	—
Operations Group	—	—	—	—
TOTAL USES	—	519,619	519,619	—
CHANGE IN FUNDS AVAILABLE	293,185	(226,434)	(238,256)	(11,822)
FUNDS AVAILABLE - January 1	231,484	238,256	238,256	—
FUNDS AVAILABLE - December 31	<u>\$ 524,669</u>	<u>\$ 11,822</u>	—	<u>\$ (11,822)</u>
Less: Restrictions			—	
Commitments			—	
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESTRICTIONS AND COUNCIL COMMITMENTS - December 31			<u>\$ —</u>	
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			—	
Seizure funds			—	
Assets not available for appropriations			—	
Inventories			—	
Adjustment of investments to fair value			—	
Deferred - sick leave buyout			—	
Less: Unspent grant awards			—	
FUND BALANCE (U.S. GAAP BASIS) - December 31			<u>\$ —</u>	

Parks Development				Open Space			
Budgets		Budgetary	Variance	Budgets		Budgetary	Variance
Original	Final	Actual	with Final	Original	Final	Actual	with Final
\$	—	\$	—	\$	—	\$	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	132,424	—	(132,424)	5,463,132	5,463,132	4,968,066	(495,066)
—	—	525	525	—	—	—	—
—	—	—	—	—	—	3,348	3,348
—	—	—	—	—	—	—	—
120,000	120,000	75,456	(44,544)	300,000	300,000	203,829	(96,171)
160,000	160,000	575,341	415,341	—	—	7,169	7,169
—	—	—	—	—	—	—	—
—	—	—	—	—	—	1,594,326	1,594,326
—	—	—	—	—	—	—	—
280,000	412,424	651,322	238,898	5,763,132	5,763,132	6,776,738	1,013,606
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
75,753	75,895	72,718	3,177	3,359,371	3,030,734	2,893,934	136,800
—	—	—	—	3,316	1,680	—	1,680
142	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
77,472	453,297	453,297	—	2,225,446	3,351,826	3,621,556	(269,730)
153,367	529,192	526,015	3,177	5,588,133	6,384,240	6,515,490	(131,250)
126,633	(116,768)	125,307	242,075	174,999	(621,108)	261,248	882,356
1,976,481	1,667,542	1,667,542	—	2,670,896	2,778,574	2,778,574	—
<u>\$ 2,103,114</u>	<u>\$ 1,550,774</u>	1,792,849	<u>\$ 242,075</u>	<u>\$ 2,845,895</u>	<u>\$ 2,157,466</u>	3,039,822	<u>\$ 882,356</u>
		—				—	
		—				—	
		<u>\$ 1,792,849</u>				<u>\$ 3,039,822</u>	
		\$ 1,792,849				\$ 3,039,822	
		—				—	
		1,421,788				7,966,293	
		—				—	
		—				6,328	
		—				—	
		18,431				61,594	
		—				2,206	
		—				—	
		<u>\$ 3,233,068</u>				<u>\$ 11,076,243</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, 2010

	Recreation Services			
	Budgets		Budgetary	Variance
	Original	Final	Actual	with Final
SOURCES				
Property Tax	\$ —	\$ —	\$ —	\$ —
Use Tax	—	—	—	—
Other Tax	—	—	—	—
Intergovernmental revenues	—	—	21,900	21,900
Licenses and permits	—	—	—	—
Charges for services	4,059,961	4,138,638	4,298,295	159,657
Fines and forfeitures	—	—	—	—
Investment income	—	—	—	—
Miscellaneous revenues	22,453	51,953	23,657	(28,296)
Proceeds from long-term borrowings	—	—	—	—
Transfers in	3,688,330	3,704,261	4,032,867	328,606
Funds from restricted assets	—	—	—	—
TOTAL SOURCES	7,770,744	7,894,852	8,376,719	481,867
USES				
Operating Costs				
Municipal Court	—	—	—	—
General Management Group	—	—	—	—
Administrative Services Group	—	—	—	—
Operations Group	7,763,652	7,877,845	7,856,367	21,478
Community Services Group	—	—	1,471	(1,471)
Non-Departmental	7,092	1,076	—	1,076
Continuing Appropriations				
General Management Group	—	—	—	—
Administrative Services Group	—	—	—	—
Community Services Group	—	—	—	—
Non-Departmental	—	—	—	—
Operations Group	—	129,665	129,665	—
TOTAL USES	7,770,744	8,008,586	7,987,503	21,083
CHANGE IN FUNDS AVAILABLE	—	(113,734)	389,216	502,950
FUNDS AVAILABLE - January 1	125,204	157,424	157,424	—
FUNDS AVAILABLE - December 31	\$ 125,204	\$ 43,690	546,640	\$ 502,950
Less: Restrictions			—	
Commitments			—	
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESTRICTIONS AND COUNCIL COMMITMENTS - December 31			\$ 546,640	
RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE				
FUNDS AVAILABLE (BUDGETARY BASIS) - December 31			\$ 546,640	
Add: Current year operating encumbrances			51,031	
Carryforward of continuing appropriations			129,665	
Seizure funds			—	
Assets not available for appropriations			—	
Inventories			—	
Adjustment of investments to fair value			—	
Deferred - sick leave buyout			13,077	
Less: Unspent grant awards			—	
FUND BALANCE (U.S. GAAP BASIS) - December 31			\$ 740,413	

Cultural Services				Policy Reserve			
Budgets		Budgetary	Variance	Budgets		Budgetary	Variance
Original	Final	Actual	with Final	Original	Final	Actual	with Final
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
212,058	212,058	237,703	25,645	—	—	—	—
—	—	—	—	—	—	—	—
537,614	537,614	593,715	56,101	—	—	—	—
—	—	—	—	—	—	—	—
19,959	19,959	17,527	(2,432)	572,579	572,579	422,928	(149,651)
109,160	109,160	164,529	55,369	—	—	32,895	32,895
—	—	—	—	—	—	—	—
1,159,610	1,159,610	1,061,747	(97,863)	—	—	—	—
—	—	—	—	—	—	—	—
<u>2,038,401</u>	<u>2,038,401</u>	<u>2,075,221</u>	<u>36,820</u>	<u>572,579</u>	<u>572,579</u>	<u>455,823</u>	<u>(116,756)</u>
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
65,512	65,633	61,488	4,145	—	—	—	—
—	—	—	—	—	—	—	—
2,231,411	2,231,290	2,057,878	173,412	—	—	—	—
—	—	—	—	276,185	21,472,765	21,472,765	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
<u>2,296,923</u>	<u>2,296,923</u>	<u>2,119,366</u>	<u>177,557</u>	<u>276,185</u>	<u>21,472,765</u>	<u>21,472,765</u>	<u>—</u>
(258,522)	(258,522)	(44,145)	214,377	296,394	(20,900,186)	(21,016,942)	(116,756)
<u>778,762</u>	<u>946,109</u>	<u>946,109</u>	<u>—</u>	<u>20,821,064</u>	<u>21,016,942</u>	<u>21,016,942</u>	<u>—</u>
<u>\$ 520,240</u>	<u>\$ 687,587</u>	<u>901,964</u>	<u>\$ 214,377</u>	<u>\$ 21,117,458</u>	<u>\$ 116,756</u>	<u>—</u>	<u>\$ (116,756)</u>
		—				—	
		—				—	
		<u>\$ 901,964</u>				<u>\$ —</u>	
		\$ 901,964				\$ —	
		10,000				—	
		—				—	
		—				—	
		—				—	
		—				—	
		3,582				—	
		—				—	
		<u>\$ 915,546</u>				<u>\$ —</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, 2010

	Tabor Reserve			
	Budgets		Budgetary	Variance
	Original	Final	Actual	with Final
SOURCES				
Property Tax	\$ —	\$ —	\$ —	\$ —
Use Tax	—	—	—	—
Other Tax	—	—	—	—
Intergovernmental revenues	—	—	—	—
Licenses and permits	—	—	—	—
Charges for services	—	—	—	—
Fines and forfeitures	—	—	—	—
Investment income	281,141	281,141	174,784	(106,357)
Miscellaneous revenues	—	—	—	—
Proceeds from long-term borrowings	—	—	—	—
Transfers in	—	—	—	—
Funds from restricted assets	—	—	—	—
TOTAL SOURCES	281,141	281,141	174,784	(106,357)
USES				
Operating Costs				
Municipal Court	—	—	—	—
General Management Group	—	—	—	—
Administrative Services Group	—	—	—	—
Operations Group	—	—	—	—
Community Services Group	—	—	—	—
Non-Departmental	—	8,853,759	8,822,531	31,228
Continuing Appropriations				
General Management Group	—	—	—	—
Administrative Services Group	—	—	—	—
Community Services Group	—	—	—	—
Non-Departmental	—	—	—	—
Operations Group	—	—	—	—
TOTAL USES	—	8,853,759	8,822,531	31,228
CHANGE IN FUNDS AVAILABLE	281,141	(8,572,618)	(8,647,747)	(75,129)
FUNDS AVAILABLE - January 1	8,650,477	8,647,747	8,647,747	—
FUNDS AVAILABLE - December 31	<u>\$ 8,931,618</u>	<u>\$ 75,129</u>	—	<u>\$ (75,129)</u>
Less: Restrictions			—	
Commitments			—	
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESTRICTIONS AND COUNCIL COMMITMENTS - December 31			<u>\$ —</u>	
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			—	
Seizure funds			—	
Assets not available for appropriations			—	
Inventories			—	
Adjustment of investments to fair value			—	
Deferred - sick leave buyout			—	
Less: Unspent grant awards			—	
FUND BALANCE (U.S. GAAP BASIS) - December 31			<u>\$ —</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, 2010

	Peoria Park - GID			
	Budgets		Budgetary	Variance
	Original	Final	Actual	with Final
SOURCES				
Property Tax	\$ —	\$ —	\$ —	\$ —
Use Tax	—	—	—	—
Other Tax	—	—	—	—
Intergovernmental revenues	—	—	—	—
Licenses and permits	—	—	—	—
Charges for services	—	—	—	—
Fines and forfeitures	—	—	—	—
Investment income	—	—	1	1
Miscellaneous revenues	—	—	—	—
Proceeds from long-term borrowings	—	—	375,000	375,000
Transfers in	—	—	—	—
Funds from restricted assets	—	—	—	—
TOTAL SOURCES	—	—	375,001	375,001
USES				
Operating Costs				
Municipal Court	—	—	—	—
General Management Group	—	—	—	—
Administrative Services Group	—	—	—	—
Operations Group	—	—	—	—
Community Services Group	—	—	—	—
Non-Departmental	—	—	339,128	(339,128)
Continuing Appropriations				
General Management Group	—	—	—	—
Administrative Services Group	—	—	—	—
Community Services Group	—	—	—	—
Non-Departmental	—	—	—	—
Operations Group	—	—	—	—
TOTAL USES	—	—	339,128	(339,128)
CHANGE IN FUNDS AVAILABLE	—	—	35,873	35,873
FUNDS AVAILABLE - January 1	—	—	—	—
FUNDS AVAILABLE - December 31	<u>\$ —</u>	<u>\$ —</u>	<u>35,873</u>	<u>\$ 35,873</u>
Less: Restrictions			—	
Commitments			—	
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESTRICTIONS AND COUNCIL COMMITMENTS - December 31			<u>\$ 35,873</u>	
RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE				
FUNDS AVAILABLE (BUDGETARY BASIS) - December 31			\$ 35,873	
Add: Current year operating encumbrances			—	
Carryforward of continuing appropriations			—	
Seizure funds			—	
Assets not available for appropriations			—	
Inventories			—	
Adjustment of investments to fair value			—	
Deferred - sick leave buyout			—	
Less: Unspent grant awards			—	
FUND BALANCE (U.S. GAAP BASIS) - December 31			<u>\$ 35,873</u>	



CITY OF AURORA, COLORADO

DEBT SERVICE FUNDS

SCHEDULE OF SOURCES, USES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2010

	City Debt Service			
	Budgets		Budgetary	Variance
	Original	Final	Actual	with Final
SOURCES				
Property taxes	\$ 5,961,569	\$ 5,961,569	\$ 5,860,335	\$ (101,234)
Special assessment taxes	—	—	—	—
Charges for services	—	—	—	—
Investment income	91,300	91,300	27,074	(64,226)
Other revenues	—	—	—	—
Proceeds from long term borrowings	—	21,035,000	23,102,727	2,067,727
Transfers in	1,761,100	1,761,100	1,761,100	—
Funds from restricted assets	—	—	33,569	33,569
TOTAL SOURCES	7,813,969	28,848,969	30,784,805	1,935,836
USES				
<i>Operating Costs</i>				
Administrative Services Group	—	—	—	—
Non-Departmental	7,609,581	28,941,542	30,778,204	(1,836,662)
TOTAL USES	7,609,581	28,941,542	30,778,204	(1,836,662)
CHANGE IN FUNDS AVAILABLE	204,388	(92,573)	6,601	99,174
FUNDS AVAILABLE - January 1	1,862,714	1,575,689	1,575,689	—
FUNDS AVAILABLE - December 31	<u>\$ 2,067,102</u>	<u>\$ 1,483,116</u>	1,582,290	<u>\$ 99,174</u>
Less: Restrictions			—	
Commitments			—	
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESTRICTIONS AND COUNCIL COMMITMENTS - December 31			<u>\$ 1,582,290</u>	
RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE				
FUNDS AVAILABLE (BUDGETARY BASIS) - December 31			\$ 1,582,290	
Add: Assets not available for appropriation			—	
Adjustment of investments to fair value			8,946	
FUND BALANCE (U.S. GAAP BASIS) - December 31			<u>\$ 1,591,236</u>	

SID Debt Service				Surplus and Deficiency			
Budgets		Budgetary	Variance	Budgets		Budgetary	Variance
Original	Final	Actual	with Final	Original	Final	Actual	with Final
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
265,835	265,835	279,017	13,182	—	—	15,655	15,655
—	—	—	—	—	—	3,631	3,631
89,632	89,632	89,856	224	25,000	25,000	15,190	(9,810)
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
<u>355,467</u>	<u>355,467</u>	<u>368,873</u>	<u>13,406</u>	<u>25,000</u>	<u>25,000</u>	<u>34,476</u>	<u>9,476</u>
—	—	—	—	35,750	35,750	35,750	—
<u>363,786</u>	<u>363,786</u>	<u>410,138</u>	<u>(46,352)</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>—</u>
<u>363,786</u>	<u>363,786</u>	<u>410,138</u>	<u>(46,352)</u>	<u>60,750</u>	<u>60,750</u>	<u>60,750</u>	<u>—</u>
(8,319)	(8,319)	(41,265)	(32,946)	(35,750)	(35,750)	(26,274)	9,476
<u>191,628</u>	<u>254,808</u>	<u>254,808</u>	<u>—</u>	<u>571,001</u>	<u>588,874</u>	<u>588,874</u>	<u>—</u>
<u>\$ 183,309</u>	<u>\$ 246,489</u>	<u>213,543</u>	<u>\$ (32,946)</u>	<u>\$ 535,251</u>	<u>\$ 553,124</u>	<u>562,600</u>	<u>\$ 9,476</u>
		—				—	
		—				(470,000)	
		<u>\$ 213,543</u>				<u>\$ 92,600</u>	
		\$ 213,543				\$ 562,600	
		36,800				—	
		<u>1,388</u>				<u>3,121</u>	
		<u>\$ 251,731</u>				<u>\$ 565,721</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, 2010

	City Capital Projects			
	Budgets		Budgetary Actual	Variance with Final
	Original	Final		
SOURCES				
Intergovernmental revenues	\$ 5,400,000	\$ 8,084,532	\$ 6,303,732	\$ (1,780,800)
Charges for services	—	—	60,513	60,513
Investment income	550,000	550,000	350,994	(199,006)
Miscellaneous revenues	137,200	185,700	496,356	310,656
Proceeds from sale of assets	—	—	—	—
Transfers in	10,881,156	18,540,732	25,735,766	7,195,034
TOTAL SOURCES	16,968,356	27,360,964	32,947,361	5,586,397
USES				
Operating Costs				
Administrative Services Group	2,215,533	2,215,533	2,215,533	—
Non-Departmental	1,698,800	1,698,800	1,698,800	—
Continuing Appropriations				
General Management	—	923,492	923,492	—
Administrative Services Group	426,000	739,335	739,335	—
Operations Group	15,380,636	18,653,421	18,653,421	—
Community Services Group	20,000	20,000	20,000	—
Non-Departmental	—	1,315,040	1,315,040	—
TOTAL USES	19,740,969	25,565,621	25,565,621	—
CHANGE IN FUNDS AVAILABLE	(2,772,613)	1,795,343	7,381,740	5,586,397
FUNDS AVAILABLE - January 1	5,873,195	6,042,297	6,042,297	—
FUNDS AVAILABLE - December 31	\$ 3,100,582	\$ 7,837,640	13,424,037	\$ 5,586,397
Less: Restrictions			—	
Commitments			—	
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESTRICTIONS AND COUNCIL COMMITMENTS - December 31			\$ 13,424,037	
RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE				
FUNDS AVAILABLE (BUDGETARY BASIS) - December 31			\$ 13,424,037	
Add: Carry forward of continuing appropriations			32,301,748	
Adjustment of investments to fair value			167,225	
Less: Unspent grant awards			(12,850,735)	
FUND BALANCE (U.S. GAAP BASIS) - December 31			\$ 33,042,275	

Building Repair			
Budgets		Budgetary	Variance
Original	Final	Actual	with Final
\$ —	\$ —	\$ 1,436	\$ 1,436
45,000	45,000	45,000	—
20,000	20,000	24,562	4,562
—	—	—	—
—	—	—	—
1,698,800	1,698,800	1,698,800	—
<u>1,763,800</u>	<u>1,763,800</u>	<u>1,769,798</u>	<u>5,998</u>
126,295	1,909,886	1,909,886	—
—	—	—	—
—	(1,486,157)	(1,486,157)	—
—	—	—	—
1,587,160	1,402,995	1,402,995	—
—	—	—	—
—	—	—	—
<u>1,713,455</u>	<u>1,826,724</u>	<u>1,826,724</u>	<u>—</u>
50,345	(62,924)	(56,926)	5,998
62,086	56,926	56,926	—
<u>\$ 112,431</u>	<u>\$ (5,998)</u>	—	<u>\$ 5,998</u>
		—	
		—	
		<u>\$ —</u>	
		\$ —	
		—	
		—	
		<u>\$ —</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, 2010

	Water			
	Budgets		Budgetary	Variance
	Original	Final	Actual	with Final
SOURCES				
Charges for services	\$ 97,866,849	\$ 97,866,849	\$ 106,961,809	\$ 9,094,960
Intergovernmental	—	250,000	321,361	71,361
Licenses and permits	65,175	65,175	68,667	3,492
Fines and forfeitures	—	—	2,513	2,513
Investment income	9,552,828	9,552,828	6,711,348	(2,841,480)
Miscellaneous revenues	9,847,635	9,847,635	17,058,348	7,210,713
Proceeds from sale of assets	20,000	20,000	5,857	(14,143)
Proceeds from long-term borrowings	82,682,249	83,432,249	23,432,250	(59,999,999)
Transfers in	—	—	—	—
Funds from restricted assets	—	—	(4,280,345)	(4,280,345)
Release of prior year designation	—	—	—	—
TOTAL SOURCES	200,034,736	201,034,736	150,281,808	(50,752,928)
USES				
Operating Costs				
Operations Group	100,949,570	117,270,566	103,616,427	13,654,139
Non-Departmental	19,962	7,997	—	7,997
Continuing Appropriations				
Operations Group	87,738,045	28,232,525	28,232,525	—
TOTAL USES	188,707,577	145,511,088	131,848,952	13,662,136
CHANGE IN FUNDS AVAILABLE	11,327,159	55,523,648	18,432,856	(37,090,792)
FUNDS AVAILABLE - January 1	3,416,673	15,652,469	15,652,469	—
FUNDS AVAILABLE - December 31	<u>\$ 14,743,832</u>	<u>\$ 71,176,117</u>	34,085,325	<u>\$ (37,090,792)</u>
Less: Restrictions			—	
Commitments			—	
FUNDS AVAILABLE FOR APPROPRIATION AFTER RESTRICTIONS AND COUNCIL COMMITMENTS - December 31			<u>\$ 34,085,325</u>	
RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE				
FUNDS AVAILABLE (BUDGETARY BASIS) - December 31			\$ 34,085,325	
Add: Current year operating encumbrances			783,303	
Carryforward of continuing appropriations			173,204,256	
Deferred charges			5,602,671	
Assets not available for appropriation			45,000,410	
Long-term interfund receivables			—	
Equity in joint venture			2,409,237	
Capital assets net of depreciation			1,455,505,477	
Inventories			—	
Deferred - sick leave buyout			41,297	
Adjustment of investments to fair value			1,395,496	
Less: Current portion of long-term liabilities			(8,743,486)	
Long-term debt			(697,793,388) *	
Deferred Revenues			(200,199)	
NET ASSETS (U.S. GAAP BASIS) - December 31			<u>\$ 1,011,290,399</u>	

* Does not include Claims Payable.

Wastewater				Golf			
Budgets		Budgetary	Variance	Budgets		Budgetary	Variance
Original	Final	Actual	with Final	Original	Final	Actual	with Final
\$ 49,162,948	\$ 49,162,948	\$ 49,730,302	\$ 567,354	\$ 10,125,000	\$ 10,125,000	\$ 8,328,381	\$ (1,796,619)
—	3,220,000	250,000	(2,970,000)	—	—	—	—
—	—	16,775	16,775	—	—	—	—
—	—	4,032	4,032	—	—	3,835	3,835
2,265,844	2,265,844	2,225,016	(40,828)	79,100	79,100	51,149	(27,951)
2,144,339	2,144,339	3,768,842	1,624,503	57,700	57,700	54,645	(3,055)
—	—	15,723	15,723	—	—	3,917	3,917
—	—	—	—	—	—	—	—
—	—	—	—	—	—	336,945	336,945
—	—	296,631	296,631	—	—	—	—
—	—	—	—	—	—	—	—
<u>53,573,131</u>	<u>56,793,131</u>	<u>56,307,321</u>	<u>(485,810)</u>	<u>10,261,800</u>	<u>10,261,800</u>	<u>8,778,872</u>	<u>(1,482,928)</u>
44,024,757	44,032,209	37,808,537	6,223,672	10,087,242	10,093,817	9,081,868	1,011,949
14,315	6,863	—	6,863	7,757	1,182	—	1,182
<u>35,331,042</u>	<u>25,270,427</u>	<u>25,270,427</u>	<u>—</u>	<u>175,000</u>	<u>175,000</u>	<u>175,000</u>	<u>—</u>
<u>79,370,114</u>	<u>69,309,499</u>	<u>63,078,964</u>	<u>6,230,535</u>	<u>10,269,999</u>	<u>10,269,999</u>	<u>9,256,868</u>	<u>1,013,131</u>
(25,796,983)	(12,516,368)	(6,771,643)	5,744,725	(8,199)	(8,199)	(477,996)	(469,797)
<u>43,217,467</u>	<u>49,446,408</u>	<u>49,446,408</u>	<u>—</u>	<u>1,206,427</u>	<u>966,615</u>	<u>966,615</u>	<u>—</u>
<u>\$ 17,420,484</u>	<u>\$ 36,930,040</u>	<u>42,674,765</u>	<u>\$ 5,744,725</u>	<u>\$ 1,198,228</u>	<u>\$ 958,416</u>	<u>488,619</u>	<u>\$ (469,797)</u>
		—				—	
		—				—	
		<u>\$ 42,674,765</u>				<u>\$ 488,619</u>	
		\$ 42,674,765				\$ 488,619	
		352,497				11,009	
		53,971,907				182,103	
		448,942				60,352	
		8,922,656				456,365	
		4,440,000				—	
		—				—	
		401,179,925				30,750,718	
		—				198,899	
		12,165				21,131	
		376,384				55,004	
		(3,021,010)				(801,192)	
		(61,192,363)				(7,115,626)	
		—				—	
		<u>\$ 448,165,868</u>				<u>\$ 24,307,382</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, 2010

	Fleet Management			
	Budgets		Budgetary	Variance
	Original	Final	Actual	with Final
SOURCES				
Charges for services	\$ 8,085,649	\$ 8,085,649	\$ 7,447,417	\$ (638,232)
Investment income	15,000	15,000	14,076	(924)
Miscellaneous revenues	2,800	2,800	19,705	16,905
Proceeds from sale of assets	—	—	—	—
Transfers in	—	—	—	—
TOTAL SOURCES	8,103,449	8,103,449	7,481,198	(622,251)
USES				
Operating Costs				
General Management Group	—	—	—	—
Administrative Services Group	7,906,617	7,909,621	7,342,575	567,046
Non-departmental	196,832	193,828	—	193,828
TOTAL USES	8,103,449	8,103,449	7,342,575	760,874
CHANGE IN FUNDS AVAILABLE	—	—	138,623	138,623
FUNDS AVAILABLE - January 1	511,137	655,391	655,391	—
FUNDS AVAILABLE - December 31	<u>\$ 511,137</u>	<u>\$ 655,391</u>	794,014	<u>\$ 138,623</u>
Less: Commitments			—	
FUNDS AVAILABLE FOR APPROPRIATION AFTER COUNCIL COMMITMENTS - December 31			<u>\$ 794,014</u>	
RECONCILIATION OF FUNDS AVAILABLE TO U.S. GAAP FUND BALANCE				
FUNDS AVAILABLE (BUDGETARY BASIS) - December 31			\$ 794,014	
Add: Capital assets net of depreciation			529,508	
Inventories			572,874	
Current year operating encumbrances			17,426	
Adjustment of investments to fair value			5,443	
Deferred - sick leave buyout			997	
Less: Current portion of long-term debt			(31,086)	
Long-term debt			(295,512)	
NET ASSETS - (U.S. GAAP BASIS) - December 31			<u>\$ 1,593,664</u>	

Print Shop				Risk Management			
Budgets		Budgetary	Variance	Budgets		Budgetary	Variance
Original	Final	Actual	with Final	Original	Final	Actual	with Final
\$ 557,265	\$ 557,265	\$ 451,712	\$ (105,553)	\$ 7,669,917	\$ 7,669,917	\$ 7,669,960	\$ 43
10,000	10,000	2,728	(7,272)	362,670	362,670	273,497	(89,173)
—	—	67	67	216,000	196,000	232,249	36,249
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
<u>567,265</u>	<u>567,265</u>	<u>454,507</u>	<u>(112,758)</u>	<u>8,248,587</u>	<u>8,228,587</u>	<u>8,175,706</u>	<u>(52,881)</u>
740,447	740,657	582,497	158,160	—	—	—	—
—	49,793	49,793	—	8,322,260	8,322,993	7,406,703	916,290
951	741	—	741	742	9	—	9
<u>741,398</u>	<u>791,191</u>	<u>632,290</u>	<u>158,901</u>	<u>8,323,002</u>	<u>8,323,002</u>	<u>7,406,703</u>	<u>916,299</u>
(174,133)	(223,926)	(177,783)	46,143	(74,415)	(94,415)	769,003	863,418
<u>195,440</u>	<u>177,783</u>	<u>177,783</u>	<u>—</u>	<u>6,117,622</u>	<u>6,325,123</u>	<u>6,325,123</u>	<u>—</u>
<u>\$ 21,307</u>	<u>\$ (46,143)</u>	<u>—</u>	<u>\$ 46,143</u>	<u>\$ 6,043,207</u>	<u>\$ 6,230,708</u>	7,094,126	<u>\$ 863,418</u>
		—				(5,097,273)	
		<u>\$ —</u>				<u>\$ 1,996,853</u>	
		\$ —				\$ 7,094,126	
		—				—	
		—				—	
		—				19,723	
		—				85,499	
		—				—	
		—				—	
		—				(49,620) *	
		<u>\$ —</u>				<u>\$ 7,149,728</u>	

* Does not include IBNR adjustment.



Statistical Section Divider



Statistical Section

Financial Trends

Revenue Capacity

Debt Capacity

Demographic and Economic Information

Operating Information

STATISTICAL SECTION

FINANCIAL TRENDS STATISTICS

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

<u>Exhibit A-1</u>	Net Assets by Component
<u>Exhibit A-2</u>	Changes in Net Assets
<u>Exhibit A-3</u>	Fund Balances, Governmental Funds
<u>Exhibit A-4</u>	Changes in Fund Balances, Governmental Funds
<u>Exhibit A-5</u>	Total Sales and Use Tax Revenues

REVENUE CAPACITY STATISTICS

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

<u>Exhibit A-6</u>	Sales and Use Tax Receipts by Business Sector
<u>Exhibit A-7</u>	Direct and Overlapping Sales Tax Rates
<u>Exhibit A-8</u>	Top Ten Sales and Use Tax Payers by Industry Group
<u>Exhibit A-9</u>	Assessed and Estimated Actual Value of Taxable Property
<u>Exhibit A-10</u>	Property Tax Rates – Direct and Primary Overlapping Governments
<u>Exhibit A-11</u>	Top Ten Principal Property Tax Payers
<u>Exhibit A-12</u>	Property Tax Levies and Collections

DEBT CAPACITY STATISTICS

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

<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

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.

<u>Exhibit A-18</u>	Demographic and Economic Statistics
<u>Exhibit A-19</u>	Principal Employers, Current Year and Nine Years Ago

OPERATING STATISTICS

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

<u>Exhibit A-20</u>	Budgeted Full-time Equivalent City Government Employees by Function
<u>Exhibit A-21</u>	Operating Indicators by Function
<u>Exhibit A-22</u>	Capital Asset Statistics by Function

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



Exhibit A-1

City of Aurora, Colorado
Net Assets by Component
Last Nine Years

	Fiscal Year								
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
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	\$ 2,782,071,351	\$ 2,793,361,865
Restricted									
Construction (a), (j)	1,464,086	3,310,450	-	11,624,224	15,432,018	4,687,349	4,621,770	5,654,539	-
Public safety (b)	6,901,872	1,040,402	840,769	441,853	649,829	930,688	938,179	1,553,771	16,744,958
E-911 equipment & services (b)	3,996,089	3,227,306	4,181,097	4,730,191	5,289,905	6,011,852	6,365,253	5,414,600	-
Culture and recreation (c)	5,545,882	6,948,069	9,792,734	13,679,692	13,537,324	16,297,932	19,591,164	21,620,276	878,851
Emergencies (d)	6,134,321	6,339,676	6,587,427	6,784,149	6,189,980	7,745,299	8,188,738	8,778,851	-
Gifts and grants (e)	4,422,877	8,655,457	7,345,087	6,754,529	4,706,420	5,184,456	5,712,156	14,899,217	8,092,078
Agreements (d)	4,750,398	5,325,373	5,251,278	4,442,130	9,587,071	11,038,966	9,338,401	8,094,334	-
Urban renewal (d)	1,750,963	2,110,891	1,170,124	721,486	127,822	11,382	11,682	71,673	-
Debt related (f)	-	-	-	-	-	-	-	-	20,580,219
Development (g)	-	-	-	-	-	-	-	-	103,070
Open space (c)	-	-	-	-	-	-	-	-	23,137,669
Public improvement (a), (j)	-	-	-	-	-	-	-	-	2,381,307
Road and bridge (a)	-	-	-	-	-	-	-	-	5,269,009
Unrestricted	<u>91,381,281</u>	<u>87,399,854</u>	<u>76,870,105</u>	<u>76,210,900</u>	<u>85,548,045</u>	<u>80,282,944</u>	<u>72,658,454</u>	<u>59,211,198</u>	<u>43,722,758</u>
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>	<u>\$ 2,907,369,810</u>	<u>\$ 2,914,271,784</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	\$ 1,085,207,461	\$ 1,159,213,180
Restricted									
Public improvement (h)	104,185	3,994,407	4,199,838	1,984,417	13,762,820	3,627,410	5,114,062	8,627,252	3,578,243
Debt related (i)	3,100,000	3,100,000	3,100,000	2,500,000	2,500,000	2,500,000	19,535,272	2,500,000	1,250,000
Other	672,952	-	-	-	-	-	-	-	-
Unrestricted	<u>121,493,852</u>	<u>115,611,638</u>	<u>161,607,602</u>	<u>182,168,952</u>	<u>201,213,673</u>	<u>280,587,656</u>	<u>260,154,817</u>	<u>303,180,315</u>	<u>319,401,005</u>
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>	<u>\$ 1,399,515,028</u>	<u>\$ 1,483,442,428</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	\$ 3,867,278,812	\$ 3,952,575,045	
Restricted										
Construction	1,568,271	7,304,857	4,199,838	13,608,641	29,194,838	8,314,759	9,735,832	14,281,791	-	
Public safety	6,901,872	1,040,402	840,769	441,853	649,829	930,688	938,179	1,553,771	16,744,958	
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	5,414,600	-	
Culture and recreation	5,545,882	6,948,069	9,792,734	13,679,692	13,537,324	16,297,932	19,591,164	21,620,276	878,851	
Emergencies	6,134,321	6,339,676	6,587,427	6,784,149	6,189,980	7,745,299	8,188,738	8,778,851	-	
Gifts and grants	4,422,877	8,655,457	7,345,087	6,754,529	4,706,420	5,184,456	5,712,156	14,899,217	8,092,078	
Debt related	3,100,000	3,100,000	3,100,000	2,500,000	2,500,000	2,500,000	19,535,272	2,500,000	21,830,219	
Agreements	5,423,350.00	5,325,373.00	5,251,278.00	4,442,130.00	9,587,071.00	11,038,966.00	9,338,401.00	8,094,334.00	-	
Urban renewal	1,750,963	2,110,891	1,170,124	721,486	127,822	11,382	11,682	71,673	-	
Development	-	-	-	-	-	-	-	-	103,070	
Open space	-	-	-	-	-	-	-	-	23,137,669	
Public improvement	-	-	-	-	-	-	-	-	5,959,550	
Road and bridge	-	-	-	-	-	-	-	-	5,269,009	
Unrestricted	212,875,133	203,011,492	238,477,707	258,379,852	286,761,718	360,870,600	332,813,271	362,391,513	363,123,763	
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	\$ 4,306,884,838	\$ 4,397,714,212	

Notes: 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. In 2010, accumulations for construction were split between Road and Bridge and Public Improvements
- (b) Police restricted equity represents seizure funds. Fluctuation in this account is expected. In 2010 accumulations for E-911 equipment and services was combined into Public Safety.
- (c) Increase from 2003 to 2004 represents Conservation Trust and Park Development revenue growth. Increase from 2004 to 2005 represents new Arapahoe County Open Space tax receipts. Increase from 2006 to 2009 represents accumulation of Park Development revenues for future construction. In 2010 the Library, Cultural, and Recreation department was reorganized and Recreation became part of the Parks and Open Space department. Park Development funds and County Open space funds for construction in 2010 and later years are now accumulated in Open Space.
- (d) Urban renewal activity reflects the spend down of funds dedicated to the Fletcher Plaza Enhancement Area. The increase in accumulations for agreements from 2005 represents amounts anticipated to be paid out on future agreements. In 2010 GASB 54 required accumulations for Emergencies, Agreements, and Urban renewal to be combined with other activities, or in reported as Unrestricted accumulations.
- (e) In 2009, an increase in grant funded activities and receipt of ARRA stimulus grants.
- (f) In 2010, GASB 54 presentation required a change in disclosure of accumulated amounts related to debt.
- (g) In 2010, accumulations for development activities are no longer shown separately.
- (h) 2007-2010 fluctuations are related to activity in the Prairie Waters Project. In 2010 the Project was nearing completion.
- (i) 2006 increase represents unspent amounts set aside to fund storm drain projects. 2007 decrease represents spend down of storm drain project funds. 2009 increase is for completion of scheduled projects. The 2010 decrease resulted from the spend down of project funds.
- (j) In 2010 Construction and Public Improvements were combined

Exhibit A-2

City of Aurora, Colorado

Changes in Net Assets
Last Nine Years

		Fiscal Year								
		2002	2003	2004	2005	2006	2007	2008	2009	2010
Expenses										
<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	\$ 35,169,252	\$ 30,601,965
Judicial		6,108,249	6,412,905	6,891,787	6,955,078	7,182,054	7,744,454	8,067,017	8,010,923	8,051,966
Police		61,059,499	64,279,691	64,975,624	67,694,840	71,983,533	76,903,178	79,278,710	81,608,250	82,451,880
Fire		28,287,789	30,113,236	29,082,202	29,227,035	30,915,945	33,196,185	34,484,884	34,952,691	35,807,387
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	12,739,566	12,964,619
Public works	(c)	27,001,770	25,023,998	28,175,551	39,425,303	42,713,262	36,963,018	37,022,337	34,985,680	47,194,223
Economic development		15,840,176	15,822,183	14,095,722	15,214,633	16,873,516	15,266,467	16,364,134	14,613,005	15,579,908
Community services	(q)	7,410,045	9,049,017	9,407,800	9,632,404	9,964,733	10,389,047	12,626,972	9,596,719	13,099,831
Culture and recreation	(p)	31,302,143	31,612,407	34,217,470	35,608,066	35,750,658	37,470,446	38,720,494	36,615,952	33,602,434
Unallocated depreciation		943,937	2,528,558	2,741,752	2,944,641	3,305,620	3,187,118	3,325,541	3,309,006	3,304,110
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	6,934,727	6,802,759
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	278,535,771	289,461,082
<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	50,259,476	63,690,351
Wastewater	(e)	22,269,398	24,807,909	26,173,594	30,141,125	33,453,356	37,101,476	40,627,123	40,853,702	41,985,593
Golf		8,641,960	8,545,279	8,729,124	8,696,129	8,990,266	9,320,032	9,661,133	9,153,001	8,827,535
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	100,266,179	114,503,479
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	\$ 378,801,950	\$ 403,964,561
Program Revenues										
<i>Governmental activities:</i>										
<i>Charges for services</i>										
General government	(f)	\$ 1,723,963	\$ 1,766,942	\$ 1,499,724	\$ 5,101,144	\$ 1,794,049	\$ 2,361,233	\$ 3,841,779	\$ 2,410,691	\$ 2,531,269
Judicial	(g)	4,985,565	5,473,368	5,419,785	7,290,726	7,254,834	8,255,912	8,112,024	7,818,742	8,536,347
Police		1,597,194	1,640,253	1,728,947	1,756,746	2,310,862	2,809,446	2,298,015	2,301,632	2,231,160
Fire		541,088	522,448	548,843	521,594	612,917	443,224	608,065	643,016	681,758
Other public safety		-	900	-	3,060	169,371	180,945	153,938	103,758	83,849
Public works		353,714	360,109	485,472	971,021	1,626,995	683,325	223,148	310,941	507,331
Economic development	(h)	10,228,777	10,214,741	13,247,894	16,228,709	12,976,173	10,177,375	8,486,228	7,078,290	7,497,323
Community services	(i)	1,708,174	2,554,164	2,193,055	3,531,460	1,504,620	2,813,009	1,175,549	1,768,560	3,923,228
Culture and recreation		5,355,502	5,321,819	5,331,250	5,625,750	5,734,638	5,545,510	5,986,101	6,069,602	6,913,430
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	30,061,454	30,134,599
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	21,620,957	24,013,441
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	80,187,643	87,053,735
<i>Business-type activities:</i>										
<i>Charges for services</i>										
Water	(l)	39,612,430	40,231,989	50,924,714	64,603,833	74,797,433	83,489,049	86,804,628	84,494,044	107,032,989
Wastewater	(m)	24,252,421	25,580,371	26,327,715	29,059,182	33,286,941	39,070,578	43,334,647	46,563,398	49,751,109
Golf		9,174,718	8,205,072	8,266,180	8,737,191	9,055,305	9,332,171	9,528,713	9,027,617	8,332,216
Operating grants & contributions	(n)	59,298	1,452,549	1,757,856	2,957,447	12,866,255	23,957,607	23,559,047	11,351,548	6,493,005
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	27,630,547	22,709,393
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	179,067,154	194,318,712
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	\$ 259,254,797	\$ 281,372,447

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)	\$ (198,348,128)	\$ (202,407,347)
Business-type activities	61,709,936	53,200,030	73,036,782	104,566,535	140,268,807	135,056,820	76,024,269	78,800,975	79,815,233
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>	<u>\$ (119,547,153)</u>	<u>\$ (122,592,114)</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	\$ 141,025,543	\$ 147,240,243
Property taxes	26,732,855	29,799,273	28,033,332	28,644,691	29,742,954	30,813,184	32,519,051	33,175,518	32,290,711
Franchise taxes	8,777,935	10,183,683	10,606,171	11,224,526	11,566,625	11,439,537	13,037,994	12,187,933	13,192,882
Lodgers taxes	3,231,779	3,044,341	3,130,347	3,344,153	4,008,854	4,572,800	4,688,562	3,886,697	4,138,263
Occupational privilege taxes	3,824,913	3,684,159	3,755,667	3,950,531	4,058,928	4,215,950	4,295,911	4,145,282	4,162,035
Other taxes	4,430,407	4,864,920	5,361,765	5,366,799	7,292,324	7,331,575	5,001,847	5,181,550	5,059,070
Nonspecific grants & contributions	883,670	832,315	862,890	793,718	855,949	784,891	848,779	1,007,868	786,119
Unrestricted investment earnings	7,396,774	3,264,743	2,276,444	2,793,069	5,951,416	7,370,814	5,500,036	4,108,340	2,048,527
Transfers	2,438	9,970	-	(200,000)	-	-	82,588	-	5,327
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>	<u>204,718,731</u>	<u>208,923,177</u>
<i>Business-type activities:</i>									
Unrestricted investment earnings	5,807,397	1,680,139	1,260,982	2,293,816	2,157,066	4,382,097	7,350,152	4,245,023	3,811,813
Transfers	(2,438)	(9,970)	-	200,000	-	-	(82,588)	-	(5,327)
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>	<u>4,245,023</u>	<u>3,806,486</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>	<u>\$ 208,963,754</u>	<u>\$ 212,729,663</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	\$ 6,370,603	\$ 6,515,830
Business-type activities	67,514,895	54,870,199	74,297,764	107,060,351	142,425,873	139,438,917	83,291,833	83,045,998	83,621,719
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>	<u>\$ 89,416,601</u>	<u>\$ 90,137,549</u>

Notes:

- (a) Increase in 2005 results from: the early payoff of a tax incentive; payment of exaction fees collected on behalf of another government; and a Net Pension Asset write-down. 2010 decrease resulted from budget reductions in salaries and supplies.
- (b) Increase from 2003 to 2004 represents moving police & fire communications costs from Police and Fire function. Increase from 2004 to 2005 represents new dispatch center operating costs and an increase in E-911 contract costs.
- (c) 2005 increase results from non-capitalizable landfill cleanup costs. 2006 increase includes additional landfill cleanup costs and snowstorm costs. 2007 decrease due to no landfill cleanup or snowstorm costs, but does reflect increased depreciation and operating expenses. 2010 increases were from work on the Colfax/I-225 project
- (d) Increases reflect expansion of the water system 2006-2008. 2009 and 2010 water projects began completion as Prairie Waters came on-line and Construction In Progress costs declined.
- (e) Increases reflect an increase in sewer treatment expense and an increase in sewer personnel costs.
- (f) Increase in 2005 represents exaction fees collected to offset bridge widening costs. Decrease in 2009 represents impact of reduced development due to the recession.
- (g) Increase from 2004 to 2005 represents an increase in the court fines schedule.
- (h) Increase from 2003 to 2005 represents an increase in developer review activity and permit revenue growth. Subsequent decreases reflect reduced development activity.
- (i) Increase in 2005 represents an increase in Dam West SID receipts to fund neighborhood fence costs. The 2010 increase is for FASTER fees.
- (j) Increase from 2004 to 2005 results from federal reimbursement for a landfill cleanup and a court settlement to mitigate airport noise. 2006 activity remained strong as more funding was received for the landfill cleanup. 2007 activity decreased as the landfill cleanup was completed. Additionally, highway road and bridge intergovernmental revenue was moved from operating grants to capital grants. 2009 increase is the result of additional ARRA grant funding.
- (k) Fluctuation primarily represents fluctuation in developer contributed streets from year to year. Development decreased sharply in 2009. 2010 increase was due to grant revenues for Colfax/I-225.
- (l) Increase in customer charges due to an increase in water tiered rates.
- (m) Increase in customer charges due to an increase in water tiered rates.
- (n) Increase from 2005 to 2007 attributable to interest earnings on development revenues and bond proceeds. The 2009 and 2010 reductions are primarily from a decrease in developer contributions.
- (o) Amounts represent developer tap fee revenue and developer contributed water and sewer mains. 2008 decrease reflects reduced development activity. Decrease in 2009 and 2010 were primarily from a decrease in developer contributions.
- (p) 2010 decrease resulted from budget reductions in salaries and supplies.
- (q) 2010 increase in costs from grant funded activities.

Exhibit A-3

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$ 10,552,694	\$ 6,956,701	\$ 1,711,075	\$ 992,384	\$ 1,318,383	\$ 1,298,394	\$ 1,687,871	\$ 559,347	\$ 974,268	\$ -
Unreserved	21,592,048	31,631,227	27,223,539	23,433,917	26,290,788	29,910,165	25,886,915	22,232,971	21,169,487	-
Restricted	(b) -	-	-	-	-	-	-	-	-	9,722,411
Committed	(b) -	-	-	-	-	-	-	-	-	25,759,275
Assigned	(b) -	-	-	-	-	-	-	-	-	18,993,600
Unassigned	(b) -	-	-	-	-	-	-	-	-	8,224,844
Total General Fund	<u>32,144,742</u>	<u>38,587,928</u>	<u>28,934,614</u>	<u>24,426,301</u>	<u>27,609,171</u>	<u>31,208,559</u>	<u>27,574,786</u>	<u>22,792,318</u>	<u>22,143,755</u>	<u>62,700,130</u>
Unreserved, reported in:										
Special revenue funds										
Policy Reserve	(c) 16,945,902	17,748,258	18,109,610	18,275,311	18,744,164	19,239,541	20,910,375	21,426,228	21,332,318	-
TABOR Reserve	(c) 5,826,763	6,134,321	6,339,676	6,587,427	6,784,149	6,189,980	7,745,299	8,188,738	8,778,851	-
Total General, Policy & TABOR Reserve funds	<u>\$ 54,917,407</u>	<u>\$ 62,470,507</u>	<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>	<u>\$ 52,407,284</u>	<u>\$ 52,254,924</u>	<u>\$ 62,700,130</u>
Other Governmental Funds										
Reserved	131,319,918	85,741,579	65,025,259	36,701,725	42,655,158	45,371,137	29,592,991	34,782,676	45,469,232	-
Unreserved, reported in:										
Special revenue funds	(a) 15,687,402	13,963,613	17,466,800	21,441,259	31,503,230	31,623,727	39,136,449	38,994,282	41,692,972	-
Restricted	(b) -	-	-	-	-	-	-	-	-	36,417,219
Committed	(b) -	-	-	-	-	-	-	-	-	4,082,737
Assigned	(b) -	-	-	-	-	-	-	-	-	887,822
Unreserved, reported in:										
Debt service funds	3,105,575	660,519	724,289	788,296	907,313	1,158,038	1,275,158	1,934,741	2,212,883	-
Restricted	(b) -	-	-	-	-	-	-	-	-	21,145,940
Unreserved, reported in:										
Capital projects funds	39,963,289	41,357,853	28,891,430	28,225,242	24,577,647	28,380,427	24,743,923	20,913,118	16,510,042	-
Restricted	(b) -	-	-	-	-	-	-	-	-	9,901,591
Committed	(b) -	-	-	-	-	-	-	-	-	1,108,279
Assigned	(b) -	-	-	-	-	-	-	-	-	22,032,405
Total all other governmental funds	<u>190,076,184</u>	<u>141,723,564</u>	<u>112,107,778</u>	<u>87,156,522</u>	<u>99,643,348</u>	<u>106,533,329</u>	<u>94,748,521</u>	<u>96,624,817</u>	<u>105,885,129</u>	<u>95,575,993</u>
Total fund balances	<u>\$ 244,993,591</u>	<u>\$ 204,194,071</u>	<u>\$ 165,491,678</u>	<u>\$ 136,445,561</u>	<u>\$ 152,780,832</u>	<u>\$ 163,171,409</u>	<u>\$ 150,978,981</u>	<u>\$ 149,032,101</u>	<u>\$ 158,140,053</u>	<u>\$ 158,276,123</u>

- (a) Excluding TABOR and Policy Reserve funds for years 2001-2009.
- (b) In 2010, reporting of fund balances was changed to meet the requirements of GASB 54.
- (c) In 2010, TABOR and Policy Reserve fund balances were transferred to the General Fund to meet the requirements of GAAP and GASB 54.

Exhibit A-4

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
REVENUES										
<i>Taxes</i>										
Sales and use	\$ 128,794,583	\$ 131,175,237	\$ 128,674,426	\$ 134,245,043	\$ 145,134,048	\$ 149,526,922	\$ 153,243,007	\$ 150,617,059	\$ 140,670,694	\$ 145,984,807
Property	25,138,146	26,732,855	29,799,273	28,033,332	28,644,691	29,742,954	30,813,184	32,519,051	33,175,518	32,290,710
Franchise	10,117,112	8,777,935	10,183,683	10,606,171	11,224,526	11,566,625	11,439,537	13,037,994	12,187,933	13,192,882
Lodgers	3,438,213	3,231,779	3,044,341	3,130,347	3,344,153	4,008,854	4,572,800	4,688,562	3,886,697	4,138,263
Occupational privilege	3,657,773	3,824,913	3,684,159	3,755,667	3,950,531	4,058,928	4,215,950	4,295,911	4,145,283	4,162,035
Other	4,207,334	4,430,407	4,864,920	5,361,765	5,366,799	7,292,324	7,331,575	5,001,847	5,181,550	5,059,070
Charges for services	12,670,536	14,453,021	15,298,469	18,951,376	19,902,708	15,408,472	18,620,824	15,996,882	16,160,154	20,122,179
Licenses and permits	7,140,457	9,394,758	8,902,351	10,974,896	13,710,827	13,121,874	9,523,978	8,817,173	7,852,116	8,219,699
Fines and forfeitures	4,742,280	4,858,917	5,312,628	5,195,033	7,081,565	7,547,331	8,862,389	8,209,553	7,882,527	8,620,118
Special assessments	318,617	192,493	264,002	47,795	1,024,193	292,474	545,373	346,447	394,158	294,672
Intergovernmental	22,258,953	24,455,505	22,780,958	28,557,034	36,785,824	35,509,439	32,005,970	33,731,296	38,975,230	45,510,442
Surcharges	2,716,398	2,693,191	2,604,231	2,650,587	2,694,385	2,790,662	2,862,077	3,139,083	3,177,105	3,243,446
Miscellaneous	2,978,342	5,509,569	4,283,746	5,174,348	16,033,741	15,473,953	8,052,699	7,182,586	5,999,760	3,616,361
Investment earnings	15,023,970	14,867,221	5,327,877	4,099,535	3,692,282	7,027,993	8,755,080	6,456,844	4,599,199	2,163,109
Total revenues	243,202,714	254,597,801	245,025,064	260,782,929	298,590,273	303,368,805	300,844,443	294,040,288	284,287,924	296,617,793
EXPENDITURES										
<i>Current</i>										
General government	22,361,989	25,271,995	32,974,743	34,809,025	51,361,370	34,353,933	34,207,588	34,006,200	32,334,060	24,013,123
Judicial	5,745,870	6,110,996	6,296,055	6,867,461	6,818,969	7,175,054	7,706,708	8,069,643	7,889,221	7,986,338
Police	57,845,300	59,326,105	61,411,745	62,661,168	65,764,443	70,298,998	74,496,292	78,646,612	79,708,894	81,520,107
Fire	26,767,183	27,972,743	28,758,598	27,840,562	28,195,821	29,977,336	32,308,850	33,764,814	33,979,814	35,092,746
Other public safety	1,281,460	3,927,902	5,260,630	9,038,844	10,106,404	10,506,510	11,780,534	12,742,372	12,503,334	12,741,196
Public works	30,306,245	21,598,825	19,260,674	20,605,607	30,631,449	32,304,425	24,933,938	24,357,677	21,439,170	33,340,162
Economic development	14,443,774	15,940,491	15,753,059	14,102,957	15,305,193	16,695,677	15,585,637	16,328,694	15,073,183	15,631,491
Community services	8,024,127	7,233,833	8,829,366	9,257,105	9,493,039	9,724,207	10,151,162	12,473,080	9,437,397	12,959,922
Culture and recreation	28,574,815	29,599,895	29,364,362	31,825,342	32,766,693	32,886,396	34,973,302	36,164,665	33,738,230	30,853,657
<i>Debt Service</i>										
Principal	6,675,508	6,679,071	7,652,362	8,921,242	10,577,968	13,036,135	13,583,952	13,187,802	14,986,664	12,194,833
Interest	9,672,964	9,506,354	9,528,666	9,046,758	8,598,608	6,874,792	7,141,260	7,971,018	12,211,597	6,780,668
Capital outlay	39,349,089	102,817,652	61,302,114	50,060,333	38,591,864	33,354,866	47,062,412	28,473,688	22,068,469	24,623,238
Total expenditures	251,048,324	315,985,862	286,392,374	285,036,404	308,211,821	297,188,329	313,931,635	306,186,265	295,370,033	297,737,481
Excess (deficiency) of revenues over (under) expenditures	(7,845,610)	(61,388,061)	(41,367,310)	(24,253,475)	(9,621,548)	6,180,476	(13,087,192)	(12,145,977)	(11,082,109)	(1,119,688)
OTHER FINANCING SOURCES (USES)										
Transfers in	47,975,096	43,664,588	55,204,349	57,960,594	83,160,614	57,744,381	49,352,397	44,221,197	46,454,536	36,761,387
Transfers out	(50,404,651)	(41,196,352)	(55,294,379)	(57,885,594)	(82,745,807)	(58,198,520)	(49,901,726)	(44,281,197)	(42,599,999)	(36,711,593)
Premium(discount) on debt issues	-	-	-	187,611	(179,797)	797,089	-	-	7,263,782	895,000
Proceeds from debt issues	-	15,421,826	2,549,559	8,750,000	24,535,000	539,309	-	68,540,000	92,710,000	23,102,727
Payment to refunded bond escrow agent	-	-	(2,490,000)	(14,975,000)	-	-	-	(60,635,390)	(84,185,263)	(22,850,000)
Notes Issued	-	-	-	-	-	-	1,075,000	-	415,000	-
Proceeds from capital leases	343,677	-	-	944,280	915,600	2,912,974	-	2,093,601	-	1,238
Proceeds from disposal of capital assets	419,478	2,698,480	2,695,389	225,467	271,209	414,868	369,093	260,886	132,005	56,999
Total other financing sources (uses)	(1,666,400)	20,588,542	2,664,918	(4,792,642)	25,956,819	4,210,101	894,764	10,199,097	20,190,061	1,255,758
Net change in fund balances	\$ (9,512,010)	\$ (40,799,519)	\$ (38,702,392)	\$ (29,046,117)	\$ 16,335,271	\$ 10,390,577	\$ (12,192,428)	\$ (1,946,880)	\$ 9,107,952	\$ 136,070
Debt service as a percentage of noncapital expenditures (a)	7.72%	7.59%	7.63%	7.65%	7.11%	7.55%	7.77%	7.62%	9.95%	6.95%

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

Exhibit A-5

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

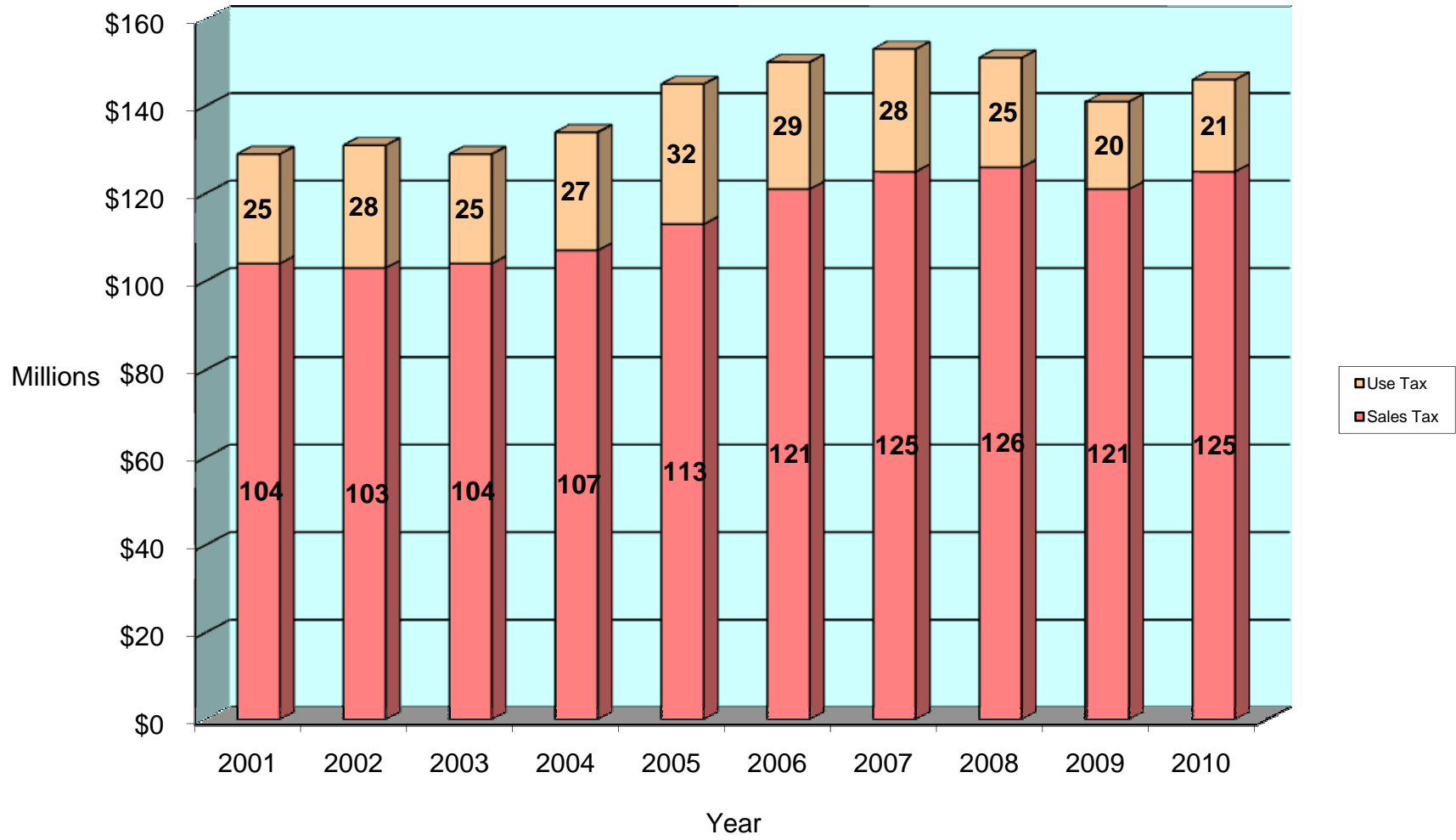


Exhibit A-6

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Sales and Use Tax Receipts by Business Sector										
Retail trade	\$ 61,666,655	\$ 59,119,766	\$ 60,660,159	\$ 61,323,123	\$ 64,149,437	\$ 68,785,268	\$ 72,371,462	\$ 70,219,932	\$ 67,808,813	\$ 68,857,464
Accommodation & food services	11,643,288	11,842,340	12,060,851	12,688,329	13,521,657	14,209,309	15,722,168	16,646,987	16,385,575	17,053,916
Information/Media	10,757,972	9,089,360	7,410,538	8,410,406	9,404,063	10,084,979	10,735,395	11,206,178	11,200,370	11,613,776
Utilities	7,896,573	10,004,207	7,368,457	8,338,419	9,254,990	10,868,971	10,176,084	11,542,677	10,573,276	12,016,790
Real estate, rental & leasing	5,066,623	4,717,082	4,779,630	4,246,358	4,351,737	4,595,117	4,738,835	4,620,515	3,971,830	3,564,350
Manufacturing	3,862,112	3,593,335	3,387,378	3,505,429	3,220,917	3,560,554	2,796,082	2,635,512	2,291,448	2,331,064
Wholesale trade	2,769,157	3,855,464	4,341,125	4,166,333	4,806,379	5,428,407	5,251,516	5,740,516	5,488,481	5,932,016
Finance and insurance	1,675,830	1,655,349	1,286,834	1,036,981	908,032	985,344	1,032,270	1,033,487	944,147	806,789
Health Care and Social Assistance (a)	-	-	-	-	-	-	-	1,278,344	1,628,884	1,235,574
Arts, entertainment & recreational	978,288	967,856	912,800	958,913	916,219	880,367	825,845	843,638	935,766	935,834
Professional, scientific and technical	930,322	648,743	801,065	728,034	1,025,581	958,251	1,050,971	939,483	1,206,693	1,263,796
Construction	693,967	1,040,284	1,083,967	1,083,516	2,206,861	1,987,942	1,760,245	1,604,885	1,635,413	1,121,618
Other services	4,202,351	4,363,934	4,537,029	4,408,874	4,340,091	4,758,881	5,284,155	4,210,019	4,277,911	4,146,360
Automobile use tax	11,438,366	11,469,004	10,948,897	10,215,871	10,284,541	9,834,375	10,845,015	10,302,520	8,882,587	9,043,526
Building materials use tax	7,782,462	10,291,664	8,629,048	11,955,724	15,459,058	13,645,196	12,328,785	7,514,659	4,891,059	6,494,128
Total Sales and Use Tax Receipts	\$ 131,363,966	\$ 132,658,388	\$ 128,207,778	\$ 133,066,310	\$ 143,849,563	\$ 150,582,961	\$ 154,918,828	\$ 150,339,352	\$ 142,122,253	\$ 146,417,001
City direct sales/use tax rate	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%

SOURCE: City of Aurora's Sales Tax Division, except for automobile and building material use tax which is tracked within the 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, starting in 2008 these receipts are listed as a separate line item.

Exhibit A-7

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

Arapahoe County

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

Adams County

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

Douglas County (a)

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

SOURCE: City of Aurora's Tax & Licensing Division

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

Exhibit A-8

City of Aurora, Colorado

Top Ten Principal Sales and Use Tax Payers by Industry Group
Current Year and Nine Years Ago

	2010			2001		
	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	\$ 16,435,136	1	11.22%	\$ 13,911,861	1	10.59%
Full-service restaurants	11,949,613	2	8.16%	10,519,533	2	8.01%
Electrical power generation, distribution	11,813,694	3	8.07%	7,757,293	4	5.91%
Building materials & supplies stores	7,886,519	4	5.39%	5,920,331	6	4.51%
Telecommunications	7,510,190	5	5.13%	8,152,842	3	6.21%
Clothing stores	6,318,322	6	4.32%	3,674,047	10	2.80%
Electronics and appliance stores	5,082,662	7	3.47%	-		0.00%
Other general merchandise stores	4,382,769	8	2.99%	4,711,388	8	3.59%
Limited-service eating places	4,081,233	9	2.79%	-		0.00%
Automobile dealers	3,976,250	10	2.72%	6,838,547	5	5.21%
Other miscellaneous store retailers				5,107,016	7	3.89%
Grocery stores				3,736,512	9	2.84%
Total	\$ 79,436,388		54.25%	\$ 70,329,370		53.54%

SOURCE: city of Aurora's Sales Tax Division

Note: Total city sales and use tax receipts were \$146,417,001 for 2010 and \$131,363,966 for the year 2001.

The 2001 and 2010 Sales and Use Tax receipts are not reported on a GAAP basis.

Exhibit A-9

City of Aurora, Colorado

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Years

Assessment/ Levy Year	Collection/ Budget Year	Real Property (a)			Total			Percent of Total Assessed Value to Estimated Actual Value	Total Direct Tax Rate	
		Assessed Value Adams County(b)	Assessed Value Arapahoe County (b),(c)	Assessed Value Douglas County	Assessed Value	Percentage Change	Estimated Actual Value			Percentage Change
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
2009	2010	573,880,730	2,427,547,290	6,472,400	3,007,900,420	-3.7%	22,357,730,401	-10.4%	13.5%	10.494
2010	2011	568,521,560	2,430,929,018	6,906,470	3,006,357,048	-0.1%	22,772,370,040	1.9%	13.2%	10.595

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 2011 are based on the 2010 assessment, which itself is based on property values as of June 30, 2009.

The assessed valuation percentage is established each year and was as follows: Residential: 2001 and 2002 - 9.15%; and 2003 through 2010 - 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: \$8,168,440 - 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; \$1,662,950 - 2008, \$7,341,510 for 2009, and \$4,553,030 - 2010 Adams and \$10,156,782 - 2010 Arapahoe. Arapahoe County had no TIF activity reported for the 2008 levy year. For the 2009 levy year, Arapahoe County reported new TIF assessments related to the Havana Gardens project.
- (c) Does not include General Improvement District (GID) assessed value of: 2010 - \$7,059,720.

Exhibit A-10

City of Aurora, Colorado

PROPERTY TAX RATES - DIRECT AND PRIMARY OVERLAPPING GOVERNMENTS

(Per \$1,000 of Assessed Valuation)

Last Ten Years

Assessment/ Levy Year	Collection/ Budget Year	City of Aurora	Counties		Schools		(a) Total Tax Rate - City of Aurora and:		
			Adams	Arapahoe	Aurora 28J	Cherry Creek	Adams County and Aurora Schools 28J	Arapahoe County and Aurora Schools 28J	Arapahoe County and Cherry Creek Schools
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	15.609	53.248	49.569	90.721	79.521	75.842
2009	2010	10.494	26.824	15.672	53.455	48.825	90.773	79.621	74.991
2010	2011	10.595	26.883	15.949	53.919	50.947	91.397	80.463	77.491

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

The County Assessor bases the assessed values on property values as of June 30 of the year prior to the assessment year. Thus the assessed values for the taxes associated with budget year 2011 are based on the 2010 assessment, which itself is based on property values as of June 30, 2009.

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

Exhibit A-11

City of Aurora, Colorado

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

	2010			2001		
	Assessed Valuation of Property	Rank	Percentage of Total Assessed Valuation	Assessed Valuation of Property	Rank	Percentage of Total Assessed Valuation
Xcel Energy	\$ 61,234,210	1	2.04%	\$ 38,864,690	2	1.67%
Qwest Communications	42,470,800	2	1.41%	41,154,300	1	1.77%
Blue Spruce Energy Center LLC	26,276,800	3	0.87%			
Columbia HealthOne	17,400,000	4	0.58%			
Verizon	17,379,230	5	0.58%	13,949,000	3	0.60%
CPT Operating Partnership	12,328,400	6	0.41%			
Weingarten/Miller/Aurora II	12,209,010	7	0.32%	6,960,000	8	0.30%
Retail Property Trust	9,569,990	8	0.32%			
Arapahoe Crossings	8,946,500	9	0.30%			
NRFC Denver Holding LLC	8,634,750	10	0.29%			
Glenborough Properties				12,786,910	4	0.55%
Security Capital Industrial Trust (formerly Pro Logis)				8,433,900	6	0.36%
Quest Wireless (formerly U.S. West Wireless)				6,611,900	9	0.28%
Nationwide Hospitality				6,380,010	10	0.27%
Mountain States Video, Inc.				10,703,780	5	0.46%
Sumitomo Bank Leasing				7,018,000	7	0.30%
Total	\$ 216,449,690		7.20%	\$ 152,862,490		6.56%

Source: Data obtained from Certifications of Valuations provided by Adams, Arapahoe and Douglas Counties. The Total Assessed Value in assessment year 2010 is \$3,006,357,048 and 2001 was \$2,329,308,450. This total does not include the tax increment financing district assessed valuation for 2010 of \$14,709,812 or 2001 of \$8,168,440.

City of Aurora, Colorado

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Years

Assessment/Collection/ Levy Year	Budget Year	Total Tax Levy (a)	Current Tax Collections	Percent of Levy Collected	Delinquent Collections/ (Refunds) (b)	Total Tax Collections	Collections as % of Current Tax Levy	TABOR (c)		Tax Increment Collections	General Improvement District Collections (e)	Total Property Tax Revenues
								Excess Collections	Tax Credit			
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
2008	2009	33,294,387	33,079,076	99.35%	(55,688)	33,023,388	99.19%	-	-	152,130	-	33,175,518
2009	2010	31,852,540	31,160,862	97.83%	(204,378)	30,956,484	97.19%	-	-	1,275,143	59,084	32,231,627

Notes: Data obtained from Certifications of Valuation provided by Adams and Arapahoe counties. Colorado statutes provide procedures for the valuation of property for assessment purposes. The "Assessment/Levy Year" is the calendar year in which the property value is assessed. It is also the year in which the associated tax is levied. The tax revenue for a "Collection/Budget Year" is based on the assessment and tax levy made in the prior year. Tax revenue collections occur in the budget year. Component units of the city are included only if they are blended in the city's annual financial report.

The County Assessor bases the assessed values on property values as of June 30 of the year prior to the assessment year. Thus the assessed values for the taxes associated with budget year 2010 are based on the 2009 assessment, which itself is based on property values as of June 30, 2008.

- (a) Property taxes are assessed by Adams, Arapahoe and Douglas counties and remitted to the city after collection.
- (b) Delinquent tax collections are netted with refunds of appealed assessments. Positive numbers reflect more delinquent tax collections than refunds for the year. Negative numbers reflect refunds of appealed assessments in excess of delinquent collections for the year.
- (c) For collection year 2002, property tax revenues were collected in excess of the limits imposed under the Taxpayer Bill of Rights (TABOR) Amendment. Taxpayers were given a "temporary tax credit" (net of County collection fees) for these excess collections in the form of a reduction in the following year tax levy which reduced the amount they were required to pay. Amounts collected in excess of the limit are recognized as deferred revenue in the year collected and as revenue in the following year. The 2001 Tax Credit of \$4,134,476 offsets excess collections in 2000 of \$4,385,448.
- (d) In November, 2003, a majority of the city's electors authorized the city to collect, retain and spend a portion of 2003 property tax revenues which was in excess of the TABOR limits and would otherwise have to be refunded to the city's taxpayers. This amounted to \$2,039,130 for the period ended 2003.
- (e) Collections for General Improvement Districts are reported beginning in 2010.

Exhibit A-13

City of Aurora, Colorado
Ratios of Outstanding Debt by Type

Last Ten Years

Year	Governmental Activities						Business-Type Activities					Total Primary Government	Percentage of Personal Income (b)	Per Capita	Population (a)
	General Obligation Bonds	Revenue Bonds	Special Assessments Notes	Certificates of Participation	Capital Leases	Tax Increment Bonds	General Obligation Bonds	Revenue Bonds	Water Rights Notes	Capital Leases	Revenue Notes				
2001	\$ 59,480,000	\$ 16,800,000	\$ -	\$ 96,070,000	\$ 1,291,113	\$ 2,220,000	\$ 85,615,000	\$ 42,309,735	\$ 402,489	\$ 540,553	\$ -	\$ 304,728,890	N/A	\$ 1,071	284,606
2002	56,110,000	15,855,000	-	109,875,000	932,204	1,950,000	75,185,000	38,287,762	352,178	503,363	-	299,050,507	9.5%	1,026	291,418
2003	52,610,000	14,865,000	-	107,430,000	506,599	1,665,000	68,410,000	91,520,896	301,867	409,156	-	337,718,518	10.7%	1,156	292,158
2004	48,870,000	13,825,000	-	97,745,000	997,232	1,365,000	59,155,000	128,820,266	7,640,006	347,836	1,023,519	359,788,859	10.2%	1,206	298,303
2005	44,945,000	12,730,000	1,140,000	116,165,000	1,613,972	1,045,000	51,635,000	223,000,126	6,698,054	367,358	813,594	460,153,104	12.3%	1,514	303,833
2006	40,840,000	11,580,000	1,055,000	115,780,000	3,963,516	710,000	43,910,000	275,355,094	5,756,102	450,337	594,031	499,994,080	12.9%	1,629	306,908
2007	36,545,000	10,375,000	1,955,000	109,495,000	3,030,374	-	37,275,000	691,290,919	5,269,168	510,521	364,386	896,110,368	19.0%	2,896	309,416
2008	32,045,000	9,105,000	1,745,000	110,900,000	4,136,172	-	30,435,000	684,566,848	3,872,197	541,643	18,530,576	895,877,436	19.2%	2,861	313,144
2009	28,030,000	7,850,000	1,475,000	111,965,000	2,809,509	-	24,530,000	677,643,251	3,234,391	358,624	52,317,751	910,213,526	21.0%	2,896	314,326
2010	22,585,000	6,350,000	1,230,000	107,155,000	1,694,676	-	18,410,000	659,542,058	2,646,897	190,886	75,750,000	895,554,517	24.0%	2,755	325,078

Notes:

- (a) 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 through 2009 the population was provided by the city's Planning Department. The 2010 population is from the April 2010 federal census population count.
- (b) See Exhibit A-18 (Demographic and Economic) for personal income (based on labor force) totals. Personal income data not available for the year 2001.

City of Aurora, Colorado

Exhibit A-14

Ratios of Net General Obligation Bonded Debt Outstanding

Last Ten Years

Year	Population (a)	Assessed Value (b)	Debt		Total Gross General Obligation Bonded Debt (c)	Less: Debt Service Fund Balance	Net General Obligation Bonded Debt	Net General Obligation Bonded Debt to Assessed Value	Net General Obligation Bonded Debt Per Capita
			Governmental Activities	Business-Type Activities					
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
2009	314,326	3,007,900,420	27,330,000	24,530,000	51,860,000	1,609,258	50,250,742	1.7%	160
2010	325,078	3,006,357,048	22,585,000	18,410,000	40,995,000	1,573,343	39,421,657	1.3%	121

Notes:

- (a) 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 through 2009 the population was provided by the city's Planning Department. The 2010 population is from the April 2010 federal census population count.
- (b) Does not include tax increment financing district assessed valuation of: \$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; \$1,662,950 - 2008, \$7,341,510 for 2009, and \$4,553,030-2010 Adams and \$10,156,782 - 2010 Arapahoe. 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, general obligation bonds for General Improvement Districts which are paid from property tax levies, and general obligation water bonds which are paid for from Water Fund revenues but are a contingent general obligation of the city. Includes \$18,845,000 of General Obligation Bonds Refunding Series 2010, and Water General Obligation Series 2003 which are excluded from the debt limit calculation per sections 11-19-4 to 11-19-6 of the City Charter.

Exhibit A-15

City of Aurora, Colorado
Direct and Overlapping Governmental Activities Debt
December 31, 2010

Jurisdiction	Debt Outstanding	Estimated Percentage Applicable (d)	Estimated Share of Overlapping Debt
<i>Direct:</i>			
City of Aurora (a)			\$ 21,035,000
<i>Overlapping:</i>			
Debt repaid with property taxes			
Adams-Arapahoe School District 28J			
General obligation bonds (b)	371,820,570	94.92%	352,932,085
Other debt	16,967,670	94.92%	16,105,712
Cherry Creek School District			
General obligation bonds (b)	453,351,893	26.01%	117,916,827
Other overlapping entities (c)			
General obligation bonds (b)	2,803,844,238	15.39%	431,511,628
Other debt	516,563,678	96.75%	499,775,358
Debt repaid from other sources (e)			
Cherry Creek School District	2,700,000	26.01%	702,270
Adams-Arapahoe School District 28J	16,967,670	94.92%	16,105,712
Other overlapping entities (c)			
Revenue bonds	3,835,345,814	36.08%	1,383,792,770
Other debt	861,055,089	58.04%	499,756,374
			<u>3,318,598,736</u>
Total overlapping debt:			<u>3,318,598,736</u>
Total Direct and Overlapping Debt			<u>\$ 3,339,633,736</u>

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 160 other taxing entities overlap the city in whole or in part. Including but not limited to, Southlands Metropolitan District No. 1 & 2, Sand Creek Metropolitan District, Saddle Rock Metropolitan District, Eagle Bend Metropolitan District No. 2, Aurora Centretech Metropolitan District, and Tower Metropolitan District.
- (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 2010

Assessed valuation, all Counties:	\$	3,006,357,048	
Debt limit - 3% of assessed valuation			90,190,711
Amount of debt outstanding:			
Total bonded debt		706,887,058	
Other debt		<u>188,667,458</u>	
Total			895,554,516
Less: Fund balance in debt service funds		1,573,343	(a)
Other deductions allowed by law:			
General obligation bonds exempt from limit		20,395,000	(b)
General obligation water bonds		18,410,000	(b)
Revenue bonds		665,892,058	(c)
Capitalized lease obligations		1,885,561	(c)
Certificates of participation		107,155,000	(c)
Revenue notes		76,980,000	(c)
Water right notes		<u>2,646,897</u>	(c)
Total deductions			894,937,859
Total amount of debt applicable to debt limit			616,657
Legal Debt Margin			89,574,054 (d)

	<u>Last Ten Fiscal Years</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>	<u>2009</u>	<u>2010</u>
Debt limit	69,879,254	72,939,370	74,555,080	77,248,858	81,333,261	84,801,853	91,617,345	93,663,116	90,237,013	90,190,711
Total net debt applicable to limit	<u>8,331,807</u>	<u>7,324,379</u>	<u>6,004,776</u>	<u>5,296,379</u>	<u>4,410,672</u>	<u>3,855,603</u>	<u>2,725,438</u>	<u>1,676,360</u>	<u>1,145,743</u>	<u>616,657</u>
Legal debt margin	61,547,447	65,614,991	68,550,304	71,952,479	76,922,589	80,946,250	88,891,907	91,986,756	89,091,270	89,574,054
Total net debt applicable to the limit as a percentage of debt limit	11.9%	10.0%	8.1%	6.9%	5.4%	4.5%	3.0%	1.8%	1.3%	0.7%

(a) The fund balance is assigned to pay down debt and is a reduction of outstanding debt.

(b) A portion of the Refunding Series 2010 bonds, the General Improvement District bonds, and Water GO bonds are exempt from the debt limit.

(c) Revenue bonds and other forms of debt paid from revenues generated are exempt from the debt limit.

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

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

Exhibit A-17

City of Aurora, Colorado
SCHEDULE OF WATER REVENUE BOND COVERAGE

Last Ten Years

Debt Service Requirements

Year	Gross		Net Revenue Available For Debt Service	First Lien Revenue Obligations (c)		First & Second Lien Revenue Obligations (d)		Debt Secured by Net Pledged Revenues (e)		Debt Payable from System Revenues (f)		Coverage Ratios (g)			
	Revenue (a)	Expenses (b)		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	(c)	(d)	(e)	(f)
	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
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
2009	107,283,305	33,252,590	74,030,715	3,810,404	29,966,338	3,810,404	31,681,332	4,448,210	31,874,942	10,353,210	33,032,754	2.19	2.09	2.04	1.71
2010	128,180,345	45,305,349	82,874,996	3,962,238	29,146,645	3,962,238	29,146,645	4,549,732	29,308,365	10,669,732	30,274,265	2.50	2.50	2.45	2.02

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.
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,
- (c) 2007 and 2003A. The legal covenant for debt service coverage for these obligations is 1.20 except for the CWRPDA Series 1999A which is 1.10.
Includes (c) above and for 2004 through 2007 Second Lien Water Improvement Revenue Bonds Series 2004A. The legal covenant through 2009 for debt service coverage is 1.05. In 2008, the 2004A issue was refunded
- (d) with the 2008A 1st lien issue. In 2007, a note with the Colorado Water Conservation board was entered into and takes a second lien parity with existing obligations.
- (e) Includes (d) above and all Water Rights Notes Payable. The legal covenant for debt service coverage is 1.05.
- (f) Includes (e) above and General Obligation Water Bonds which are payable from revenues of the system but are not secured by the Net Pledged Revenues. 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.

Exhibit A-17

City of Aurora, Colorado
SCHEDULE OF WASTEWATER REVENUE BOND COVERAGE

Last Ten Years

Year	Gross Revenue (a)	Expenses (b)	Net Revenue Available For Debt Service	Debt Service Requirements (c)			Coverage Ratio (d)
				Principal	Interest	Total	
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
2009	52,327,902	33,826,337	18,501,565	2,708,193	3,204,712	5,912,905	3.13
2010	57,247,180	34,139,137	23,108,043	2,796,635	3,074,357	5,870,992	3.94

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)

Exhibit A-17

City of Aurora, Colorado
SCHEDULE OF GOLF REVENUE BOND COVERAGE

Last Ten Years

Year	Gross Revenue (b)	Operating & Maintenance Expenses (c)	Net Revenue Available For Debt Service	Senior Debt Service Requirements (a)				Subordinate Debt Service Requirements (a)			
				Principal	Interest	Total	Coverage Ratio (d)	Principal	Interest	Total	Coverage Ratio (e)
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
2009	9,127,449	7,894,302	1,233,147	529,199	133,944	663,143	1.86	56,000	227,600	283,600	2.01
2010	8,408,174	7,655,245	752,929	420,000	114,925	534,925	1.41	56,000	224,800	280,800	0.78

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

- (a) The Senior Debt Service Requirement consists of the 1995 Golf Revenue Bonds and, beginning in 2004, the 2004 Golf Revenue Note. 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. In 2010 the ratio dropped below 1.00, as a result, a consultant has been hired in accordance with the bond covenants to provide recommendations for what courses of action the city should take to bring the ratio to 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 the golf system fails 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)

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)
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%
2009	314,326	4,331,333,727	179,151	24,177	7.5%
2010	325,078	3,725,166,739	169,967	21,917	10.1%

Notes:

- (a) 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 through 2009 the population was provided by the city's Planning Department. The 2010 population is from the April 2010 federal census population count.
- (b) Data was provided by the city's Planning Department. Personal income totals 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>2010</u>			<u>2001</u>		
	<u>Employees</u>	<u>Rank</u>	(b) <u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	(b) <u>Percentage of Total City Employment</u>
Buckley Air Force Base (a)	12,100	1	7.06%	9,375	1	5.98%
Univ. of CO Anschutz Medical Campus	6,360	2	3.71%			0.00%
The Children's Hospital	4,100	3	2.39%			
University of Colorado Hospital	4,080	4	2.38%			
Aurora Public Schools	4,020	5	2.35%	4,000	2	
Cherry Creek Public Schools (c)	3,820	6	2.23%	2,700	3	1.72%
City of Aurora (d)	3,740	7	2.18%	2,634	4	1.68%
Raytheon	2,200	8	1.28%	1,500	5	0.96%
Kaiser Permanente	1,690	9	0.99%	900	8	0.57%
ADT Security Systems	1,600	10	0.93%	1,500	6	0.96%
Cub Foods				850	10	0.54%
Healthone Medical Center of Aurora				1,500	7	0.96%
TRW Systems Integration Group				875	9	0.56%

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 data for 2010 was 171,300 and for 2001 was 156,829 provided by the City's Planning Department.
- (c) Cherry Creek Public Schools includes employees in the cities of Aurora, Centennial, Cherry Hills Village, Englewood, Foxfield, Glendale, and Greenwood Village. Data for the city only portion of employee's was not made available.
- (d) The city of Aurora employee count includes temporary and seasonal workers.

Exhibit A-20

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

	Last Ten Years									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government										
City Council	13.00	13.00	14.00	14.00	13.00	13.00	14.00	14.00	14.00	14.00
Finance	54.30	54.50	57.50	60.50	60.50	60.00	63.00	65.00	62.50	63.50
General Management (includes Civil Service) (g)	44.50	42.50	40.50	44.80	131.80	125.30	127.80	130.80	125.30	96.80
Human Resources (a)	-	29.00	28.00	27.00	26.00	24.00	24.00	24.00	24.00	24.00
Information Technology	41.00	49.00	48.00	45.00	43.00	43.00	47.00	47.00	46.00	42.00
Internal Services (b)	84.00	92.00	95.00	92.00	-	-	-	-	-	-
Planning	42.12	49.12	49.12	46.12	45.12	44.10	45.10	45.10	34.12	31.00
Judicial										
City Attorney	49.50	49.00	50.00	50.00	50.00	50.00	51.00	52.00	50.50	49.00
Court Administration (includes Judicial) (c)	74.50	71.50	124.00	125.00	125.00	125.00	126.00	126.00	122.50	120.50
Public Defender	7.00	7.00	7.00	7.00	7.00	8.00	8.00	8.00	8.00	8.50
Police	775.00	797.00	787.00	732.00	740.00	759.00	773.00	778.00	778.00	772.50
Fire	333.00	356.00	346.00	318.00	309.00	325.00	329.00	329.00	323.00	325.00
Other Public Safety (d)	-	4.00	4.00	70.00	70.00	78.00	85.00	85.00	85.00	81.00
Public Works (h)	183.00	189.00	189.00	186.00	185.00	185.00	196.00	196.00	186.00	241.00
Community Services										
Neighborhood Services (f)	158.20	178.20	177.20	163.60	165.60	160.50	158.50	158.50	137.50	72.50
Culture and Recreation										
Library and Cultural Services (e)	185.00	187.80	198.20	187.80	182.00	177.00	183.50	184.50	183.50	65.90
Parks, Recreation & Open Space (e)	220.40	199.80	203.30	196.30	193.50	187.50	202.80	202.80	199.75	245.70
Water	156.75	167.25	183.16	195.37	206.00	241.00	258.15	266.70	270.30	270.72
Wastewater	91.25	98.75	101.84	108.63	123.00	134.00	144.85	148.30	155.70	152.28
Total	2,512.52	2,634.42	2,702.82	2,669.12	2,675.52	2,739.40	2,836.70	2,860.70	2,805.67	2,675.90

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 (Other Public Safety function) beginning in 2004.
 - (e) In 2010, approximately 67 Recreation positions were moved from the Library and Cultural Services department to the Parks, Recreation and Open Space department, and another 6 to other city departments. Also, the 2008 recession and resulting budget reductions required four libraries to be closed in 2010 with a corresponding decrease in full time employees (approximately 44 from Library and Cultural Services and 21, mostly Forestry, from Parks, Recreation, and Open Space).
 - (f) In 2010, some Community Services positions were moved to Public Works.
 - (g) In 2010, Facilities Management operations (part of General Management) was moved to Public Works function.
 - (h) In addition to the positions that moved into Public Works from General Management and Community Services, approximately 30 positions were cut from the Public Works function in the 2010 budget.

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government										
<i>Building Permits: Data provided by COA Building Code Division</i>										
Permits Issued (a)	4,189	9,701	9,034	9,920	10,121	10,037	9,538	9,931	15,574	13,729
Value of Buildings (millions)	481	614	530	750	897	777	992	452	349	415
<i>Tax & Licensing: Data provided by COA Tax & Licensing Division</i>										
New business licenses	2,509	3,280	2,897	2,661	2,099	2,183	2,333	2,081	2,078	2,014
Police Protection: Data provided by COA Police Department										
Number of Law Violations (Part I Crime) (b)	17,224	18,206	17,050	16,895	16,506	14,872	13,583	12,393	11,758	11,760
Total calls dispatched & officer initiated	157,653	254,153	168,712	276,441	288,682	300,953	317,442	309,712	402,165	409,955
Total moving violations	40,142	41,631	41,834	40,841	44,487	42,801	49,043	48,500	46,818	47,853
Total parking violations	8,914	8,697	8,054	6,713	7,898	7,433	9,164	9,027	8,665	7,429
Fire Protection: Data provided by COA Fire Department										
Number of fire inspections	(c)	7,506	7,665	8,111	7,639	7,845	8,723	9,563	9,002	9,943
Total Fire calls (Fire, EMS, other)	(c)	23,268	24,042	23,857	26,011	26,870	29,839	30,088	30,648	33,268
Haz Mat calls	(c)	47	39	42	34	20	35	39	6	7
Community Services: Data provided by COA Neighborhood Services Department										
Total number of Code Enforcement Inspections	72,465	80,745	84,127	90,382	86,477	84,599	89,493	65,055	67,458	87,633
Culture and Recreation: Data provided by COA Parks and Open Space, and Library and Cultural Services Departments										
Library items circulated	(d)	(d)	1,001,651	1,136,356	1,152,630	1,173,261	1,163,463	1,248,501	1,181,843	764,866
Library patron visits	(d)	(d)	850,525	891,831	926,497	1,036,513	1,213,191	1,367,509	1,290,115	793,355
Recreational classes offered	(d)	(d)	7,407	8,013	8,363	8,229	7,697	7,523	5,889	6,876
Recreational attendance	(d)	(d)	314,485	306,898	289,539	286,292	278,216	296,228	295,937	302,565
Cultural services in house program attendance	(d)	(d)	221,464	174,673	186,783	186,976	124,916	146,542	129,052	151,008

Notes:

- (a) Beginning in 2002, permit total also includes plumbing, heating, life safety and electrical for existing residential and non-residential structures.
 (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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Police Protection: Data provided by COA Police Department										
Patrol Vehicles	138	138	138	156	165	167	167	158	151	151
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	12	12	13	13	13	15	15	15	15	15
Public Works: Data provided by COA Public Works Department										
Miles of Improved Streets (center-line miles)	1,009	1,014	1,054	1,095	1,118	1,172	1,174	1,174	1,174	1,174
Tons of asphalt for patching & overlay (b)	131,198	175,213	170,422	181,211	171,108	179,125	188,037	189,594	211,193	146,331
Square yards of street repair & overlay (b)	1,389,791	1,316,000	1,502,523	1,459,415	976,199	1,383,276	1,342,659	1,330,824	1,591,986	2,114,175
Culture and Recreation: Data provided by COA Parks, Recreation, and Open Space, and Library and Cultural Services Departments										
Number of Playgrounds	65	65	65	75	78	79	79	80	82	84
Number of Golf Courses	7	7	7	7	7	7	7	7	7	7
Number of Swimming Pools	10	10	10	10	10	10	10	10	7	7
Parks - Number of Acres (c)	7,400	7,700	7,700	7,937	8,045	8,627	8,630	10,069	10,689	10,677
Number of Libraries (f)	7	7	7	7	7	7	7	7	7	3
Water: Data provided by COA Aurora Water Department										
Number of Water Taps (d)	64,845	65,933	67,953	70,709	70,759	76,240	76,422	76,655	76,707	78,423
Miles of water mains constructed (e)	35	35	35	54	63	52	25	19	7	12
Wastewater: Data provided by COA Aurora Water Department										
Number of Sanitary Sewer Taps (d)	70,777	72,920	74,616	76,901	79,974	82,754	84,384	85,177	85,645	86,268
Miles of Sanitary Sewer constructed (e)	21	27	24	25	47	38	10	8	2	3

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

(b) These totals include the following: reconstructive patching, in-place patching, slurry seal, chip seal and reconstructive planning. All work performed through the Capital Projects Fund by contract. In 2010, Public Works efforts were focused on street repair and overlay vs. patching and overlay.

(c) Includes parks, golf courses and open space. Beginning in 2004, the Parks, Recreation, and Open Space Department revised the methodology used to calculate totals. In 2008 PROS 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. Water mains and sewer lines decreased in 2009 due to decreased development activity.

(f) Due to ongoing declining General Fund budgets, four libraries were closed in 2010.





Other Schedules

Miscellaneous Schedules

Debt Continuing Disclosures

OTHER SCHEDULES (unaudited)

MISCELLANEOUS SCHEDULES

- Exhibit B-1 Schedule of Indebtedness – All Funds
- Exhibit B-2 Schedule of Debt Service Requirements – Governmental Activities
- Exhibit B-3 Local Highway Finance Report

DEBT CONTINUING DISCLOSURES

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

**EXHIBIT B-1
SCHEDULE OF INDEBTEDNESS – ALL FUNDS
DECEMBER 31, 2010**

	Interest Rates	Dates		Debt		
		Issue	Maturity	Authorized and Issued	Outstanding	Current Maturities
GENERAL OBLIGATION DEBT						
Supported by Dedicated Property Tax						
Refunding Series 2010	2.50 - 5.00%	06/03/10	2015	21,035,000	21,035,000	4,970,000
Unamortized premium				-	1,860,954	-
Total supported by Dedicated Property Tax				<u>21,035,000</u>	<u>22,895,954</u>	<u>4,970,000</u>
Supported by Water Fund revenues						
General obligation refunding	2.00 - 4.00%	10/01/03	2014	62,775,000	18,410,000	6,365,000
Unamortized premium				-	392,512	-
Unamortized deferred amount on refunding				-	21,712	-
Total supported by Water Fund revenues				<u>62,775,000</u>	<u>18,824,224</u>	<u>6,365,000</u>
REVENUE BONDS						
Supported by General Fund revenues						
Refunding Series 2009	3.00 - 4.00%	10/14/09	2014	7,850,000	6,350,000	1,585,000
Unamortized premium				-	214,196	-
Unamortized deferred amount on refunding				-	(149,926)	-
Total supported by General Fund revenues				<u>7,850,000</u>	<u>6,414,270</u>	<u>1,585,000</u>
Supported by Water Fund revenues						
First-Lien Water Revenue	2.00 - 5.00%	10/15/03	2021	55,860,000	33,550,000	-
Governmental agency	3.20 - 5.00%	09/29/05	2035	100,000,000	100,000,000	2,270,000
First-Lien Water Revenue	4.75 - 5.00%	07/11/07	2039	421,495,000	421,495,000	-
First-Lien Water Revenue - refunding	4.63 - 5.00%	04/15/08	2033	39,995,000	39,995,000	-
Unamortized premium				-	14,665,664	-
Unamortized deferred amount on refunding				-	(3,501,055)	-
Total supported by Water Fund revenues				<u>617,350,000</u>	<u>606,204,609</u>	<u>2,270,000</u>
Supported by Wastewater Fund revenues						
Governmental agency	4.00 - 5.375%	07/01/99	2014	24,124,366	7,487,058	1,770,843
First-Lien Sewer Revenue	4.00 - 5.00%	04/25/06	2036	57,790,000	54,655,000	1,140,000
Unamortized premium				-	1,249,437	-
Total supported by Wastewater Fund revenues				<u>81,914,366</u>	<u>63,391,495</u>	<u>2,910,843</u>
Supported by Golf Fund revenues						
Golf Course Enterprise System refunding	3.50 - 4.375%	07/26/05	2015	4,625,000	2,360,000	435,000
Unamortized deferred amount on refunding				-	(63,585)	-
Total supported by Golf Fund revenues				<u>4,625,000</u>	<u>2,296,415</u>	<u>435,000</u>
NOTES						
Supported by Water Fund revenues						
Water Rights Rocky Ford II	2.30%	various 2004	2019	8,280,091	2,646,897	-
Colorado Water Conservation Board Note	3.75%	various 2008	2041	75,750,000	75,750,000	-
Total supported by Water Fund revenues				<u>84,030,091</u>	<u>78,396,897</u>	<u>-</u>
Supported by Special Assessments						
Special Improvement District - Dam West	4.89%	10/20/05	2015	1,140,000	475,000	10,000
Special Improvement District - Ptarmigan Fence	5.00%	11/28/07	2017	1,075,000	755,000	10,000
Total supported by Special Assessments				<u>2,215,000</u>	<u>1,230,000</u>	<u>20,000</u>
INCLUDABLE ENTITIES						
Supported by Lease Payments						
ACLIC certificates of participation	3.00 - 4.375%	05/01/02	2013	15,380,000	4,805,000	1,535,000
ACLIC certificates of participation	3.00 - 3.625%	03/01/05	2014	8,405,000	5,090,000	1,055,000
ACLIC certificates of participation-refunding	4.00 - 5.00%	02/07/06	2015	20,290,000	13,100,000	2,405,000
ACLIC certificates of participation-refunding	4.099 - 5.00%	09/24/09	2030	84,160,000	84,160,000	-
Unamortized premium				-	7,215,727	-
Unamortized discount				-	(34,530)	-
Unamortized deferred amount on refunding				-	(11,701,696)	-
Total supported by Lease Payments				<u>128,235,000</u>	<u>102,634,501</u>	<u>4,995,000</u>
Supported by Property Tax Levies						
GO Bonds- General Improvement District - Cherry Creek Fence	5.25%	12/02/09	2029	700,000	680,000	20,000
GO Bonds -General Improvement District - Meadow Hills Fence	4.99%	12/22/10	2031	520,000	495,000	15,000
GO Bonds -General Improvement District - Peoria Park Fence	5.45%	06/01/10	2031	375,000	375,000	10,000
Total supported by Property Tax Levies				<u>1,595,000</u>	<u>1,550,000</u>	<u>45,000</u>
Total supported by Includable Entities				<u>129,830,000</u>	<u>104,184,501</u>	<u>5,040,000</u>
TOTAL INDEBTEDNESS				<u>\$ 1,011,624,457</u>	<u>\$ 903,838,366</u>	<u>\$ 23,595,843</u>

**EXHIBIT B2
SCHEDULE OF DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2010**

Year Due	Governmental Activities											
	General Obligation Bonds Supported by General Fund Revenues		General Obligation Bonds Supported by GID Revenues		Certificates of Participation Supported by ACLC Revenues		Notes Payable Supported by SID Revenues		Capital Leases Supported by General Fund Revenues		Revenue Bonds Supported by General Fund Revenues	
	2.50-5.00%		5.25%		3.00-5.00%		4.89-5.00%		3.49-4.16%		3.00-4.00%	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 4,970,000	\$ 833,150	\$ 45,000	\$ 78,298	\$ 4,995,000	\$ 5,039,428	\$ 20,000	\$ 60,730	\$ 851,310	\$ 57,518	\$ 1,585,000	\$ 174,650
2012	5,110,000	708,900	51,000	78,495	5,190,000	4,843,280	20,000	59,741	436,287	29,689	1,540,000	119,850
2013	4,325,000	504,500	51,000	75,835	5,400,000	4,634,600	20,000	58,752	407,079	12,056	1,590,000	72,900
2014	4,515,000	331,500	52,000	73,174	4,545,000	4,395,622	20,000	57,763	-	-	1,635,000	24,525
2015	2,115,000	105,750	52,000	70,460	2,865,000	4,226,225	445,000	56,774	-	-	-	-
2016-2020	-	-	332,000	305,259	19,780,000	18,833,375	705,000	69,750	-	-	-	-
2021-2025	-	-	420,000	209,913	24,890,000	13,727,250	-	-	-	-	-	-
2026-2030	-	-	483,000	89,193	39,490,000	6,850,500	-	-	-	-	-	-
2031-2035	-	-	64,000	3,328	-	-	-	-	-	-	-	-
Total	\$ 21,035,000	\$ 2,483,800	\$ 1,550,000	\$ 983,955	\$ 107,155,000	\$ 62,550,280	\$ 1,230,000	\$ 363,510	\$ 1,694,676	\$ 99,263	\$ 6,350,000	\$ 391,925

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		Capital Leases Supported by Golf Revenues	
	2.00-4.00%		2.00-5.00%		3.75-5.00%		4.00-5.375%		3.375-4.375%		4.55-5.25%	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 6,365,000	\$ 736,400	\$ 2,270,000	\$ 27,392,766	\$ -	* \$ 2,840,625	\$ 2,910,843	\$ 2,967,180	\$ 435,000	\$ 98,125	\$ 118,826	\$ 8,620
2012	6,640,000	481,800	2,340,000	27,320,126	587,494	2,972,970	3,004,285	2,869,878	455,000	80,725	72,060	2,896
2013	2,640,000	216,200	5,755,000	28,920,406	2,162,746	2,943,595	3,113,110	2,756,367	470,000	62,525	-	-
2014	2,765,000	110,600	6,005,000	28,671,375	2,221,818	2,855,148	3,308,820	2,561,422	490,000	43,137	-	-
2015	-	-	6,305,000	28,371,125	1,872,494	2,764,487	1,340,000	2,408,013	510,000	22,313	-	-
2016-2020	-	-	49,275,000	136,876,200	10,188,419	12,686,940	7,600,000	11,139,975	-	-	-	-
2021-2025	-	-	105,850,000	118,300,599	11,396,972	10,682,413	9,600,000	9,130,500	-	-	-	-
2026-2030	-	-	135,410,000	89,493,112	13,700,297	8,379,086	12,170,000	6,559,325	-	-	-	-
2031-2035	-	-	162,130,000	53,793,843	16,469,125	5,610,259	15,520,000	3,209,875	-	-	-	-
2036-2040	-	-	119,700,000	15,327,500	19,797,532	2,281,852	3,575,000	169,812	-	-	-	-
Total	\$ 18,410,000	\$ 1,545,000	\$ 595,040,000	\$ 554,467,052	\$ 78,396,897	\$ 54,017,375	\$ 62,142,058	\$ 43,772,347	\$ 2,360,000	\$ 306,825	\$ 190,886	\$ 11,516

* A principal and interest payment of \$587,494 and \$161,720 respectively, was made on the 2004 note payable on December 31, 2010 due January 1, 2011.



**EXHIBIT B3
LOCAL HIGHWAY FINANCE REPORT
FOR THE YEAR ENDED DECEMBER 31, 2010**

			City or County: City of Aurora, Colorado		
LOCAL HIGHWAY FINANCE REPORT			YEAR ENDING : December 2010		
This Information From The Records Of (example - City of _ or County City of Aurora, Colorado)			Prepared By: David Mullen Phone: (303) 739-7773		
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)	15,180,379		
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	13,635,920		
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:			
c. Total (a.+b.)		a. Traffic control operations	2,730,097		
2. General fund appropriations		b. Snow and ice removal	2,066,868		
3. Other local imposts (from page 2)	21,908,681	c. Other	5,628,267		
4. Miscellaneous local receipts (from page 2)	7,408,656	d. Total (a. through c.)	10,425,232		
5. Transfers from toll facilities		4. General administration & miscellaneous	1,193,799		
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	5,325,616		
a. Bonds - Original Issues		6. Total (1 through 5)	45,760,946		
b. Bonds - Refunding Issues	2,190,000	B. Debt service on local obligations:			
c. Notes		1. Bonds:			
d. Total (a. + b. + c.)	2,190,000	a. Interest	64,785		
7. Total (1 through 6)	31,507,337	b. Redemption	2,755,000		
B. Private Contributions		c. Total (a. + b.)	2,819,785		
C. Receipts from State government (from page 2)	8,862,531	2. Notes:			
D. Receipts from Federal Government (from page 2)	8,237,237	a. Interest			
E. Total receipts (A.7 + B + C + D)	48,607,105	b. Redemption	0		
		3. Total (1.c + 2.c)	2,819,785		
		C. Payments to State for highways	26,374		
		D. Payments to toll facilities			
		E. Total disbursements (A.6 + B.3 + C + D)	48,607,105		
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)					
	Opening Debt	Amount Issued	Redemptions	Closing Debt	
A. Bonds (Total)	2,755,000	2,190,000	2,755,000	2,190,000	
1. Bonds (Refunding Portion)		2,190,000	2,755,000		
B. Notes (Total)				0	
V. LOCAL ROAD AND STREET FUND BALANCE					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursement	D. Ending Balance	E. Reconciliation
	0	48,607,105	48,607,105	0	0
Notes and Comments:					

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2010	
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	1,018,241	a. Interest on investments	52,905
b. Other local imposts:		b. Traffic Fines & Penalties	7,022,589
1. Sales Taxes	16,679,118	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	4,211,322	g. Other Misc. Receipts	
6. Total (1. through 5.)	20,890,440	h. Other	333,162
c. Total (a. + b.)	21,908,681	i. Total (a. through h.)	7,408,656
	(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	7,963,208	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	899,323	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	8,237,237
f. Total (a. through e.)	899,323	g. Total (a. through f.)	8,237,237
4. Total (1. + 2. + 3.f)	8,862,531	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	863,645	100,956	964,601
b. Engineering Costs	1,263,728	2,236,418	3,500,146
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements	6,071,954	1,758,630	7,830,584
(3). System Preservation		1,423,265	1,423,265
(4). System Enhancement & Operation	319,577	1,142,207	1,461,784
(5). Total Construction (1) + (2) + (3) + (4)	6,391,531	4,324,102	10,715,633
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	8,518,904	6,661,476	15,180,380
			(Carry forward to page 1)
Notes and Comments:			

EXHIBIT C1
SUMMARY OF CONTINUING DISCLOSURES BY ISSUE
DECEMBER 31, 2010

<p>GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010 GENERAL FUND REFUNDING BONDS, SERIES 2009 GENERAL OBLIGATION WATER REFUNDING BONDS, SERIES 2003</p>	<p>CERTIFICATES OF PARTICIPATION, SERIES 2002 CERTIFICATES OF PARTICIPATION, SERIES 2005 (Part Refunded) REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2006A-1 REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2009A</p>
<p><u>Required Disclosure</u> General Fund Operating History Primary Sources of Revenue to the General Fund Sales, Use and Lodgers Tax Receipts Assessed and Estimated Actual Value of Taxable Property Property Tax Levies and Collections Ten Principal Real Property Taxpayers Mill Levies of Direct and Primary Overlapping Governments Authorized, Issued and Outstanding Debt Long-term Debt Schedules Direct and Overlapping General Obligation Debt Historical Summary of Debt Ratios Legal Debt Margin</p>	<p><u>Location</u> Exhibits C-2 and C-3 Governmental Funds, Statement of Revenues, Expenditures and Changes in Fund Balances Statistical Section, Exhibit A-4 Statistical Section, Exhibit A-9 Statistical Section, Exhibit A-12 Statistical Section, Exhibit A-11 Statistical Section, Exhibit A-10 Schedule of Indebtedness, Exhibit B-1 Schedule of Debt Service Requirements, Exhibit B-2 Statistical Section, Exhibit A-15 Statistical Section, Exhibit A-13 and A-14 Statistical Section, Exhibit A-16</p>
<p>FIRST-LIEN WATER IMPROVEMENT REVENUE BONDS, SERIES 2003A WATER RESOURCES REVENUE BONDS, SERIES 2005D</p>	<p>FIRST LIEN WATER IMPROVEMENT REVENUE BONDS, SERIES 2007A FIRST-LIEN WATER IMPROVEMENT REVENUE BONDS, SERIES 2008A</p>
<p><u>Required Disclosure</u> Water Fund Operating History Water System Statistics Maximum Annual Debt Service Coverage Historical Water Revenue Bond Coverage Debt Supported by Water Fund</p>	<p><u>Location</u> Exhibit C-4 Exhibit C-5 Exhibit C-6 Statistical Section, Exhibit A-17 Schedule of Indebtedness, Exhibit B-1</p>
<p>CLEAN WATER REVENUE BONDS, SERIES 1999</p>	<p>FIRST-LIEN SEWER IMPROVEMENT REVENUE BONDS, SERIES 2006</p>
<p><u>Required Disclosure</u> Wastewater Fund Operating History Sewer System Statistics Historical Sewer Revenue Bond Coverage</p>	<p><u>Location</u> Exhibit C-7 Exhibit C-8 Statistical Section, Exhibit A-17</p>
<p>METRO WASTEWATER RECLAMATION DISTRICT, COLORADO: 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:</p> <p><u>Required Disclosure</u> Wastewater Fund Operating History General Fund Operating History Historical Summary of Debt Ratios Assessed and Estimated Actual Value of Taxable Property</p>	<p>SEWER REFUNDING BONDS, SERIES 2002A CONVERTIBLE SEWER REFUNDING BONDS, SERIES 1996</p> <p><u>Location</u> Exhibit C-7 Exhibits C-2 and C-3 Statistical Section, Exhibit A-17 Statistical Section, Exhibit A-9</p>
<p>GOLF COURSE ENTERPRISE SYSTEM REFUNDING REVENUE BONDS, SERIES 2005</p>	<p><u>Location</u> Exhibit C-9 Exhibit C-10 Exhibit C-11</p>

EXHIBIT C2
COMBINED GENERAL, TABOR RESERVE AND POLICY RESERVE FUNDS
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (US GAAP BASIS)
FOR THE YEARS ENDED DECEMBER 31:

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010 (a)</u>
REVENUES					
Taxes	\$ 198,970,258	\$ 204,314,913	\$ 202,061,836	\$ 191,859,369	\$ 195,377,492
Charges for services	5,741,311	6,979,482	7,601,310	7,495,590	9,179,928
License and permits	4,758,928	2,742,650	2,508,560	2,197,837	2,234,954
Fines and forfeits	6,223,958	6,836,170	6,406,220	6,049,482	8,616,330
Intergovernmental	11,601,812	10,845,109	10,722,674	11,738,686	13,333,242
Miscellaneous	1,112,129	974,544	1,042,271	1,994,879	1,859,321
Investment earnings	2,303,935	3,285,013	2,284,390	1,908,658	878,984
Total revenues	<u>230,712,331</u>	<u>235,977,881</u>	<u>232,627,261</u>	<u>223,244,501</u>	<u>231,480,251</u>
EXPENDITURES					
<i>Current</i>					
General government	28,983,843	29,106,838	29,897,477	27,068,901	21,482,169
Judicial	7,083,113	7,615,855	7,988,412	7,786,061	7,981,058
Police	66,807,866	71,123,642	75,319,036	75,156,259	78,677,347
Fire	29,499,789	31,753,544	33,183,680	33,453,116	34,791,196
Other public safety	8,289,912	9,512,447	10,149,377	10,260,286	10,810,214
Public works	18,657,180	22,044,805	21,078,438	18,634,508	24,477,697
Economic development	3,576,436	3,783,893	3,552,855	3,575,405	3,968,567
Community services	3,931,381	3,935,571	3,783,371	3,703,618	3,635,491
Culture and recreation	17,898,708	19,950,167	19,884,480	17,391,932	16,089,424
<i>Debt service</i>					
Principal	526,135	913,952	987,802	1,326,664	1,114,833
Interest	85,640	141,443	114,434	149,021	100,287
Capital outlay	5,595,819	5,000,147	1,756,822	418,932	736,405
Total expenditures	<u>190,935,822</u>	<u>204,882,304</u>	<u>207,696,184</u>	<u>198,924,703</u>	<u>203,864,688</u>
Excess of revenues over expenditures	39,776,509	31,095,577	24,931,077	24,319,798	27,615,563
Net other financing uses (a), (b)	<u>(36,275,913)</u>	<u>(31,503,197)</u>	<u>(28,754,253)</u>	<u>(24,472,158)</u>	<u>(25,273,442)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	3,500,596	(407,620)	(3,823,176)	(152,360)	2,342,121
FUND BALANCES - January 1	53,137,484	56,638,080	56,230,460	52,407,284	(a)
General Fund balance - January 1, before restatement	—	—	—	—	22,143,755
Adjustment for accounting changes	—	—	—	—	38,214,254
FUND BALANCES - January 1, after restatement	—	—	—	—	60,358,009
FUND BALANCE - December 31	<u>\$ 56,638,080</u>	<u>\$ 56,230,460</u>	<u>\$ 52,407,284</u>	<u>\$ 52,254,924</u>	<u>\$ 62,700,130</u>
General Fund	\$ 31,208,559	\$ 27,574,786	\$ 22,792,318	\$ 22,143,755	(a)
Policy Reserve (c)	19,239,541	20,910,375	21,426,288	21,332,318	(a)
TABOR Reserve (c)	6,189,980	7,745,299	8,188,738	8,778,851	(a)

- (a) In 2010, a new accounting pronouncement required a change in reporting of Special Revenue funds. As a result, the fund balances from the TABOR Reserve Fund and the Policy Reserve Fund and a portion of the Designated Revenues Fund were transferred to the General Fund.
- (b) Net other financing uses consist primarily of transfers to other funds. For 2006 to 2009, transfers among the General Fund, the TABOR Reserve Fund and the Policy Reserve Fund have been eliminated in this schedule.
- (c) For the years 2006 to 2009, transactions for the TABOR Reserve Fund were accounted for as a Special Revenue fund, and transactions for the Policy Reserve Fund were accounted for in the Designated Revenues Fund.

**EXHIBIT C3
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)
FOR THE YEARS ENDED DECEMBER 31:**

	2006		2007		2008		2009		2010 (a)	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
SOURCES										
Taxes	\$ 199,269,031	\$ 193,922,793	\$ 204,693,645	\$ 204,970,169	\$ 201,296,982	\$ 211,484,788	\$ 192,998,794	\$ 210,627,064	\$ 195,431,051	\$ 198,205,531
Licenses and permits	4,758,928	3,786,572	2,742,650	4,605,374	2,508,560	3,006,765	2,197,837	3,051,103	2,201,001	2,493,903
Intergovernmental	11,601,812	10,563,233	10,800,109	10,653,412	10,722,674	10,606,925	11,738,686	10,754,074	12,738,360	12,404,203
Charges for services	5,741,311	5,472,619	6,979,481	8,440,237	7,601,310	8,003,023	7,495,590	7,792,531	8,286,606	8,623,037
Fines and forfeitures	6,223,958	6,530,773	6,836,170	7,132,819	6,406,220	6,696,024	6,049,482	6,972,101	6,817,969	6,836,200
Investment income	2,324,815	1,737,000	2,912,596	2,367,280	2,146,268	2,917,408	1,602,567	1,932,340	661,468	750,000
Other revenues	6,064,004	5,531,357	4,354,898	4,751,348	4,249,395	4,451,845	8,440,912	9,084,632	1,308,040	1,435,638
Transfers in	—	—	—	—	—	—	—	—	31,272,714	(a) 31,015,125
Total sources	235,983,859	227,544,347	239,319,549	242,920,639	234,931,409	247,166,778	230,523,868	250,213,845	258,717,209	261,763,637
USES										
Municipal Court	8,707,232	8,780,095	9,466,802	9,647,682	9,713,134	9,929,763	9,613,306	9,999,209	10,204,166	10,318,823
City Attorney	4,230,779	4,390,134	4,553,931	4,654,138	4,873,897	4,935,696	4,861,669	5,011,576	4,866,155	5,010,311
General Management	4,997,778	5,145,787	5,473,084	5,629,535	5,501,075	5,947,110	6,220,487	6,653,297	6,186,184	6,606,384
Administrative Services	21,724,587	22,183,978	26,267,487	26,645,401	22,437,789	24,968,601	20,363,081	22,058,755	13,803,532	14,149,546
Operations Group Management	31,018,019	31,586,510	34,343,555	34,800,854	34,783,049	35,479,114	30,462,248	35,587,314	36,134,671	38,304,755
Community Services	115,374,727	116,455,464	124,381,954	125,335,624	130,204,150	131,522,188	129,861,362	134,603,464	123,966,803	125,233,927
Non-departmental	46,135,499	46,223,198	35,668,519	36,474,517	31,015,944	37,218,767	28,875,661	35,024,098	31,402,300	32,797,155
Total uses	232,188,621	234,765,166	240,155,332	243,187,751	238,529,038	250,001,239	230,257,814	248,937,713	226,563,811	232,420,901
Excess (deficiency) of revenues over (under) expenditures	3,795,238	(7,220,819)	(835,784)	(267,112)	(3,597,629)	(2,834,461)	266,054	1,276,132	32,153,398	29,342,736
FUNDS AVAILABLE - January 1	35,202,212	32,189,336	38,997,450	35,838,342	38,161,666	35,571,230	34,564,035	32,736,769	5,165,400	5,165,400
FUNDS AVAILABLE - December 31	38,997,450	<u>\$ 24,968,517</u>	38,161,666	<u>\$ 35,571,230</u>	34,564,037	<u>\$ 32,736,769</u>	34,830,089	<u>\$ 34,012,901</u>	37,318,798	<u>\$ 34,508,136</u>
Less Reservations	—	—	—	—	—	—	—	—	(21,467,734)	—
Reserved for emergencies	(6,232,127)	—	(7,723,875)	—	(8,132,329)	—	(8,647,747)	—	(8,871,465)	—
Council designations	(13,394,824)	—	(9,585,220)	—	(5,153,040)	—	(5,165,400)	—	—	—
Funds available - after restrictions, and commitments	<u>\$ 19,370,499</u>	—	<u>\$ 20,852,571</u>	—	<u>\$ 21,278,668</u>	—	<u>\$ 21,016,942</u>	—	<u>\$ 6,979,599</u>	—
Reconciliation to GAAP fund balance	(b)	—	(b)	—	(b)	—	(b)	—	(a)	—
Funds available - December 31	38,997,450	—	38,161,666	—	34,564,037	—	34,830,089	—	37,318,798	—
Current year encumbrances	1,298,394	—	1,687,871	—	559,347	—	974,269	—	969,518	—
Inventories	—	—	—	—	—	—	—	—	9,547	—
Sales, use and lodgers tax accrual	16,659,291	—	16,280,560	—	17,045,414	—	15,905,989	—	15,852,432	—
Long-term interfund receivables	—	—	—	—	—	—	—	—	304,050	—
Deferred revenues-grant awards	(45,000)	—	—	—	—	—	—	—	496,095	—
Adjust investments to fair value	(272,055)	—	100,363	—	238,486	—	544,577	—	186,300	—
Adjust for accounting change	—	—	—	—	—	—	—	—	7,563,390	—
FUND BALANCE - December 31	<u>\$ 56,638,080</u>	—	<u>\$ 56,230,460</u>	—	<u>\$ 52,407,284</u>	—	<u>\$ 52,254,924</u>	—	<u>\$ 62,700,130</u>	—

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

(b) For the years 2006 to 2009, transactions for the TABOR Reserve Fund were accounted for as a Special Revenue fund, and transactions for the Policy Reserve Fund were accounted for in the Designated Revenues Fund.

EXHIBIT C4
WATER FUND
OPERATING HISTORY
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31:

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
OPERATING REVENUES					
<i>Charges for services</i>					
Customers	\$ 74,797,433	\$ 83,489,049	\$ 86,803,419	\$ 84,493,197	\$ 107,030,397
Total operating revenues	<u>74,797,433</u>	<u>83,489,049</u>	<u>86,803,419</u>	<u>84,493,197</u>	<u>107,030,397</u>
OPERATING EXPENSES					
Cost of sales and services	39,238,083	44,051,174	40,632,915	28,707,693	40,801,328
Administrative expenses	3,576,677	4,861,955	5,034,253	4,544,897	4,504,021
Depreciation	8,901,048	9,774,410	10,169,576	10,390,860	11,113,289
Total operating expenses	<u>51,715,808</u>	<u>58,687,539</u>	<u>55,836,744</u>	<u>43,643,450</u>	<u>56,418,638</u>
Operating income	<u>23,081,625</u>	<u>24,801,510</u>	<u>30,966,675</u>	<u>40,849,747</u>	<u>50,611,759</u>
NON-OPERATING REVENUES					
(EXPENSES)					
Investment income	10,425,346	22,391,678	26,606,820	11,254,698	4,989,721
Intergovernmental revenue	265,024	126,077	34,322	183,494	71,361
Miscellaneous revenue	241,851	187,358	141,183	104,757	283,593
Interest expense	(9,222,064)	(15,544,841)	(21,809,027)	(6,527,282)	(7,757,051)
Amortization expense	205,392	392,284	551,052	559,950	597,435
Gain (loss)-disposal capital assets	75,735	12,486	(242,800)	(508,116)	(100,666)
Gain (loss)-joint venture	(35,817)	(33,395)	(32,008)	(31,680)	(31,512)
Net non-operating revenues (expenses)	<u>1,955,467</u>	<u>7,531,647</u>	<u>5,249,542</u>	<u>5,035,821</u>	<u>(1,947,119)</u>
NET INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	25,037,092	32,333,157	36,216,217	45,885,568	48,664,640
Capital contributions	<u>72,727,887</u>	<u>61,707,007</u>	<u>31,628,255</u>	<u>16,669,965</u>	<u>18,344,367</u>
INCREASE IN NET ASSETS	97,764,979	94,040,164	67,844,472	62,555,533	67,009,007
NET ASSETS - January 1, before restatement	<u>621,876,894</u>	<u>719,641,873</u>	<u>813,682,037</u>	<u>881,526,509</u>	<u>944,082,042</u>
Adjustment for accounting changes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>199,350</u>
NET ASSETS - January 1, after restatement	<u>621,876,894</u>	<u>719,641,873</u>	<u>813,682,037</u>	<u>881,526,509</u>	<u>944,281,392</u>
NET ASSETS - December 31	<u>\$ 719,641,873</u>	<u>\$ 813,682,037</u>	<u>\$ 881,526,509</u>	<u>\$ 944,082,042</u>	<u>\$ 1,011,290,399</u>

**EXHIBIT C4
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:**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
SOURCES						
Charges for services	\$ 64,542,513	\$ 74,655,303	\$ 83,373,085	\$ 86,688,316	\$ 84,439,067	\$ 106,961,809
Intergovernmental	142,493	265,023	126,077	35,906	183,494	321,361
Licenses and permits	61,320	142,130	116,101	115,395	54,326	68,667
Fines and forfeitures	—	—	—	—	—	2,513
Investment income	5,824,951	9,753,888	20,463,682	25,068,840	10,459,319	6,711,348
Miscellaneous revenues	50,993,520	46,594,768	42,744,831	24,336,194	11,868,590	17,058,348
Proceeds from sale of assets	645,450	75,735	12,486	55,095	70,366	5,857
Proceeds from long-term borrowings	101,607,022	—	434,379,428	58,620,865	34,064,530	23,432,250
Transfers in	200,000	—	—	—	—	—
Funds from restricted assets	—	(48,372)	(35,711,726)	(3,958,773)	—	(4,280,345)
Release of prior year designation	—	—	8,545,569	—	—	—
Total sources	<u>224,017,269</u>	<u>131,438,475</u>	<u>554,049,533</u>	<u>190,961,838</u>	<u>141,139,692</u>	<u>150,281,808</u>
USES						
Operating Costs						
Operations group	60,149,346	63,054,274	79,075,158	128,906,693	80,114,423	103,616,427
Continuing Appropriations						
Operations group	<u>114,674,135</u>	<u>106,432,222</u>	<u>197,486,872</u>	<u>232,988,828</u>	<u>240,213,265</u>	<u>28,232,525</u>
Total uses	<u>174,823,481</u>	<u>169,486,496</u>	<u>276,562,030</u>	<u>361,895,521</u>	<u>320,327,688</u>	<u>131,848,952</u>
Change in funds available	49,193,788	(38,048,021)	277,487,503	(170,933,683)	(179,187,996)	18,432,856
Funds Available - January 1	<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>15,652,469</u>
Funds Available - December 31	<u>\$ 126,334,666</u>	<u>\$ 88,286,645</u>	<u>\$ 365,774,148</u>	<u>\$ 194,840,465</u>	<u>\$ 15,652,469</u>	<u>\$ 34,085,325</u>

**EXHIBIT C5
WATER FUND
WATER SYSTEM STATISTICS
DECEMBER 31, 2010**

Water Usage and Billed Revenues by Classification (a)

Classification	Consumption	Percent of Consumption	Billed Revenue	Percent of Billed Revenue
Residential	\$ 6,813,924	40%	\$ 46,323,694	46%
Multi-Family	3,708,822	22%	21,738,331	22%
Commercial	3,048,544	18%	18,187,420	18%
Irrigation	1,448,611	9%	9,671,815	10%
Other (a)	1,824,070	11%	4,116,608	4%
Total	\$ 16,843,971	100%	\$ 100,037,868	100%

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

System Annual Billed Revenues and Cash Collection (b)

Classification	2006	2007	2008	2009	2010
Billed revenues	\$ 72,391,949	\$ 81,808,608	\$ 84,777,085	\$ 82,911,097	\$ 100,041,083
Cash collected during year for current and prior years' sales	\$ 71,588,580	\$ 80,240,575	\$ 85,534,196	\$ 82,724,654	\$ 99,055,513
Percentage of billed revenues collected	98.9%	98.1%	100.9%	99.8%	99.0%

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

Customers by Class (c)

Classification	2006	2007	2008	2009	2010
Residential (1-4 units)	67,021	67,972	69,258	70,035	70,609
Multi-Family (5+ units)	2,281	2,496	2,339	2,374	2,415
Commercial	2,804	2,963	2,854	2,872	2,883
Irrigation	820	831	1,098	1,108	1,113
Total	72,926	74,262	75,549	76,389	77,020

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

Aurora Water Rates History and Average Annual Water Bill

Single Family Residential	2006	2007	2008	2009	2010
Base charge	\$ 4.24	\$ 8.50	\$ 10.39	\$ 11.22	\$ 12.06
Rates per 1,000 gallons	4.04	Tiered Structure	Tiered Structure	Tiered Structure	Tiered Structure
Average annual bill	\$ 485.92	\$ 514.98	\$ 561.00	\$ 564.00	\$ 657.91

(continued)

EXHIBIT C5
WATER FUND
WATER SYSTEM STATISTICS
DECEMBER 31, 2010

The following table sets forth the ten largest consumers of the Water System, which, in aggregate, accounted for 9.7% of the total billed metered treated water sales in 2010.

Customer	Ten Largest Treated Water Customers of Water System			
	Consumption (d)	Percent of Top Ten Consumption	Billed Revenues	Percent of Top Ten Billed Revenues
City of Aurora	433,417	28%	\$ 2,777,456	30%
Aurora Public Schools	248,988	16%	1,457,146	15%
Buckley Air Force Base	188,230	12%	1,077,438	12%
Cherry Creek Schools	179,824	11%	1,034,910	11%
University of Colorado HSC	157,935	10%	913,265	10%
Heather Gardens HOA	131,921	8%	738,664	8%
Westdale Asset Management	60,999	4%	345,191	4%
Tallyn's Reach Metro District	60,690	4%	391,115	4%
Mountain View Associates, LLC	55,887	4%	314,191	3%
Medical Center of Aurora	45,750	3%	259,577	3%
Total	1,563,641	100%	\$ 9,308,953	100%

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

Meter Size	Monthly Service Charge (e)				
	2006	2007	2008	2009	2010
5/8" & 3/4"	\$ 4.24	\$ 8.50	\$ 10.39	\$ 11.22	\$ 12.06
1"	5.82	11.67	15.31	16.53	17.77
1 1/4"	5.82	11.67	15.31	16.53	17.77
1 1/2"	9.34	18.70	23.52	25.40	27.31
2"	13.59	27.20	33.37	36.04	38.74
3"	26.92	53.90	59.63	64.40	69.23
4"	72.61	145.38	89.17	96.30	103.53
6"	142.90	286.11	171.24	184.94	198.81
8"	178.06	356.51	401.03	433.11	465.60

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

	Average Daily and Peak Day Demand				
	In Millions of Gallons				
	2006	2007	2008	2009	2010
Average Daily Treatment	46.4	45.1	45.6	40.4	45.2
Average Daily Consumption	43.8	42.7	43.0	37.9	43.1
Peak Hour Treatment	142.4	160.9	164.0	111.4	122.8
Peak Day Treatment	94.4	98.9	99.3	79.0	85.4
Peak Day Consumption	90.5	97.0	95.2	77.1	81.4

**EXHIBIT C5
WATER FUND
WATER SYSTEM STATISTICS
FOR THE YEARS ENDED DECEMBER 31:**

Type and Size of Connection	Water Service Connection Fee				
	2006	2007	2008	2009	2010
Single Family Detached					
5/8" & 3/4"	\$ 16,641	\$ 18,638	\$ 20,875	\$ 22,754	\$ 24,460
1"	33,282	37,276	41,750	45,508	45,156
Single Family Attached	11,815	13,233	14,821	16,155	13,970
Multi-Family	9,818	10,996	12,316	13,424	12,954
Commercial					
5/8" & 3/4"	16,641	18,638	20,875	22,754	24,460
1"	28,822	32,281	36,156	39,410	42,365
1 1/2"	66,414	74,384	83,312	90,810	97,620
2"	117,952	132,106	147,962	161,279	173,374
3"	265,204	297,030	332,681	362,622	389,818
4"	471,807	528,426	591,850	645,117	693,500
6"	1,061,941	1,189,382	1,332,136	1,452,028	1,560,930
8"	1,888,184	2,114,781	2,368,605	2,581,779	2,775,412

Tap and Development Fee Revenues (f)

Year	Tap Fee Revenues	Development Fee Revenue	Total Tap and Development Fees
2006	\$ 45,585,338	\$ 307,272	\$ 45,892,610
2007	42,190,609	150,597	42,341,206
2008	24,661,273	116,079	24,777,352
2009	11,933,737	38,436	11,972,173
2010	16,766,342	58,749	16,825,091

(f) Development fees include main extensions, front footage and drought water replacement surcharge and exclude annexation fees and fees reimbursed to others. Years 2006-2008 are restated due to change in methodology.

(continued)

**EXHIBIT C5
WATER FUND
WATER SYSTEM STATISTICS
FOR THE YEARS ENDED DECEMBER 31:**

Usage Rates					
Type of Account	Tiered Use Rate (a)	Tiered Use Rate (b)	Tiered Use Rate	Tiered Use Rate	
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Single Family Detached	\$ 4.04				
Tier 1-WQA		\$ 3.60			
Tier 2-next 15,000 gals		4.50			
Tier 3-next 10,000 gals		8.25			
Tier 4-over additional 25,000 gals		10.75			
Single Family Attached	4.04				
Tier 1-WQA		3.60			
Tier 2-next 4,000 gals		4.50			
Tier 3-next 3,000 gals		8.25			
Tier 4-over additional 7,000 gals		10.75			
Residential/ Multifamily (less than 5 units) (b)					
Tier 1- (0-20,000 gals)			\$ 4.54	\$ 4.90	\$ 5.27
Tier 2- (20,001-40,000 gals)			5.17	5.58	6.00
Tier 3- (40,000 gals and above)			6.46	6.98	7.50
Multi-Family	4.04				
Tier 1-WQA		3.60			
Tier 2->100% & <150% WQA		4.50			
Tier 3->150% & <250% WQA		8.25			
Tier 4->250% WQA		10.75			
Multifamily (five or more units) (b)					
Tier 1- (up to 100% allocation)			4.82	5.21	5.60
Tier 2- (greater than 100%)			5.30	5.73	6.16
Commercial/Industrial	4.04				
Tier 1-WQA		4.50			
Tier 2->100% & <150% WQA		4.50			
Tier 3->150% & <250% WQA		8.25			
Tier 4->250% WQA		10.75			
Commercial (b)					
Tier 1- (up to 100% allocation)			4.88	5.27	5.67
Tier 2- (greater than 100%)			5.37	5.80	6.24
Irrigation	4.85				
Tier 1-100% daily allocation		5.43			
Tier 2->100% & <130% daily allocation		9.95			
Tier 3->130% daily allocation		12.96			
Irrigation (b)					
Tier 1- (up to 100% allocation)			5.58	6.03	6.48
Tier 2- (greater than 100%)			6.14	6.63	7.13
Irrigation, Intensive, Commercial and Multifamily	-				
Tier 1-WQA		4.50			
Tier 2-100% daily allocation		5.43			
Tier 3->100% & <130% daily allocation		9.95			
Tier 4->130% daily allocation		12.96			

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

Beginning 2008, rates for multifamily, commercial and irrigation customers are based on the Annual Block Allocation amounts which are the individualized annual water budgets allocated to each customer for use in each calendar year. The new 2008 usage rates structure became effective April 1.

(concluded)

**EXHIBIT C6
WATER FUND
MAXIMUM ANNUAL DEBT SERVICE COVERAGE
FOR THE YEARS ENDED DECEMBER 31:**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Net Pledged Revenue					
Charges for Services	\$74,797,433	\$83,489,049	\$86,803,419	\$84,493,197	\$107,030,397
Development Fee (a)	45,892,609	42,341,206	24,777,352	11,972,174	16,825,091
Other Non-Operating Revenue (b)	9,999,700	20,651,041	24,598,131	10,564,075	7,072,159
(Less) Operations and Maintenance	(51,715,808)	(58,687,539)	(55,836,744)	(43,643,450)	(56,418,638)
Depreciation	8,901,048	9,774,409	10,169,575	10,390,860	11,113,289
Total	<u>\$87,874,982</u>	<u>\$97,568,166</u>	<u>\$90,511,733</u>	<u>\$73,776,856</u>	<u>\$85,622,298</u>
Maximum Annual Debt Service					
First-Lien Revenue Obligations (c)	\$13,122,773	\$45,493,350	\$47,451,238	\$47,451,238	\$47,451,238
Combined First-Lien Revenue Obligations and Second-Lien Revenue Obligations (d)	14,622,773	47,122,450	47,451,238	47,451,238	47,451,238
All Obligations Secured by Net Pledged Revenue (e)	15,331,929	47,122,450	47,451,238	47,451,238	47,451,238
All Obligations Payable From System Revenues (f)	22,433,329	47,122,450	47,451,238	47,451,238	47,451,238
Coverage					
First-Lien Revenue Obligations	6.70	2.14	1.91	1.55	1.80
Combined First-Lien Revenue Obligations and Second-Lien Revenue Obligations	6.01	2.07	1.91	1.55	1.80
All Obligations Secured by Net Pledged Revenues	5.73	2.07	1.91	1.55	1.80
All Obligations Payable from Systems Revenues	3.92	2.07	1.91	1.55	1.80

(a) Includes tap, main extension, front footage fees and drought water replacement surcharge. Does not include annexation fees or reimbursement of previously paid tap fees.

(b) Includes investment income, insurance recoveries, other non-operating revenue and intergovernmental revenues. Excludes fair value.

(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 2008A. 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 C7
WASTEWATER FUND
OPERATING HISTORY
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31:**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
OPERATING REVENUES					
Charges for services	\$ 33,286,941	\$ 39,070,578	\$ 43,334,347	\$ 46,562,963	\$ 49,747,055
Total operating revenues	<u>33,286,941</u>	<u>39,070,578</u>	<u>43,334,347</u>	<u>46,562,963</u>	<u>49,747,055</u>
OPERATING EXPENSES					
Cost of sales and services	25,063,774	27,467,642	31,170,143	32,314,994	32,702,625
Administrative expenses	1,067,007	1,326,795	1,420,857	1,511,342	1,436,412
Depreciation	5,527,402	6,103,035	6,745,580	6,877,719	7,264,609
Total operating expenses	<u>31,658,183</u>	<u>34,897,472</u>	<u>39,336,580</u>	<u>40,704,055</u>	<u>41,403,646</u>
Operating income	<u>1,628,758</u>	<u>4,173,106</u>	<u>3,997,767</u>	<u>5,858,908</u>	<u>8,343,409</u>
NON-OPERATING REVENUES (EXPENSES)					
Investment income	3,812,115	5,843,767	4,719,791	4,047,641	1,576,473
Intergovernmental revenue	—	—	—	88,000	250,000
Miscellaneous revenue	741,219	76,850	46,325	319,680	3,586,581
Interest expense	(1,879,994)	(2,244,079)	(616,127)	(107,199)	38,429
Amortization expense	8,053	24,312	24,312	24,312	24,312
Gain (loss)-disposal capital assets	69,100	(23,065)	(804,634)	(8,480)	(658,635)
Net non-operating revenues (expenses)	<u>2,750,493</u>	<u>3,677,785</u>	<u>3,369,667</u>	<u>4,363,954</u>	<u>4,817,160</u>
NET INCOME BEFORE CONTRIBUTIONS AND TRANSFERS					
	4,379,251	7,850,891	7,367,434	10,222,862	13,160,569
Capital contributions	<u>40,129,367</u>	<u>35,458,051</u>	<u>9,400,956</u>	<u>10,671,083</u>	<u>4,036,633</u>
INCREASE IN NET ASSETS	44,508,618	43,308,942	16,768,390	20,893,945	17,197,202
NET ASSETS - January 1, before restatement	<u>305,382,440</u>	<u>349,891,058</u>	<u>393,200,000</u>	<u>409,968,390</u>	<u>430,862,335</u>
Adjustment for accounting changes	—	—	—	—	106,331
NET ASSETS - January 1, after restatement	305,382,440	349,891,058	393,200,000	409,968,390	430,968,666
NET ASSETS - December 31	<u>\$ 349,891,058</u>	<u>\$ 393,200,000</u>	<u>\$ 409,968,390</u>	<u>\$ 430,862,335</u>	<u>\$ 448,165,868</u>

**EXHIBIT C7
WASTEWATER 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:**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
SOURCES					
Intergovernmental revenues	\$ —	\$ —	\$ —	\$ 88,000	\$ 250,000
Charges for services	33,286,941	39,070,667	43,334,597	46,563,100	49,730,302
Investment income	3,458,615	5,124,442	4,300,273	3,424,319	2,225,016
Other revenues	8,191,939	7,751,110	3,096,633	2,173,524	3,789,649
Proceeds from sale of assets	7,577	19,335	16,279	16,194	15,723
Proceeds from long-term borrowings	59,943,695	56,921	—	—	—
Transfers in	256,000	256,000	256,000	256,000	—
Funds from restricted assets	(3,749,250)	—	—	304,838	296,631
Total sources	<u>101,395,517</u>	<u>52,278,475</u>	<u>51,003,782</u>	<u>52,825,975</u>	<u>56,307,321</u>
USES					
Operating Costs					
Operations group	30,016,076	34,175,355	38,827,660	40,239,806	37,808,537
Continuing Appropriations					
Operations group	<u>18,522,604</u>	<u>26,077,290</u>	<u>1,504,828</u>	<u>27,589,299</u>	<u>25,270,427</u>
Total uses	<u>48,538,680</u>	<u>60,252,645</u>	<u>40,332,488</u>	<u>67,829,105</u>	<u>63,078,964</u>
Change in funds available	52,856,837	(7,974,170)	10,671,294	(15,003,130)	(6,771,643)
Funds Available - January 1	<u>8,895,577</u>	<u>61,752,414</u>	<u>53,778,244</u>	<u>64,449,538</u>	<u>49,446,408</u>
Funds Available - December 31	<u>\$ 61,752,414</u>	<u>\$ 53,778,244</u>	<u>\$ 64,449,538</u>	<u>\$ 49,446,408</u>	<u>\$ 42,674,765</u>

**EXHIBIT C8
WASTEWATER FUND
SEWER SYSTEM STATISTICS
DECEMBER 31, 2010**

Sanitary Sewer Usage and Revenues by Classification

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

Customers by Class

<u>Classification</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Residential (1-4) units	67,021	67,972	69,258	69,895	70,469
Multi-Family (5+ units)	2,281	2,496	2,339	2,373	2,414
Commercial	2,804	2,963	2,854	2,964	2,981
Total	72,106	73,431	74,451	75,232	75,864

Ten Largest Customers of the Sanitary Sewer System

<u>Customer</u>	<u>Billed Revenues</u>
Buckley Air Force Base	\$ 256,496
University of Colorado HSC	236,913
Heather Gardens HOA	205,091
Westdale Asset Management	124,950
Aurora Public Schools	106,267
Mountain View Apartments	100,008
Cherry Creek Public Schools	93,005
Liberty Creek Apartment Homes	90,711
Hickory Ridge Colorado LLC	85,858
Medical Center of Aurora	82,701
Total	\$ 1,382,000

These ten customers accounted for 5.1% of the total billed sanitary sewer sales in 2010.

Sanitary Sewer Monthly Service Charge by Tap Size (a)

<u>Tap Size</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
5/8" and 3/4"	\$ 2.16	\$ 2.38	\$ 2.62	\$ 2.80	\$ 2.97
1" & 1 1/4"	5.41	5.65	6.22	6.66	7.06
1 1/2"	10.82	11.90	13.09	14.01	14.85
2"	17.30	19.03	20.93	22.40	23.74
3"	37.88	41.67	45.84	49.05	51.99
4"	108.25	119.08	130.99	140.16	148.57
6"	216.53	238.18	262.00	280.34	297.16

(a) The total monthly fee includes the monthly service charge plus a volume charge of \$2.73 per 1,000 gallons used.

**EXHIBIT C8
WASTEWATER FUND
SEWER SYSTEM STATISTICS
DECEMBER 31, 2010**

Sanitary Sewer Tap Fees by Service Size

Customer	2006	2007	2008	2009	2010 (c)
Single Family Detached (per unit)	\$ 1,974	\$ 2,171	\$ 2,388	\$ 2,388	\$ 2,388
Single Family Attached (per unit)	1,599	1,759	1,934	1,934	1,934
Multi-family (per unit)	1,540	1,693	1,863	1,863	1,863
Commercial (per tap size):					
$\frac{3}{4}$ "	3,751	4,125	4,537	4,537	4,537
1" & 1 $\frac{1}{4}$ "	8,883	9,770	10,746	10,746	10,746
1 $\frac{1}{2}$ "	21,714	23,881	26,268	26,268	26,268
2	39,480	43,420	47,760	47,760	47,760
3	82,908	91,182	100,296	100,296	100,296
4	150,024	164,996	181,488	181,488	181,488
6	(b)	(b)	(b)	(b)	(b)

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

(c) For the years 2008 to 2010, tap fee rates have not changed.

Sewer Tap and Development Fee Revenues

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Sanitary Sewer Tap Fees	\$ 6,471,895	\$ 6,281,758	\$ 4,289,728	\$ 1,867,919	\$ 2,445,331
Utility- Front footage	66,738	31,513	27,617	21,828	26,393
Total Tap and Development Fees	<u>\$ 6,538,633</u>	<u>\$ 6,313,271</u>	<u>\$ 4,317,345</u>	<u>\$ 1,889,747</u>	<u>\$ 2,471,724</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 \$8.16 per month for single family detached and individually metered single family attached dwellings. The storm drainage fee is \$8.16 per month plus \$6.42 per month for each additional unit for multifamily and master metered single family attached dwelling. For commercial and industrial building, the storm drainage fee is \$8.16 per month for the first 2,500 square feet of gross floor space plus \$6.42 for each additional 2,500 square feet of gross floor space or portion thereof.

**EXHIBIT C9
GOLF FUND
OPERATING HISTORY
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31:**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
OPERATING REVENUES					
Charges for services	\$ 9,055,305	\$ 9,332,171	\$ 9,511,487	\$ 9,027,618	\$ 8,328,381
Total operating revenues	<u>9,055,305</u>	<u>9,332,171</u>	<u>9,511,487</u>	<u>9,027,618</u>	<u>8,328,381</u>
OPERATING EXPENSES					
Cost of sales and services	6,667,457	6,970,572	7,250,362	6,991,138	6,354,240
Administrative expenses	1,121,135	1,124,552	1,207,345	903,164	1,301,004
Depreciation	950,171	985,835	1,011,962	1,036,321	1,016,788
Total operating expenses	<u>8,738,763</u>	<u>9,080,959</u>	<u>9,469,669</u>	<u>8,930,623</u>	<u>8,672,032</u>
Operating income (loss)	<u>316,542</u>	<u>251,212</u>	<u>41,818</u>	<u>96,995</u>	<u>(343,651)</u>
NON-OPERATING REVENUES (EXPENSES)					
Investment income	120,056	158,924	131,688	74,547	54,260
Miscellaneous revenue	55,752	72,679	122,031	20,166	32,561
Interest expense	(463,909)	(466,425)	(399,234)	(394,392)	(339,416)
Amortization expense	(13,412)	(13,412)	(13,412)	(13,414)	(27,545)
Gain (loss)-disposal capital assets	1,753	(18,659)	(3,936)	(6,300)	3,917
Net non-operating expenses	<u>(299,760)</u>	<u>(266,893)</u>	<u>(162,863)</u>	<u>(319,393)</u>	<u>(276,223)</u>
NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS					
	16,782	(15,681)	(121,045)	(222,398)	(619,874)
Capital contributions	108,600	404,800	—	3,000	—
Transfers in	—	—	50,000	—	—
INCREASE (DECREASE) IN NET ASSETS	125,382	389,119	(71,045)	(219,398)	(619,874)
TOTAL NET ASSETS - January 1	<u>24,703,198</u>	<u>24,828,580</u>	<u>25,217,699</u>	<u>25,146,654</u>	<u>24,927,256</u>
TOTAL NET ASSETS - December 31	<u>\$ 24,828,580</u>	<u>\$ 25,217,699</u>	<u>\$ 25,146,654</u>	<u>\$ 24,927,256</u>	<u>\$ 24,307,382</u>

**EXHIBIT C10
GOLF FUND
GOLF COURSE ENTERPRISE SYSTEM STATISTICS
DECEMBER 31, 2010**

Golf Course System Usage - Total Rounds Played

Course	2006	2007	2008	2009	2010
Aurora Hills	55,050	54,550	56,331	54,043	51,671
Centre Hills	27,656	27,529	26,478	24,398	21,834
Fitzsimons	41,501	41,767	43,133	40,007	40,044
Meadow Hills	54,721	51,815	52,411	48,598	47,712
Murphy Creek	34,916	34,236	31,480	31,430	28,624
Saddle Rock	38,751	36,932	37,295	33,888	30,335
Springhill	42,887	41,036	41,472	37,359	34,544

2010 Green Fee Rates

Fee Type (c)	Saddle Rock	Murphy Creek	Meadow Hills	Aurora Hills	Fitzsimons (a)	Springhill	Centre Hills (b)
18-Hole Weekday	\$36.00	\$34.00	\$29.00	\$25.00	\$23.00	\$22.00	16.00
18-Hole Weekend	46.00	44.00	35.00	29.00	27.00	26.00	20.00
18-Hole Junior Weekday	22.00	20.00	17.00	15.00	15.00	14.00	10.00
18-Hole Junior Weekend	25.00	24.00	20.00	18.00	18.00	17.00	12.00
18-Hole Senior Weekday/Weekend	26.00	24.00	20.00	18.00	17.00	16.00	12.00
18-Hole Military Weekday	n/a	n/a	n/a	n/a	17.00	17.00	n/a
18-Hole Military Weekend	n/a	n/a	n/a	n/a	21.00	21.00	n/a
9-Hole Weekday	18.00	17.00	14.50	12.50	11.50	11.00	8.00
9-Hole Weekend	23.00	22.00	17.50	14.50	13.50	13.00	10.00
9-Hole Junior Weekday	11.00	10.00	8.50	7.50	7.50	7.00	5.00
9-Hole Junior Weekend	12.50	12.00	10.00	9.00	9.00	8.50	6.00
9-Hole Senior Weekday	13.00	12.00	10.00	9.00	8.50	8.00	6.00
9-Hole Military Weekday	n/a	n/a	n/a	n/a	8.50	8.50	n/a
9-Hole Military Weekend	n/a	n/a	n/a	n/a	10.50	10.50	n/a
Twilight	14.00	14.00	10.00	10.00	9.00	9.00	n/a

- (a) Fitzsimons Golf Course continuing annual members \$450/year and \$2.50/9 holes trail fee.
(b) The Centre Hills Golf Course is a 9-hole course. The 18-hole fee is the cost to play the 9-hole course twice on the same day.
(c) Effective 1/1/2010 Non-Resident Green Fees were eliminated, residents were given extended tee-time opportunities.

EXHIBIT C11
GOLF FUND
MAXIMUM ANNUAL DEBT SERVICE COVERAGE
FOR THE YEARS ENDED DECEMBER 31:

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Net Pledged Revenue					
Charges for services	\$9,055,305	\$9,332,171	\$9,511,487	\$9,027,618	\$8,328,381
Capital contributions (a)	108,600	404,800	—	3,000	—
Transfers in	—	—	50,000	—	—
Other non-operating revenue (b)	167,393	195,281	208,264	99,242	87,711
Less: Operating expenses (c)	(8,916,811)	(9,279,936)	(9,686,334)	(9,134,439)	(8,672,032)
Add back: Depreciation	950,171	985,835	1,011,962	1,036,321	1,016,788
Total	<u>\$1,364,658</u>	<u>\$1,638,151</u>	<u>\$1,095,379</u>	<u>\$1,031,742</u>	<u>\$760,848</u>
Maximum Annual Debt Service (d)					
Series 2005 bonds	\$793,336	\$793,336	\$793,336	\$539,300	\$539,300
Coverage					
Series 2005 bonds	1.72	2.06	1.38	1.91	1.41

(a) Includes lot premium and annexation fees.

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

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

(d) Maximum debt service for 2006 through 2008 includes both the 2005 bonds and the 2004 Golf Revenue Note for Aurora Hills irrigation system replacement that was fully paid in 2009. For years 2009 and 2010, maximum annual debt service is for the 2005 bonds only, and it occurred in 2006.



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